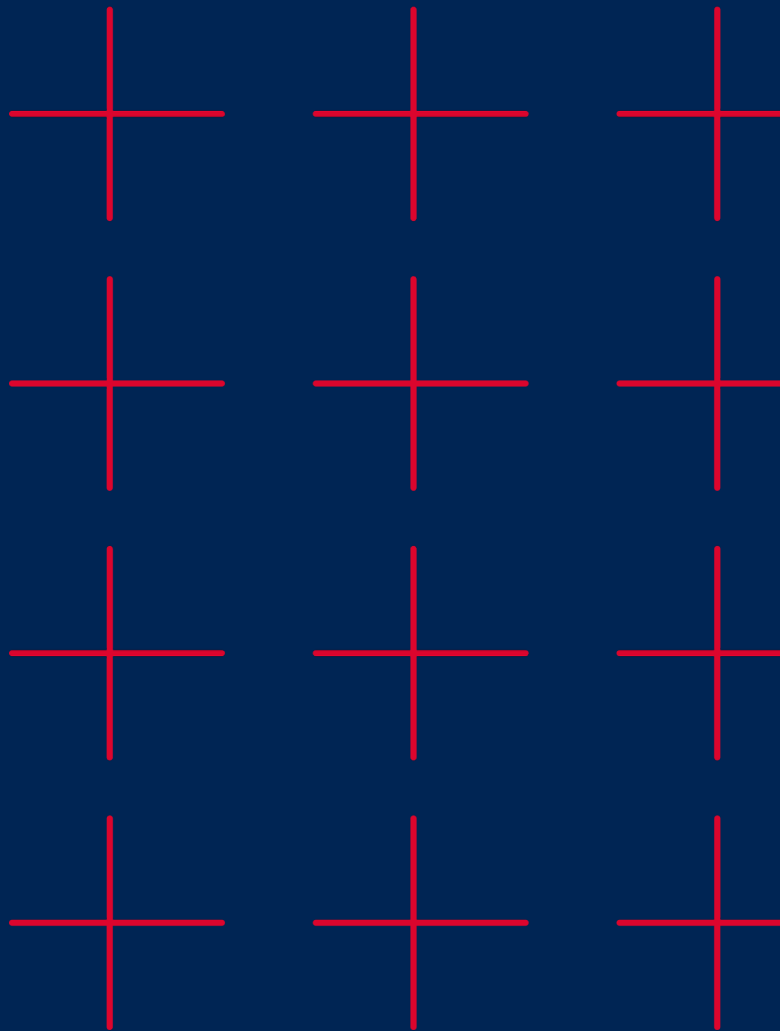




BUDGET 2027

Overview

October 2026

Prepared by
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Director

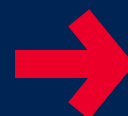




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Talk To DBASS

Introduction

Background To Budget 2027

Ireland enters Budget 2027 from a position of economic strength, with high employment, continued growth and a forecast surplus. This gives Government room to support households and invest in future capacity

€9.5bn

Forecast surplus in 2027
€6.7bn forecast for 2026

3.0%

Forecast growth in 2027
Modified domestic demand

Risks To The Outlook

Geopolitical tensions and trade uncertainty threaten a small, open economy.

Volatile fuel prices continue to raise costs for households and firms.

Reliance on corporation tax from a small number of multinationals leaves the public finances exposed

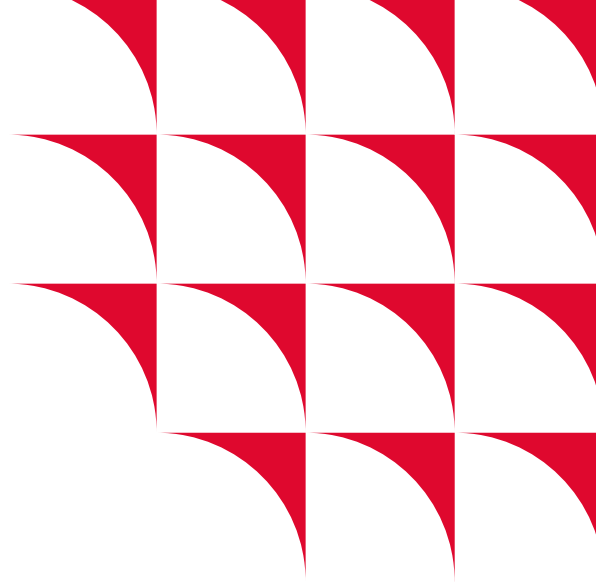
Government Aims

Ease the cost of living and improve take-home pay through tax relief and targeted supports.

Stimulate enterprise and private investment.

