

BUDGET 2027 • KEY POINTS

Budget 2027 at a glance

A clear summary of the measures announced on 6 October 2026.

INCOME TAX • CAPITAL TAXES • HOUSING • BUSINESS • WELFARE • KEY DATES

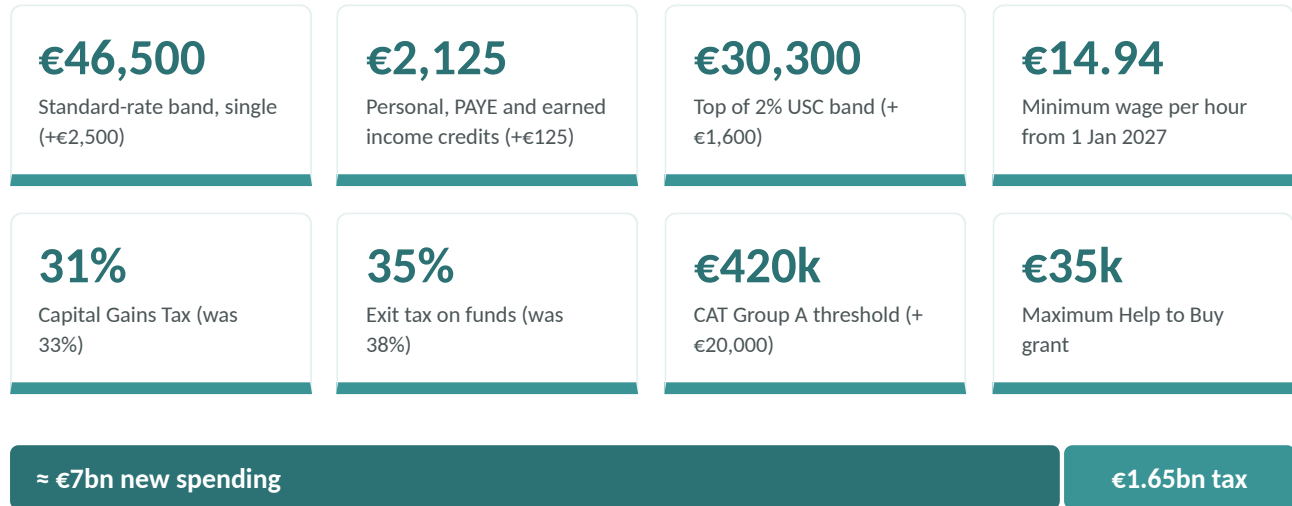
PREPARED BY	Shelbourne Accountants
DATE	October 2026
BASIS	Budget Day announcements



OVERVIEW

The Budget in brief

Budget 2027 is an €8.5 billion package. It includes €1.65 billion of tax measures and about €7 billion of new spending. The Government projects a surplus of €6.7 billion in 2026 and €9.5 billion in 2027.



Reported totals range from €8.5bn to €8.65bn depending on rounding.

MAIN MEASURES

- Income tax bands and credits widened; USC 2% band extended.
- CGT cut to 31% and exit tax cut to 35%.
- New Personal Investment Account from July 2027 (€50,000 tax-free).
- Help to Buy, Rent Tax Credit and Rent-a-Room Relief all increased.
- Childcare fee cap of €550 a month from September 2027.
- Social welfare rates up €10 a week.

NOT INCLUDED

- No change to income tax rates (20% / 40%) or corporation tax rates (12.5% / 15%).
- No energy credits or lump-sum welfare payments.
- No stamp duty exemption for first-time buyers.
- No change to Child Benefit (€140 a month).
- No change announced to Entrepreneur Relief.

NOTE

Most tax measures are legislated in the Finance Bill 2026 and may be refined before enactment. Figures are based on Budget Day announcements.

