



Budget 2027 Briefing

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BYRNE WALLACE SHIELDS BUDGET 2027 BRIEFING

The Tánaiste and Minister for Finance, Mr. Simon Harris T.D., and the Minister for Public Expenditure, Infrastructure, Public Services, Reform and Digitalisation, Mr. Jack Chambers T.D., announced Budget 2027 today.

In his address, Minister Harris noted that *“people need to feel the benefits of economic growth in their daily lives and in their pockets”*, while also acknowledging uncertainty across global energy and bond markets. The Budget is designed to facilitate future growth while ensuring that the effects of current global volatility are alleviated domestically.

Minister Harris announced a personal income tax package of €1.3 billion, which includes an increase of €2,500 to the standard rate cut-off point for income tax for all earners.

Investment is a central focus of Budget 2027. As well as a commitment to infrastructure investment by the State, a new Investment Account is being introduced from 1 July 2027. The account is designed to simplify retail investment by creating a new framework for investing in capital markets. Investments made through the account will be subject to a flat rate tax of 1% on the value of the account above a tax-free threshold of €50,000.

Changes to capital taxes were also announced. The headline CGT rate of 33% is being reduced to 31%. In addition, the tax-free group thresholds for Capital Acquisitions Tax, which applies to gifts and inheritances, are being increased.

Housing issues form a key part of Budget 2027, with a €9 billion capital commitment announced for the building of new homes in the State. As in 2026, landowners will be given a further opportunity to request rezoning of their lands and exemption from Residential Zoned Land Tax in 2027. Derelict Property Tax, originally announced in last year’s budget, will be introduced in Finance (No. 2) Bill 2026. Changes to the Research & Development (“R&D”) Tax Credit are being

introduced, with the first-year payment threshold increased from €87,500 to €105,000 to support smaller R&D projects, and the cap on the credit available for subcontracted activities also being increased.

Carbon tax on home heating oil and natural gas is being reduced and the temporary reduced fuel excise rates that were in place until November 2026 have been extended into 2027. However, Minister Harris emphasised that these changes did not signal a weakening of the resolve to decarbonise the Irish economy.

To further support businesses across Ireland, the Employment Investment Incentive (“EII”), the Start-Up Capital Incentive (“SCI”), and the Start-Up Relief for Entrepreneurs (“SURE”) are to be extended, subject to EU State Aid rules, while Employer PRSI thresholds are being increased. Changes to preliminary corporation tax payments should reduce uncertainty and improve flexibility for companies. However, there were less business tax reforms than in recent years, with no significant changes announced to VAT or stamp duty.

More details on the tax measures announced today will be set out in the Finance (No. 2) Bill when published.

The ByrneWallace Tax Advisors Team is ready to assist you and your business in navigating the changes proposed by Budget 2027. Please contact any member of our Tax Team or your usual Byrne Wallace Shields LLP contact for more information and advice.



Lee Squires
Tax Partner

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BUSINESS TAX

Corporation Tax Rates

Minister Harris announced no changes to the existing corporation tax rates, which are as follows:

Trading income (for companies with revenue of €750 million or less) ¹	12.5%
Passive Income	25%
Knowledge Development Box income	10%

Preliminary Corporation Tax

Minister Harris announced that Budget 2027 will provide for the following administrative changes to preliminary corporation tax requirements, with a view to reducing uncertainty and improving flexibility for companies:

- An extension to the current limited top-up mechanism, to provide that preliminary tax requirements are satisfied where at least 80% of the current year liability has been paid by the final preliminary tax instalment date and a top-up payment to reach 100% of the liability is made within four months of the end of the accounting period;
- Removal of a 45% deeming provision, such that an underpayment of the second instalment of preliminary tax does not result in a deemed underpayment of the first instalment, where the first instalment payment was not of an amount at least equal to 50% of the prior year liability; and
- An increase in the small company threshold from €200,000 to €350,000. This is the threshold, referring to corporation tax liability of the prior year, up to which a company is considered to be a 'small company' and therefore

subject to less onerous preliminary tax requirements.

