



Ireland
Tax Guide
2016/17

FOREWORD

A country's tax regime is always a key factor for any business considering moving into new markets. What is the corporate tax rate? Are there any incentives for overseas businesses? Are there double tax treaties in place? How will foreign source income be taxed?

Since 1994, the PKF network of independent member firms, administered by PKF International Limited, has produced the PKF Worldwide Tax Guide (WWTG) to provide international businesses with the answers to these key tax questions.

As you will appreciate, the production of the WWTG is a huge team effort and we would like to thank all tax experts within PKF member firms who gave up their time to contribute the vital information on their country's taxes that forms the heart of this publication.

The PKF Worldwide Tax Guide 2016/17 (WWTG) is an annual publication that provides an overview of the taxation and business regulation regimes of the world's most significant trading countries. In compiling this publication, member firms of the PKF network have based their summaries on information current on 30 April 2016, while also noting imminent changes where necessary.

On a country-by-country basis, each summary such as this one, addresses the major taxes applicable to business; how taxable income is determined; sundry other related taxation and business issues; and the country's personal tax regime. The final section of each country summary sets out the Double Tax Treaty and Non-Treaty rates of tax withholding relating to the payment of dividends, interest, royalties and other related payments.

While the WWTG should not to be regarded as offering a complete explanation of the taxation issues in each country, we hope readers will use the publication as their first point of reference and then use the services of their local PKF member firm to provide specific information and advice.

Services provided by member firms include:

- Assurance & Advisory;
- Financial Planning / Wealth Management;
- Corporate Finance;
- Management Consultancy;
- IT Consultancy;
- Insolvency - Corporate and Personal;
- Taxation;
- Forensic Accounting; and,
- Hotel Consultancy.

In addition to the printed version of the WWTG, individual country taxation guides such as this are available in PDF format which can be downloaded from the PKF website at www.pkf.com

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I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

MEMBER FIRM

City	Name	Contact Information
Dublin	Donal O'Leary	+ 353 1 496 1444 d.oleary@pkf.ie
Newry	Feargal McCormack	+44 28 3026 1010 f.mccormack@pkffpm.com

BASIC FACTS

Full name:	Republic of Ireland
Capital:	Dublin
Main languages:	English, Irish
Population:	4.68 million (2014 estimate)
Major religion:	Christianity
Monetary unit:	Euro (EUR)
Internet domain:	.ie
Int. dialling code:	+353

KEY TAX POINTS

- Irish Corporation tax is payable by Irish resident companies on income and capital gains derived from all sources. Non-resident companies are taxed on Irish source income, on income or gains from a branch or agency in Ireland and also on certain other gains.
- All Irish incorporated companies are deemed resident in Ireland, subject to certain exceptions. However, a company not incorporated in Ireland may also be deemed Irish resident if its central management and control resides in Ireland. Following increased speculation over the "Double Irish" scheme, Finance Bill 2014 introduced certain amendments in respect of the Irish tax residency rules.
- The rate of corporation tax applied to a trading income is 12.5%. Other income such as rent or investment income is taxed at 20%.
- Capital gains of companies are, broadly, taxed at 20%.
- There is a general anti-avoidance provision but there is no specific transfer pricing or controlled foreign companies' legislation.
- VAT applies to supplies of goods and services by taxable persons. The standard rate is 23%.
- Tax credits are generally available to Irish companies in respect of overseas taxes suffered on foreign income.
- Payments of dividends, interest, royalties and rent to non-residents are, in certain circumstances, subject to withholding tax at 20% or 25% (subject to the relevant double taxation agreement).
- Individuals who are resident, ordinarily resident and domiciled in Ireland are subject to income tax on worldwide income and to capital gains tax on worldwide gains. Irish nationals who are resident but not ordinarily resident and individuals who are resident but not domiciled in Ireland, are taxed on a remittance basis in respect of overseas income and gains.

A. TAXES PAYABLE

COMPANY TAX

Irish Corporation tax is payable by Irish resident companies on income and capital gains derived from all sources. Non-resident companies are taxed on Irish source income, on income or gains from a branch or agency in Ireland and also on certain other gains (see below). All Irish incorporated companies are deemed resident in Ireland, subject to certain exceptions. However, a company not incorporated in Ireland may also be deemed Irish resident if its central management and control resides in Ireland.

Following increased speculation over the “Double Irish” scheme, Finance Bill 2014 introduced certain amendments in respect of the Irish tax residency rules. From 1 January 2015, newly Irish incorporated companies will be deemed to be Irish tax resident (unless under the terms of a Double Taxation Agreement the company is determined to be resident elsewhere) For companies incorporated before 1 January 2015, the new residency rules will not apply until after 31 December 2020.

Companies incorporated in Ireland before 1 January 2015 which are managed and controlled in an EU Member State or in a country with which Ireland has a DTA and where that country has a place of incorporation test but not a central management and control test will be deemed to be Irish tax resident. A 12.5% rate of corporation tax is applied to the trading income of companies, with a rate of 25% applying to other income such as rent or investment income.

Corporation tax is payable in two stages with the first payment due one month before the end of the accounting period but not later than the 21st day of the month in which that day falls. The balance is payable nine months after the end of the accounting period with the corporation tax return. Each company must submit a corporation tax return to the Inspector of Taxes by the 21st day of the ninth month following the accounting year end. Failure to do so will result in a statutory surcharge and restriction on the use of certain reliefs or allowances such as loss relief.

Large companies with a corporation tax liability of more than EUR 200,000 in their previous accounting period are obliged to pay preliminary corporation tax, amounting to 90% of the final liability for the current accounting period, one month before the end of the current accounting period (but not later than the 21st of the relevant month). For accounting periods commencing on or after 14 October 2008 this preliminary corporation tax is due in two instalments. The first instalment will be payable in the sixth month of the accounting period and the amount payable will be 50% of the corporation tax liability for the preceding accounting period (or 45% of the corporation tax liability for the current accounting period). The second instalment will be payable in the 11th month of the accounting period and the amount payable will bring the total preliminary tax paid to 90% of the corporation tax liability for the current accounting period.

A small company can base its preliminary tax on 100% of its prior year liability. The definition of a small company is one whose liability for the prior year was less than EUR 200,000. New companies incorporated after 14 October 2008 and commencing a new trade on 1st January 2009 and before 31st December 2014 will be exempt from corporation tax on income and chargeable gains for the first three years. The relief is now limited to the amount of employer's PRSI paid by a company in an accounting period subject to a maximum of EUR 5,000 per employee and an overall limit of EUR 40,000. Marginal relief will apply where corporation tax payable by a new company for a period is between EUR 40,000 and EUR 60,000. This relief will not apply where an existing trade is acquired. It will also cease to apply where part of a newly established trade is passed to a connected party. Companies carrying on excepted trades and close service companies will not qualify for this exemption.

