

ENCOURAGING ENTREPRENEURS

Earned **Income tax Credit of €550 for the self-employed**

Introduction of a targeted **reduction to capital gains tax rate of 20%**

Extension of three-year tax relief for start-up companies until the end of 2018

SUPPORTING CHILDREN AND THEIR DEVELOPMENT

€5 increase in Child Benefit – 1.2m children and 610,000 families will benefit

Extension of the free Pre-School Year (Early Childhood Care and Education Scheme) – from age 3 until primary school

Extension of the **free GP care** to children **under 12 years**

2,260 new teaching posts – reduced pupil teacher ratios

Education Infrastructure – create an **additional 20,000 school places** through the delivery of large scale projects and the Additional Accommodation Scheme

School Meals Programme – increase funding by **€3m**, benefitting 217,000 children

Extension of the **Community Childcare** Subvention Programme by up to 8,000 places

SUPPORTING PEOPLE

Recruitment up to **600 new** trainee **Gardaí**

€3 weekly increase in pension rates – benefitting 677,000 people

€3 weekly increase for carers aged 66 and over

Increase the **Fuel Allowance by €2.50** per week, to €22.50, benefitting 381,000 people

Respite Care Grant in 2016 to be €1,700

Reaching out as part of the global community through Naval Service and Irish Aid, we are preparing to welcome **4,000 people** to Ireland as part of the international effort to address the current migration crisis.

Ireland 2016 – Ensure that 2016 will be remembered as a special year in our shared history

HOUSING

NAMA to deliver a target of 20,000 residential units before the end of 2020

- 90% of these units will be in the greater Dublin area
- Approximately 75% of these unit will be houses, mainly starter homes.

Housing – 17,600 people will have their housing needs addressed in 2016

Investment in Housing - Over 9,500 **social housing units** by 2018 funded through direct investment and Public Private Partnership - over 3,100 of these social housing units will be provided in 2016

Homelessness – Provide **€70m** to assist homeless people to transition to long term sustainable housing solutions

2016

BUDGET

#Budget16
www.budget.gov.ie



ECONOMIC AND FISCAL POSITION

Ireland is the **fastest growing economy in Europe** again in 2015

Economic growth of **6.2% forecast for 2015 and 4.3% in 2016** - average around **3% per annum thereafter**

130,000 more people are now in work compared to the low point in 2012

In 2016, **employment will increase by 48,000** and there will be over **2 million people at work in Ireland**

Unemployment has decreased from a peak of 15% in 2012, to 9.4% this year – **forecast to reduce to 8% by end of 2016**

SECURING THE RECOVERY

A **budget package of €1.5 billion** split between tax and expenditure

Gross Voted Current Expenditure of **€51.5bn**

Deficit of **2.1% forecast for 2015** – ahead of 2.7% target and deficit of **1.2% in 2016**

Gross Debt is forecast to drop to 97% of GDP by the end of 2015 having peaked at 120% of GDP in 2012.

FOSTERING INNOVATION

Introduction of the world's first OECD compliant **Knowledge Development Box** – qualifying income at **reduced rate of 6.25%**

'Best in class' corporation tax offering - 12.5% headline rate, R&D tax credit and the intangible asset regime

SUPPORTING FAMILIES AND SHARING THE BENEFITS OF ECONOMIC RECOVERY

From 1 January 2016, the statutory **minimum wage** will increase to **€9.15 per hour**.

A single worker on the minimum wage will see a €708 increase in annual net income

New PRSI tax credit of €12 a week for low paid workers

Paternity Benefit Scheme to be introduced from September 2016.

Increase to 400,000 the number of jobs supported by the **Enterprise Agencies** (Enterprise Ireland and IDA Ireland) and the Local Enterprise Offices.

Employment Supports - €2.50 per week increase in top-up payments for Community Employment, Rural Social Scheme, Tus, Gateway and JobBridge – will benefit **43,000 people**.

Increase in tax-free threshold for transfers between parents and their children, from €225,000 to €280,000

Every worker who currently pays USC will benefit from changes in this Budget

Gross incomes below €13,000 now exempt from USC – ensuring 700,000 income earners will not be liable to USC from the start of 2016

Rate on income from €0 to €12,012 reduced to 1%

Rate on income from €12,013 to €18,668 reduced to 3%

Rate on income from €18,669 to €70,044 reduced to 5.5%

Rate on income from €70,045 remains at 8%

As a result of Budget 2016:

Married Couple, three children with joint income of €41,500 will benefit from €1,457 increase in net pay

Married couple, no children and joint income of €58,460 will benefit from €1,173 increase in net pay

Single worker, self-employed with income of €40,000 – will benefit from €1,002 increase in net pay

BUILDING STRONG SECTORS

To reduce transportation costs maximum rate of **commercial motor tax will be €900 per annum, down from €5,195**

In agri-food sector - Extension of reliefs for young trained farmers for a further 3 years to end of 2018

Income tax credit worth up to €5,000 per annum for five years for certain farm partnerships

For **Micro-breweries relief will now be available upfront** - reducing the cash-flow burden of the current rebate scheme

Supporting Retailers by reducing bank transaction fees and incentivising electronic payments

Extension of the **Home Renovation Incentive**

Increase in the cap on the eligible expenditure to €70 million for **film relief**

Retention of the **9% VAT rate for the tourism and hospitality sector**