Research and Development ("R&D") Tax Credit

The R&D tax credit currently provides a 35% tax credit for qualifying R&D expenditure.

This credit can, in certain circumstances, be paid to the taxpayer in three instalments over 33 months.

The first-year payment threshold allows claims up to the threshold amount to be paid in full in the first year, rather than in instalments over three years.

The R&D tax credit is primarily available for qualifying R&D activities carried on by the company itself. However, there are two provisions allowing the credit to be claimed on subcontracted activities where outsourced to: (i) third level institutions in the EEA, or (ii) other unconnected third parties worldwide. These subcontracting provisions are each subject to a cap, which is currently the higher of 15% of qualifying in-house R&D expenditure or €100,000, subject to at least the same amount of R&D expenditure being incurred in house.

A number of enhancements to the R&D tax credit have been announced in Budget 2027:

- The existing subcontracting limits relating to both universities / institutes of higher education and unconnected third parties are being increased to 20% of the expenditure incurred by the company itself on R&D activities or €200,000, whichever is the greater;
- The first-year payment threshold is being increased from €87,500 to €105,000 to provide a cash-flow benefit for smaller R&D projects and encourage more companies to engage with the regime. This means that the first €105,000 of a claim will be payable in full in the first

¹ A 15% effective tax rate applies to companies with revenue of greater than €750 million.

- year, rather than over the standard three annual instalments;
- A change is being made to improve the recognition of the R&D tax credit for the purposes of preliminary corporation tax. This will provide a cashflow benefit to companies where the credit is offset against tax liabilities;
- A new provision is being introduced which will allow claimant companies to increase their qualifying cost base by 5% of qualifying R&D wage costs, subject to the company having incurred a sufficient level of expenditure. The purpose of this measure is to recognise that R&D active companies incur additional supporting costs that are not within the definition of qualifying R&D expenditure. The provision will operate by reference to the existing measure of R&D wage costs; and
- An amendment is being introduced to provide that if a clinical trial is regulated, this fact may be used to satisfy the science test, to recognise R&D work undertaken by Irish companies as part of global trials and to reduce administrative burden.

Knowledge Development Box

It was announced that Knowledge Development Box (KDB) relief is to be extended to 1 January 2032 with an option for existing claimant companies to elect out of the KDB regime. The option to opt out of the regime will be available for a limited time subject to specific conditions being met.

Pillar Two

It was announced that amendments are being made to Ireland's Pillar Two legislation following the agreement of the OECD Side-by-Side Package in January 2026. Ireland is required to implement the agreement within specific timeframes in order to satisfy the OECD peer review process. The agreement provides for the following safe harbours:

- Extension of the existing Transitional Country-by-Country Reporting Safe Harbour;
- The Simplified Effective Tax Rate Safe Harbour;
- The Substance-based Tax Incentive Safe Harbour;
- The Ultimate Parent Entity Safe Harbour; and
- The Side-by-Side Safe Harbour.

Amendments are also being made to reflect further agreed Administrative Guidance published by the OECD in May and September 2026, and to update Pillar Two rules in relation to penalty and filing provisions.

Tax Relief for Start-Up Companies

It was announced that the relief from tax for certain start-up companies (known as Section 486C start-up relief) is being extended by four years to 31 December 2030. This relief provides new start-up companies with relief from corporation tax on trading income (and certain capital gains) in respect of their first five years of trading. The relief is available in full where a company's corporation tax liability is less than €40,000, with marginal relief available in respect of liabilities up to €60,000. It is also capped by reference to certain PRSI paid by the company, to ensure a link to the generation of employment.

Accelerated Capital Allowances for Farm Safety Equipment

The Accelerated Capital Allowances for farm safety equipment, which allows for accelerated capital allowances of 50% per annum for eligible equipment, is being extended by three years until 31 December 2029. Twelve additional items are also being added to the list of the eligible equipment.