The scheme provides relief from corporation tax on the trading income and certain gains of new start-up companies in the first 3 years of trading. The amount of relief is dependent on the amount of eligible employers PRSI. The relief has been extended to the end of 2015. Capital gains of Irish resident companies are subject to corporation tax. Non-resident companies are taxable on the sale of certain assets including:

- a) Land and buildings in Ireland;
- b) Minerals in Ireland or any rights to same;
- c) Assets situated in Ireland which are used for the purpose of a trade carried on in Ireland through a branch;
- d) Unquoted shares deriving their value or the greater part of their value from (a) or (b) above.

Capital losses on the sale of assets can be set against capital gains arising in the same accounting period and any excess can be carried forward and applied in subsequent accounting periods against future capital gains.

KNOWLEDGE DEVELOPMENT BOX

Finance Act 2015 introduces the Knowledge Development Box, a tax relief that will result in an effective Corporation Tax rate of 6.25% on certain profits arising from qualifying assets for accounting periods commencing on or after 1 January 2016. A qualifying asset means an asset that is intellectual property, other than marketing-related intellectual property, and which is the result of research and development activities e.g. copyrighted software and patented inventions. Qualifying profits on which relief can be claimed are calculated using a formula included in the legislation in order to determine the income and expenditure attributable to the qualifying asset.

Qualifying expenditure is calculated by reference to all qualifying expenditure incurred on the qualifying asset in the previous 4 years or, from 2020, all qualifying expenditure incurred after 1 January 2016. The Irish Knowledge Development Box is the first BEPS compliant Patent Box globally.

Finance Act 2015 also introduces Country by Country Reporting for Irish parented multinational enterprises with consolidated annualized group revenue of EUR 750m or more. The first report should be prepared for fiscal years commencing on or after 1 January 2016 and filed within 12 months of the year end. Failure to comply with this reporting requirement or the provision of an incorrect report will result in a penalty of EUR 19,045 and in some instances a further penalty of EUR 2,535 for each day that the report remains outstanding. This is in line with OECD recommendations and is the first of a number of recommendations that will be implemented by Ireland to comply with the standards and recommendations of the BEPS project.

TAX ON COMPANIES EXISTING IN IRELAND

Where an Irish resident company ceases to be tax resident in Ireland a liability to exit tax may arise. There is an exemption where in broad terms the company is ultimately controlled by tax treaty residents and not by Irish residents. Exit tax deems the company to have disposed of its capital assets at market value, apart from those assets remaining within the Irish tax net. An option to elect to defer the tax charge is being introduced. The immediate charge may be deferred and paid over 6 years or within 60 days of the migrated asset actually being disposed of. All the deferred tax is payable on or within 10 years of the migration.

REAL ESTATE INVESTMENT TRUSTS

Real Estate Investment Trusts (REITs) are listed companies which allow for individuals to invest in a diversified property portfolio. A REIT is an established internationally recognised model for property investment which is to be introduced in order to allow investors to access property investment in a risk diversified manner. Qualifying income and gains in a REIT will be exempt from corporation tax at the level of the REIT company. The REIT is required to distribute profits annually for taxation at investor level.

CAPITAL GAINS TAX

The rate of Capital Gains Tax is 33%. This increase applies in respect of disposals made after 6 December 2012. The current Retirement Relief provisions are that a parent can gift/sell business assets to a child with no limit or to any other person subject to a limit of EUR 750,000/EUR 500,000 (based on age restrictions). Finance Act 2012 amended the full retirement relief provisions for intra-family transfers by introducing an upper limit of EUR 3m on retirement relief for business and farming assets disposed of within the family where the individual transferring the assets is aged over 66 years. This change applies to transfers made after 1 January 2014.

Previously there was an unlimited amount which applied for individuals aged 66 or who reached that age before 31 December 2013. There is an upper limit of EUR 750,000 for assets transferred outside the family for individuals aged between 55 and 66 years. The upper limit for retirement relief for business and farming assets transferred outside the family is reduced from EUR 750,000 to EUR

500,000 for individuals aged over 66 years.

In addition Finance (No.2) Act 2013 extended retirement relief to disposals of leased farmland in circumstances where the land is leased for farming purposes for a minimum period of 5 years and the subsequent disposal of the land is to an individual who is not a child of the individual disposing of the land.

Finance Act 2012 introduced a new relief from CGT for land and buildings purchased in the European Economic Area between 7 December 2011 and 31 December 2013 where the property is held for 7 years or more. The relief applies by exempting the capital gain attributable to the first 7 years of ownership of the asset. Therefore if the property is owned for 10 years and subsequently sold, only 3/10ths of any gain on the disposal is chargeable to capital gains tax. No relief is available where the asset is owned for less than 7 years. i.e The full gain would be liable to capital gains tax. The relief is extended to 31st December 2014. Finance Bill 2014 did not provide for an extension in respect of the relief.

Capital gains tax relief for farm restructuring

A form of CGT rollover relief will be available where the proceeds on disposal of farmland are reinvested in farmland and the sale and purchase occur within 24 months of each other. The initial sale or purchase must occur between 1 January 2013 and 31 December 2015 to qualify for relief. Land swaps certified by Teagasc will also qualify for relief. EU approval is required prior to introduction of this relief.

Debt Write off

Finance (No.2) Act 2013 provides that the base cost for Capital Gains Tax will be reduced where the asset was acquired with borrowings and an amount of the borrowings have been released or written off.

If the release or write off occurs before the disposal the base cost is reduced accordingly. If the write off occurs after the disposal it will be treated as a capital gain in the year of write off.

Mortgage Interest Relief

Finance Act 2012 increased mortgage interest relief to 30% for First-Time Buyers who purchased houses (and are residing in them) between 2004 and 2008 until 2017.

BRANCH PROFITS TAX

Profits of an Irish branch or agency of a non-resident company are subject to Irish tax. For tax treaty purposes, a permanent establishment may exist within Ireland if, for instance, an individual operates within Ireland on behalf of the foreign company and is concluding contracts and making major business decisions without the authorisation of the head office of the foreign company. As a general rule, a branch operation can be equated to a permanent establishment.

