

**SANDYFORD**  
**BUSINESS DISTRICT**

# Budget 2022

**BRIEFING NOTE**

**SANDYFORD BUSINESS DISTRICT**

**OCTOBER 2021**

The main points in Budget 2022 include:

- Carbon taxes to rise by €7.50 per tonne.
- Transposition of anti-money-laundering directive to be completed under Finance Bill 2021.
- Interest limitation rules and anti-reverse hybrid rules to be introduced from 1 January 2022 as the final steps in the transposition of the EU Anti-Tax Avoidance Directive into Irish domestic law.
- Commitment to introduce a 15% minimum effective rate of tax for businesses with consolidated group turnover above €750m in line with the OECD BEPS 2.0 plan, alongside a reaffirmation of commitment to the 12.5% tax rate for businesses with a consolidated group turnover below €750m.
- Targeted extension of commercial rates waiver to Q4.
- Changes to the accelerated capital allowances scheme for energy efficient equipment to exclude from the relief investment in equipment directly operated by fossil fuels.
- Refundable corporation tax credit to be introduced at a rate of 32% for eligible expenditure incurred (capped at €25m per project) on the design, production and testing of a digital game subject to EU State Aid approval being granted.
- New vacant site tax on zoned land - 3%.
- An increase of 50c to the price of cigarettes.
- Hospitality sector VAT rate to remain at 9% until the end of August 2022.
- Corporation tax relief for start ups extended - companies can use it for up to 5 years.
- The bank levy which was due to expire in 2021 will be extended to 2022. It will not apply to Ulster Bank Ireland DAC or KBC Bank Ireland plc in 2022 given their intention to exit the market in 2022.





# Employment

The main points in Budget 2022 include:

- Income tax standard rate band to be increased by €1,500 for all taxpayers.
- Personal Tax Credit to be increased from €1,650 to €1,700.
- Employee Tax Credit to be increased from €1,650 to €1,700.
- Earned Income Credit to be increased from €1,650 to €1,700.
- 2% USC rate band to be increased from €20,687 to €21,295.
- Weekly threshold for higher rate of employer's PRSI to be increased from €398 to €410.
- The minimum wage will rise to €10.50 per hour.
- A €5 increase to a range of social welfare payments including the jobseeker's allowance.
- An extra two weeks of parent's leave to be introduced from next August.
- Childcare Package of additional €78 million for 2022.
- National Childcare Scheme will be expanded to children under 15.
- A further €34 million for apprenticeships which will include off-the-job training places for 7,000 apprentices impacted by Covid and a new Employer Grant for apprentices to be introduced from January 2022.
- Employees can claim up to 30% of household electricity, heat and broadband bills off income tax, on the days worked from home.



# Business Supports

The main points in Budget 2022 include:

- **EWSS extended to April 2022 - but will begin to be tapered from December 2021:**
  - December - February = €151.50 and €203
  - March, April 2022 - a new flat rate subsidy of €100 will be introduced
- **Ireland Strategic Investment Fund will commit a further €30 million to Irish start-ups targeted at female entrepreneurs, climate change, regional developments.**
- **Extension to the Employment Investment Incentive Scheme - wider range of investment funds eligible.**
- **Extension of corporate tax relief for small businesses; start-up companies will now be able to avail of relief for up to five years, up from three years.**



The main points in Budget 2022 include:

- Carbon tax to rise by €7.50 per tonne to €41.
- Consequences and mitigation measures for the carbon tax increase
  - Coal and peat - 40kg bag of coal set to cost 89c more, 12.5kg bale of peat briquettes set to cost 20c more
  - The cost of a full tank of petrol will go up by €1.28 and diesel will go up by €1.50
  - Fuel Allowance increased by €5 per week
- €360 million will be spent on active travel measures.
- Tax disregard for households selling electricity back to the grid.
- January 2022 - revised Vehicle Registration Tax table introduced with higher emitting vehicles drawing higher charges:
  - 1% increase for bands 9-12
  - 2% increase for bands 13-15
  - 4% increase for bands 16-20
- €5,000 relief for battery EVs extended until the end of 2023.
- €202m - energy updates to 22,000 homes Including 6000 homes upgraded to a BER [Building Energy Rating] of B2.
- 4,500 home upgrades for low income or energy- poverty households.
- €50m for refurbishments of city centre properties.
- €10 million for Solar PV Scheme 2022.
- Accelerated Capital Allowance scheme for gas and hydrogen powered vehicles and refuelling equipment extended for three years.
- €22m allocated to Bord na Mona Peatlands Rehabilitation Scheme - protecting the storage of millions of tonnes of CO<sub>2</sub> emissions.