INCOME TAX

Standard Rate Band

A number of personal income tax measures are proposed to be implemented as part of Budget 2027. The standard rate band cut-off point is being increased by €2,500 for all earners. As such, the rates and bands of income tax for 2027 should be as follows:

Taxpayer	Standard Rate Band
Single, widowed or surviving civil partner (no dependent children)	€46,500
Single, widowed or surviving civil partner (dependent children)	€50,500
Married couple or in a civil partnership (one income)	€55,500
Married couple or in a civil partnership (two incomes)	€55,500 (with an increase of €37,500 max ²)

Income tax credits are also being adjusted, with Budget 2027 providing for the following changes:

- An increase of €125 in the Personal Tax Credit from €2,000 to €2,125;
- An increase of €125 in the Employee Tax Credit from €2,000 to €2,125;
- An increase of €125 in the Earned Income Tax Credit from €2,000 to €2,125; and
- An increase of €100 in the Home Carer Tax Credit from €1,950 to €2,050

Universal Social Charge ("USC")

From 1 January 2027, the second USC rate band will be increased from €28,700 to €30,300 in line with the €0.79 per hour increase in the national minimum wage.

² The increase in the rate band is capped at the lower of €37,500 or the income of the lower earner.

Incomes less than €13,000 are exempt from USC. Otherwise, the updated rates of USC will be as follows:

€0 to €12,012	0.5%
€12,013 - €30,300	2%
€30,301 - €70,044	3%
€70,045 +	8%
Self-employed income in excess of €100,000	3% surcharge

Rent Tax Credit

Minister Harris announced that the rent tax credit is being increased by €150 to €1,150 for a single claimant, or €300 to €2,300 in the case of a jointly assessed couple. The increased value applies to the 2027 and 2028 tax years.

Pension Changes – Standard Fund Threshold

It has been announced that Finance (No. 2) Bill 2026 will legislate to revise the current age-related valuation factors which are applied to value defined benefit pension entitlements for the purposes of the Standard Fund Threshold/chargeable excess tax. This change will apply from 1 January 2027 and will result in the application of a range of revised factors.

Taxation of Investments

Minister Harris announced that Finance (No. 2) Bill 2026 will reduce the rates of taxation that apply to investments in Irish domiciled funds and life assurance policies, other than those applying to companies, personal portfolio investment undertakings and personal portfolio life assurance policies. It will also reduce the rates that apply to equivalent offshore funds and certain foreign life assurance policies. The amendments are as follows:

- The rate of Investment Undertaking Tax (IUT), which applies to Irish domiciled Irish

Collective Asset Management Vehicles (ICAVs), Authorised Investment Companies and Unit Trusts, is being reduced from 38% to 35%.

- The rate of Life Assurance Exit Tax (LAET), which applies to policies contracted since 2001 with Irish domiciled life assurance companies, is being reduced from 38% to 35%.
- The rate of tax that applies to investments in offshore funds located in the EU or EEA, or in a member state of the OECD with which Ireland has a double taxation agreement, and which are considered equivalent to Irish domiciled funds, is being reduced from 38% to 35%. The rate change will apply to Exchange Traded Funds (ETFs) that are subject to tax under this regime. In addition, Finance (No. 2) Bill 2026 will introduce a new section specifically dealing with the taxation of investors in Irish domiciled investment funds whose units are held in a recognised clearing system (including Irish domiciled ETFs). This new section will align with the existing rules which apply to other Irish domiciled investment funds and the 35% rate of tax will apply.
- The rate of tax which applies to life assurance policies commenced after 2001 by a life assurance company, agency or branch operating in an EU, EEA or an OECD member state with which Ireland has a double taxation treaty is being reduced from 38% to 35%.

Relief for Investment in Corporate Trades

These reliefs comprise the Employment Investment Incentive ("EII"), the Start-Up Capital Incentive ("SCI"), and the Start-Up Relief for Entrepreneurs ("SURE"). These reliefs provide income tax relief for risk capital investments in qualifying small and medium enterprises. The reliefs are State Aid that operate under the EU's

General Block Exemption Regulation (GBER). The GBER is currently being revised and the adoption of the new GBER is planned for the end of 2026, with entry into force scheduled for 1 January 2027. It was announced that, subject to the adoption of the new GBER, it is intended to extend the reliefs in their current format.