VALUE ADDED TAX (VAT)

A company is obliged to register for VAT if its turnover from the sale of goods exceeds EUR 75,000 or if its turnover from the provision of services exceeds EUR 37,500. The threshold for VAT in Ireland for a trader with no establishment in Ireland is nil, subject to a number of exceptions. The standard rate of VAT increased to 23% with effect from 1 January 2012. This increase applies to all goods and services which were subject to VAT at 21%. The lower rate of VAT is 13.5% and applies to certain goods and services. In July 2011 a second reduced rate of VAT of 9% was introduced and applies mainly to tourism services. There is also a 0% rate of VAT that applies to certain goods/services.

The annual cash receipts basis threshold for small and medium enterprises is being increased from EUR 1,250,000 to EUR 2,000,000 with effect from 1st May 2014. VAT returns are generally made on a bi-monthly basis. However, a company which is constantly in a repayment position may obtain approval to make returns on a monthly basis. For smaller businesses, the frequency of filing VAT returns has been reduced effective from July 2007.

The option to file on a half-yearly basis and every four months will be available where certain

conditions are met. VAT is not recoverable on non-business expenditure nor on certain other expenditure such as cars, petrol, hotel accommodation, meals. VAT on conference-related accommodation expenses are allowed from 1 July 2007 onwards if certain conditions are satisfied.

Finance (No.2) Act 2013 introduced measures which require businesses to repay VAT previously reclaimed in relation to supplier invoices which have not been paid within 6 months. This measure takes effect from 1st January 2014. Finance (No.2) Act 2013 also introduces an amendment to VAT recovery on costs relating to transfer of business. The amendment provides that VAT recovery is only allowable where if transfer of business relief did not apply the transfer of the assets of the business would be liable to VAT.

PAYROLL TAX

All employers are obliged under the Pay As You Earn (PAYE) system to deduct Income Tax and Pay Related Social Insurance (PRSI) contributions from employees. Up until 1 July 2011 employers paid Pay Related Social Insurance (PRSI) of 10.75% on the amount paid to each employee, subject to a reduced rate of 8.5% if income was under EUR 356 per week. A reduction in employers PRSI where earnings do not exceed EUR 356 a week was introduced in July 2011. Employers PRSI was halved from 8.5% to 4.25% with effect from 1 July 2011. This reduced rate expired on 31st December 2013 and has not been retained by Finance (No.2) Act 2013.

For employees earning in excess of EUR 356 per week the rate of employers PRSI is 10.75% on the full amount of the income. There is no ceiling. The minimum level of annual contribution from the self-employed will increase from EUR 253 to EUR 500. Where modified PRSI rate payers (such as hospital consultants) have income from a trade or profession, such income and any unearned income they have will be subject to PRSI with effect from the 1 January 2013. Unearned income (such as rental income, investment income, dividends and interest on deposits and savings) for all other income earners will become subject to PRSI in 2014.

RELEVANT CONTRACTS TAX (RCT)

RCT is a tax regime that applies to payments made by a principal contractor to a subcontractor under a relevant contract (this is a contract to carry out work in the construction, forestry or meat processing industry). RCT applies to both resident and non-resident contractors operating in the construction, forestry or meat processing industry. RCT does not apply to professionals such as architects, surveyors etc.

RCT is a tax deduction system whereby a principal contractor deducts tax from payments to a subcontractor. The paper based RCT system has been replaced by a new electronic system. The new system will have three RCT rates 0%, 20% and 35% depending on the subcontractor's compliance record. The rate of tax to be deducted will be confirmed by the Revenue Commissioners.

STAMP DUTY

Stamp duties fall into two main categories:

1. Duties payable on a wide range of legal and commercial documents, including (but not limited to) conveyances of property, leases of property, share transfer forms and certain agreements. Depending on the nature of the document, the duty is either ad valorem or of fixed amount. Prior to 31 December 2009, the duties in this category were denoted by means of stamps affixed to or impressed on the document. Following the introduction of the eStamping system, all instruments must be stamped by means of attaching the stamp certificate, obtained under the eStamping system, to the instrument. Where 25 per cent of the consideration under a contract or agreement for the sale of an estate or interest in land is paid, Stamp Duty will be chargeable on the full consideration included in the contract or agreement.
2. Duties and levies payable by reference to statements. These duties and levies mainly affect banks and insurance companies and include a duty in respect of financial cards (e.g. Credit, ATM, Laser and Charge cards) and levies on certain insurance premiums and certain statements of interest.

Residential Property

The most common charge to stamp duty which affects individuals is the stamp duty on the purchase of residential property. With effect from 8 December 2010 the following Stamp Duty rates apply to residential property:

Aggregate Consideration	Duty Rate
First EUR 1,000,000	1%
Excess over EUR 1,000,000	2%

As a result of the new reduced rates of stamp duty, a number of reliefs and exemptions which previously existed have been abolished with effect from 8 December 2010. The reliefs and exemptions which have been abolished are as follows:

- First Time Buyer Relief;
- Exemption for new houses under 125 sq m. in size;
- Consanguinity relief (relief for relatives) on residential property transfers and non-residential property transfers (other than land);
- Exemption for residential property transfers valued under EUR 127,000;
- Relief for transfer of a site to a child.

Non-Residential Property

Non-Residential Property is any property other than residential property, stocks or marketable securities or policies of insurance. Budget 2012 amended the rate of Stamp Duty on non-residential property. With effect from 7th December 2011 the rate of Stamp Duty applicable to non-residential property is 2%. Finance Act 2012 also abolished consanguinity relief on non-residential property after 1 January 2015. Consanguinity relief on transfers of property that is land is to be retained where:

- The transferor is under 66; and,
- The transferee will spend at least 50% of his/her normal working time for a period of 5 years from the date of the transfer farming land on a commercial basis with a view to realising profits.

Stocks and Marketable Securities

A transfer of stock or marketable securities of any company incorporated in the State is liable to stamp duty at 1% of the consideration paid. Where the transfer takes place electronically through the CREST system a 1% charge also arises. Any instrument executed on or after 24 December 2008 which transfers stock or marketable securities on sale where the amount or value of the consideration is EUR 1,000 or less is exempt from stamp duty. There is no stamp duty where property is transferred between associated companies, subject to certain conditions.

OTHER TAXES

These include Customs and Excise Duties and local taxes such as rates (i.e. Property Tax).

NON-PRINCIPAL PRIVATE RESIDENCE CHARGE

The NPPR charge ceased with effect from 1st January 2014. However, unpaid arrears together with any interest and penalties will remain a charge on the property.

