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ACCOUNTANTS

Budget 2027

Making Work Pay Budget



BUDGET OVERVIEW

After weeks of speculation, Finance Minister Simon Harris and Public Expenditure Minister Jack Chambers have delivered Budget 2027.

Mr Harris said the budget was being delivered "at a time of major global uncertainty".

"People need to feel the benefits of economic growth in their own daily lives and, indeed, in their pockets," the Tánaiste said.

Among the most notable measures introduced were changes to the higher rate tax bands, monthly childcare-cost limits and a personal investment scheme.

Mr Chambers said: "A married couple with one child in full-time childcare, both working and with a combined net income of €95,000, can expect to see a gain of over €3,500 next year – a 3.7% increase – because of the decisions we are making today."

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WELFARE

- €10 increase in pension and welfare rates.
- An annual cost-of-disability payment of €500.
- Income disregard for carer's allowance to rise by €150 for a single person and €300 for a couple.
- The child support payment to rise by €6, the living alone allowance to rise by €3 per week.
- Home carer tax credit increased by €100.

FIRST-TIME BUYERS, RENT TAX CREDIT, INHERITANCE TAX

- Help to Buy scheme increases by €5,000 to €35,000.
- Rent tax credit will rise by €150 to €1,150 for single renters and to €2,300 for couples.
- Tax-free threshold for earnings under the rent-a-room relief will rise to €16,000, extended to include newly installed detached auxiliary dwellings.

The three inheritance tax thresholds have been increased:

- Category A for inheritance tax from parents to children will increase by €20,000 to €420,000.
- Category B inheritances by siblings, nieces, nephews & grandchildren, will rise by €4,000 to €44,000.
- Category C which covers all other people benefiting from a gift or inheritance, will rise by €2,000 to €22,000.



HOUSING

- €9.4 billion has been allocated for housing
- €2.2 billion to support social housing needs of 110,000 households
- €3 billion to fund social housing delivery including 11,250 new build social homes
- €225 million allocated to the Housing Infrastructure Investment Fund

INFRASTRUCTURE

- €2.3 billion allocated to Uisce Éireann, €1.5 billion used to build capacity and increase resilience
- MetroLink - an additional €6 billion to progress from 2027 to 2030

FARMING

- Fuel Income Support scheme extended to cover further five-month period this year.
- Removal of three-year holding period for applications around Succession Farm Partnerships.
- Tax credit for Succession Farm Partnerships to double from €5,000 to €10,000.
- Vat reduced from 23% to 9% on respiratory vaccines for livestock.
- €31m for a new fertiliser scheme, €4m for the Straw Incorporation Measure (SIM).

ENERGY

- Restoring of excise on petrol and diesel, due to begin on November 1st, has been postponed to February 28th.
- Gradual restoration thereafter in four phases, with a full restoration not occurring until 30 June 2027.
- Reductions in carbon tax on kerosene and natural gas have been announced to €48.50 per tonne.
- Fuel allowance increase by €5 to €43 per week with higher income threshold for single people over 66 of €641.

CLIMATE

- VRT relief for electric vehicles extended for another 2 years until December 31st, 2028.
- VRT rates increasing by 1% on more pollutant cars in bands 3 to 20.
- €654.5 million for SEAI residential and community energy upgrade schemes.
- €170 million allocated to climate action & the environment.



STATE INVESTMENT SCHEME

- Offer tax-free investment options in stocks & shares subject to certain limits.
- Limit of €12,000 per year, with no tax on funds up to €50,000.
- Over €50,000 will be taxed at 1% per annum.
- Accounts will be available from July, 2027.

CAPITAL GAINS TAX & DEEMED DISPOSAL

- Capital gains tax cut 2% points to 31%
- 3% fall to 35% in exit tax or deemed disposal in existing investment products.

CIGARETTES, VAPES, BANK LEVY

- Excise duty on a box of cigarettes will rise by €1.
- 20 cent per ml tax on vapes which adds about 40 cents to a small single use disposable vape
- Bank levy extended for a further year with target yield of €200 million.