Micro-Generation of Electricity

The exemption from Income Tax, USC and PRSI for the microgeneration of electricity is being increased from €400 to €600 for certain profits arising to a qualifying individual who generates energy from renewable, sustainable or alternative energy sources for their own consumption. The exempted profits are those arising from the domestic generation of electricity which is supplied to the grid.

Rent a Room Relief

Sums arising to an individual in respect of the letting, for residential purposes, of a room or rooms in their home, including sums related to the provision of meals or other services supplied in connection with the letting, may be exempt from income tax where they meet the applicable conditions and are below the annual limit for the tax year in question. This relief is known as rent-a-room relief.

It was announced that the annual limit on exempt income for rent a room relief is being increased from €14,000 to €16,000 from 1 January 2027.

It was also announced that rent a room relief is being extended to certain Designated Auxiliary Dwellings (detached accommodation in the grounds of a home) installed after 27 July 2026 and which are consistent with the 2026 Planning Regulations on such structures.

Succession Farm Partnerships Tax Credit

It was announced that the value of the tax credit for Succession Farm Partnerships ("SFPs") is being increased from €5,000 to €10,000. The increased

tax credit will be available for SFPs registered from and including 1 January 2027.

It was also announced that the three-year holding period before the succession can take place is being removed. The removal of the three-year holding requirement will apply to all Succession Farm Partnership applications made from and including 1 January 2027 and will not apply to any applications made before that date.

Childcare Services Income Tax Relief

It was announced that the ceiling for Childcare Services Relief Income Tax exemption is being increased from €15,000 to €20,000 for qualifying childminders caring for children in the childminder's home. In addition, the limit on the number of children who may be cared for while a qualifying childminder claims the relief is being removed, subject to compliance with prevailing regulatory requirements.

Donations of Heritage Items

There is tax relief available to taxpayers who donate heritage items to Irish national collections. A credit equal to 80% of the market value of the item donated can be set against taxpayers' liabilities for certain taxes. The credit cannot be set against USC or PRSI liabilities.

It was announced that the aggregate value limit on all donations of heritage items in any single year is being increased from €8 million to €12 million.

EMPLOYEE & EMPLOYER TAXES

Employer PRSI

Minister Harris announced that there will be an increase to the employer PRSI threshold from €552 to €600 per week for 2027.

Enhanced Reporting Requirements (ERR)

The time period for returning information under ERR, which requires employers to report details of certain expenses or benefits made to employees and directors, is being amended to provide an option whereby taxpayers may choose to continue to report 'on or before' certain tax-free payments are made, or alternatively they may report the information by the 14th of the month following the income tax month in which the reportable benefit is provided to the employee.

The change will apply from 1 January 2027.

CAPITAL TAXES

Capital Gains Tax ("CGT")

It was announced that the standard rate of CGT is being reduced from 33% to 31%. This reduction applies in respect of disposals made on or after 7 October 2026. There will be no change to the 33% rate which applies to the disposal of 'development land'.

The CGT relief for Investment in Innovative Enterprises, also known as Angel Investor Relief, is targeted at encouraging business angel investment in innovative start-ups. The relief operates in compliance with EU Law (the GBER). A new GBER is expected to be adopted by the end of 2026 with entry into force scheduled for 1 January 2027. It was announced that, subject to the adoption of the new GBER, it is intended to extend the relief in its current format.

Capital Acquisitions Tax ("CAT")

There was no change announced for the rate of CAT on gifts and inheritances. It remains at 33%.