LOCAL PROPERTY TAX (LPT)

A new Local Property Tax on all residential properties in the State in 2013 effective from 1st July 2013. A half year charge was charged in 2013 and a full years charge thereafter. The LPT is based on an ownership date in the year. For 2013 the ownership date was 1st May 2013 and for any subsequent year the ownership date is 1st November of the preceding year. If an individual or company own a residential property on 1st May 2013 then they will be liable for the LPT on that property. An LPT return must be completed and submitted to the Revenue Commissioners on the 7th May 2013 (28th May 2013 if filing online).

The LPT liability is calculated by reference to the market value of the property on the 1st May 2013. The valuation on the 1st May 2013 will form the basis for the calculation of the charge for the 2013, 2014, 2015 and 2016 tax years. Property values are organised into a number of value bands up to EUR 1m. The tax liability is calculated by applying 0.18% to the mid-point of the relevant band. Residential properties valued over EUR 1m are assessed on the actual market value at 0.18% on the first EUR 1m in value and at 0.25% on the portion of the value above EUR 1m.

The payment of the LPT can be made as follows:

- One single payment – The payment will be deducted from the taxpayers nominated bank account no earlier than 21st July 2013;
- Phased payment from 1st July 2013 – 31st December 2013 – Under this method the LPT can be paid in equal instalments over the period in the following ways:
 - Deduction from source at salary or occupational pension;
 - Deduction at source from Department of Social Protection payments;
 - Direct Debit;
 - Cash payments in equal instalments;
 - Debit/Credit card.

B. DETERMINATION OF TAXABLE INCOME

Taxable income is determined by ascertaining assessable income and then subtracting all allowable deductions. As a general rule, expenses incurred wholly and exclusively for the purpose of the business are deductible. However, specific rules apply in respect of certain categories.

DEPRECIATION

Book depreciation is disallowed. However, companies can claim capital allowances (i.e. tax depreciation) on expenditure relating to certain types of assets including plant and machinery, motor vehicles and qualifying industrial buildings.

Plant and Machinery

An allowance of 12.5% per annum can be claimed on a straight-line basis. The plant and machinery must be purchased (not leased) and any grants receivable are deducted from the expenditure before arriving at the amount eligible for the capital allowance.

Industrial Buildings Allowance

An annual allowance of 4% can be claimed on a straight-line basis. Industrial buildings generally refer to manufacturing facilities but also include hotels and certain other structures. The allowance is available in respect of the qualifying cost less any grants received.

Motor Vehicles

There is an allowance of 12.5% per annum on a straight-line basis. The maximum amount of qualifying expenditure in relation to a new motor car is EUR 24,000. There is no restriction for vans, trucks and other non-passenger vehicles. The capital allowances available on expenditure incurred on or after 1 July 2008 on private cars used for business purposes are based on the carbon emission level of the car.

The rate of allowances or straight-line method of relief has not changed.

Category	Car
A, B & C	Carbon dioxide emissions up to 155g/km
D & E	Carbon dioxide emissions between 156g/km and 190g/km
F & G	Carbon dioxide emissions 191g/km or more

For expenditure after 1 January 2007 the “specified amount” is EUR 24,000. Capital allowances at 12.5% on the straight-line basis will be granted as follows:

Category	Allowance granted on
A, B & C	The specified amount that is EUR 24,000 no matter what the car cost.
D & E	<ol style="list-style-type: none"> Where the car cost is less than or equal to the specified amount that is EUR 24,000, 50% of that amount. Where the cost is more than the specified amount that is EUR 24,000, 50% of the specified amount.
F & G	Nil, that is, no capital allowances are available.

Where the Revenue is not satisfied as to the level of emissions, it will automatically treat it as a category G car and no allowances will be granted. The treatment of proceeds on disposal is adjusted in proportion to the amount of the expenditure that qualified for allowances.

STOCK / INVENTORY

Stock and work in progress are valued at the lower of cost or market value on a FIFO basis. LIFO is not available.

DIVIDENDS

Dividends between Irish resident companies are exempt from corporation tax. Prior to the introduction of Finance Act 2008 dividends paid to an Irish company from non-Irish resident companies were subject to corporation tax at a rate of 25%. Subsequent to the FII GLO case, the Finance Act 2008 introduced changes to this position by providing that dividends paid by a company located in the EU or in a country with which Ireland has a double taxation treaty to an Irish company will be chargeable to corporation tax at 12.5% to the extent that the dividend is paid out of "trading profits". A withholding tax at the standard rate of income tax (20%) applies to dividends paid to individuals resident in Ireland and certain non-residents.

INTEREST DEDUCTIONS

Interest paid on borrowings for the purposes of a trade is deductible for tax purposes if certain conditions are met. Interest payments to certain foreign parent and associated companies may be treated as distributions and consequently not allowed as a deduction against Irish profits under particular circumstances.

New provisions introduced in Finance Act 2011 which deny a trading deduction for interest on funds borrowed from a connected company where those funds are used to acquire assets from another connected company. Similar anti-avoidance measures exist for rental companies funding the acquisition of an asset from a group company by means of a connected party loan.

LOSSES

Trading losses can be carried forward indefinitely, even on a change of ownership of a company, provided no major change takes place in the nature or conduct of the trade. Losses incurred in a trade can be offset against other trading income in the same accounting period or the preceding accounting period. Trading losses can be offset against non-trading income on a 'value basis' (i.e. taking account of the applicable corporation tax rate so that, for example, only half the amount of the losses subject to the 12.5% rate may be set off against income subject to the non-trading rate of 25%).

FOREIGN SOURCE INCOME

Foreign sourced income is normally liable to Irish corporation tax. There are no special rules relating to controlled foreign companies.

TAX INCENTIVES

Up to November 2010, there were generous tax exemptions available for patent income. This has been abolished with effect from 24 November 2010.

EMPLOYMENT AND INVESTMENT INCENTIVE SCHEME

The EIS is available to a substantial number of SMEs across different industry sectors. It should be noted, however, that companies engaged in a number of specific activities continue to be excluded. These include land dealing companies, those engaged in financial services, film production and the operation or management of hotels, and nursing homes, to name a few. Closely held professional services companies are also excluded from the EIS.

The quantum of tax relief afforded will remain at the marginal income tax rate but only where certain employment targets (linked to increases in both employee numbers and emolument levels) or research and development targets have been achieved. The relief is therefore phased as an initial Income Tax relief at a rate of 30% with an additional 10% available only at the end of the 4-year holding period if the above mentioned targets are met.

The maximum level of funding that a company can raise through the EIS will be EUR 15m. Similarly, the maximum amount which can be raised by a company in any one year has been increased to EUR 5m. The maximum annual Income Tax relief for an individual remains at EUR 150,000. Changes have been introduced to ensure that the scheme is fully compliant with EU State Aid rules on risk capital.

