

SANDYFORD
BUSINESS DISTRICT

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BUDGET 2024

Briefing Note

OCTOBER 2023

Contents



Click on the links below to bring you to that section in the document

Area	Page	Link to Page
Taxation	3/4	Click Here
Social Protection	5	Click Here
Business Supports	6	Click Here
Employment	7	Click Here
Climate Action / Energy	7/8	Click Here
Health	9	Click Here
Transport	10	Click Here
Research & Development	11	Click Here
Digital	11	Click Here
Tourism	12	Click Here
Property / Housing	12/13	Click Here
Childcare	13	Click Here
Education	14	Click Here
Justice	15	Click Here

Taxation



The main points in Budget 2024 include:

Measure	Key elements
Income Tax	<ul style="list-style-type: none"> • Income tax package worth €550m • Higher rate of income tax rises to €42,000, worth €400pa for an average full-time worker • PAYE, Income Tax credits up by €100. Changes to the PAYE bands will see an average full-time worker take home €780 per annum • USC reduced to 4% • An increase of €2,840 in the threshold at which the middle rate of USC is paid, from €22,920 to €25,760 • The entry threshold to the 4% USC rate increases to €25,760 in line with the increase to the national minimum wage • Government to introduce a public information campaign to make public aware of tax credits they are due
Corporation Tax	<ul style="list-style-type: none"> • The Minister has committed to publishing legislation in next week's Finance Bill to implement the 15% minimum effective tax rate for large companies under the OECD Pillar Two agreement. "This is a once in a generation reform to our corporation tax system," he said. • A time-limited fund will also be introduced to accelerate key priority capital projects over the years 2024-2026, funded by windfall Corporation Tax receipts. The total fund will amount to €14 billion • €250 million from windfall Corporation Tax receipts will be allocated to critical infrastructure projects that are at an advanced stage, as well as to the existing Climate Action Fund. • This is part of a programme of additional capital investment of €2.25 billion over the years 2024-2026, maximising the value of windfall Corporation Tax receipts • Long-term savings fund to be established to invest windfall corporation tax receipts • 0.8% of GDP to be allocated to the Future of Ireland Fund between 2024 and 2035 • The National Reserve Fund will be gradually dissolved
Business Tax	<ul style="list-style-type: none"> • Tax Administration Liaison Committee Subgroup will be set up to modernise business relief

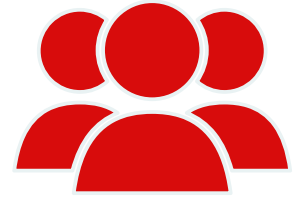
Taxation



The main points in Budget 2024 include:

Measure	Key elements
VAT	<ul style="list-style-type: none">• VAT registration thresholds for businesses increase from €37,500 for services and €75,000 for goods to €40,000 for services and €80,000 for goods respectively
Excise Measures	<ul style="list-style-type: none">• There will be a further 75c added to the price of 20 cigarettes, bringing the price to €16.75• The introduction of a domestic tax on e-cigarettes and vaping products in Budget 2025• Excise on fuel and alcohol will not be increased at this time. An 8c increase in the price of petrol and a 6c on a litre of diesel, were due to return at end of October will be deferred. Half will apply next April and other half in August 2024• Carbon tax increases: diesel will increase by 2.5c per litre from tonight, and petrol by 2.1c per litre
Angel Investors	<ul style="list-style-type: none">• Tax breaks for angel investors once a director or employee of a company spends no less than 50% of their working time at the company. Person availing of the break must have a minimum of 5% of the share capital of the company• Reduced Capital Gains Tax of 10% to be extended to angel investors to invest in SMEs• Standardisation of a 4-year investment period• €500,000 credit can now be claimed

Social Protection



The main points in Budget 2024 include:

Measure	Key elements
Cost of Living	<ul style="list-style-type: none">• Budget cost-of-living package worth €2.3bn
Minimum Wage	The minimum wage is to increase by €1.40 to €12.70
Energy Supports	<ul style="list-style-type: none">• Three energy credits to be given, each worth €150 - the first of them applied before Christmas• Consumers will save €90 on electricity and €60 on gas over the 12 months• €300 lumpsum to recipients of fuel allowance• VAT cut on electricity from 13.5% to 9%
Social Welfare	<ul style="list-style-type: none">• The welfare package is €1.1 billion, matching the size of the tax package• €12 increase to core weekly social protection payments from January 2024• Christmas bonus for welfare recipients in early December• A double 'cost of living' payment for all welfare rates will be paid in January to pensioners, carers, people who receive disability payments and those in receipt of the jobseeker allowance.• Series of lumpsum payments for those on welfare• €200 Living Alone Allowance• €400 Carers Support Grant• €400 Disability Support Grant• €400 Working Family Payment• €300 Fuel Allowance• €100 Qualified Child Bonus

Business Supports



The main points in Budget 2024 include:

Measure	Key elements
	<ul style="list-style-type: none"> • €35 million for Department of Enterprise: • €9m for local enterprise offices - the hubs for enterprise creation and business start-ups in local towns and communities – to allow them to extend their financial supports and mentoring programmes to a wider cohort of indigenous businesses • €3m for Digital Services Coordinator to support enforcement of the Digital Services Act • Increase in IDA allocation of €27m to accelerate its Regional Property Grants Programme, ensuring balanced regional inward investments • Opening of a public consultation on the digitisation of Revenue VAT, income tax and reporting systems • Introduction of a one-off grant scheme for all domestic businesses in recognition of additional costs. The Increased Costs of Business Scheme (ICOB) will allocate €250m to assist 130,000 micro and SMEs. <ul style="list-style-type: none"> ◦ The ICOB will use the rates system as a proxy for the size and scale of the businesses that may benefit, with tiered grants of up half of the rates in 2023 for all businesses with rates up to €20,000. ◦ The €250m is being allocated from the Government’s Non-Core Costs of Living Fund for 2024. ◦ The Fund will be administered by the Department of Enterprise, Trade and Employment, in consultation with the Department of Housing and the DPENDR and the LGMA, which will provide the required finance to the 31 Local Authorities. ◦ The Local Authorities will process the grant payments to local businesses in their areas, based on tiered grants of up to half of the rates for each business in 2023. ◦ It is estimated that up to 130,000 businesses will be eligible for the grant payments across the country, equating to 87% of rated businesses and excluding all but larger businesses. ◦ The grant payments will be made in the first quarter of 2024 by the 31 Local Authorities.

Employment



The main points in Budget 2024 include:

Measure	Key elements
PRSI	<ul style="list-style-type: none">• 0.1pc increase in PRSI paid by workers
Public Service Job Creation	<ul style="list-style-type: none">• An extra 1,000 special needs assistants• Funding to recruit another 1,000 gardaí and 250 Garda civilian staff• Recruitment of 400 Defence Force staff

Climate Action / Energy



The main points in Budget 2024 include:

Measure	Key elements
Carbon Tax	<ul style="list-style-type: none">• Carbon tax increase from €48.50 to €56 per tonne from October for petrol and diesel• The €152 million in extra revenue will be used to pay for more retrofitting of houses and eco-farming schemes.• Home heating fuels to follow suit after next May 2024• €165 million of carbon tax to be ring-fenced to support the energy transition and to tackle fuel poverty• €388m allocated to home energy efficiency
Solar Panels for Schools	<ul style="list-style-type: none">• €15 million in funding to implement last year's Budget promise to provide free solar panels for schools, with 1,000 primary and schools due to benefit initially this year, and a nationwide rollout to follow

Measure	Key elements
Climate Projects	<ul style="list-style-type: none"> • €3.15bn to invest in climate and nature projects over the remainder of the decade. • VRT relief on battery electric vehicles up to €50k up until 2025 • Provision of €900 million for the National Development Plan to support green infrastructure, supported a €250 million in windfall corporation tax receipts. • Allocation of €380 million to residential and community energy schemes. Within this €380m, a record allocation will be made to the Warmer Homes Scheme that provides free energy efficiency upgrades to the homes of those who need it most. • Funding will also be provided: <ul style="list-style-type: none"> • To accelerate community-based partnerships to deliver energy savings • For solar supports that will allow households to profit by selling Electricity back to the grid • For a new low interest loan scheme that will work alongside the Sustainable Energy Authority of Ireland grants to allow everyone the opportunity to benefit from energy savings