There are three tax-free thresholds in respect of CAT, depending on the relationship between the person giving a gift or inheritance (the disponent) and the person receiving it (the beneficiary), with CAT applying on the amount of gifts and inheritances received by a beneficiary over the

thresholds. Increases to each of the thresholds have been announced, as follows:

Group A Threshold	Increase from €400,000 to €420,000
Group B Threshold	Increase from €40,000 to €44,000
Group C Threshold	Increase from €20,000 to €22,000

The increased Group thresholds will apply to gifts and inheritances taken on or after 7 October 2026.

INDIRECT TAX

Value-Added Tax (“VAT”)

Oral and non-oral medicines are currently treated differently for VAT purposes under the Irish tax system with non-oral medicines liable for the standard rate of VAT of 23% while oral medicines (including vaccines) are zero-rated.

It was announced that it is intended that the VAT rate for non-oral respiratory vaccines for livestock will be reduced to 9%.

VAT Charity Compensation Scheme

A VAT Compensation Scheme for Charities was introduced as part of Budget 2018 with the intention to reduce the VAT burden on charities through a partial compensation for VAT paid. Under the Scheme, Charities are entitled to claim a refund of a proportion of their VAT costs based on their level of non-public funding. The total annual capped fund for payment under the Scheme is being increased from €10 million to €15 million for 2027. Where the total amount of eligible claims from all Charities in a year exceeds the capped amount, claims are paid on a pro-rata basis.

Farmer’s Flat Rate Compensation Percentage

The Farmer’s Flat Rate Payment compensates farmers who opt not to register for the VAT incurred on their purchases. It is revised every Budget and is derived from a calculated average of VAT costs based on macroeconomic data collected from the CSO and Revenue over the preceding three years. The rate for 2027 will be 4.8% (it was 4.5% in 2026).

Excise Duties

The excise duty on a pack of 20 cigarettes will increase by €1.00 (inclusive of VAT), with a pro-rata increase on other tobacco products.

Excise duty on all e-liquid products is being increased by €0.20 per millilitre, exclusive of VAT with effect from 1 January 2027. The increase will bring the total excise on e-liquid products to €0.70 per millilitre, VAT exclusive.

It was announced that a new betting charge for totalisator or pool betting is being introduced, generally commencing on 1 January 2027. The rate of excise duty will be 25% on commissions earned. There will be an exemption for on course pool bets.

Carbon Tax

It was announced that carbon taxes on auto fuels currently due to increase on 14 October 2026 to €78.50 per tonne of CO₂ emitted will be deferred to 1 May 2027. A further increase is due to take place on 13 October 2027.

Carbon taxes on kerosene and on natural gas will be reduced to €48.50 per tonne of /CO₂ emitted until 2030.

The scheduled increase of carbon tax on Marked Gas Oil (MGO) originally for 1 May 2026 will be deferred to 1 May 2027. The scheduled increase for 1 May 2027 will be deferred until 13 October 2027.

For the more minor fuels (including solid fuels), where those fuels' carbon tax increases were first deferred on 1 May 2026, there will be a double increase in the rate on 1 May 2027 such that the rate increases from €63.50 per tonne of CO₂ to €78.50 per tonne of CO₂. Where those fuels' carbon tax increases were scheduled to take place on 14 October 2026, this increase will be deferred until 1 May 2027, with a further increase scheduled for 13 October 2027.

Mineral Oil Tax Non-Carbon Component Reduction Extension

It was announced that Budget 2027 will defer the phased restoration of the Mineral Oil Tax Non-Carbon Component (MOT NCC) rates for petrol, autodiesel, and MGO of 25 cents, 30 cents and 5.4 cents per litre respectively, with the first increase on 28 February 2027. The full restoration of MOT Non-Carbon Rates for MGO (5.4 cents per litre on a VAT inclusive basis) is scheduled to be on 28 February 2027. There are further increases to petrol and diesel excise scheduled for 8 April 2027 and 1 May 2027, with the final increase to take place on 30 June 2027.

Vehicle Registration Tax ("VRT")

The VRT relief for electric vehicles, which was due to end on the 31 December 2026, is being extended by two years to 31 December 2028.

