



# Welcome To The DBASS Budget 2023 Webinar

Wednesday September 28<sup>th</sup> 2022



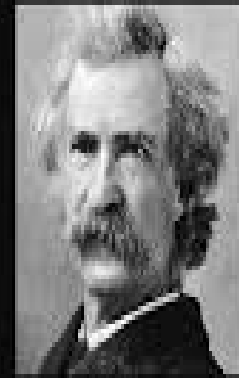
Michael Byrne  
FCA- Partner  
**DBASS Chartered  
Accountants**



I find that the standard of living does not go up in proportion with the cost of living. The trick in life is to do things that are fun all the time.

— Warren Buffett —

AZ QUOTES



The cost of living hasn't effected its popularity.

- Mark Twain

AZ QUOTES



# Tax Background

- Company Tax (CT)- 12.5% {since 1998}
- Capital Gains Tax (CGT)-33%
- Capital Acquisitions (Inheritance) Tax (CAT)-33%
- Income Tax /USC/PRSI –up to 55%
- Budget 2023- No Change to Above Rates





Eoghan Farrelly  
FCA CTC- Tax Manager  
**DBASS Chartered  
Accountants**

# Tax Changes

- **USC**
  - 2% Band €21,295 increase to €22,920  
(Reflects the Increase in Minimum Wage)
  - Cap on USC For Medical Card Holders and over 70s earning less than €60,000 is maintained for a further year.
- **SMALL BENEFIT EXEMPTION**
  - Exemption increase from €500 to €1,000 per year from employer to an employee- 2 vouchers max



## Tax Changes

- Earned Income Credit (Business Owners/Self-Employed)

 **€75** to €1,775

- Employee Tax Credit

 **€75** to €1,775

## Tax Changes

- Personal Tax Credit

 **€75** to €1,775

- Home Carer Tax Credit

 **€100** to €1,700



## Tax Changes

- Standard Rate Band



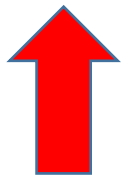
€3,200 to €40,000 Single/ Widowed



€3,200 to €44,000 Single Parent/Widowed Parent



€3,200 to €49,000 Married Couple/ Civil Partners



€6,400 to €80,000 Married /Civil Partners (two incomes)

# Tax Changes

- **New Rental Tax Credit**
  - New Rental Tax Credit Valued at €500 for taxpayers who are paying rent on their Principal Private Residence. Backdated for rent paid in 2022.





# What does this mean to me?

**Example** = Single Person (Employed)  
No Children

- Gross Income = €46,000
- Total Increase = €830 p.a.



# What does this mean to me?

**Example** = Single Person (Employed)

No Children

Rents Apartment

- Gross Income = €46,000
- Total Increase = €1,330 p.a.

# What does this mean to me?

**Example** = Married Couple (Self-employed or Employed)

2 Income & 2 Children

- Gross Income = €54,000 self  
€31,000 spouse
- Total Increase = €1,660 p.a.



# Corporate Tax Changes

- **Corporate Tax**
  - Knowledge Development Box credit Extended for 4 years, 10% rate
  - Research & Development Tax Credit- accelerated refunds, cash flow benefit
  - Film Corporation Tax Credit extended until December 2028
  - Key Employee Engagement Programme (KEEP), Special Assignee Relief Programme (SARP) & Foreign Earnings Deduction Extended to 2025 with some changes.