OTHERS

- Future Ireland Fund - an additional €1 billion allocated.
- Rural pubs - €15 million has been allocated to support.
- Minimum Wage - 79 cent increase in the minimum wage, brings the current rate to €14.94 per hour
- Employer PRSI - threshold would rise from €552 to €600 per week from 2027



EDUCATION

- Third-level student contribution fee falls by €150, bringing the annual charge to €2,350.
- SUSI support for families with more than 1 child in college increases, rising from €500 to €750 reduction per child.
- €5.3 billion is allocated to the Department of Further & Higher Education, Research, Innovation and Science for 2027

ARTS, CULTURE & SPORT

- League of Ireland academies additional €1 million, bringing their annual allocation to about €4 million.
- Exceed €100 million in high-performance athlete funding over an Olympic cycle for the first time
- Gaelic Players Association gets an additional €1 million.

CHILDCARE

- Childcare costs being reduced, targeting savings of €1,000 per year for a child in full-time care.
- The weekly fee cap is being reduced to €55 for the relevant full-time childcare arrangement.
- The tax-free income limit for people minding children in their own homes increases from €15,000 to €20,000.
- The income threshold for accessing free/subsidised childcare is being increased.

HEALTH

- Health budget increases by €1.7 billion to €29.1 billion in total expenditure.
- Free contraception is extended to women up to age 37, from the previous age limit of 35.
- Mental-health funding increases by €108 million, bringing budget up to €1.657 billion.
- Free shingles vaccination programme expanded to immunocompromised people and aged 65 and over.
- 33,000 additional hours of free counselling are being provided, aimed at men, young people and the LGBTQ+ community

JUSTICE

- Up to 1,000 additional Gardaí recruited, bringing the Garda workforce towards 15,000 members.
- 200 additional prison officers are being funded.
- Additional funding for prison capacity, incl programme to create more than 1,500 additional prison spaces.
- Additional support for domestic, sexual and gender-based violence services and initiatives.



TAX CREDITS FOR YEAR 2027

PERSONAL	2027	2026
	€	€
Single	2125	2000
Married	4250	4000
Widowed Person	2540	2540
Single Person Child Carer	2025	1900
Home Carer Credit	2050	1950
Earned Income Credit	2125	2000
PAYE	2125	2000
WIDOWED/PARENT BEREAVEMENT	**2027**	**2026**
Tax Credit (In Year of Assessment)	3,600	3,600
Incapacitated Child	3,800	3,800
Dependant Relative	305	305
BLIND PERSON	**2027**	**2026**
Single/Married	1,950	1,950
Married (both blind)	3,900	3,900
AGE CREDIT	**2027**	**2026**
Single/Widowed	245	245
Married	490	490

INCOME TAX RATES 2027

SINGLE PERSON	MARRIED PERSON
2027	**2027 (two incomes)**
20% of 1st €46,500	20% of 1st €93,000**
40% Balance	40% Balance *** Transferable between spouse up to a max of €35,000 for any one spouse*
Single Parents	**(One Income)**
20% of 1st €50,500	20% of 1st €55,500
40% Balance	40% Balance

INCOME EXEMPTION LIMITS

SINGLE/WIDOWED	2027	2026
	€	€
65 years or over	18,000	18,000
MARRIED COUPLES	**2027**	**2026**
	€	€
65 years or over	36,000	36,000

UNIVERSAL SOCIAL CHARGE

2027	EMPLOYEE & SELF-EMPLOYED	2026
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 €30,300 per annum		2% on €12,013 to €28,700 per annum
3% on €30,301 to €70,044		3% on €28,701 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	2027	2026
Contribution for Class A		
PRSI	10.25%	10.25%
TRAINING LEVY	1.00%	1.00%
TOTAL FOR EMPLOYERS	11.25% on all income***	11.25% on all income from 1st October 2026***

EMPLOYEE	2027	2026
PRSI	*4.1% on all income	*4% on all income
SELF EMPLOYED/ DIRECTORS CONTRIBUTION	**2027**	**2026**
PRSI	*4.1% on all income	*4% on all income

** Not applicable if earnings less than €18,300 p.a. (€352 p.w.)*
***4.1% subject to a minimum payment of €500*
**** €600 per week threshold for 9% rate*
**** a 0.1% applies from October each year*

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