From 1 January 2027, the Category A Vehicle Registration Tax percentage rates, used to calculate the CO₂ component of the charge, are being increased. The percentage rates applicable to bands 3 to 20 inclusive (cars with CO₂ emissions of more than 80g/km and upwards) are being increased by 1%. The rates applicable to bands 1 and 2 will remain unchanged.

PROPERTY TAXES

Derelict Property Tax

The introduction of a new Derelict Property Tax (DPT) was announced as part of Budget 2026. The

tax will be collected by the Revenue Commissioners and will be based on registers of derelict properties that are compiled and maintained by Local Authorities.

DPT will be legislated for as part of Finance (No. 2) Bill 2026. From 2027, Local Authorities will be responsible for identifying derelict properties and recording those properties on a register of derelict properties. The tax will apply to residential and non-residential properties, and the rate of the tax will be 7% of the self-assessed value of the property.

Properties will be identified as derelict if the Local Authority considers it is not in use, and is not suitable for use, as a dwelling, commercial, social or community facility. In determining whether a building is not suitable for use, a Local Authority will consider factors including but not limited to: whether the property is partially or fully boarded up, the roof is damaged to the extent it is no longer weatherproof, or the property has failing plasterwork or unsecure brickwork. A preliminary register of derelict properties will be published, and property owners will have a right to request a review of their property's inclusion on this register. Requests for reviews will be managed within the Local Authority sector.

To avoid liability to DPT, owners will be required to take steps to ensure that their property is no longer considered derelict. This can be achieved through remediation, the demolition and clearing of any derelict structure or building, or through the sale of the property to an owner who will subsequently address the dereliction. A limited amount of deferral criteria will apply, such that property owners who remediate properties within a reasonable time frame may seek abatement of the tax.

In its first year of operation, DPT will apply to towns and cities with a population of 4,000 or more, based on Census 2022 data. In the second year of operation, the tax will expand to towns with populations of 2,000 or more. A total of 107 towns will be in scope in the first year, increasing

to 171 in year two. The key timelines for the first liability year for DPT are as follows:

- 1 January to 31 August 2027: Local Authorities inspect the relevant towns and identify derelict properties;
- 1 September 2027: Preliminary registers of derelict properties are published;
- 1 September 2027 to 30 November 2027: Property owners can seek review of inclusion on register;
- 1 September 2027 to 29 February 2028: Local authorities decide on reviews;
- 1 March 2028: Final registers of derelict properties published and Revenue pay and file window opens; and
- 23 June 2028: First pay and file deadline.

A similar annual cycle will apply thereafter, with Local Authorities identifying properties between March and August each year and publishing preliminary and final registers in September and March respectively.

Further detail on the operation of the tax will be contained in Finance (No. 2) Bill 2026.

Residential Zoned Land Tax ("RZLT")

RZLT is a tax on land both zoned for residential development and which has necessary services in place to develop housing. It is an annual tax, calculated at 3% of the market value of the land in scope. Amendments proposed in Finance (No. 2) Bill 2026 will provide for a further opportunity for landowners to make a submission requesting a change in zoning of land appearing on the revised map for 2027, and, in certain circumstances, being exempted from RZLT for 2027 on foot of such submissions.

Help to Buy Scheme

The Help to Buy scheme was designed to help first-time buyers of newly built homes to assemble the required deposit. The current level of support available to first time buyers under the Help to Buy scheme is whichever is the lesser of:

- €30,000; or

- 10% of the purchase price of the new property; or
- the amount of Income Tax and DIRT paid in the four years before the application.

The maximum relief available under the Help to Buy scheme is being increased by €5,000 from €30,000 to €35,000. The other parameters remain unchanged. The change is to take effect from 7 October 2026.

Local Property Tax

No changes to Local Property Tax were announced.