Expand housing and infrastructure while keeping longer-term spending commitments sustainable.

Budget 2027 At A Glance



€125.6bn

Total Voted Expenditure

2027 spending ceiling, comprising €105.3bn current and €20.3bn capital expenditure.

€20.3bn

Capital Expenditure

Investment in housing, water, energy networks and transport infrastructure

€8.65bn

Total Spending & Tax Measures

Total Spending and Tax measures

This comprises €7 billion in additional public expenditure measures and €1.65 billion in additional tax measures.

+€7bn

Increase In Spending

A 6% increase on the 2026 expenditure ceiling.

€1.3bn

Income Tax Package

2027 cost (€1.48bn full-year). Standard rate band rises €2,500 and main credits rise €125

€9.5bn

Forecast Budget Surplus

Projected for 2027, up from €6.7bn forecast for 2026.

Personal Tax

Income Tax From 2027

- Single standard-rate band: €46,500
- Personal, PAYE and Earned-Income Credits: €2,125 each
- Home Carer Credit: €2,050

USC & PRSI Are Different

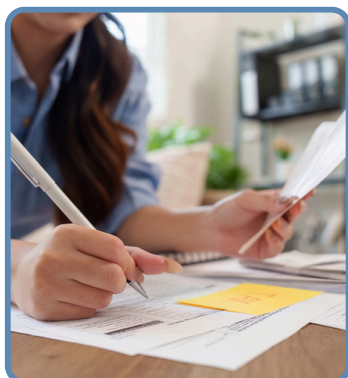
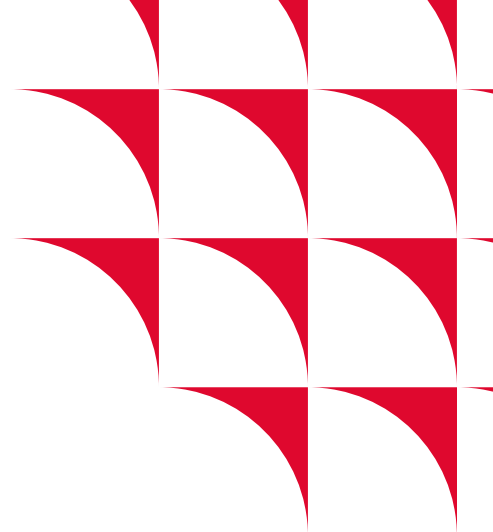
- The 2% USC ceiling rises to €30,300 from 1 January 2027.
- Other USC rates remain.
- Scheduled PRSI is 4.35% from October 2026 and 4.5% from October 2027.

Rent & CGT

- **Rent credit:** €1,150 per individual or €2,300 jointly assessed for 2027 and 2028.
- **General CGT** falls to 31% for disposals from 7 October 2026; development land stays at 33%.



Household Examples



SINGLE EMPLOYEE RENTER: NO CHILDREN

Gross Income **€75,000**

Rent(per month) **€1700**

Net Income **€53,591 → €54,394**

+€803/ year



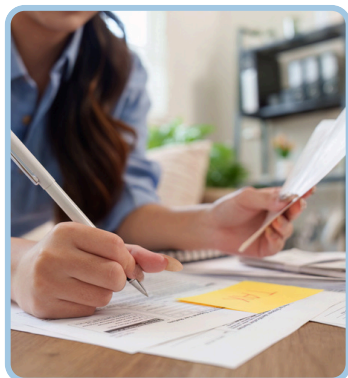
MARRIED- 2 EMPLOYEES ONE CHILD

Gross Income **€90,000 (self)**

€37,500(spouse)

Net Inc Child Benefit **€94,489 → €95,830**

+€1,341/ year



SINGLE PARENT WITH CHILD

Gross Income **€70,000**

Net Income **€54,581 → €55,242**

+€661/ year

A New Way To Invest

Budget 2027 announced the launch of a new **Investment Account**.

- Scheduled Launch: 1 July 2027

> **Who And How Much**

Irish residents aged 18+ with a PPSN. Initially one account per person; annual contributions up to €12,000.

