

FINANCE BILL 2024

[UPDATES TO BUDGET 2025 SUMMARY]

Summary of the main Finance Bill 2024 measures giving legislative effect to Budget 2025 changes. Plus an outline of other tax changes implemented recently which impact the farming sector.



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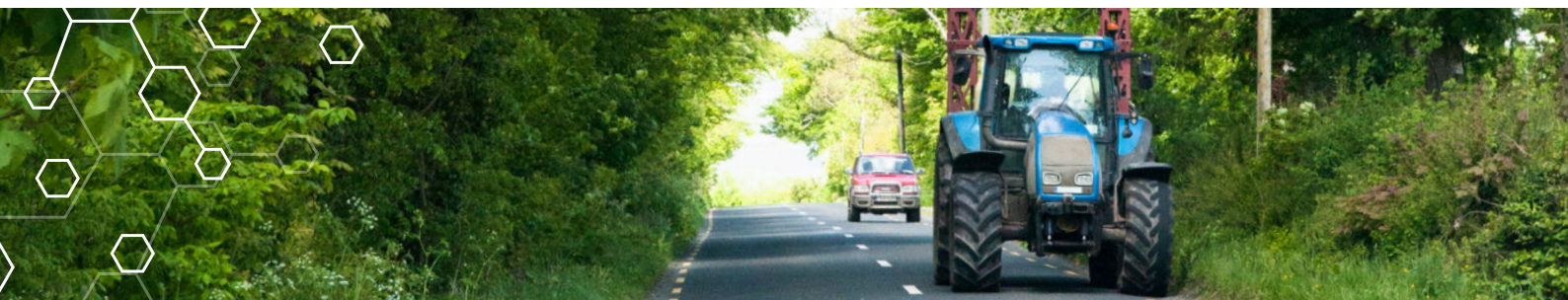
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Main Headline Items Finance Bill 2024 / Budget 2025

Updates as a result of the Finance Bill highlighted in **red**

- The **income tax standard rate bands** have been increased by €2,000. The income tax rates (20% & 40%) have not been changed.
- There has been a €125 increase in the **principal tax credits**.
- The rate applying to the middle **USC** band has been reduced from 4% to **3%**. There has also been a realignment of the bands.
- **PRSI** rates are due to increase by **0.1%** from 1st October 2024.
- The three **Stock Relief** measures have been further extended
- Changes will kick in from 1 Jan 2025 to the **Capital Gains Tax (CGT) Retirement Relief** upper limits with changes to the upper age from age 66 to **age 70** where limits are reduced. **The €10 million limit applying to transfers from parent to child will be set aside for the CGT on such disposals where the recipient retains the assets for 12 years.**
- The **Capital Acquisitions Tax (CAT)** thresholds have been increased **with effect from 02 October** with no change in the rate. A change has been made to **CAT Agricultural Relief** whereby an amended set of Active Farmer conditions will also apply to the donor with **transitional arrangements on the term in place until 31 December 2030.**
- A new residential **Stamp Duty** rate **will apply from 2 October** on properties with a value greater than €1.5 million.
- **The existing relief from Stamp Duty on certain farmland leases will now also be available to company lessees subject to certain criteria.**
- The **VAT** flat rate farmer addition rate is to increase from 4.8% to **5.1%** from 1st January 2025. There are also changes to the VAT registration thresholds.
- There have been significant changes to **Social Protection Payments** for 2025 with a general €12 weekly increase applied. Some additional once off cost of living support payments have also been announced.
- Additional funding has been allocated for specific measures relating to Agriculture.



Income Tax



Income Tax – Rates & Bands

The standard rate bands have been increased as shown below with the income tax rates (20% & 40%) remaining unchanged for 2025.

	At 20% Rate - the first			At 40%
	Existing 2024	Change	Proposed 2025	
Single/Widowed	€42,000	+ €2,000	€44,000	Balance
Married One Income	€51,000	+ €2,000	€53,000	Balance
Married Two Incomes - Max	€84,000	+ €4,000	€88,000	Balance
One Parent/Widowed Parent	€46,000	+ €2,000	€46,000	Balance

Income Tax Credits

Tax Credits are applied as a straight deduction from an individual's income tax, as calculated by applying the two tax rates and using the bands outlined above.