Stamp Duty

No changes to the rates of stamp duty were announced. As such, the rates will continue to be as follows:

Residential Property	
- Consideration up to €1,000,000	1%
- Consideration between €1,000,001 and €1,500,000	2%
- Balance of consideration over €1,500,000	6%
Cumulative purchases of ten or more houses or duplexes (but not apartments) in any 12 month period	15%
Non-Residential Property	7.5%
Shares	1% ³

OTHER

Investment Account

A new Investment Account is proposed to be introduced from 1 July 2027. The account will be

³ Subject to certain exceptions.

available to Irish resident individuals, aged 18 and over, who hold a PPSN.

The account is designed with the intention to simplify retail investment by creating a new framework for investing in capital markets. The account is designed with the intention to reduce some of the barriers that may discourage individuals from investing and to provide a straightforward, tax-efficient framework.

Eligible providers will be MIFID-authorised service providers, regulated fund managers, and insurance companies. On introduction, the eligible products allowed to be held in the account are limited to shares, bonds, investment funds and insurance-based investment products.

All tax reporting, tax administration and payment of any tax due to Revenue will be managed by the provider, thereby removing the requirement for the individual investor to calculate or return any tax due.

Investments made through the account will be subject to a flat tax rate of 1% on the value of the account above a tax-free threshold of €50,000. An annual contribution limit of €12,000 will also apply.

Existing regimes in place for taxation of retail investment will not apply to the new account. No CGT, Dividend Withholding Tax, Investment Undertaking Tax or Life Assurance Exit Tax will be applicable to the account. The deemed disposal rule will also not apply to investments held within the account.

The value of the account will be calculated daily, with the average of the daily values being used for the purpose of calculating the tax due, if any. On launch, only one account will be allowed per person, with consideration being given in future years to whether provision can be made for multiple accounts.

Further details will be set out in Finance (No. 2) Bill 2026.

eWithholding Tax (eWHT)

It was announced that Professional Services Withholding Tax is being modernised via the introduction of Personalised Deduction Rates (“PDRs”) to replace the current flat rate of 20% of the gross payment.

In addition, legislative changes will be made to allow self-employed taxpayers to opt-in for the real time exchange of information with Revenue, to ease their administrative burden.

These changes follow a public consultation announced as part of Budget 2026 and are subject to Commencement Order.

No changes are being made to the Relevant Contracts Tax (RCT) regime.

Bank Levy

The Bank Levy will be extended in its current form for 2027, targeting a yield of €200 million. The liable institutions will continue to be AIB, EBS, BOI and PTSB and, as in 2026, it will be apportioned based on the level of eligible deposits held by each liable institution at the end of 2024.

BUDGET 2027: TAX RATES & CREDITS

Personal Income Tax Rates and Bands	
	20% 40%
Single, widowed or surviving civil partner (no dependent children)	€46,500 Balance
Single ¹ , widowed or surviving civil partner (dependent children)	€50,500 Balance
Married couple or in a civil partnership (one income)	€55,500 Balance
Married couple or in a civil partnership (two incomes) ²	€93,000 Balance
Personal Tax Credits	
Single person (no dependent children)	€2,125
Single person child carer credit ³	€1,900
Married or in a civil partnership	€4,250
Employee (PAYE) credit	€2,125
Earned income credit	€2,125
Home carer credit	€2,050
Rent credit	€1,150 (€2,300 for jointly assessed taxpayers)
Incapacitated child credit	€3,800
PRSI (Employer Rate) ⁴	
Employer	
If income is €600 p/w or less	9.15%
If income exceeds €600 p/w	11.4%
Self-Employed⁵	4.35%
Employee Class A⁶	4.35%
Universal Social Charge ⁷	
€0 - €12,012	0.5%
€12,013 - €30,300	2%
€30,301 - €70,044	3%
€70,045+	8%
Self-employed income in excess of €100,000	3% surcharge

Capital Acquisitions Tax (CAT) Rate, Thresholds and Exemption	
CAT rate	33%
Group A threshold	€420,000
Group B threshold	€44,000
Group C threshold	€22,000
Small gift exemption	€3,000

1. This rate is available to the principal carer of the child only.
2. €55,500 with an increase of €37,500 maximum, capped at the lower of €37,500 or the income of the lower earner.
3. This credit is available to the principal carer of the child only.
4. All PRSI contribution rates increased by 0.15% from 1 October 2026.
5. The minimum annual contribution for Class S is €650.
6. Employees earning €352 or less p/w are exempt from PRSI. A tapered employee PRSI Credit of €12 p/w applies on earnings up to €424.
7. Individuals with total income up to €13,000 are not subject to the Universal Social Charge.

