

Irish Budget 2023

The Minister for Finance delivered his 'Cost of Living' Budget speech for the coming year on 27th September 2022, announcing a total budgetary package of €11bn, of which €4.1bn will be spent on once-off measures to counter the effects of inflation and steep energy price rises.

Much of this year's Budget aims to help individuals, families and the more vulnerable in society through a combination of social protection increases, once-off living supports, increasing personal tax credits and widening the lower 20 per cent income tax band,

The principal business taxation features of the Budget, which will be included in the forthcoming Finance Bill, are as follows.

Corporation Tax

- No change to the 12.5% trading rate for all companies at present, and for most companies into the future.
- Under proposed sweeping OECD global tax reforms announced in 2021, Irish companies with turnover over €750 million per annum will pay Corporation Tax at a new fixed rate of 15%. This new rate, affecting large Irish multinational companies, is expected to take effect from 2023. Companies with annual turnover up to €750 million will remain unaffected and will continue to avail of the 12.5% rate after 2023. The Government's agreement with the OECD on these tax rates provides companies with certainty into the future.
- As announced in 2021, 0% Corporation Tax relief was extended until 31st December 2026 for profit making start-up companies which create and maintain jobs.
- In October 2021 Ireland, along with 140 other countries, signed up to the two-pillar solution to address the tax challenges arising from digitalisation, and has engaged intensively at OECD and EU level to follow through on this commitment.

Tax Credits

- The Knowledge Development Box, which encourages companies to develop Intellectual Property in Ireland, will be extended for a further four years.
- The film Corporation Tax credit will be extended to 31st December 2028
- The Key Employee Engagement Programme, and the Special Assignee Relief Programme will be extended until 31st December 2025.
- Amendments will be made to the payable element of the Research & Development Credit



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Value Added Tax (VAT)

- The reduced VAT rate of 9% for the hospitality and tourism sector will continue until 28th February 2023.

Further Business Support

- A significant temporary Business Energy Support Scheme is being introduced to assist businesses with their energy cost over the winter months, and forms a large part of the Budget one-off package.

Further Information and Advice

For further information or advice, please speak to your usual Verfides contact, or email or call the Tax Team: tax_team@verfides.com

Dublin, 3 October 2022

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