There has been an increase of **€125** in the principal tax credits with **€300** added to the Incapacitated Child Tax Credit.

* The Earned Income tax credit is calculated at 20% of an individual's earned income (excluding earned income that is taken into account for the PAYE Tax Credit) subject to a maximum of €2,000.

Where an individual has earned income that qualifies for the Earned Income Tax Credit and PAYE Tax Credit, the combined tax credits cannot exceed €2,000.

	Existing 2024	Proposed 2025
Personal Tax Credits		
Single	€1,875	€2,000
Married	€3,750	€4,000
Single Person Child Carer	€1,750	€1,900
Widowed Person Credit	€2,315	
PAYE Credit	€1,875	€2,000
Earned Income Tax Credit (Max)*	€1,875	€2,000
Home Carer Tax Credit	€1,800	€1,950
Child Carer Credit	€1,750	€1,900
Incapacitated Child Credit	€3,500	€3,800
Blind Persons Credit	€1,650	€1,950
Dependent Relative	€245	€305



Age Exemption Limits

There are income thresholds set for people aged above 65 years and below which they can earn income and pay no income tax. These thresholds remain unchanged.

	2025 Limit
Single	€18,000
Married	€36,000

PRSI

Farmers pay the self-employed rate of PRSI known as Class S PRSI. This is applied to all 'Reckonable income' for the purposes of PRSI (profit after capital allowances but before reliefs and deductions) - there is only one rate so no bands apply.

As was announced in Budget 2024 last October all PRSI rates including the Class S rate will increase by 0.1% from 1st October 2024.

The revised Class S PRSI rate will therefore be **4.1%** from **1st October 2024**

There will be further incremental increases in the Class S rate as follows over the following four years finalising at a rate of 4.7% by October 2028.

October 2025	+ 0.1%	4.2%
October 2026	+0.15%	4.35%
October 2027	+0.15%	4.5%
October 2028	+0.2%	4.7%

The minimum contribution for self-employed people and voluntary contributors will also increase by €150 to **€650** from **1 October 2024**

Of interest to farms with employees is that the highest **Employer PRSI rate** (which is **paid where weekly earnings exceed €441** (current) rises to **€496 or higher with effect from 1 October 2024**. Employers with employees earning below this threshold pay 8.8% PRSI

The employer high rate of PRSI is currently 11.05% and **this will increase to 11.15% from 1st October 2024**, and incrementally thereafter to 11.75% by 1st October 2028.

Universal Social Charge



The Universal Social Charge is payable on gross income after relief for certain trading losses and capital allowances, but before relief for pension contributions.

2024 USC Income Bands	2024 USC Rates	2025 USC Income Bands	2025 USC Rates
€0–€12,012	0.5%	€0–€12,012	0.5%
€12,013– €25,760	2.0%	€12,013– €27,382	2.0%
€25,761–€70,044	4.0%	€27,383–€70,044	3.0%
€70,045–€100,000	8%	€70,045–€100,000	8%
> €100k (self-employed only)*	11%	> €100k (self-employed only) *	11%

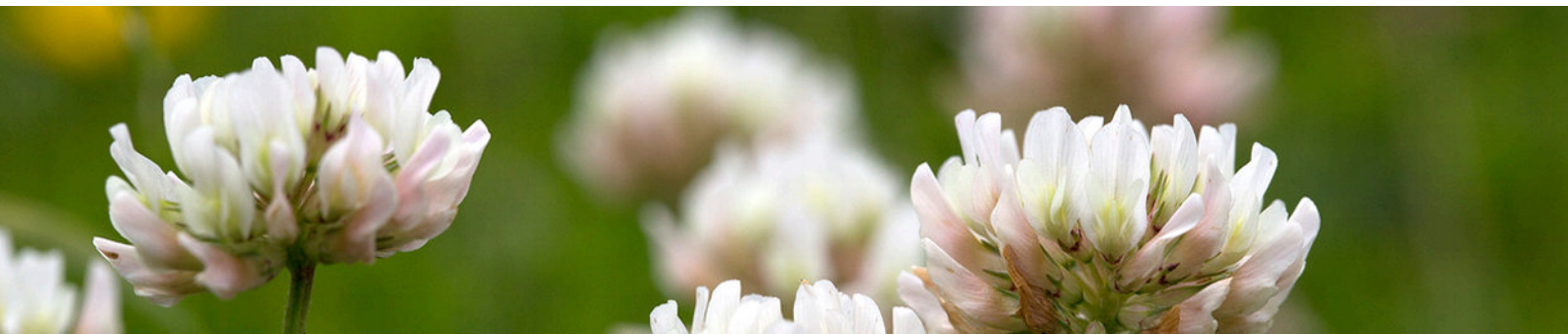
* Self-employed individuals with annual income exceeding €100,000 are subject to a 3% additional surcharge – an effective 11% rate of USC. Those in receipt of PAYE income only in excess of €100,000 will be subject to a max USC rate of 8%.