BUDGET 2027: TAX RATES & CREDITS

Capital Gains Tax (CGT) Rate, Relief and Exemption			
CGT rate		31% ⁸	
CGT entrepreneur relief ⁹		10%	
Annual exemption		€1,270	
Deposit Interest Retention Tax Rate			
Deposit Interest Retention Tax (DIRT)		33%	
Corporation Tax Rates			
Trading income (for companies with revenue of €750 million or less) ¹⁰		12.5%	
All other income		25%	
Knowledge Development Box		10%	
Research and Development Tax Credit			
Research and Development Tax Credit		35%	
Digital Gaming Sector Tax Credit			
Digital Gaming Tax Credit		32% ¹¹	
Dividend Withholding Tax Rate			
Dividend Withholding Tax (DWT)		25%	
Value Added Tax (VAT) Rates			
Standard rate		23%	
Reduced rate ¹²		13.5%	
Second reduced rate ¹³		9%	

Stamp Duty Rates			
Transfer of certain stocks and shares			1% ¹⁴
Non-residential property			7.5%
Residential property	1% on consideration up to €1 million	2% on consideration between €1,000,001 and €1,500,000	6% on balance
Cumulative purchases of ten or more houses or duplexes (but not apartments) in any 12-month period			15%

8. Applies to disposals made on or after 7 October 2026.

9. Subject to certain conditions and lifetime limit of €1.5 million chargeable gains.

10. An 15% effective tax rate applies to companies with revenue of greater than €750 million.

11. Enhanced credit provides for a 40% rate for productions with a minimum of €1 million of eligible expenditure on relevant VFX work. This enhanced rate applies on eligible expenditure to a maximum of €10 million per production.

12. Applicable to certain supplies including land and buildings, building services and waste disposal services.

13. Applicable to certain supplies including electricity/gas and new apartments (until 31 December 2030), and food and catering/hairdressing.

14. Subject to certain exceptions.

HOW THE BYRNEWALLACE TAX ADVISORS TEAM CAN HELP

The ByrneWallace Tax Advisors team offers a fully integrated tax service providing both advisory and compliance services to our clients. Our highly experienced team is made up of lawyers, chartered accountants and tax advisors.

Focused on offering pragmatic and realistic solutions, we advise a broad range of clients including private and public sector organisations, international corporations, financial institutions as well as private clients. As part of our multi-disciplinary approach, we regularly work alongside lawyers from our other practice areas, advising on the taxation aspects of client transactions.

Our team has developed specialist expertise advising clients on structured finance transactions, capital market issues, investment funds and cross border financing. We have significant experience in the area of intellectual property planning, mergers and acquisitions, inward investment, group re-organisations, property acquisition and holding structures. We provide advice on all personal taxation matters including employment related issues, pensions, retirement, succession planning and other matters affecting high net worth individuals.

We also have extensive experience on VAT and indirect tax matters, including a specialist practice advising on customs and tariffs. Our tax team regularly assists clients with Revenue interventions and investigations, and appeals to the Tax Appeals Commission

The ByrneWallace Tax Advisors team can assist you and your business in navigating through the changes proposed by Budget 2027.

Please contact any member of our [Tax team](#) or your usual Byrne Wallace Shields contact for more information or advice.

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Disclaimer

This publication is provided for general information purposes only. It is not intended to be an exhaustive list of the changes introduced by Budget 2027 and does not purport to deal with all aspects of its subject matter. This publication does not constitute legal, financial, tax, regulatory, company secretarial or any other advice on any matter addressed. Readers should take legal advice before applying the information contained in this publication to specific issues or transactions.

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