Health



The main points in Budget 2024 include:

Measure	Key elements
General	<ul style="list-style-type: none"> • €22.5 billion is allocated to healthcare, an €808m increase, with an additional €1 billion in non-core funding • €1.8 billion to be provided to the HSE to cope with rising costs • A new health resilience fund is being created to fund post-pandemic recovery in the health service • €1.23 billion as part of the National Development Plan for delivery of health infrastructure • Targeted recruitment of additional staff to enhance capacity across a range of acute hospital and community settings as well as surgical hubs • Additional funding for mental health services • Funding to tackle waiting lists • Targeted recruitment to be deployed • Continue reform measures to progress the regionalization services to make it more responsive to patient needs. • 0.8 per cent of GDP will be used as a contribution to the Fund to address the cost of healthcare, pensions, home care and much more, from 2024 to 2035. It could reach €100bn by 2035 • Non-core funding of €1 billion to support the response to the ongoing impact of COVID-19 and Ukraine spending in the health sector, including the vaccination program and temporary resources to fund post-pandemic escalation in demand and activity across acute hospitals.



Transport



The main points in Budget 2024 include:

Measure	Key elements
General	<ul style="list-style-type: none"> • A time-limited fund to accelerate key priority capital projects over the years 2024-2026 will be provided, funded by windfall Corporation Tax receipts; €3.5 billion to the Department of Transport; €892 million in current and €2.7 billion in capital funding. • Transport to share in a pot of €900 million in 2024 for essential investment in better public and road transport • Purchase of 101 double-deck electric buses for BusConnects • Construction of Metrolink • Funding of €102m for the promotion of electric vehicles including grants and infrastructure measures in electric and hybrid-electric buses • €1.35bn for the development of roads • Lower public transport fares for young adults will be extended to those aged between 19 to 25 (previously 19 to 23) • Current funding will provide for; • The continuation of the temporary 20% fare reductions until the end of 2024 on PSO services • The roll-out of further services via BusConnects, Connecting Ireland and New Town service plans • The transition to a world-class fuel efficient maritime and inland aviation rescue service€1m each day will be allocated to active travel projects again in 2024 for cycling and greenways • Carlingford Lough Greenway to be completed this year • 90-minute ticket on PSO services for all users • Core Bus Corridors in Dublin (Clongriffin & Blackrock) & Cork • Purchase of 70 new double-deck electric buses for Dublin and provision of depot facilities

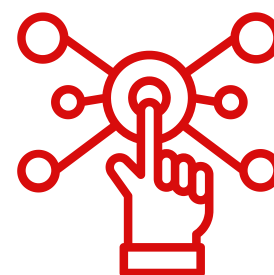
Research & Development



The main points in Budget 2024 include:

Measure	Key elements
Tax Relief	<ul style="list-style-type: none">The Research and Development tax relief will be increased from 25% to 30% to benefit multinational corporations facing a 15% corporate tax rate.

Digital



The main points in Budget 2024 include:

Measure	Key elements
Funding	<ul style="list-style-type: none">An additional €35m for the Department of Enterprise, Trade and Employment€3 million for the Digital Services Coordinator to support the enforcement of the Digital Services ActFunding to be allocated for the continued expansion of NCSC to strengthen cyber security and build resilience, address the cyber skills gap and develop the cyber-security industry in Ireland€348 million will be invested to provide another 100,000 homes with the opportunity to connect to fibre broadband.Opening of a public consultation on the digitisation of Revenue VAT, income tax and reporting systems

Tourism



The main points in Budget 2024 include:

Measure	Key elements
	<ul style="list-style-type: none">• €1.9 bn to the Department of Tourism., Culture, Arts, gaeltacht, Sports and Media• An increase in the cap and qualification for film tax from €70m to €120m

Property / Housing



The main points in Budget 2024 include:

