



# Budget 2023

*The Cost of Living Budget*





## BUDGET OVERVIEW

Finance Minister Paschal Donohoe has announced a Budget of around €11bn.

As he delivered his Budget speech in the Dáil at lunchtime, Minister for Finance Paschal Donohoe said that Budget 2023 is and must be, a «cost-of-living budget», focused on helping individuals, families and businesses to deal with rising prices.

Among the main components is a package worth €1,100 for pensioners, an increase in the higher rate tax band to €40,000 and a reduction in childcare costs of about €170 per month.

€1.4bn allocated to the new Business Energy Support Scheme (BESS).

The Budget, announced two weeks earlier than usual, will also see the introduction of a €600 energy credit paid out to households in three instalments to help stave off sky-rocketing energy costs.

Mr Donohoe highlighted the war in Ukraine as a major factor in the crisis currently being experienced, adding that Brexit could bring further challenges.



ADVISING IRISH BUSINESS



East Point Plaza, East Point,  
Dublin 3 Ireland



00 353 1 439 4200



[advice@osk.ie](mailto:advice@osk.ie)



[www.osk.ie](http://www.osk.ie)



## COST OF LIVING PACKAGE

- Is a series of one-off spending measures to help people struggling to pay bills due to record levels of inflation.
- €600 electricity credit taken off energy bills in three instalments over the coming months.
- Child Benefit recipients will receive a double payment on November 1st.
- There will also be a two double payments of welfare rates between now and the end of the year.
- Under Business Energy Support Scheme (BESS), businesses can avail of grants up to €10,000 p.m., per premises to help with their energy costs, subject to meeting certain criteria.
- Rainy day fund will benefit from €2bn of the exchequer surplus, with €4 billion earmarked for the fund next year.

## PENSIONS & SOCIAL WELFARE

- Pensioners to receive one-off payments of up to €1,100 before end of year.
- State pension of €253 will be paid twice in the coming months.
- Living Alone allowance recipients will receive a separate €200 payment, those claiming Fuel Allowance will receive once-off €400 lump sum.
- The Fuel Allowance scheme extended to up to 80,000 people who currently do not qualify for the payment, bringing the total number claiming to 450,000.
- The weekly Fuel Allowance means limit for the over 70's, increases to €500 for single people and €1,000 for couples.
- Social Welfare rate increase by €12-per-week increase in the new year, along with a special once-off €500 payment for carers and people with disabilities this year.



## TAXATION

- Standard Rate tax band of 20%, to increase by €3,200 from €36,800 to €40,000.
- Personal tax credit will rise from €1,700 to €1,775.
- Employee tax credit and the Earned Income Tax Credit will also increase from €1,700 to €1,775.
- The 2nd USC band increases from €20,687 to €22,920 due to the increase in the minimum wage.
- Small benefit exemption will rise from €500 to €1,000. In addition, two vouchers can be given under the exemption in this tax year if an employer wishes to do so.
- Personal tax credits for carers will also increase by €100, from €1,600 to €1,700.

## HOUSING

- Rent tax credit introduced valued at €500 a year and will apply for 2023 and subsequent years, and will be able to be recouped for 2022
- The Help-to-buy scheme has been extended until 2024.
- A vacant homes tax introduced applying to residential properties occupied for less than 30 days a year, which will also affect holiday home owners. This will be charged at a rate equal to three times the property's existing basic Local Property Tax rate.
- The pre-letting expenses for landlords doubling to €10,000 and reducing the amount of time the premises must be vacant from 12 months to six months.



## TRANSPORT & CLIMATE

- Excise duty reduction to continue, 21c per litre for petrol, 16c cent per litre for diesel and 5.4c per litre for Marked Gas Oil (MGO).
- The rate per tonne of carbon dioxide emitted for petrol and diesel increasing from €41 to €48.50 from 12 October, resulting in an increase c2% per litre of petrol and diesel.
- A 10% concrete block levy introduced to including pouring concrete and other concrete products
- 20% public transport fare reduction and the Youth Travel Card discount of 50% on all operators' services extended to end of 2023.
- €337 million pledged to energy efficiency measures, an 32% increase on last year, with 37,000 home energy upgrades.
- All schools to be eligible for funding for solar panels.

## THIRD LEVEL

- Student Contribution Fee cut by €500 for eligible families earning between €62,000 and €100,000.
- Income limit to qualify for a 50% reduction in contribution fees under SUSI will be increased from €55,240 to €62,000.
- All SUSI maintenance grants will be increased by between 10% and 14% in September 2023.
- Once-off €1,000 increase to the post graduate fee contribution grant.
- Post-Graduate Fee Contribution Grant for eligible students of €3,500 will increase by €500.
- An extra €10 million for further and higher education institutions to help with rising costs.