The lower exemption threshold above which income becomes liable to the USC will remain at €13,000.

The USC rate applying to the middle band has been reduced from 4% to 3%. The bands for the 2% and 3% USC thresholds have been adjusted in line with the change in the minimum wage.

The marginal rate of tax for employed / self-employed individuals (under 70 years) with a maximum income below €70,044 is as follows:

	2024	2025
Income Tax	40%	40%
PRSI	4.1%*	4.1%*
USC	4.0%	3.0%
Total	48.1%	47.1%



Stock Relief

Stock Relief for Registered Farm Partnerships and Stock Relief for Young Trained Farmers have been extended **until 31 December 2027**.

Stock Relief for Registered Farm Partnerships gives relief to qualifying partners in an RFP at 50% on the increase in the value of trading stock over an accounting period. The State Aid threshold has an increased upper limit of €20,000 in place since 1st January 2024 for the cash equivalent of the relief that can be claimed over 3 years.

Stock Relief for Young Trained Farmers gives relief at 100% for the first four years of trading on the increase in the value of trading stock over an accounting period. This relief can be availed of by young farmers operating in a sole trade or an RFP but note the State Aid limits outlined on page 13.

General **Stock Relief**, which is available to all farmers at the 25% rate, has also been extended until **31st December 2027**.

Accelerated Capital Allowances for Farm Safety Equipment

No
Change

This scheme is in place until **31 December 2026**. This scheme allows for accelerated capital allowances of 50% per annum over two years for certain eligible equipment. An annual limit on the total equipment cost funded of €5 million per annum., excluding VAT, for the measure applies. **The measure is being broadened to allow for relief in respect of expenditure by farmers on certain TAMS eligible safety equipment including fixed sheep handling units and cattle crushes, calving gates, farm floodlights, livestock monitors and sliding and roller doors.**

The full terms and conditions for the scheme, list of eligible equipment and application form are available here.

Accelerated Capital Allowances for construction of Slurry Storage Facilities

No
Change

Targeted at the construction of slurry storage facilities allowing 50% of the eligible expenditure to be claimed over two years (rather than the normal 7 year claim period).

This scheme will be available until **31 December 2025**.

More details on the Accelerated Capital Allowances for construction of Slurry Storage Facilities are available here.



Relief for Certain Income from Leasing of Farm Land

Relief can apply on lease income received by an eligible lessor on the lease of land & associated farm buildings that are leased to a non-connected lessee (including a company) for a fixed lease period.

Lease Term (years)	Max Tax Free Annual Lease Income
5 +	€18,000
7 +	€22,500
10 +	€30,000
15 +	€40,000

Land *purchases* completed or after 1 January 2024 for a consideration equal to market value which are subsequently to be leased out by the land owner are subject to a restriction for this relief.

To be eligible for the relief on the land lease payment the lessor must have owned the land for a continuous period of at **least 7 years** before they can make a claim for relief.

This restriction will not apply to land acquired by the lessor by inheritance or gift.

Corporation Tax

For farms that are trading as companies there is no change proposed to the corporation tax rate which will remain at **12.5%**.



Deposit Interest Retention Tax (DIRT)

This is a tax on interest paid or credited on deposits of Irish residents. There has been no change in the DIRT rate applied - it remains at 33%.



Dividend Withholding Tax (DWT)

The rate of Dividend Withholding Tax remains at 25%.



Value Added Tax (VAT)



VAT Rates

The flat rate farmer addition rate is to be increased from 4.8% to **5.1%** from **1 January 2025**

The VAT rate applying to sales and purchases of livestock remains at 4.8%.