RESEARCH AND DEVELOPMENT

Accounting periods commencing on or after 1 January 2009

Finance (No 2) Act 2008 increased the R&D credit for all qualifying expenditure to 25% where the expenditure is incurred in an accounting period commencing on or after 1 January 2009. Finance (No 2) Act 2008 also made changes to the way in which R&D credits are calculated for building expenditure in accounting periods commencing on or after 1 January 2009. New provisions creating greater flexibility in the use of credits were also introduced with effect from 1 January 2009.

R&D for the purposes of the relief includes basic research, applied research or experimental development. These activities must seek to achieve scientific or technological advancement and involve the resolution of scientific or technological uncertainty. A company which carries on a trade in Ireland, undertakes R&D activities in Ireland or within the EEA and incurs the expenditure shall be entitled to the credit. The credit can be used when the company commences to trade and has a corporation tax liability.

If the company does not have a Corporation Tax liability then it is possible to receive a refund of the Research & Development tax credit, up to certain limits, over a 33 month timeframe. Finance (No.2) Act 2013 introduced a number of changes to the R&D tax credit scheme as follows:

- **Volume basis:**
The first EUR 300,000 of qualifying R&D expenditure will benefit from the 25% R&D tax credit on a volume basis. The tax credit will continue to apply to incremental R&D expenditure in excess of EUR 300,000 as compared with such expenditure in the base year 2003.
- **Outsourcing limits:**
Sub-contracted R&D costs are eligible where they do not exceed the greater of 15% or EUR 100,000 of total costs or the greater of 5% or EUR 100,000 in the case of sub-contracting to third level institutions.
- **Use of the credit to reward R&D employees:**
Companies in receipt of the R&D credit will have the option to use a portion of the credit to reward key employees who have been involved in the development of R&D. The credit will be a tax-free payment in the hands of the employee (although they will be taxed as normal on their other income). In the event of an incorrect claim the tax foregone will be recovered from the company and not the employee.

Under Finance Bill 2014, the base year restriction of EUR 300,000 has been removed. Therefore the

R&D tax credit will apply to all current year qualifying expenditure in respect of accounting periods commencing on or after 1 January 2015.

PROPERTY BASED TAX INCENTIVES

Ireland operates a number of property based tax incentives whereby investments in certain qualifying properties can qualify for tax relief. Examples of the types of properties which can qualify for relief are as follows:

- Multi-Story Car Parks;
- Hotels;
- Hospitals;
- Nursing Homes;
- Residential Properties located in qualifying areas (Section 23-type properties);
- Qualifying Student Accommodation (Section 50).

Please note that the above is a non-exhaustive list. Investors in properties which qualify for tax relief are essentially entitled to write off the qualifying cost of their investment against rental income and, in certain circumstances, against all income over a certain number of years.

ACCELERATED CAPITAL ALLOWANCES

Investors in accelerated capital allowance schemes will no longer be able to use any capital allowances beyond the tax life of the particular scheme where that tax life ends after 1 January 2015. Where the tax life of a scheme has ended before 1 January 2015 no carry forward of allowances into 2015 will be allowed. This measure will apply to passive investors in property schemes and does not affect Section 23 type relief. Note: Property Relief Surcharge – as outlined in Section F below.

LIVING CITY INITIATIVE

Finance Act 2013 provides for the introduction, by Ministerial Order, of an incentive for certain urban regeneration activity. The areas covered are to be prescribed by order of the Minister for Finance and the relief will apply to qualifying expenditure incurred within 5 years of commencement of the scheme.

FOREIGN EARNINGS DEDUCTION

Finance Act 2012 introduced a new Foreign Earnings Deduction to aid companies seeking to expand into emerging markets. The deduction will apply for individuals who spend 40 days a year or more carrying out their duties of their office or employment in developing markets for Ireland in the BRIC (Brazil, Russia, India and China) countries and South Africa.

The relief applies for the tax years 2015, 2016 and 2017. The relief applies by reducing the individuals employment income which is based on the number of qualifying days spent in the qualifying countries. The maximum deduction is EUR 35,000 i.e. the maximum income tax relief is EUR 35,000 x 40% = EUR 14,000. The following additional countries qualify for the relief:

- | | |
|--------------------------------|----------------|
| - Algeria | - Nigeria |
| - Bahrain | - Oman |
| - Chile | - Qatar |
| - Democratic Republic of Congo | - Saudi Arabia |
| - Egypt | - Senegal |
| - Ghana | - Singapore |
| - Indonesia | - South Korea |
| - Japan | - Tanzania |
| - Kenya | - Thailand |
| - Kuwait | - UAE |
| - Malaysia | - Vietnam |
| - Mexico | |

SPECIAL ASSIGNMENT RELIEF PROGRAMME (SARP)

Finance Act 2012 introduced a new SARP programme with the aim of attracting key talent to Ireland to create more jobs and facilitate the development and expansion of business in Ireland. The relief is available to employees coming to work in Ireland from abroad on the instruction of their employer. The employee must be Irish tax resident in the year of assessment in order to claim the relief.

The employee must perform all of their duties of employment in Ireland with a relevant employer and must also have relevant employment income of greater than EUR 75,000 per year. The relief applies to employees arriving in Ireland in 2015, 2016 or 2017. The employee must:

- Have worked with the employer for a minimum period of 6 months before being assigned;
- Not have been tax resident in Ireland for the 5 tax years immediately preceding the tax year in which he or she first arrives in Ireland for the purpose of performing those duties

A relevant employer means a company that is incorporated and tax resident in a country or jurisdiction with which Ireland has a double taxation agreement or a tax information exchange agreement. The relief works by reducing the employee's taxable income for the year of assessment by the specified amount. The specified amount is calculated as follows:

$$(A - B) \times 30\%$$

A = Upper threshold – Amount of employee's relevant income

"A" is the amount of the relevant employee's income, profits or gains from his or her relevant employment in Ireland excluding any amount that is not assessed to tax in Ireland and after deducting any contribution or qualifying pension premium. Also excluded are expenses incurred in relation to the employment and amounts on which the employee is entitled to double tax relief for foreign tax.

B = Lower threshold - EUR 75,000

ENTREPRENEUR'S RELIEF

Finance (No. 2) Act 2013 contains a new relief from capital gains tax called Entrepreneur's relief. The relief applies to individuals who reinvest the proceeds from a previous disposal into new business ventures. In order for the relief to apply there are detailed conditions to be met. The relief reduces the tax on a disposal of the new assets to the lower of 50% or the tax paid on the previous asset in proportion to the sales proceeds which were reinvested. This relief requires EU approval before it becomes effective.