# Health

The main points in Budget 2022 include:

- The Department of Health is set to receive less than €1 billion in direct Covid-19 funding next year, down from €2 billion in Budget 2021 with €500m allocated for Covid public health measures including testing and tracing, PPE.
- Core current health expenditure will increase by €1 billion, or 5.3%, to a record level of €20.38 billion.
- €250 million to tackle waiting lists for treatment - part of this will be used to fund GPs access to diagnostics and €50 million will go to the National Treatment Purchase Fund.
- Spending on women's health will rise to €31 million, including €10 million for free contraception for women aged 17-25.
- Free GP care for children up to the age of seven to be introduced, with the intention to eventually increase the age to 12.
- 8,000 new healthcare staff to be hired.
- Drug Refund Scheme threshold will be reduced, capping weekly prescription drug costs at €100, down from €114.
- €30 million will be allocated for access to new and high-tech drugs.
- €10.5 million to fund 19 additional critical care beds to bring ICU capacity to 340 in 2022.
- Increased dental access with lower PRSI entry thresholds for young people.
- Additional €37m to fund expansion of mental health services.



The main points in Budget 2022 include:

- Tax credit for digital gaming sector - provide refundable corporation tax credit for the expenditure associated with a project - 32% up to a limit of €25m per project.
- €50m in funding for ICT in primary and secondary schools.
- €2.5m in additional funding for National Cyber Security Centre.
- €3 million for Enterprise Ireland European Digital Innovation Hubs.
- €225 million for the advancement of the National Broadband Plan.



# Research and Development

The main points in Budget 2022 include:

- New call of the Disruptive Technologies Innovation Fund at a cost of €17 million (and an additional €18 million to be spent in 2022 on commitments made under last call).
- €3 million for Enterprise Ireland European Digital Innovation Hubs.
- €90 million Innovation Equity Fund - a Fund to increase private equity investment in high innovation enterprises (€30 million through Strategic Investment Fund, €30 from Enterprise Ireland, €30 expected from the European Investment Fund).
- €11 million to fund climate research - with specific funding ring-fenced to strengthen and enforce air quality regulations.
- €12 million allocated to geoscience research activities.





# Transport

The main points in Budget 2022 include:

- Additional €30m to be spent protection and renewal of roads in 2021 with €1.4bn allocated to roads for 2022.
- Additional €30m for school transport.
- Continuation of alternatively fuelled heavy goods vehicles purchase grant scheme.
- €100m in EV grants and charging infrastructure:
  - Introduction of a revised scheme for public point charging
  - New scheme for electric vans
  - New scheme for destination charging
- A €126 million funding package will be provided to the Aviation sector.
  - €36 million will be provided to support regional airports through the Regional Airports Programme (RAP)
  - The remaining €90 million will be distributed to State airports - subject to State Aid approval
- Youth Travel Card will offer 50% discount to 19-23 year olds across the transport sector.
- Over €1.4 billion to further develop public transport networks.



# Tourism

The main points in Budget 2022 include:

- €50 million will be allocated to Business Continuity Scheme supports.
- €39 million will be allocated to enhance tourism marketing and product development.
- €10 million of funding will be used to support tourism skills development, US college football classic, and digital technology.
- €7 million will be allocated to support domestic marketing and festivals.





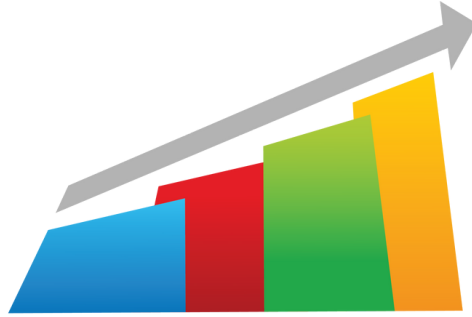
# Housing

The main points in Budget 2022 include:

- €6 billion in Exchequer funding will be allocated directly to the Department of Housing, Local Government and Heritage for 2022.
- Over the next five years, €20 billion will be made available for the provision of housing - the single biggest investment in the history of the State.
- By 2025, this will see an annual average of:
  - 4,000 new affordable purchase homes
  - 2,000 new affordable cost rental homes
  - 9,500 new build social homes
- The Help to Buy (HTB) incentive will continue at its current rate (allowing first-time homeowners buying or building new homes to claim relief of income tax or DIRT over the previous four years up to a max of €30,000) for another year. A review will take place thereafter.
- A 'zoned land tax' will be introduced to incentivise the construction of housing, but will not come into play for at least two years for land zoned before January 2022. A three-year lead in time will be in place for land zoned after January 2022. The tax will be based on the market value of the land and the rate will be set at 3%.
- Government has committed to an additional 14,000 Housing Assistance Payment (HAP) tenancies and a further 800 Rental Accommodation Tenancies.







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