The standard rate of VAT remains at **23%** and the **13.5%** rate remains unchanged.

The VAT thresholds will increase to **€42,500** for services and to **€85,000** for goods.

The 9% VAT rate for gas & electricity has been extended until **30 April 2025**.

VAT Reclaims by Flat Rate Farmers

In May 2024 Revenue published a [Tax & Duty Manual](#) detailing the rules on flat rate refunds.

Included in this manual is detail on the amount of VAT that is refundable and some detail on eligibility of spending for a refund.

From **Section 2**:

The amount of VAT refundable is solely the amount incurred on expenditure on:

- *the construction, extension, alteration or reconstruction of that part of the building or structure which was designed solely for the purposes of a farming business and has actually been put to use in such a business carried on by him or her,*
- *the fencing, drainage or reclamation of any land which has actually been put to use in such a business carried on by him or her, or*
- *the construction, erection or installation of qualifying equipment for the purpose of micro-generation of electricity for use solely or mainly in his or her farming business*

From **Section 5.7**:

Mobile or moveable farm equipment and machinery are not allowed under the order. Merely fixing, attaching, or bolting a piece of equipment or machinery to a building does not qualify it for refund under the order.

Commentary based on **Section 5.9**

Fixtures and Fittings – Revenue are making a distinction between a building / structure which they regard as a fixture and associated fittings. In broad terms fixtures are allowable and fittings are not when it comes to the refund.

What creates the distinction is whether the item in question can be “*removed without substantial damage or significant alteration being caused to the goods themselves or to the building or construction to which they are installed.*” – if that is the case then it may be categorised as a fitting and deemed not eligible for a VAT refund

Capital Gains Tax (CGT)



The rate of CGT is unchanged at **33%**.

Capital Gains Tax Retirement Relief

This relief is available to individuals who dispose of eligible chargeable business assets **on or after reaching the age of 55**.

From 1st January 2025 a number of changes are being implemented to age thresholds where upper limits on the relief are applied - moving from a cut off of 66 years to **70 years**.

	Disposal to	Age of disponer	Market Value of Assets potentially eligible for relief
From 1 Jan 2025	A child of the owner	> 55 to < 70 years	Upper Limit of €10 million * Excess chargeable to CGT
		> = 70 years	Upper Limit of €3 million Excess chargeable to CGT
	Any other person	> 55 to < 70 years	Full relief only up to €750k (lifetime limit)
		> = 70 years	Full relief only up to €500k (lifetime limit)
Up to 31 Dec 2024	A child of the owner	> 55 to < 66 years	No monetary limit
		> = 66 years	Upper Limit of €3 million Excess chargeable to CGT
	Any other person	> 55 to < 66 years	Full relief only up to €750k (lifetime limit)
		> = 66 years	Full relief only up to €500k (lifetime limit)

In addition a new upper limit of €10 million worth of asset values will apply for disposals taking place on or after 1 Jan 2025 to a child and where the disponer has not reached the age of 70. Previously there was no upper limit on this relief where the disponer had not reached the age of 66.

* The CGT liability arising on such a disposal can be abated in full provided the child receiver complies with a CGT clawback period of 12 years during which they must retain ownership of the asset on which relief was claimed. Failure to comply will mean the original CGT liability plus the CGT liable on the gain since the child took ownership will be assessed and charged on the child.

The normal clawback period applying for Retirement Relief remains at 6 years.

CGT Farm Restructuring Relief

No
Change

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To enable farm restructuring, relief from Capital Gains Tax has been available (subject to conditions) where land is disposed of by either sale or exchange and the proceeds have been reinvested into other land resulting a new farm holding with reduced distance between the parcels that make up the holding

The deadline for the completion of the first restructuring transaction is 31st December 2025. Both restructuring transactions must be completed within a 24 month period.

[The guideline document for this relief \(& Consolidation Relief from Stamp Duty\) is available here](#)

Capital Gains Tax—Entrepreneur Relief

No
Change

This relief applies a reduced CGT rate of 10% on gains from the disposal of qualifying business assets. Assets owned by both sole trader and companies and used in the trade could potentially qualify.

There is a lifetime limit of €1 million on the gains that you can claim relief on. Only gains on disposals made on or after 1 January 2016 are counted in the limit.