Finance Act 2015 provides for a new reduced rate of Capital Gains Tax of 20%. This will apply to disposals of chargeable business assets from 1 January 2016 up to a lifetime limit of EUR 1m subject to a number of conditions.

START YOUR OWN BUSINESS RELIEF

The Finance (No. 2) Act 2013 provides an exemption from income tax for two years for qualifying individuals who set up an unincorporated business. The relief applies up to maximum earnings of EUR 40,000 per year. A qualifying individual is an individual who has been continually unemployed or in receipt of social welfare for at least 12 months immediately prior to setting up the business. There are also a number of specific conditions to be satisfied. Finance Act 2015 extends the relief for a further 3 years. It will therefore apply to new business start-ups which commence in 2016, 2017 and 2018.

C. FOREIGN TAX RELIEF

Irish resident companies can obtain a credit for foreign tax suffered in territories with which Ireland has a tax treaty. There are currently agreements in place with 71 countries, of which 68 are in effect. The agreements cover direct taxes, which in the case of Ireland are income tax, corporation tax and capital gains tax. Unilateral relief is also available in respect of overseas tax suffered under certain circumstances. Finance (No.2) Act 2013 introduced a limitation on the deduction allowable for excess foreign tax that cannot be allowed as a credit against Irish corporation tax on a company's profit.

These changes apply to accounting periods commencing on or after 1st January 2014.

D. CORPORATE GROUPS

Trading losses can be transferred within a group in the same accounting period provided a shareholding test is satisfied.

E. RELATED PARTY TRANSACTIONS

Transfer Pricing regulations were introduced in Ireland and have effect from 2011. The transfer pricing legislation endorses the OECD Transfer Pricing Guidelines and the arm's length principle has been released which brings the Irish tax regime into line with OECD guidelines. There principal aspects of the legislation are as follows:

- The regime is confined to related party dealings that are taxable at Ireland's corporate tax rate of 12.5% (i.e. trading transactions);
- A so called "grandfather" clause is included whereby arrangements entered into between related parties prior to 1 July 2010 are excluded from the regime;
- The provisions apply to large businesses – SMEs are excluded;
- Companies are required to have documentation available in relation to their transfer pricing policies;
- The rules apply:
 - For accounting periods beginning on or after 1 January 2011;
 - In relation to transactions the terms of which are agreed on or after 1 July 2010.

In addition to the above, under current legislation, certain disposals of assets between connected parties are deemed to be for market value.

F. WITHHOLDING TAXES

See above text regarding withholding tax on dividends paid by Irish companies. Payments of certain types of royalties and rents to non-residents are subject to withholding tax at 20%. Dividends, interest and royalties paid by Irish companies to residents of EU countries or countries with which Ireland has a double tax agreement are, subject to meeting certain conditions, exempted from withholding tax or liable at a reduced rate. Tax at 20% is deducted from payments made by Government and State Bodies in respect of most professional services.

Deposit Interest Retention Tax and Exit Taxes on Life Assurance Policies and Investment Funds

Finance Act 2012 increased the rate of retention tax that applies to deposit interest, together with the rates of exit tax that apply to life assurance policies and investment funds by 3 percentage points in each case. The rate is now 30% for payments made annually or more frequently and 33% for payments made less frequently than annually. The increased rates apply to payments, including deemed payments made on or after 1 January 2012. With effect from 1 January 2013, Finance (No.2) Act 2013 introduced the following increases in the rate of retention taxes:

- 41% for payments made annually or more frequently (previously 33%);
- 41% for payments made less frequently than annually (previously 36%).

G. EXCHANGE CONTROLS

There are no exchange controls.

H. PERSONAL TAX

INCOME TAX

An individual is resident for a tax year if either of the following two tests is satisfied:

- Present for more than 183 days in Ireland; or,

- Present for more than 280 days in total in that year and the preceding year. Presence in either year for fewer than 30 days is disregarded.

In the year of arrival, an election for residence can be made where there is an intention of continuing to reside in Ireland. At birth, a person acquires a domicile of origin and, subsequently, having acquired the age of majority, a person can acquire a domicile of choice if he/she settles in another country and makes it his/her permanent home.

All individuals, resident and domiciled in Ireland must pay income tax on worldwide income and capital gains tax on worldwide gains, regardless of whether or not the income is remitted into the State. An individual loses ordinary residence status after having been non-resident for three consecutive tax years and regains it after being resident for three consecutive tax years.

Up to 31 December 2007 an individual who was Irish resident but non-domiciled was liable to Irish tax in full on income arising in Ireland and the UK and on 'foreign income' but only to the extent that the foreign income was remitted to Ireland. This was known as the remittance basis of taxation. However, with effect from 1 January 2008, the remittance basis was extended to UK source income. The remittance basis of taxation also applied to an individual who was a citizen of Ireland but not ordinarily resident in Ireland. Finance Act 2010 removed the ability of Irish citizens to qualify for the remittance basis of taxation by virtue of being non-ordinarily resident, with effect from 2010.

Prior to 20 November 2008, the remittance basis applied for capital gains tax purposes to a person who was either resident or ordinarily resident in the State but not domiciled in the State in respect of gains arising outside of Ireland and the UK. Gains arising in Ireland and the UK in such circumstances were taxable in full. However, in respect of disposals made on or after 20 November 2008, the remittance basis of taxation will apply to all gains arising to all non-Irish domiciled persons who are either resident or ordinarily resident in the State in respect of non-Irish situated assets. Therefore, gains in relation to UK assets are subject to the remittance basis with effect from 20 November 2008. In addition Finance (No.2) Act 2013 provides a non-domiciled individual will be liable to Irish CGT on any gains where the chargeable gain was transferred to their spouse and the spouse remits the funds to Ireland after 13th February 2013. This provision applies from 24th October 2013 regardless of when the disposal of the asset occurred.

From 1 January 2006, so much of the income of a foreign office or employment of an individual as is attributable to the performance in Ireland of the duties of that office or employment is taxable in Ireland regardless of whether it is remitted or not, and must be taxed at source by the foreign employer. An exception applies for individuals resident in a treaty country where certain conditions are satisfied and the duties of that office or employment are performed in Ireland for not more than 60 working days in total in a year of assessment or for a continuous period of not more than 60 working days.