# Housing and Property

- Help To Buy extended to 31 December 2024
  - Lower of €30,000 or 10% of purchase price
- Enhanced Pre-Letting Expenses for landlords
  - Relief Available Increased to €10,000
  - Period of Vacancy Decrease from 12 to 6 months
- Residential Zoned Land Tax
  - 3% tax proposed (replace vacant site levy)
  - Maps to be Published 1<sup>st</sup> November 2022



## Housing and Property

- Vacant Homes Tax to be introduced- 3 times basic LPT rate
- Residential Development Stamp Duty Refund Scheme extended to December 2025
- Defective Concrete Products Levy of 10 per cent on concrete blocks, pouring concrete and certain other concrete products.
  - Add estimated €2K per house

## Agri- Sector

- Stamp Duty
  - Young Trained Farmer relief and Farm Consolidation Reliefs extended to 31 December 2023
- Capital Gains Tax
  - Farm Restructuring Reliefs extended to 31 December 2023
- Stock Relief
  - Extension of Young Trained Farmer and Registered Farm partnership stock relief extended to 31 December 2023




## Agri- sector

- Accelerated Capital Allowances- Slurry
  - Time Limited Scheme for Farmers constructing Modern Environmentally Positive Slurry Storage facilities
  
- Value Added Tax
  - Farmers flat rate addition to decrease from 5.6% to 5% from 1<sup>st</sup> January 2023





## Excise Duties

- Price of 20 Cigarettes  by 50c
- Bank Levy
  - Extended to 31 December 2023
- Excise Duty- Fuel
  - Excise reduction of 21 cent per litre for petrol, 16 cent for diesel and 5 Cent on Marked GAS Oil (MGO) extended until 28 February 2023

## Value Added Tax - VAT

- 9% rate on Electricity/Gas to continue to 28 February 2023
- 9% rate for Tourism and Hospitality sectors to continue to 28 February 2023
- Rate on Newspapers reduced to zero per cent from 1 January 2023
- Rates on Health Products such as defibrillators, hormone replacement and nicotine replacement therapies is reduced to 0% from 1 January 2023

## Other Measures

- Third Rate of Income Tax to be considered
- Commission on Taxation and Welfare likely to lead to future changes in taxation.

## Reminder:

- Income Tax Returns 2021 –due 31/10/22
- Extended ROS online- 16/11/22



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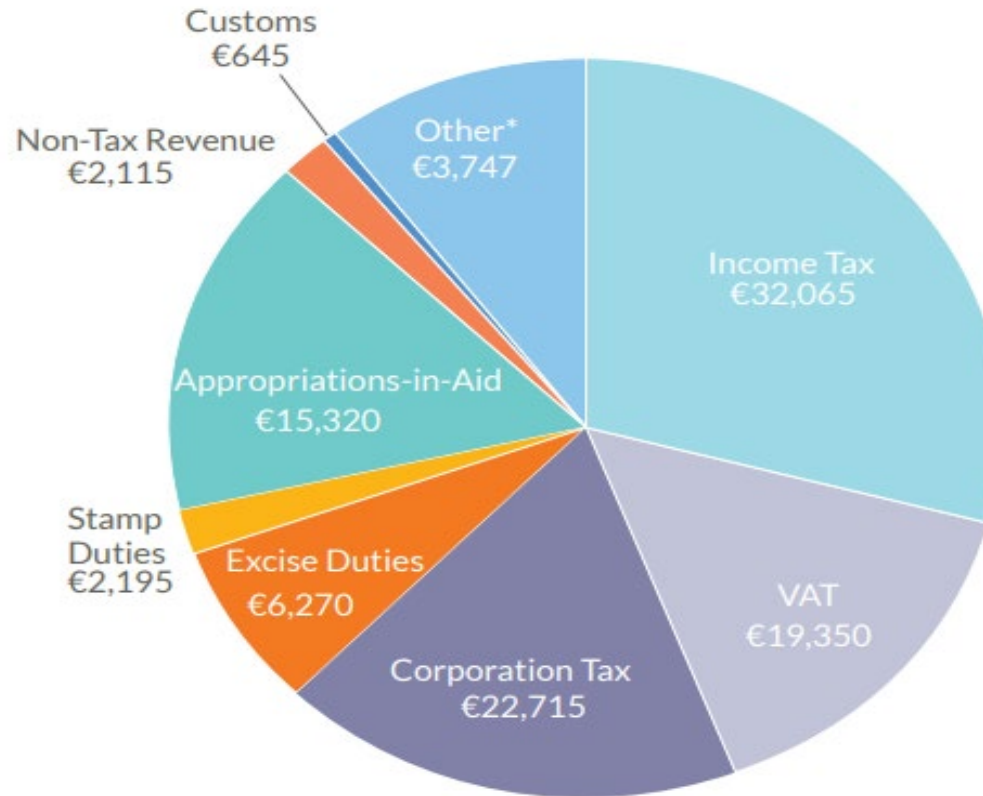
# Economic Background