You must have owned the business assets for a continuous period of three years. The three years must be in the five years immediately prior to the disposal. The business asset must be used for a qualifying business.

[More details on the operation of the CGT Entrepreneur relief are available here](#)



Capital Acquisitions Tax (CAT)



The rate of CAT is unchanged at **33%**.

CAT Tax Free Thresholds

	Group	2024 Threshold	2025 Threshold (applies from 2 October 2024)
A	Son/Daughter, minor child of deceased child	€335,000	€400,000
B	Lineal Ancestor/Descendent, brother, sister, niece, nephew	€32,500	€40,000
C	Any other person	€16,250	€20,000

This is the first change in the CAT Thresholds since October 2019.

The new increased thresholds apply to all gifts and inheritances taken on or after 2 October 2024.

The threshold used depends on the relationship between the disponent and the beneficiary. A 'child' includes an adopted child and a stepchild.

Each threshold is cumulative and applies to the total taxable benefits received from parties in that group. The taxable value of any previous gifts and inheritances received since 5 December 1991 within the same group are aggregated.

No tax is payable on a gift or inheritance if its taxable value is below a particular threshold. You must pay tax on any remaining value above that threshold.





Capital Acquisitions Tax - Agricultural Relief

Introduced in this budget is the new requirement for the disponent (person giving the gift) to also meet certain Active Farmer conditions for the beneficiary to avail of Agricultural Relief.

The conditions for a beneficiary (recipient of a gift or inheritance) to avail of CAT Agricultural Relief are set out as follows:

- The **beneficiary** must meet the **Farmer Test** (the 80% agricultural property test) on the valuation date
- The **beneficiary** of the property subject to the relief must satisfy the **Active Farmer Test** as set out below.
- The **disponent** must also meet certain **Active Farmer Conditions** (see page 12)

To meet the **Active Farmer Test** the beneficiary must either:

- Hold (or obtain within 4 years of receiving the property) a recognised agricultural qualification (as listed for the young farmer stamp duty exemption qualifications listed in schedule 2 or 2A to the Stamp Duties Consolidation Act 1999) AND who farms the property on a commercial basis with a view to the realisation of profits for a period of **6 years** from the valuation date for the property. **OR**
- **Spend 50% of that individual's normal working time*** farming agricultural property (including the property received) on a commercial basis with a view to the realisation of profits for a period of **6 years** from the valuation date for the property. **OR**
- Lease the whole of the agricultural property, comprised in the gift or inheritance for a period of **not less than 6 years** commencing on the valuation date of the gift or inheritance, to an individual who satisfies either of the previous two criteria **OR**
- Combine farming some of the property with leasing the remainder as above to fulfill the conditions **(NOTE the requirement where land is to be leased to meet the conditions that the total value of the land leased is 75% of the property by value has been removed)**

*Definition of "normal working time"

- Normal working time including both on-farm and off-farm working time approximates to 40 hours per week.
- An individual spending an average of 20 hours per week working on the farm will meet the 50% of normal working time criteria.
- Where it can be shown that an individual's normal working time is less than 40 hours a week, then the 50% requirement will be applied to the actual hours worked

Capital Acquisitions Tax - Agricultural Relief

Active Farmer Disponer Conditions



For all **gifts or inheritances** taken on or after **1st January 2025** the following conditions will apply to the disponent **in order for the beneficiary** of the gift or inheritance to qualify for Agricultural relief

For the disponent to meet the Active Farmer Test they must, **for a period of not less than 6 years (see point 2 below)** ending immediately prior to the date of the gift or inheritance, either:

- Have held a recognised agricultural qualification (see page 11) AND have farmed the property on a commercial basis with a view to the realisation of profits **OR**
- Have spent 50% of their normal working time (see page 11) farming agricultural property (including the property passed in the gift/ inheritance) on a commercial basis with a view to the realisation of profits **OR**
- Have leased some or all of the gifted/ inherited ag property to a lessee who meets the first two conditions above **OR**
- Have combined farming some of the property with leasing the remainder as above to fulfill the conditions

