

## A BUDGET TO SUPPORT CITIZENS & FAMILIES

Gross Voted Current Expenditure of €50.1bn – increase of €429m. Social Protection, Health and Education expenditure 81% of total spend.

Over €350m Current and €450m Capital Expenditure to Social Housing providing up to 7,500 units.

Develop Public Private Partnerships to deliver 1,500 Social Housing Units by 2017.

Set up Off Balance-Sheet Financial Vehicle to Channel Investment to the Voluntary Housing Sector.

Deploy €400m from the proceeds of the sale of Bord Gais Energy through a new funding vehicle to fund up to 2,000 extra housing units.

Additional €10m to tackle Homelessness bringing spend to €55m.

180,000 Older People will receive the Increased Living Alone Allowance, now €9 per week.

Child Benefit will be increased by €5 per month in 2015.

## A BUDGET THAT MEETS CHANGING NEEDS

920 New Mainstream Teachers.

480 New Resource Teachers - Total 6,705 up 21% from 2013.

365 New Special Needs Assistants - Total 11,330 up 7% from 2013.

Special Education Measures increased to €1.37m or 16% of Education Budget.

**No Change in Pupil-Teacher Ratio.**

**€635m to Dept. Children and Youth Affairs to support TUSLA in delivering its child-centred services.**

**€13.1bn to the Health Sector, an increase of €305m.**

**Water Subsidy of €100 per year will be provided to all recipients of the Household Benefits Package and the Fuel Allowance Schemes benefitting 653,000 people.**

## A BUDGET THAT SUPPORTS JOBS AND GETS PEOPLE BACK TO WORK

**€1.6bn to Pathways to Work providing almost 300,000 places.**

**€12M for JobPath activation service.**

**Doubling Numbers on JobsPlus to 6,000.**

**Establish the Low Pay Commission in 2015.**

The new **Back to Work Family Dividend** provides an additional incentive for families to move from welfare to work allowing families to **retain the full Qualified Child Increase of €29.80 per week per child for 12 months** after their return to work and **50% of the payment in the second year amounting to €1,550 in Year 1 and €775 in Year 2.**

# BUDGET 2015

#Budget15  
[www.budget.gov.ie](http://www.budget.gov.ie)



## SECURING THE RECOVERY

### Prudent and responsible approach

**GDP growth forecast of 4.7%** in 2014 and **3.9%** in 2015.

**1.92 million People at work** by the end of 2014. Up **80,000 since the low point** in 2012. An additional 48,000 jobs forecast by end 2015.

**Deficit is continuing to decline** ahead of target – 3.7% in 2014 and Deficit of 2.7% in 2015.

Achieved with less tax increases and expenditure reductions than envisaged in 2011.

The debt to GDP ratio is on a **downward trajectory** - 111% at end 2014.

## SUPPORTING KEY SECTORS OF THE DOMESTIC ECONOMY

Maximise available **agricultural land** with measures to encourage long term leasing.

Tackling **income volatility** with enhancements to income averaging scheme.

Supporting Tourism Sector with retention of **9% VAT rate**.

Supporting SMEs through changes to the **Seed Capital and Employment and Investment Incentive Schemes**.

Encouraging Exports through improvements to the **Foreign Earnings Deduction** and roll out of **Export Strategy** in 2015.

## REWARDING WORK AND CREATING OPPORTUNITIES

Every worker **who currently pays income tax or USC or both, will benefit from changes in this Budget**.

**Easing the burden** of the USC on those on lowest incomes by increasing thresholds and reducing rates.

**80,000 low income workers** removed from the USC.

**Reduction of the 52% marginal tax** rate for those on middle incomes by increasing the band by €1,000 and reducing the higher rate of income tax to 40% - **benefiting 742,000 workers**.

Tax relief at 20% will be provided on water charges up to a maximum of €500 per annum.

**Targeting relief at low and middle income earners** by introducing 8% rate of USC for earnings over €70,000 to maintain marginal rate of 52%.

Three year tax reform plan to create a further **15,000 jobs** when full impact of changes have taken effect.

## FAIR AND PROGRESSIVE TAX SYSTEM

Top 1% pay 21% of all income tax and USC

Top 24% pay 80% of all income tax and USC.

Bottom 76% pay 20% of all income tax and USC.

Incomes of €12,012 or less **are exempt**.

Only tax increase – Excise increase on cigarettes and other tobacco products.

## COMPETING TO WIN FDI THROUGH A ROAD MAP FOR COMPETITIVENESS.

The 12.5% Corporation tax rate is a corner stone of FDI strategy – **This will not change**.

Changes to our residency rules to require all companies registered in Ireland to also be tax resident – Eliminating the so-called “Double Irish”.

Best in class **Knowledge Development Box** at low competitive tax rate.

Improve intellectual property regime, Research and Development and SARP tax regimes.

Maintain Ireland’s Position as top destination for FDI and increase number employed over the **165,000 people currently employed** by IDA-supported foreign-owned enterprises.

## TOWARDS A FULLY FUNCTIONING PROPERTY MARKET

Extend the **Home Renovation Incentive** to Rental properties.

Remove 80% **Windfall Tax Provisions** on gains attributed to planning decisions and replace with 33% rate of CGT.

No extension to **CGT property relief** beyond end of 2014.

**Refund of DIRT** on savings used by first time house buyers towards the deposit on a home.

**ISIF** to explore funding options for housing projects.