

INCOME TAX

Mortgage interest relief

From 1 May 2009, you may only claim home loan interest relief in relation to the first 7 tax years of the loan.

Please update Tax Magic 2009 para 2.73 accordingly.

Rented residential property – restriction of interest relief

From 7 April 2009, you are only entitled to claim 75% of the interest on a loan to a buy a rented residential property. You can still claim 100% relief on a loan to repair or improve such a property.

Please update Tax Booklet 2009 page 6 (Case V) and Tax Magic 2009 para 2.38 accordingly.

Deposit Interest Retention Tax (DIRT) and exit tax on investment products

From 8 April 2009, the rate of withholding tax is increased to 25% (previously 23%) and 28% (previously 26%).

Please update Tax Booklet 2009 page 16 (DIRT) and Tax Magic 2009 para 2.81 accordingly.

Intellectual property

There will be a new tax relief in respect of capital expenditure incurred on acquiring such property.

Private hospitals and nursing homes

Capital allowances are to be terminated with arrangements in place for projects at an advanced stage.

Please update Tax Booklet 2009 page 11 (Table) and Tax Magic 2009 para 2.30 (Table) accordingly.

Profits from dealing in, or developing, residential development land

The special 20% rate is abolished.

PRSI and levies

PRSI

Employees

<i>From 1 May 2009</i>		<i>1 January 2009 to 30 April 2009</i>	
To €18,304 (€352 per week)	Exempt	To €18,304 (€352 per week)	Exempt
€18,305 to €75,036	4%	€18,305 to €52,000	4%

Health levy

<i>From 1 May 2009</i>		<i>1 January 2009 to 30 April 2009</i>	
To €26,000 (€500 per week)	Exempt	To €26,000 (€500 per week)	Exempt
€26,001 to €75,036	4%	€26,001 to €100,100	2%
Above €75,036	5%	Above €100,100	2.5%

Income levy

<i>From 1 May 2009</i>		<i>1 January 2009 to 30 April 2009</i>	
First €75,036*	2%	First €100,100**	1%
From €75,037 to €174,980	4%	From €100,101 to €250,120	2%
Above €174,980	6%	Above €250,120	3%

*Income levy exemption is given to persons whose income is of less than €15,028 (€289 per week)

**Income levy exemption is given to persons whose income is of less than €18,304 (€352 per week)

Please amend Tax Booklet 2009 page 18 and Tax Magic 2009 para 3.03 to 3.06 (employees), 3.13 (health levy) and 3.15 (income levy) accordingly.

CAPITAL GAINS TAX

From midnight on 7 April 2009 the rate is increased to 25% (previously 22%).

Please update Tax Booklet 2009 page 23 and Tax Magic 2009 para 4.20 accordingly.

CAPITAL ACQUISITIONS TAX

For gifts and inheritances taken on or after 8 April 2009, the rate is increased to 25% (previously 22%).

The 2009 group thresholds are:

Group	Relationship to disponer	From 8 April 2009	from 1 January 2009 to 7 April 2009
A	son/daughter	€434,000	€542,544
B	parent, brother, sister, niece, nephew, grandchild	€43,400	€54,254
C	Other than group A or B	€21,700	€27,127

Please update Tax Booklet 2009 page 36 and Tax Magic 2009 para 7.19 accordingly.

STAMP DUTY

Levies

From 1 June 2009, a new 1% levy will apply to life assurance premiums received by an insurer.

The non-life insurance levy is increased to 3% (previously 2%). The increase applies to renewal premiums received on or after 1 June 2009 and new insurance business issued on or after 8 April 2009.

"Trade-in" scheme

A "trade-in" scheme will exempt the transfer of an existing dwelling in exchange or part exchange for a new dwelling. Further details will be provided in the Finance Bill 2009.

VAT

From 1 July 2009, a new margin scheme will allow dealers to be taxed on their margin in regard to second-hand cars they acquire and resell. Further details will be provided in the Finance Bill 2009.