Further Qualifications on the operation of the above conditions

1. The disponent does not have to meet the Farmer test (80% asset test)
2. The full 6 year requirement will only fully apply from 1st January 2031. Until 31st December 2030 any period from 1st January 2025 to the date of disposal where the conditions outlined above are met will suffice to meet the Active Farmer Disponent Conditions
3. Where the disponent has taken possession on the death of their spouse of the property now subject to the gift/ inheritance within 6 years of its proposed disposal then the term of compliance with the above outlined active farmer provisions that are met by the deceased spouse will be treated as those of the disponent for the purposes of fulfilling the disponent's active farmer conditions (stepping into the shoes provision)
4. No concession for the disponent to get four years to achieve the minimum agricultural qualification.
5. Where the land subject to the gift/ inheritance has solar panels installed on no more than half its total area then the active farmer disponent conditions only apply to the transferred land that has no panels installed. Any lease of the land on which panels are installed is not regarded as a disposal triggering a clawback of the relief

Note that the provision allowing a benefit (eg cash) to qualify for agricultural relief if it is taken subject to the condition it is invested in agricultural property within two years of the gift/ inheritance - this is NOT provided for in the newly inserted section (s 89A CATCA 2003) dealing with the relief.

Stamp Duty



There was no change to the stamp duty rates applying to non-residential property.
A new 6% rate has been introduced for residential property **with effect from 2 October 2024**

2024		2025	
Non Residential Property (including land)			
Consideration	Rate of Duty	Consideration	Rate of Duty
Entire Consideration	7.5%	Entire Consideration	7.5%
Residential Property			
Up to €1,000,000	1%	Up to €1,000,000	1%
Over €1,000,000	2%	From €1m to €1.5m	2%
		Over €1.5 million	6%

The stamp duty rate of applying on the bulk buying of residential property (10 or more houses in 12 mths.) will increase from 10% to **15%** - targeted at purchases of these properties by investment funds.

Consanguinity Relief for Stamp Duty



Consanguinity Relief for inter-family farm transfers of non-residential property is in place until **31st December 2028** (FA 2024). The relief reduces the effective rate applied on lifetime land transfers by gift between certain related persons **from 7.5% to 1%**.

Consanguinity relief applies to transfers between related persons.- i.e. blood relations including lineal descendant, parent, grandparent, step parent, husband or wife, brother or sister of a parent or brother or sister, or lineal descendant of a parent, husband or wife or brother or sister & foster children.

Stamp Duty Relief for Young Trained Farmers

Relief in place until **31st December 2025** allowing a rate to **0%** on qualifying transactions

Finance Bill 2024 includes a legislative change to facilitate young farmers who avail of this relief but who are carrying on their farming trade through a company. **The YTF must spend 50% of their normal working time farming as a company employee, hold 20% of the company shares and be involved in financial & managerial decisions.**

The **Teagasc My Farm-My Plan** document is the Revenue approved business plan template which must be certified by Teagasc as a requirement to claim the relief.

[The Teagasc My Farm-My Plan template can be downloaded here.](#)

Stamp Duty – Farm Consolidation Relief

Consolidation Relief may apply where land is disposed of and replaced with other land with the end result of a less fragmented and more viable farming operation.

Purchase and sale transactions that take place **between the dates of 1st January 2018 to 31st December 2025** are potentially eligible for the relief. The two land transactions involved in the consolidation must occur **within 24 months** of each other.

A certificate from Teagasc will be required stating that the transactions involved in the consolidation meet the conditions set out in guidelines - see section on CGT Restructuring Relief (page 09) for link to the guideline document.

Claimants of the relief must commit to retaining ownership of their interest in the qualifying land and use the land for farming for a period of 5 years from the date of first claiming the relief.

The relief has the effect of **reducing the rate of stamp duty applying on eligible transfers of land from 7.5% to 1%** on the excess of the value of land purchased over the value of land sold as part of the consolidation transactions.

Stamp Duty Relief on Leases of Farmland

A normal rate of 1% of the annual lease payment is charged on the lessee on land leases.

This relief gives full relief from the stamp duty provided the lease is of a minimum term of 6 years and the lessee is either a trained farmer or spends 50% of their time farming.

This Finance Bill extends this eligible lessee definition to include companies as a lessee provided the company has a 20% shareholding director who meets the criteria of a trained farmer or meets the 50% of working time farming criteria and participates in the financial and operational decisions of the company

EU State Aid Cap on measures applying to young farmers

The overall lifetime cap of applying on the effective tax saving/ benefit claimed under the following three reliefs/credits is **€100,000** (from 1 January 2024).