> **1% Is Not A Tax On Gains**

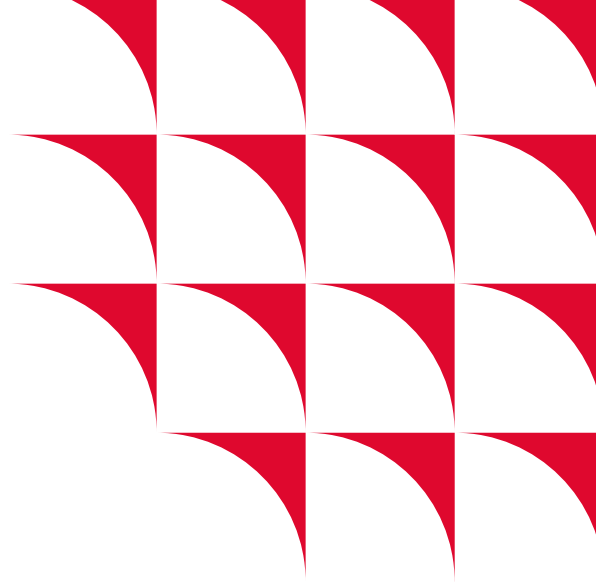
Annual tax of 1% on the average daily account value above €50,000. The provider handles reporting and payment.

> **What Can Be Held**

Shares, bonds, funds and insurance investment products. Existing investment tax and deemed disposal do not apply within the account. Suitability needs case-by-case review.



Corporate & Owner Tax



R & D: Rate Stays At 35%

More scope for outsourcing, a larger first-year payment threshold and a wage cost-base uplift. See the dedicated R&D page

Preliminary Corporation Tax

- Threshold: €200,000 → €350,000.
- Limited top-up: 80% by the final preliminary date; balance within four months of year-end

Other Business Measures

- KDB to 1 January 2032, with conditional temporary opt-out. EII, SCI, SURE and Angel extensions intended, subject to revised EU GBER



R & D Claim Enhancements

The Credit Rate Remains 35%

> More Outsourcing Headroom

- Higher of 20% of in-house qualifying spend or €200,000, previously 15% / €100,000.
- Each remains subject to sufficient in-house spend.

> Larger First-Year Payment

- Credit payment threshold: €87,500 → €105,000.
- Better preliminary corporation-tax recognition is also announced

> Wage Cost Base Uplift

- 5% of qualifying R&D wages, subject to sufficient expenditure.
- The uplift is not a five-point increase in the credit rate.

Review evidence and claim timing. A clinical-trial science-test measure is expected at committee stage; no uniform start date is assumed



Farming & Housing

> Agriculture

- Farmer flat-rate addition: 4.8% for 2027.
- Non-oral respiratory livestock vaccines: 9% VAT intended.
- Farm-safety allowances: 50% a year for two years; scheme extended to end-2029, with 12 extra items.



> Housing Reliefs

- Help-to-Buy maximum rises to €35,000 from 7 October 2026; the other limits still apply.
- Rent-a-Room ceiling: €16,000 from January 2027, not a separate allowance per building.

Derelict Property: Act Early

Proposed annual tax: 7% of self-assessed value. It targets property that is both not in use and unsuitable for use.

Residential & Non-Residential

- Towns of at least 4,000 people in year one, then at least 2,000 in year two. The Finance Bill mechanism is proposed.



Proposed Timetable

Jan-Aug 2027

Inspections

1 September 2027

Preliminary Register

30 November 2027

Owner Review Closes

1 March 2028

Final Register

23 June 2028

First Pay/File Date

Review condition, ownership records and remediation options.
Deferral or abatement is limited, not guaranteed.

Family Business Planning

> Farm Succession

- Partnership credit increases from €5,000 to €10,000 for registrations from 1 January 2027.
- The three-year holding condition is removed only for applications from that date. Review qualifying arrangements before acting.



> CAT Planning

- CAT thresholds from 7 October 2026: Group A €420,000; B €44,000; C €22,000.
- The rate remains 33%. Relationship definitions, prior benefits and relief conditions still matter.

Energy & Employment

> Energy & Motoring

- Kerosene and natural-gas carbon tax: €48.50/t CO₂ until 2030.
- Auto-fuel rise to €78.50/t deferred to 1 May 2027.
- EV VRT relief extended to end-2028. VRT bands 3–20 rise by one percentage point from January 2027.

Microgeneration: €400 → €600



> Payroll Planning

- Minimum wage increases from €14.15 to €14.94/hour from 1 January 2027.
- Scheduled employee / self-employed PRSI: 4.5% from 1 October 2027.
- Lower employer weekly threshold increases from €552 to €600 in 2027.

Childcare & Education

> Childcare Subsidies

- Universal subsidy increases from €2.14 to €2.50/hour, up to senior infants.
- Income-assessed lower threshold rises from €34,000 to €38,500 from September 2027; upper €68,000 unchanged.