Finance (No 2) Act 2008 provided for a limited reintroduction of the remittance basis in respect of certain employment earning which are not remitted to the State. The Finance (No 2) Act 2008 provisions were limited in application as they only applied to employees who were nationals of, and employees of companies in, non-EEA countries and with which Ireland had entered into a Double Taxation Agreement. In addition they also require the employee's assignment in Ireland to be a duration of at least three years.

Finance Act 2010 extended the scheme to include EU and EEA nationals (other than Irish domiciled individuals) who come to live and work in Ireland on or after 1 January 2010. In addition, the require period of assignment was reduced from three years to one year.

The new legislation offers a system which will allow a tax refund to be claimed in certain circumstances. However, PAYE must be operated and an Income Tax refund claimed subsequently. Where all the conditions are satisfied, an employee may make a claim for the tax due on his or her employment (Schedule E) income for the year (as subject to PAYE) to be calculated on the higher of:

- The employment (Schedule E) income that was remitted to Ireland in that year; or,
- EUR 100,000 plus 50% of the balance of the employment (Schedule E) income in excess of EUR 100,000.

DOMICILE LEVY

Finance Act 2010 introduced a new Domicile Levy to ensure that individuals with substantial ties to Ireland would make a contribution to the Exchequer, irrespective of their residence status. The levy is EUR 200,000 and applies from the tax year 2010 to every 'relevant individual'. In order to be a relevant individual for a tax year the following conditions must be met:

1. The worldwide income of the individual for the tax year is greater than EUR 1 million;
2. The individual is domiciled in and is a citizen of Ireland in that tax year. Budget 2012 proposes to remove the "citizenship" condition for payment of the Domicile Levy. This will broaden the base for the levy;
3. The individual's final Irish income tax liability is less than EUR 200,000; and,
4. The market value of the Irish property owned by the individual on 31 December in the tax year exceeds EUR 5 million.

Irish income tax paid by an individual will be allowed as a credit against the levy. The levy is payable on a self-assessment basis on or before 31 October in the year following the valuation date, i.e. 31 December each year. Anti-avoidance provisions are included in the legislation to prevent transfers of Irish situate property for less than market value on or after 18 February 2010 to spouses, minor children, discretionary trusts and other entities. Most individual taxpayers who are not self-employed have tax deducted at source from their earnings by their employer (PAYE). Self-employed individuals pay income tax directly to the tax authorities on an annual basis on 31 October each year. The tax year runs from 1 January to 31 December.

Tax rates and bands for individuals in tax years 2015 and 2016		
Personal Circumstances	Tax Year 2016	Tax Year 2015
Single / Widowed without dependent children	EUR 33,800 @ 20% Balance @ 40%	EUR 33,800 @ 20% Balance @ 40%
Single / Widowed qualifying for One Parent Family Tax Credit	EUR 37,800 @ 20% Balance @ 40%	EUR 37,800 @ 20% Balance @ 40%
Married Couple - one spouse with income	EUR 42,800 @ 20% Balance @ 40%	EUR 42,800 @ 20% Balance @ 40%
Married Couple - both spouses with income	EUR 42,800 @ 20% (with an increase of EUR 24,800 max), balance @ 40%	EUR 42,800 @ 20% (with an increase of EUR 24,800 max), balance @ 40%

NOTE:

The increase in the standard rate tax band is restricted to the lower of EUR 24,800 or the amount of the income of the spouse with the lower income. The increase is not transferable between spouses.

SINGLE PERSON CHILD CARER TAX CREDIT

This tax credit has been introduced from 1st January 2014. This tax credit replaces the one parent family tax credit. The effect of this is that only one individual, who is the child's principal carer, may claim the new single person child carer credit.

EARNED INCOME TAX CREDIT

Finance Act 2015 introduces a new earned Income Tax credit. This applies to an individual's earned income i.e. income that does not qualify for the PAYE tax credit and is capped at EUR 550. If an individual also has employment income, the aggregate tax credits are capped at EUR 1,650.

UNIVERSAL SOCIAL CHARGE

The legacy income levy and health levy have now been consolidated into one Universal Social Charge (USC) from 1 January 2011. The USC is a tax payable on gross income, including notional

pay, after any relief for certain capital allowances, but before pension contributions. Finance Bill 2014 increased the income exemption threshold for the USC for all individuals to EUR 12,012 per year (EUR 231 per week).

There are a number of exemptions from the USC which are as follows:

- Where an individual's total income for a year does not exceed EUR 13,000 in 2016.
- All Dept. of Social Protection payments.
- Payments that are made in lieu of Dept. of Social Protection payments such as Community Employment Schemes paid by the Department of Enterprise, Trade and Innovation or Back to Education Allowance paid by the Department of Education and Science.
- Income already subjected to DIRT.

The USC rates for 2015 and 2016 are as follows:

2015		2016	
Income Ranges	Rate	Income Ranges	Rate
Less than EUR 12,012	Exempt	Less than EUR 12,012	Exempt
First EUR 12,012	1.5%	First EUR 12,012	1%
EUR 12,012 to EUR 17,576	3.5%	EUR 12,013 to EUR 18,668	3%
EUR 17,576 to EUR 70,044	7%	EUR 18,668 to EUR 70,044	5.5%
EUR 70,044 to EUR 100,000	8%	EUR 70,044 to EUR 100,000	8%
Over EUR 100,000 (self-assessed income only)	11%	Over EUR 100,000 (self-assessed income only)	11%

Reduced Rates of USC will apply to the following,

- Individuals over 70 whose with income less than EUR 60,000;
- Individuals under 70 holding a full medical card, with income less than EUR 60,000.

2015		2016	
Income Ranges	Rate	Income Ranges	Rate
First EUR 12,012	1.5%	First EUR 12,012	1%
Income above EUR 12,012	3.5%	Income above EUR 12,012	3%

Some additional points of significance include:

- No USC exemption for medical card holders;
- The tax-free element of termination payments will be exempt from the USC;
- Salary and pension payments paid under a PAYE exclusion order to individuals resident in a treaty country will be exempt;
- Deposit interest is not subject to the USC;
- Social Welfare and similar payments will be exempt.

PROPERTY RELIEF SURCHARGE

A Property relief surcharge was introduced in Finance Act 2012. The property relief surcharge of 5% is imposed on investors with annual gross income over EUR 100,000. This will apply on the amount of income sheltered by property relief and area based capital allowances in a given year. If the gross income figure exceeds EUR 100,000, the person is liable to the surcharge. If not, then the surcharge does not apply. Where the gross income exceeds EUR 100,000, the surcharge applies at the rate of 5%. The surcharge will not apply to income sheltered by tax reliefs that are not property reliefs such as film relief or the new Employment and Investment Incentive. Also the various donations reliefs will not be subject to the surcharge.