- *Young Trained Farmers Stamp Duty Relief*
- *Enhanced Stock Relief for Young Trained Farmers*
- *Succession Farm Partnerships tax credit*

The Teagasc “My Farm – My Plan” document is the business plan template agreed with Revenue for certification to avail of the above three measures in compliance with State Aid rules.

[This business plan template can be downloaded here.](#)

The business plan must be submitted for certification on or before 31st October in the year following the first year of assessment for tax.

Social Welfare Payments



A **€12 increase** in the main weekly payments is being applied for 2025 – to be introduced in January 2025.

**Means Tested Payments

	2024	From Jan 2025
State Pension	€277.30	€289.30
Qualified Adult Increase	€184.70	€192.70
State Pension (Non-Contributory) (Max)**	€266	€278
Qualified Adult Increase	€175.70	€183.60
Jobseekers Benefit	€232	€244
Jobseekers Allowance (Aged 25+)**	€232	€244
Farm Assist**	€232	€244
Invalidity Pension	€237.50	€249.50

Selected Weekly Increases [applied to selected weekly payments listed above]

There is an increase in the Qualified Child Payment of €4 per week, this applies to all weekly payments.

	2024	From Jan 2025
Increase for child under 12	€46	€50
Increase for child aged 12 & over	€54	€62
Living Alone Allowance	€22	€22
Fuel Allowance	€33	€33

The monthly Child Benefit will remain at the €140 rate for 2025 and there will be two double payments of this benefit in **November** and **December 2024**.

There will be a double payment of all other welfare payments in **October** (cost of living bonus) and **December** (Christmas Bonus). The Christmas bonus will be paid to those getting a long term social welfare payment in December 2024. The Christmas bonus has also been extended to those who have been getting Illness Benefit for 12 months or longer.

[More detail on the Social Welfare rates can be found here](#)

Other selected Social Welfare measures announced

Bonus Lump Sum Payments on existing welfare payments

- **Working family payment Bonus** - €400.
- **Carers Support Grant Bonus**- €400
- **Living Alone Allowance** - €200
- **Child Support Grant** (formerly qualified child) - €100

- **Fuel Allowance** will be extended to over-66s and there will also be a €300 lump-sum payment for recipients of the benefit
- Over-70s are to benefit from a **Universal Companion Pass** initiative allowing anyone over 70 to bring a companion on public transport free of charge.
- **Free public transport** will be extended to children under nine (currently under five)
- Parents of children born after 1 January 2025 will receive a special one-off **Newborn Baby Grant** of €280 in addition to the first month of Child Benefit - total of €420
- €15 weekly increase in **maternity, paternity and parents' benefit** increasing the weekly rate to €289
- **Carer's Support Grant** to be increased to €2,000 and there will be a €20 increase in the **Domiciliary Care Allowance**
- **Carer's Allowance** means test limits to increase to €625 per week for a single person and €1250 per week for a couple
- **Pay Related Benefit Scheme** which ensures that people with a strong work history receive enhanced benefits if they lose their employment will commence on **31st March 2025**
- **Auto Enrolment** - the new retirement savings scheme for employees who do not already have a workplace pension scheme or an additional pension arrangement will commence on **30th September 2025**



Other measures



- **Cigarettes**—Exercise duty on a pack of 20 cigarettes will rise by €1 with a pro-rata increase on other tobacco products.
- **Vapes** - from the middle of next year an additional 50 cent tax per ml of e-liquid will apply
- **Electricity Credits**—a total of €250 will be paid to each household in two instalments of €125 with the first instalment paid before Christmas and the other in 2025
- **Help to Buy Scheme** - has been further extended until the end of 2029.
- **Small Benefit Exemption** - employers can give up to **five** (increased from two) small benefits each year up to a combined benefit of **€1,500** (up from €1,000)

Residential Zoned Land Tax

Residential Zoned Land Tax (RZLT) is an annual tax. It is calculated at 3% of the market value of land within its scope. RZLT will apply to land that on, or after, 01 January 2022, is zoned for residential use and serviced.

In general, land is serviced where it has sufficient access to the infrastructure required for residential development. This includes roads, paths, lighting and access to water supply and services, including sewers and drainage.

