

# Budget 2025

## *The Apple Tax Windfall Budget*



# BUDGET OVERVIEW



The coalition has made its multi-billion-euro pitch to voters ahead of the general election, with an €8.3bn Budget comprising €1.4bn in tax cuts and €6.9bn in new spending.

Finance Minister Jack Chambers said the changes to personal income taxes would support low and middle-income earners.

A range of tax changes and one-off measures announced in the Budget should leave most people better off.

Included in the raft of measures is an increase in the entry point for the higher rate of tax, a number of hikes in social welfare payments and a series of once-off payments to deal with the cost of living.

The Government is increasing the main tax credits – the personal, employee and earned income credits – by €125 each.

This means the maximum employee tax credit for 2025 will be €2,000 for a single person.

There is also a €2,000 increase in what is called the standard rate cut-off point. This means workers will be able to earn more before paying the top tax rate of 40% as the standard rate cut-off point goes from €42,000 to €44,000.

And Mr Chambers reduced the Universal Social Charge (USC) middle rate from 4% to 3%

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## PENSIONS & SOCIAL WELFARE

- Weekly social protection payments to increase by €12
- “Baby boost” payment, parents of newborn given additional double child benefit payment in first month of the baby’s life
- €400 lump sum payment for Working Family Payment recipients
- Two double child benefit payments, in November and December of €280 per child
- Self-employed people can now get Carer’s Benefit
- Carers will receive an increased Carer’s Support Grant of €2000
- A €200 Living Alone one-off payment

## COST OF LIVING PACKAGE

- €2.2 billion package overall
- Reduced 9% VAT on electricity and gas extended until April 30th, 2025
- €250 worth of energy credits split over two payments, one this year, other next year
- Additional €200 for recipients of the living alone allowance



## TAXATION

- Income tax package worth €1.6 billion
- USC cut for entry level to 3 %, rate increased by €1,622 to €27,382
- Inheritance tax: Capital Acquisition Tax thresholds to increase from €335,000 to €400,000
- Class B Threshold increases to €40,000
- Class C Threshold increases to €20,000
- Properties worth over €1.5 million to pay 6 per cent stamp duty
- Lower rate of income tax band to rise from €42,000 to €44,000

## LANDLORDS, RENTERS & MORTGAGES

- Rent tax credit to rise by €250 to €1,000 and €2,000 for a jointly assessed couple for 2025
- Extension of the Help to Buy scheme to 2029
- Extension of mortgage interest relief to 2025
- Landlord letting extension scheme extended

## HOUSING

- Dpt. of Housing given €7.8bn, including €2bn towards 10,000 new-build social homes in 2025
- €680m allocated to schemes which would support the delivery of 6,400 affordable homes
- €1.6bn continue to support 66,000 social housing tenancies alongside an additional 7,400 social homes next year, as well as 38,000 social housing leases already in place
- 10,000 new households under the Housing Assistance Payment and Rental Accommodation Schemes in 2025



## CHILDCARE & EDUCATION

- Free schoolbooks up to Leaving Cert
- Student and apprentice fees to be reduced by €1,000 in this academic year
- Hot school meals programme increases to all primary schools
- Junior Cert and Leaving Cert fees waived
- National Childcare Scheme to increase by 44%, resulting in a reduction in full-time childcare costs by €1,100

## LONG-TERM INVESTMENT

- €1.25 billion of additional funding for the Land Development Agency
- €3 billion from sale of State's AIB shares for infrastructure spending
- €750 million for further development of electricity grid infrastructure

## HEALTH

- Additional €2.7 billion to be given to health sector over two years
- 495 new beds to be introduced in hospital and community services
- Exemption from income, capital gains and capital acquisitions taxes on payments to women impacted by CervicalCheck screening failures
- Continued support for women's health, including increased access to IVF and Hormone Replacement Therapy free of charge

## CLIMATE

- €3 billion package to be set aside for climate transition between 2026 and 2030
- VAT on heat pump installation to be reduced to 9 %
- Carbon tax rate per tonne of carbon dioxide emitted for petrol and diesel will go up €7.50, from €56 to €63.50, from October 9th
- €90 million will be made available to retrofit social homes for 2025

## PUBLIC TRANSPORT & INFRASTRUCTURE

- €3.9 billion package
- Free public transport expanded for all children under the age of 9
- €99 million for development of the Port of Cork
- New universal companion pass for people aged over 70 to bring a friend on public transport