Measure	Key elements
Funding	<ul style="list-style-type: none">• The housing budget is worth €7 billion• €1.9 billion for the building of 9,300 new build social homes• €265 million for delivery of 6,400 affordable homes• €90 million for retrofitting of social housing• €207 million aimed at bringing vacant and derelict homes back into supply• Help to Buy Scheme will be extended to the end of 2025 and an amendment to ensure Local Authority Affordable Purchase scheme applicants can avail of Help to Buy• Renters' Credit to increase from €500 to €750• Parents who pay for their student children who have tenancies in "Rent a Room" or digs accommodation can claim rent tax credit for 2022, 2023 and 2024 tax years• 165,000 mortgage account holders will be eligible for 20% tax relief of up to €1,250 under a temporary mortgage interest relief scheme. It will be available to those with outstanding mortgages of between €80,000 and €500,000 as of 21st December 2022. Estimated cost of €125m

Measure	Key elements
	<ul style="list-style-type: none"> • A temporary, 20 per cent tax relief on a portion of rental income for landlords was introduced. This applies to the first €3,000 of income for 2024, €4,000 for 2025, €5,000 for 2026 and 2027. Caveat is that landlords must commit to remaining in the market for a four-year period. • 20% mortgage interest tax relief for eligible mortgage holders paid on mortgages between 2022 and 2023, capped at €1250 per annum • Increase in the Vacant Homes Tax from November 2023, to five times the property's basic Local Property Tax Value, to take effect from the next chargeable period. • RZLT liability date extended by one year to allow for the planned 2024 review of maps to take place, affording affected people with a further opportunity to engage with the process.

Childcare



Measure	Key elements
Childcare Measures	<ul style="list-style-type: none"> • The National Childcare Scheme will see a further 25% reduction in childcare costs • Foster children can avail of the Group B Capital Acquisitions Tax threshold, based on their relationship to their foster parents • Child benefit will be extended to the parents/guardians of 18 year olds still in full-time education • An increase in single-persons child carer credit by €100 • An increase the incapacitated child tax credit by €200 • Double payment of the Child Payment, worth an additional €140 for each child, will be made to all qualifying households before Christmas • Double payment of the Foster Care allowance will also be made this year • This Budget provides a lump sum payment to each child in receipt of the Qualified Child Increase • Raising the Qualified Child Increase by €4 to €46 per week for under 12s and to €54 per week for over 12s

Education



The main points in Budget 2024 include:

Measure	Key elements
General	<ul style="list-style-type: none"> • €10.5 billion allocated to the Department of Education
Undergraduate Students	<ul style="list-style-type: none"> • €1,000 refund on the student contribution charge for the current year – this means students from households with an income of under €100k would have their fees halved once they obtain the SUSI €500 grant • An increase in maintenance grants
Apprenticeships	<ul style="list-style-type: none"> • A once-off reduction of approximately 33% in the contribution fee for apprentices in higher education • Funding for 60,000 craft apprenticeships
Postgraduate Students	<ul style="list-style-type: none"> • Increase in the post-graduate tuition fee contribution by €1,000 for student grant recipients • Reintroduction of post-graduate maintenance grants
Hot School Meals	<ul style="list-style-type: none"> • Hot school meals extended to 900 more schools
Secondary education	<ul style="list-style-type: none"> • €67 million allocated to the free schoolbook scheme, which will benefit 200,000 pupils up to Junior Cert level. • Fees waived for school state exams
eBooks	<ul style="list-style-type: none"> • Removal of VAT on e-books and audiobooks, effective 1 January 2024
School Transport	<ul style="list-style-type: none"> • €50 million in funding for school transport
Mental Health	<ul style="list-style-type: none"> • Continued investment in mental health initiatives for primary schools
Funding	<ul style="list-style-type: none"> • €60 million in capitation funding for schools to continue to meet increased running costs • National Training Fund – taskforce to be set up for implementation

Justice



The main points in Budget 2024 include:

Measure	Key elements
General	<ul style="list-style-type: none">• €21 million increase in current expenditure and an additional €34 million in capital expenditure amounting to €172 million in 2024 for the Justice sector to enable continued investment in existing services and a range of new policy measures to support safety and vitality• €1.23 billion for the Department of Defence• Funding for recruitment of 1,000 Gardaí and up to 250 Garda civilian staff in specialist roles• €25 million in the annual Garda budget for overtime• Additional staffing in the Courts Service, Prison Service, the Data Protection Commission and Policing Authority, as well as an increase in the range of Domestic, Sexual and Gender-Based Violence (DSGBV) initiatives and the extension of Youth Diversion Programmes• 400 military recruitments in the Defence Forces





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