

Irish Budget 2024 – Tax Measures

The Minister for Finance delivered his Budget speech for the coming year on 10th October 2023.

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

In addition, it was announced that two state investment funds will be established to use some of the windfall in corporation tax receipts of recent years to protect living standards and public services into the future.

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

Business and Corporate Taxes

No change to the main rate of Corporation Tax

The main rate of Corporation Tax will remain at 12.5% for small and medium sized companies.

Implementation of a new 15% rate of Corporation Tax for large companies

A 15% minimum effective tax rate for large companies (those with turnover over €750m per annum) will be legislated as part of Ireland's commitment to the OECD Pillar Two agreement, which aims to impose a minimum rate of tax globally for multinational companies.

0% rate for "start-up companies"

The reduced rate of Corporation Tax of 0%, which was first announced in 2021, for profit making start-up companies which create and maintain jobs, will be extended until 31st December 2026.

Reforms to Research and Development (R&D) tax reliefs

The Research and Development tax credit will be increased from 25% to 30% and the first-year payment threshold will be doubled from €25,000 to €50,000 to provide valuable support to companies involved in smaller R&D projects.

Territoriality /Participation Exemption

A participation exemption for foreign sourced dividends will be legislated for in the Finance Bill, with the detailed development work to take place over the coming months. This will be a significant step in reducing the administrative burden on businesses.

Value Added Tax (VAT)

The VAT registration thresholds for businesses will be increased from €37,500 to €40,000 for services and from €75,000 to €80,000 for goods.



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Investors Relief

A tax break for angel investors has been announced which will allow them to benefit from a reduced rate of Capital Gains Tax when they dispose of a qualifying investment for gains up to twice the value of their investment.

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; call +44 20 7930 7111, or our Dublin office dublin@verfides.com; +353 1 6719440.

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