## AGRICULTURE

- Over €2 billion to the department of agriculture next year
- €13 million for new tillage scheme
- €10 million for animal health measures
- €8 million to enhance payment rates of national beef welfare scheme

## BUSINESS

- From Jan 1, the national minimum wage will increase by €0.80 per hour to €13.50 per hour.
- An increase in the small gifts exemption from €1,000 to €1,500 for an employer to provide limited non-cash benefits to workers
- Raising VAT registration thresholds that apply for the supply of goods and services, to €85,000 and €42,500 respectively
- An extension of the Bank Levy for a further year, with a target yield of €200m
- Extension to 2026 of the Employment Investment Incentive, the Start-Up Relief for Entrepreneurs and the Start-Up Capital Incentive
- CGT Retirement Relief retaining the increased upper age limit and intro of a clawback period of 12 yrs for relief available for disposals over €10m, after which the CGT will be abated
- An increase in the first-year payment threshold in the R&D tax credit, from €50,000 to €75,000

## JUSTICE & DEFENSE

- €3.9 billion allocated to Justice sector including provision for recruitment of further 1,000 gardaí and 350 prison officers
- International protection processing system to be expanded with hiring of 400 additional staff
- Net increase of 400 new Defence Forces personnel in 2025

## ALCOHOL, CIGARETTES, VAPING

- €1 increase in excise duty on packet of 20, bringing cost to €18.05 from midnight
- Tax to be introduced from mid-2025 of 50 cent per ml of eliquid, bringing typical price of disposable device to €9.23
- No increase to alcohol excise duty

# TAX CREDITS FOR YEAR 2024

PERSONAL	2025	2024
	€	€
Single	2000	1875
Married	4000	3550
Widowed Person	2315	2190
Single Child Carer	1900	1750
Home Carer Credit	1950	1800
Earned Income Credit	2000	1875
PAYE	2000	1875
WIDOWED/PARENT BEREAVEMENT	2025	2024
Tax Credit (In Year of Assessment)	3,600	3,600
Incapacitated Child	3,800	3,500
Dependant Relative	305	245
BLIND PERSON	2025	2024
Single/Married	1,950	1,650
Married (both blind)	3,600	3,300
AGE CREDIT	2025	2024
Single/Widowed	245	245
Married	490	490

# INCOME TAX RATES 2025

SINGLE PERSON	MARRIED PERSON
<b>2025</b>	<b>2025 (two incomes)</b>
20% of 1st €44,000	20% of 1st €88,000**
40% Balance	40% Balance
	** Transferable between spouse up to a max of €35,000 for any one spouse
<b>Single Parents</b>	<b>(One Income)</b>
20% of 1st €48,000	20% of 1st €53,000
40% Balance	40% Balance

# INCOME EXEMPTION LIMITS

SINGLE/WIDOWED	2025	2024
	€	€
65 years or over	18,000	18,000
MARRIED COUPLES	2025	2024
	€	€
65 years or over	36,000	36,000

# UNIVERSAL SOCIAL CHARGE

2025	EMPLOYEE & SELF-EMPLOYED	2024
0% on total earnings <€13,000 per annum		0% on total earnings <€13,000 per annum
0.5% on €0 to €12,012 per annum		0.5% on €0 to €12,012 per annum
2% on €12,013 to €27,382 per annum		2% on €12,013 to €25,760 per annum
3% on €27,382 to €70,044		4% on €25,760 to €70,044
8% on €70,045 to €100,000		8% on €70,045 to €100,000
PAYE INCOME 8% on excess over €100,000		PAYE INCOME 8% on excess over €100,000
SELF EMPLOYED INCOME 11% on excess over €100,000		SELF EMPLOYED INCOME 11% on excess over €100,000

## PRSI

EMPLOYER	2025	2024
Contribution for Class A		
PRSI	10.15%	10.05%
TRAINING LEVY	1.00%	1.00%
TOTAL FOR EMPLOYERS	11.15% on all income***	11.05% on all income***

EMPLOYEE	2025	2024
PRSI	*4.1% on all income	*4% on all income
SELF EMPLOYED/ DIRECTORS CONTRIBUTION	2025	2024
PRSI	**4.1% on all income	**4% on all income

*\* Not applicable if earnings less than €18,300 p.a. (€352 p.w.)*  
*\*\*4.1% subject to a minimum payment of €500*  
*\*\*\* €410 earnings per week*

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