## AGRICULTURE

- Five agricultural tax reliefs to be extended - Young Trained Farmer and Farm Consolidation Stamp Duty Reliefs, the Farm Restructuring CGT relief, and the Young Trained Farmer and Registered Farm Partnership Stock Reliefs.
- Agri-green diesel will also benefit under marked gas oil reduction of 5.4%
- A new scheme will help provide accelerated capital allowances to farmers for the construction of modern slurry storage facilities.

## CHILDCARE & EDUCATION

- Childcare fees to be cut by up to 25% for those availing of the National Childcare Scheme, costing €121million
- Free primary school books for all children
- 370 additional teacher posts further reducing the pupil to teacher ratio of 23:1
- 1,194 additional Special Needs Assistants, bringing total overall to 20,300.
- 4,800 additional apprenticeship places and 4,000 further education registrations



## HEALTHCARE

- An overall package of €443 million to help reduce waiting lists.
- Free GP care extension will see a further c70,000 children aged six and seven become eligible for free doctor visits by the end of the year.
- Free GP visit card by April 1st next year to help c360,000 adults and children in low-income homes.
- IVF public funding of €10m being allocated in 2023. including subsidising private IVF.
- Free contraception expanded, currently available to women aged 17 to 25, to those aged from 16 to 30 years.

## DEFENCE FORCES & GARDA

- Defence budget is set to increase by more than €1.1bn
- Includes €176m on building projects at barracks, new vessels for the navy, new aircraft for the Air Corps and more armoured vehicles for the Army.
- 1,000 new gardaí and extra civilian garda staff.

## OTHERS

- Newspapers will be zero-rated for Vat in today's speech from January 1, also apply to digital editions and subscriptions.
- Knowledge Development Box to be extended for 4 years
- The Special VAT rate for hospitality of 9% will expire at the end of February 2023.
- Cigarettes will cost an extra 50c from tonight, but there will be no increase in price of alcohol

# TAX CREDITS FOR YEAR 2023

PERSONAL	2023	2022
	€	€
Single	1775	1700
Married	3550	3400
Widowed Person	2190	2190
Single Child Carer	1650	1650
Home Carer Credit	1700	1600
Earned Income Credit	1775	1700
PAYE	1775	1700
WIDOWED/PARENT BEREAVEMENT	2023	2022
Tax Credit (In Year of Assessment)	3,600	3,600
Incapacitated Child	3,300	3,300
Dependant Relative	245	245
BLIND PERSON	2023	2022
Single/Married	1,650	1,650
Both Blind	3,300	3,300
AGE CREDIT	2023	2022
Single/Widowed	245	245
Married	490	490

# INCOME TAX RATES 2023

SINGLE PERSON	MARRIED PERSON
<b>2023</b>	<b>2023 (two incomes)</b>
20% of 1st €40,000	20% of 1st €80,000**
40% Balance	40% Balance
	<i>** Transferable between spouse up to a max of €44,300 for any one spouse</i>
<b>Single Parents</b>	<b>(One Income)</b>
20% of 1st €44,000	20% of 1st €44,300
40% Balance	40% Balance

# INCOME EXEMPTION LIMITS

SINGLE/WIDOWED	2023	2022
	€	€
65 years or over	18,000	18,000
MARRIED COUPLES	2023	2022
	€	€
65 years or over	36,000	36,000

# UNIVERSAL SOCIAL CHARGE

2023	EMPLOYEE & SELF-EMPLOYED	2022
0% on total earnings <€13,000 per annum		0% on total earnings <€13,000 per annum
0.5% on €0 to €12,012 per annum		0.5% on €0 to €12,012 per annum
2% on €12,013 to €22,920 per annum		2% on €12,013 to €21,296 per annum
4.5% on €22,920 to €70,044		4.5% on €21,297 to €70,044
8% on €70,045 to €100,000		8% on €70,045 to €100,000
PAYE INCOME 8% on excess over €100,000		PAYE INCOME 8% on excess over €100,000
SELF EMPLOYED INCOME 11% on excess over €100,000		SELF EMPLOYED INCOME 11% on excess over €100,000

## PRSI

EMPLOYER	2023	2022
Contribution for Class A		
PRSI	10.05%	10.05%
TRAINING LEVY	1.00%	1.00%
TOTAL FOR EMPLOYERS	11.05% on all income ***	11.05% on all income ***

EMPLOYEE	2023	2022
PRSI	*4% on all income	*4% on all income
SELF EMPLOYED/ DIRECTORS CONTRIBUTION	2023	2022
PRSI	**4% on all income	**4% on all income

\* Not applicable if earnings less than €18,300 p.a. (€352 p.w.)  
\*\*4.00% subject to a minimum payment of €500

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