The first liability date for Residential Zoned Land Tax (RZLT) is deferred until 01 February 2025. Registration for RZLT will open in early December 2024.

Where farmland is subject to the RZLT the landowner will be given an opportunity to seek a change in zoning in 2025 to reflect the fact that the existing economic activity being carried out on the land is farming related.

Tax Credit on Rental payments for a Principal Private Residence

This tax credit on rent paid for the family home which was introduced in last years budget is to be increased from €750 to **€1000 per year** for **2024** and **2025**. It will apply to taxpayers who are paying rent on their principal private residence and will also apply to parents who pay for their student children's rental accommodation in the case of Rent a Room accommodation.

Education Measures

- **Student's college & apprentice fees** will be reduced by €1,000
- Postgraduate students will see their **fee contribution grant** increase from €4,000 to €5,000.
- **Free School Book Scheme**—further extended from September 2025 and will now cover students at both primary and secondary level up to the Leaving Cert
- Increased funding for the **School Transport Scheme**
- Fees will be waived for school **State exams** next year.

Mortgage Interest Relief

This relief was introduced for last year and has been extended in respect of principal private residential mortgages where:

- the outstanding mortgage balance was between €80,000 and €500,000 on 31 December 2022, and
- the taxpayer is compliant with Local Property Tax (LPT) requirements.

The relief will be available at the standard rate of income tax in respect of the increase in the interest paid between the calendar year 2022 compared to the calendar year 2024.

The maximum value of the relief is €1,250 per property and a tax return must be filed in order to claim the relief.

Statutory Minimum Wage

The statutory minimum wage is to increase by €0.80 from its current rate of €12.70 per hour to **€13.50 per hour** from **1st January 2025**.

Carbon Related Measures

Carbon Tax—the rate of Carbon Tax will increase by €7.50 from €56 per tonne to **€63.50 per tonne**. This increase will be applied to auto diesel and petrol with effect from **9 October 2024** and will add 2 cent per litre to petrol and 2.5 cent per litre to diesel.

This increase will be applied to all other fuels with effect from 1 May 2025



Selected Specific Measures Relating to Agriculture



The Department of Agriculture, Food and the Marine has been allocated over €2 billion

Some details have been announced on budget day on the following;

- **National Sheep Welfare Scheme** - continuation of this scheme with an additional €5/ ewe bringing total payment to €13 / ewe - Total €22m
- **National Beef Welfare Scheme** - Increase the payment per calf by €25 to €75 / calf - Total €8m
- **Dairy Beef Scheme** - Increase the payment per calf by €20 to €40 / calf
- **Tillage farming support**— new €100/ hectare scheme supporting farmers to plant their field crops - Total €30m
- **Straw Incorporation Measure** - €10 million
- **Organic Sector Funding** - €10 million in additional funding
- **Animal Health** - measures improving biosecurity - Total €10m
- **ACRES** - additional €60m bringing total allocation of €260 million for 2025
- **National Forestry Programme**—€91 million in funding
- **Multi-Species** - €1.25m / **Red Clover Swards** €1.5m – to support the planting of these swards
- **Farm Safety** - budget of €2.5 million to support initiatives
- **Soil Sampling Scheme** – continued funding of €6 million
- **Forgotten Farmers** - scheme to open with initial funding of €5 million

[More detail on the agriculture measures is available here](#)



Schedule for Finance Act

The measures outlined in Budget 2025 were published in Finance Bill 2024 on 10 October 2024.

The Bill will be debated by both houses of the Oireachtas and will be signed into law as Finance Act 2024 in mid to late December.

Proposed Finance Bill Schedule

- Finance Bill published - 10 October 2024
- Committee Stage - 5 – 7 November 2024
- Report Stage - 19 - 20 November 2024
- Seanad Report Stage - 11 December 2024
- President signs Finance Act 2024 - on/ before 25 December 2024

Note

This summary is based on the author's interpretation of the relevant Budget and Finance Bill measures and should not be taken as a definitive interpretation of these measures. For all individual tax queries you are advised to seek professional tax advice from your own accountant/ tax adviser.

References

[Department of Finance Budget Section](#)

[Department of Social Protection](#)

[Department of Agriculture, Food & the Marine](#)