

BUDGET 2018

THE HEADLINES

Teneo PSG Strategy



TAX

USC/TAX CUTS

2.5% USC rate falls to 2%, 5% rate falls to 4.75%

Entry point for USC stays at €13,000 and ceiling for new 2% rate rises to €19,372

Entry point for higher rate of income tax rises by €750 to €34,550 pa



EARNED INCOME TAX CREDIT

€200 increase in earned income credit to €1,150 pa

New share based incentive scheme to help SMEs retain key talent announced: Key Employee Engagement Programme

HOUSING

€1.83bn available for additional housing delivery in 2018

3,800 new social homes for 2018

Mortgage interest relief is to be reduced incrementally to 0 by 2021



Stamp duty on commercial property to increase from 2% to 6% from midnight tonight: expected to raise €400m

HEALTH CARE

2018 budget for Dept of Health €15.3bn, up almost 5%

Medical card prescription charges will fall from €2.50 to €2 per item for under 70s

€55m to the National Treatment Purchase Fund

Additional 1,800 frontline staff

+5%



BREXIT PROOFING

Rainy Day Fund to be established in 2018 with €1.5bn from Ireland Strategic Investment Fund

Brexit loan scheme of €300 million for SMEs

€25m loan scheme for the agri-food sector

EXCISE ON DIESEL

No increase in excise on diesel or petrol

Carbon taxes remain unchanged

NO CHANGE



ELECTRIC VEHICLE INCENTIVES

0% Benefit in Kind for electric vehicles for one year only

Full review of BIK on cars to be undertaken to inform Budget 2019

VRT rebates for lower emitting vehicles remain unchanged

SUGAR TAX

30c per litre charge on sugar sweetened drinks with over 8 grams of sugar per 100ml

20c per litre on drinks with 5-8 grams of sugar per 100ml

Will be introduced in April 2018 in line with UK



MINIMUM WAGE

The minimum wage to increase to €9.55 per hour from January

This increase is in line with the recommendations from the Low Pay Commission

2% USC ceiling raised to ensure those on minimum wage not impacted

SOCIAL WELFARE

All social welfare payments to go up by €5 from the last week in March

85% Christmas bonus will be maintained

Telephone support of €2.50 per week for those receiving the living alone and fuel allowances



CHILDCARE

€20m increase in childcare supports

The free pre-school year will be extended to ensure 2 full years of service

TOURISM VAT

9% VAT rate maintained

Uncertainty in sector due to falling value of sterling and lower tourist numbers from UK

€112m in further funding for tourism

NO CHANGE VAT



CIGARETTES & SUN BEDS

Excise duty on a pack of 20 cigarettes will rise by 50c

The most popular cigarette brands will cost €12 from midnight tonight

VAT on sunbeds will increase from 13.5% to 23%