- Money Tree! – Corporation Tax Bonanza
- Government Debt stabilising- €1bn surplus , National Reserve Fund
- 11bn Budget Spend- Running to Stand Still?
- Energy Crisis , Inflation, War, Climate Change, Supply/Demand issues, Interest rates, Brexit.
- Headline Inflation 2022-8.5%, 2023-7.0%

# Economic Background

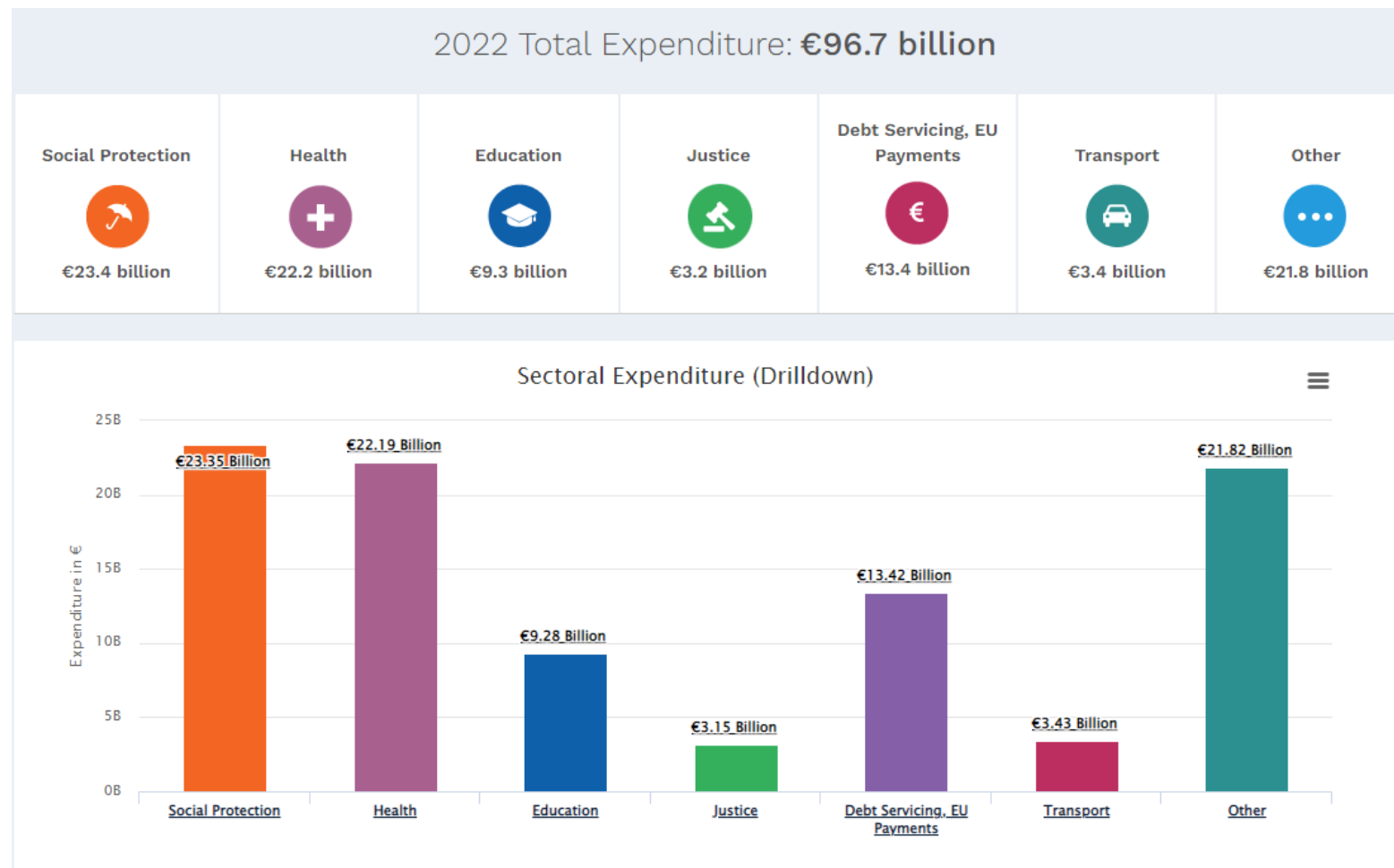
- Budget 23- Supportive
- Increasing Interest Servicing Costs (€3.3bn 2022)
- Budget Surplus but.....
- Consumer sentiment lowest level for 14 years
- Employment Levels very strong
- Modified growth forecasts (Central Bank-2022-4.3%, 2023-4.2%)