01 • PERSONAL TAX

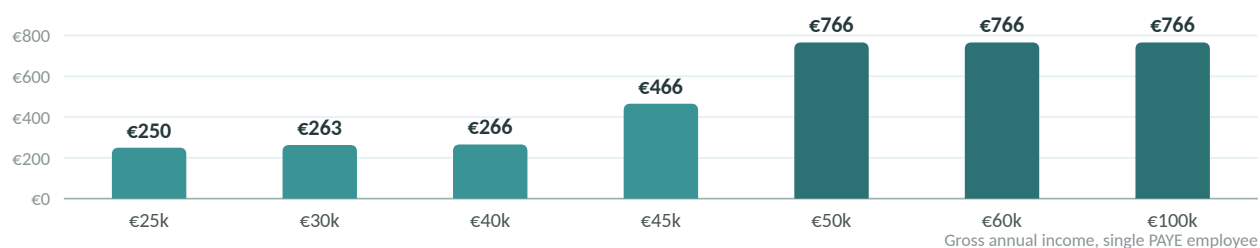
Income tax, USC and PRSI

Changes take effect from 1 January 2027. Income tax rates stay at 20% and 40%.

	2026	2027
STANDARD-RATE (20%) BAND		
Single / widowed	€44,000	€46,500
Married, one earner	€53,000	rises pro rata
Married, two earners (max)	€88,000	rises pro rata
TAX CREDITS		
Personal (single)	€2,000	€2,125
Employee (PAYE)	€2,000	€2,125
Earned income (self-employed)	€2,000	€2,125
Home carer	€1,950	€2,050
Rent (single / couple)	€1,000 / €2,000	€1,150 / €2,300
UNIVERSAL SOCIAL CHARGE		
0.5% band	to €12,012	unchanged
2% band	to €28,700	to €30,300
3% band; 8% above	to €70,044	unchanged

Married and civil-partner bands rise in proportion; figures to follow in the Finance Bill. USC exemption threshold €13,000.

ANNUAL INCOME TAX AND USC GAIN BY INCOME



WORKED EXAMPLES: SINGLE PAYE EMPLOYEE

Gross income	Tax + USC gain	After PRSI rise*
€30,000	€263	€218
€40,000	€266	€206
€45,000	€466	€399
€50,000	€766	€691
€75,000	€766	€654
€100,000	€766	€616
Couple, €50,000 each	≈ €1,530	≈ €1,380

Shelbourne calculations. *Includes the scheduled PRSI increases (employee rate 4.35% from 1 Oct 2026, 4.5% from 1 Oct 2027), which are not Budget measures.

NOTE

The gain is flat above €46,500 because the full €2,500 band increase has been used. Higher earners pay proportionately more of it back through PRSI.

02 • CAPITAL TAXES & HOUSEHOLDS

Savings, housing and families

	Before	After
Capital Gains Tax (main rate)	33%	31%
CGT on development land	33%	33%
Exit tax: funds & life policies	38%	35%
CAT Group A (child)	€400,000	€420,000
CAT Group B (sibling, niece, grandchild)	€40,000	€44,000
CAT Group C (others)	€20,000	€22,000
Entrepreneur Relief	10% to €1.5m	unchanged

Commentary indicates the 31% CGT rate applies from 7 October 2026, subject to the Finance Bill.

NEW • PERSONAL INVESTMENT ACCOUNT

- Opens 1 July 2027. Pay in up to €12,000 a year.
- The first €50,000 is fully tax-free.
- A 1% annual charge applies on value above €50,000.
- No CGT, DWT, exit tax or deemed disposal. The provider handles reporting to Revenue.

€35,000

Help to Buy

Up from €30,000, effective immediately. New homes up to €500,000.

IMMEDIATE

€1,150

Rent Tax Credit

Up from €1,000 (€2,300 for a couple).

2027

€16,000

Rent-a-Room Relief

Up from €14,000. Now includes detached units of 32–45 m².

2027

€550

Childcare fee cap

Per month, down from €735. Universal subsidy rises to €2.50 an hour.

SEPT 2027

€20,000

Childminding Relief

Up from €15,000. Three-child limit removed.

2027

€2,350

Student contribution

Down €150. SUSI grants up 4.5%.

2027/28

NEW TAX

Derelict Property Tax: 7% of self-assessed market value, replacing the derelict sites levy. Preliminary registers are due in September 2027. The first payment is due on 23 June 2028.