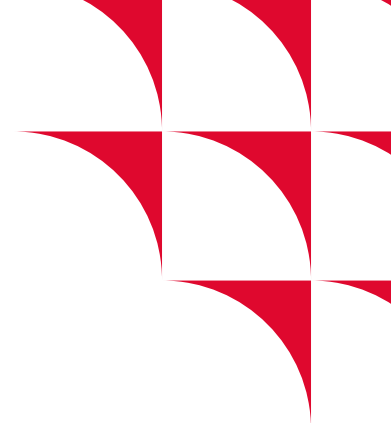
> Fees & Family Adjustments

- Core Funding maximum full-time weekly fee: €280 → €250 in participating services, not all providers.
- Multiple-child discounts rise to €6,000 (two children) and €12,500 (three or more).

> Education & Childminding

- **Student contribution:** permanent €150 cut. Maintenance grants from January; multi-student grants from September 2027.
- **Childcare Services Relief:** €20,000; child-number cap removed subject to regulation.

Supports & Reporting



> Main Social Supports In 2027

Support	Announced 2027 Position
Main weekly payments	+€10: qualified adults proportionate
Child Support Payment	€64 under 12/ 84 over 12
Working Family Payment Threshold	+€30 per week
Living Alone/ Fuel Allowance	€25/ €43 per week
Carer Income Disregard From July	€1,150 single/ €2,300 couple
Cost Of Disability Lump Sum	€500 in 2027

> Tax Administration: Prepare, Do Not Assume

- ERR from January 2027: optionally report monthly by the 14th of the following month, or retain on/before-payment reporting. The reporting obligation remains.

Personalised PSWT rates and self-employed real-time reporting opt-in depend on a commencement order: not already operational

- Other measures: NSLF fee rebates exempt from Income Tax, USC and PRSI; defined-benefit pension valuation factors revised from 1 January 2027.

Actions/Key Dates

7 October 2026

Check CGT, CAT and Help-to-Buy changes

1 January 2027

Update tax bands, credits, wage rates and relevant reporting settings.

28 February- 30 June 2027

Non-carbon mineral oil tax is restored in stages.

1 July 2027

New Investment Account is scheduled to launch.

1 October 2027

Employee / self-employed PRSI moves to 4.5%.

Payroll Checklist

- Update wage rates and thresholds.
- Test net-pay calculations and employer costs.

NOTE:

Dates shown are measure dates, not new tax-return filing deadlines.



Summary Of Tax Changes

Income Tax

Standard Rate Bands	2027	2026
Single/Widowed	€46,500	€44,000
Married Couple/Civil Partnership- One Income	€55,500	€53,000
Married Couple/Civil Partnership- Two Incomes • €55,500 + lower of €37,500 or lower earner's income	€93,000 max	€88,000
Qualifying Child Carer	€50,500	€48,000

Tax Credits	2027	2026
Married Couple/Civil Partnership	€4,250	€4,000
Personal/PAYE/Earned Income(each)	€2,125	€2,000
Home Carer(maximum)	€2,050	€1,950

USC

USC Measure	2027	2026
USC: 2% Ceiling	€30,300	€28,700
USC: First €12,012	0.5%	0.5%
USC: Remaining Rates	3%/8%	3%/8%
Self-employed surcharge above €100,000	3%	3%

PRSI

Payroll Measure	2027 position	2026 position
Employee/ Self Employed PRSI	4.5% from 1 Oct	4.35% from 1 Oct
Higher Employer PRSI	11.55% from 1 Oct	11.4% from 1 Oct
Lower Employer PRSI Weekly Threshold	€600	€552

- PRSI figures shown are October rates, not single whole-year rates. The increases were previously legislated.

Homes , Families & VAT

Measure	Announced Change	Previous Position
Rent Credit: Single/Joint	€1,150/€2,300 (2027-28)	€1,000/€2,000
Rent-A-Room Ceiling	€16,000 from Jan 2027	€14,000
Help-To-Buy Maximum	€35,000 from 7 Oct 2026	€30,000
Childcare Services Relief	€20,000: conditions apply	€15,000
Non-oral respiratory livestock vaccines	9% intended	23% VAT

Capital Tax & Investing

Measure	Announced Change	Previous Position
General CGT	31% from 7 October 2026	33%
Development Land CGT	33%(unchanged)	33%
CAT Rate	33%(unchanged)	33%
CAT Group A Threshold	€420,000	€400,000
CAT Group B Threshold	€44,000	€40,000
CAT Group C Threshold	€22,000	€20,000

New CAT thresholds apply to benefits from 7 October 2026. Relationship definitions and normal conditions apply.

Qualifying Investment Tax	2027	2026
Funds/ ETFs/ Life Assurance Exit Rate	35% from 1 Jan	38%

- Companies and personal portfolio regimes excluded
- Outside the Investment Account, deemed disposal is not generally abolished.

Talk To DBASS

Understand what Budget 2027 means
for you and your business.

Contact our team for a review of
eligibility, payroll, investment or
succession planning.

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