- Revenues (2023-106.3bn)

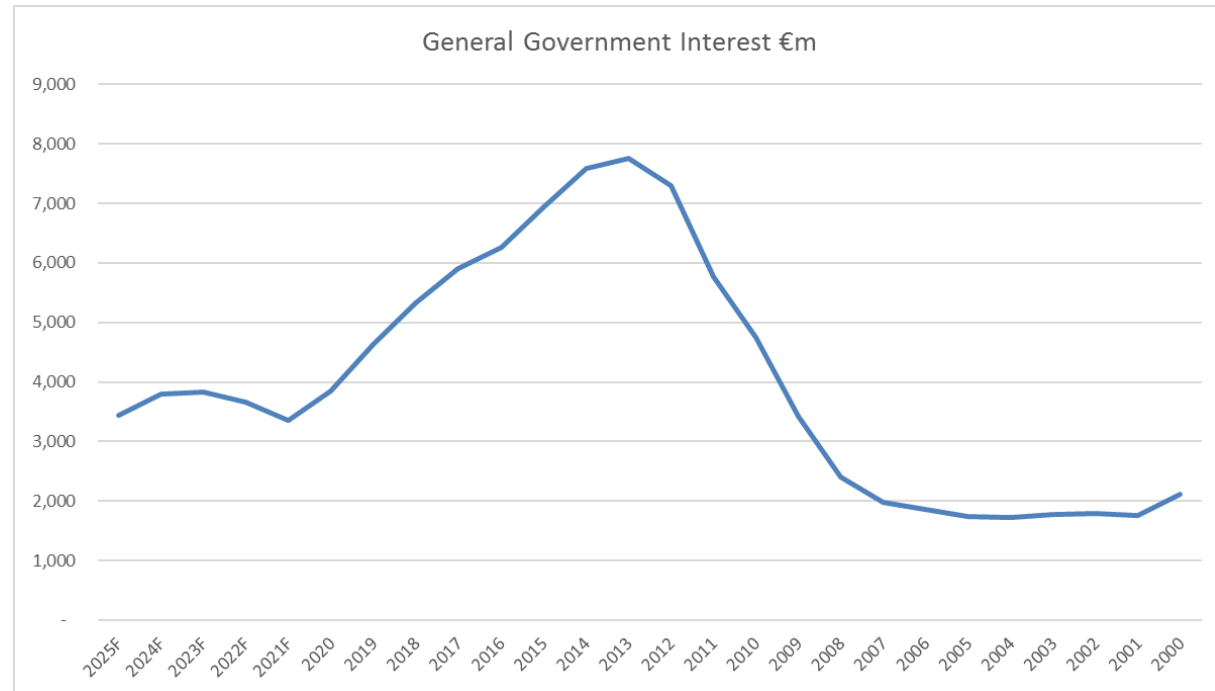
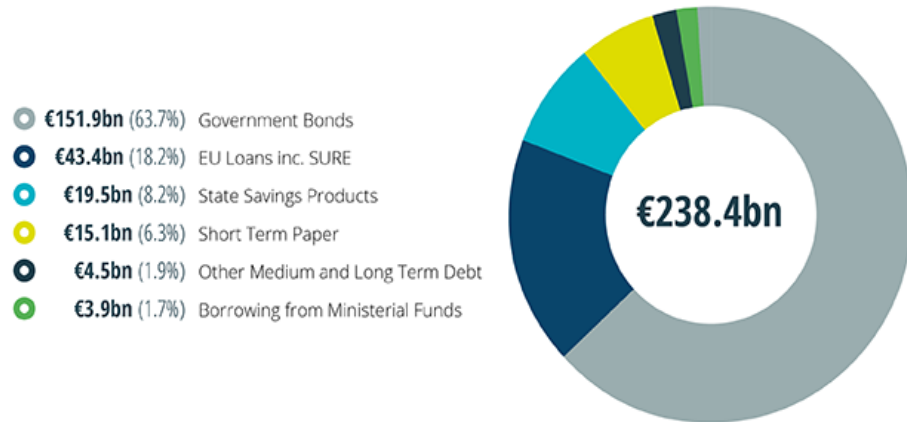