DEBT FORGIVENESS AND PROPERTY DEALING AND DEVELOPING

Finance Act 2013 provided that if a debt incurred to finance the purchase or development of land is released, the amount released shall be treated as a taxable income receipt in the tax year the release is affected. Losses carried forward can be offset against this receipt. Loss Relief claims will not be allowed where:

1. Less than 50% of the individual's total income for the tax year and the previous two years derives from dealing in/developing land; and,
2. The loss being claimed has arisen as a result of:
 - A deduction for interest on the borrowings, which is unpaid; and/or,
 - Deductions attributable to the write down of the value of the land (rather than a loss realised on disposal).

The above amendments took effect from 13th February 2013.

PENSION CONTRIBUTIONS

There is tax relief available on contributions made by individuals to pensions. This is limited annually to a percentage of an individual's salary depending on age and is also restricted by an overall salary cap. This salary cap has been decreased in recent years and currently stands at EUR 115,000.

Finance Act 2011 introduced new provisions which ensure that there is no relief from the USC or employee's PRSI for personal pension contributions made. Employers will only receive relief of 50% of Employer PRSI on employee contributions.

There is no employers PRSI exemption for personal pension contributions made. No relief is available on employee contributions in calculating the employer's PRSI since 1 January 2012. Employers' contributions to employees' PRSAs are treated as a benefit-in-kind for USC purposes. There is no liability to PRSI or USC on employer contributions into occupational schemes. Tax free pension lump sums are capped at EUR 200,000 as per 2011 Finance Act.

MAXIMUM ALLOWABLE PENSION FUND AT RETIREMENT

From 1st January 2014 the Standard Fund Threshold in relation to an individual's pensions will be reduced to EUR 2,000,000. Individuals who have pensions in excess of this can claim a Personal Fund Threshold up to a maximum of EUR 2,300,000.

RETIREMENT LUMP SUMS

Tax free ex-gratia termination payments are available to individuals up to an amount calculated with reference to length of service and salary levels. The tax-free amount of these payments is capped at EUR 200,000. This cap was decreased to this level in the Finance Act 2011.

APPROVED RETIREMENT FUNDS

The annual imputed distribution which applies to the value of assets in an Approved Retirement Fund (ARF) at 31 December each year has been increased from 5% to 6% in respect of ARFs with asset values in excess of EUR 2 million (or, where an individual owns more than one ARF, where the aggregate value of the assets in those ARFs exceeds EUR 2 million). The increase applies in respect of asset values in affected ARFs at 31 December 2012 and future years. Prior to Finance Act 2012 the transfer of ARF assets on the death of an ARF owner to a child of the owner aged over 21 is subject to a final liability tax equal to the standard rate of income tax in force at the time of the making of such a distribution (currently 20%). Finance Act 2012 introduced a higher final liability tax rate of 30% to such transfers.

PERSONAL RETIREMENT SAVINGS ACCOUNTS

"Vested" Personal Retirement Savings Accounts are Personal Retirement Savings Accounts (PRSAs)

from which retirement benefits have commenced to be taken, usually in the form of the “tax-free” retirement lump sum. Finance Act 2012 introduced measures to apply the annual imputed distribution provisions which apply to ARFs as above to “vested” PRSAs, where the assets are retained in the PRSA rather than being transferred to an ARF.

ADDITIONAL VOLUNTARY CONTRIBUTIONS

Finance Act 2013 provided that individuals could, in certain circumstances, access to their Additional Voluntary Contributions (AVC's). For a 3 year period commencing on the 27 March 2013 a member of an approved scheme or statutory scheme who has made additional AVC's may exercise an option to access, on a once off basis, up to 30% of the accumulated value of the AVC's. Employer contributions are excluded from the allowable AVC's. Where the option is exercised the amount is taxed at the higher rate of tax (40%). The amount withdrawn is exempt from the USC and is also intended to be exempt from PRSI.

DEPOSIT INTEREST RETENTION TAX AND EXIT TAXES ON LIFE ASSURANCE POLICIES AND INVESTMENT FUNDS

The increased rates also apply to individuals as outlined in Section D. Please refer to Section D for more information.

CAPITAL ACQUISITIONS TAX

Capital Acquisitions Tax (CAT) applies to gifts and inheritances. It arises, broadly speaking, where the donor or the donee/successor is resident (or ordinarily resident) or the property is situated in Ireland. Where the individual is non-domiciled, he does not come within these provisions unless he has been resident for five consecutive years.

There are three different thresholds for exemption from the tax depending upon the relationship (if any) between the people concerned. Budget 2013 increased the rate of CAT to 33% with effect from 6 December 2012. Budget 2013 also decreased the Group A threshold for gifts and inheritances. Prior to budget 2013 the Finance Act 2012 increased the rate of CAT to 30% which applies to gifts or inheritances taken during the period 6 December 2011 – 5 December 2012.

Group	Relationship to Disponer	Group Threshold From		
		7 December 2011	6 December 2012	14 October 2015
A	Son/Daughter	EUR 250,000	EUR 225,000	EUR 280,000
B	Parent*/Brother/Sister/Niece/Nephew /Grandchild	EUR 33,500	EUR 30,150	EUR 30,150
C	Relationship other than Group A or B	EUR 16,750	EUR 15,075	EUR 15,075

*In certain circumstances a parent taking an inheritance from a child can qualify for Group A threshold.

Prior to 4 February 2010, a person who was primarily accountable for CAT was obliged to deliver a return within four months of the valuation date where the aggregate of all taxable gifts exceeds 80% of the group threshold. Finance Act 2010 changed the ‘pay and file’ dates to bring them in line with the payment dates for other taxes such as CGT and Income Tax. From 4 February 2010, the payment dates were:

Valuation Date

1 January – 31 August

1 September – 31 December

Pay and File Date

31 October of the same year

31 October of the following year

Finance Act 2012 amended the ‘pay and file’ deadline for CAT returns to be 31 October.

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

Ireland has concluded Double Tax Agreements (DTAs) with the following countries: Albania, Armenia, Australia, Austria, Bahrain, Belarus, Belgium, Bosnia-Herzegovina, Bulgaria, Canada, Chile, China, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, India, Israel, Italy, Japan, Korea, Kuwait, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Mexico, Moldova, Montenegro, Morocco, Netherlands, New Zealand, Norway, Pakistan, Panama, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uzbekistan, Vietnam, Zambia



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