\*Other includes: Capital Gains Tax €2.165, Motor Tax €905, Capital Acquisitions Tax €675 and Capital Receipts €1.09. Rounding may affect total figures.

- Where did the money go?
- +26% since 2020 -€20bn
- Permanent increases?



## • Interest Servicing





- Employment



# Business Supports

- Temporary Business Energy Support Scheme (TBESS)
  - Trading businesses
  - Impacted by >50% increase in energy costs (average unit price 2022v 2021)
  - 40% rebate on increased cost
  - Monthly cap €10,000 per trade + overall cap
  - Subject to EU approval

# Business Supports

- **Vat Rate reduction Hospitality Sector**
  - Confirmed not extended beyond 28<sup>th</sup> February 2023
  
- **Night time Economy**
  - Special exemption application excise fee reduced to €55

# Business Supports

- Key Employee Engagement Programme (KEEP)
  - Extended to 31 December 2025
  - Buy-back of shares by issuing company
  - Limit €6M share options
  - Scheme needs simplification

# Cost of Living Supports 2022



# Social Protection 2023



€12 increase in the Weekly Social Welfare Rate for working age recipients

Increase in eligibility for Fuel Allowance



€12 increase in weekly payments for Pensioners



€40 per week increase in the Working Family Payment threshold



€2 increase for a Qualified Child



GP Visit Cards for those on/below the median income (340,000 additional people)



Abolition of all Inpatient Hospital Charges

## Housing and infrastructure

- €6.2bn allocation
- Capital Investment- €3.5bn
- Social Housing 9,100 homes €1.7bn
- Water Services -€930M
- National Development Plan - €12bn
- Energy Efficiency grants €337m- Warmer Homes Scheme
- Low-cost loan scheme Residential Retrofit



## Other Supports

- Childcare Package – 25% Reduction
- Higher Education- Student Contribution fees, SUSI increases
- Primary School Books

- Client experiences and challenges





- Client experiences and challenges

- *Planning and investing for retirement*
- *Group Company Structures-tailor*
- *Finance Alternatives*
- *Corporate Finance – sales and purchases*
- *People- key management challenge*

## Disclaimer

- We have made every effort to ensure that the information provided in this seminar is accurate, but we cannot accept responsibility for the consequences of any action you take in reliance on its contents.
- If following the seminar you have any matters you would like to discuss, please contact any of the partners at [<info@dbass.ie>](mailto:info@dbass.ie)



Please enter any final questions you may have for the panel into the Q & A Section now.

Alternatively please feel free to email any questions you may have to:

[mbyrne@dbass.ie](mailto:mbyrne@dbass.ie)

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**Thank You For  
Attending Our  
Webinar.**