03 • BUSINESS & EMPLOYERS

Business, employment and indirect taxes

Business measure	Change
R&D tax credit	Rate stays at 35%. First-year payment threshold up from €87,500 to €105,000 . Subcontracting limits up to 20% / €200,000 .
Preliminary tax	Small-company limit up from €200,000 to €350,000 .
Investment reliefs	EII, Start-Up Capital Incentive, SURE and Angel Investor Relief extended.
KDB	Knowledge Development Box extended by five years.
Enhanced Reporting	Simplified: report before payment, or monthly by the 14th.
Scaling fund	€1bn ISIF and Enterprise Ireland programme over three years.

Employment measure	Change
Minimum wage	€14.94 an hour from 1 January 2027 (was €14.15).
Employer PRSI	Lower-rate threshold up from €552 to €600 a week.
PRSI roadmap	Rates rose by 0.15% on 1 Oct 2026. A further 0.15% increase is due on 1 Oct 2027 (already legislated).
Auto-enrolment	In place since 1 Jan 2026. Employer contribution is 1.5%.

Measure	What changes
VAT rates	23% / 13.5% / 9% unchanged. Hospitality food and hairdressing stay at 9% (in force since 1 July 2026).
Carbon tax: home heating	Kerosene and natural gas cut from €63.50 to €48.50/tonne . The Government says it will not rise again in its lifetime.
Carbon tax: road fuels	Stays at €71/tonne for now. The October 2026 rise to €78.50 will not go ahead ; future timing to be confirmed in the Finance Bill.
Petrol / diesel excise	Temporary cuts (27c / 32c a litre) extended to 28 Feb 2027 , then restored in four phases by 30 June 2027.
Tobacco / vapes	+€1 on a pack of 20. E-liquid up 20c per ml .
Motoring	VRT +1% on cars over 80g/km CO ₂ from 1 Jan 2027. €5,000 EV relief extended to end-2028 .
Alcohol	No change. €15m support scheme for rural pubs.

Farming measure	What changes
Flat-rate addition	Up from 4.5% to 4.8% for 2027.
Succession Farm Partnership	Credit doubles to €10,000 ; 3-year holding rule removed for partnerships registered from 1 Jan 2027.
Livestock vaccines	VAT on respiratory vaccines cut from 23% to 9% .
Farm safety equipment	Accelerated capital allowances extended to 31 Dec 2029 .

04 • SOCIAL WELFARE & KEY DATES

Welfare changes and timeline

Weekly payment (max. personal rate)	2026	2027
State Pension (Contributory)	€299.30	€309.30
Jobseeker's, Disability, One-Parent	€254	€264
Fuel Allowance	€38	€43
Living Alone Increase	€22	€25
Child Support Payment (per child)	-	+€6
Cost of Disability Payment (new lump sum)	-	€500

Changes from January 2027. Working Family Payment income limits rise by €30 a week. Earnings disregards rise from July 2027.

PUBLIC FINANCES

The projected surplus is €6.7bn in 2026 and €9.5bn in 2027. €1bn is added to the Future Ireland Fund, and the bank levy is extended for one year. The Central Bank has noted that corporation tax receipts are concentrated in a small number of multinational companies.



KEY DATES

- 6 Oct 2026**
Budget Day. Help to Buy rises to €35,000 immediately.
- 7 Oct 2026 (expected)**
31% CGT rate for disposals, subject to Finance Bill.
- 31 Dec 2026**
Last day to claim 2022 credits (including Rent Tax Credit) and to use your 2026 €3,000 small gift exemption.
- 1 Jan 2027**
New bands, credits and USC. Minimum wage €14.94. VRT changes.
- 28 Feb 2027**
Temporary fuel excise cuts end; phased restoration begins.
- 1 Jul 2027**
Personal Investment Account launches.
- Sep 2027**
€550 childcare fee cap and higher NCS subsidies.
- 1 Oct 2027**
Next PRSI step: employee rate 4.5%.
- 23 Jun 2028**
First Derelict Property Tax payment due.

QUESTIONS ABOUT BUDGET 2027?

Talk to Shelbourne Accountants

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NEXT STEPS

We're here to help you plan for 2027.

If any of these measures affect you, your family or your business, contact your Shelbourne team.

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Based on the Budget 2027 announcements of 6 October 2026 and published commentary. Measures are subject to the Finance Bill 2026 and Social Welfare Bill and may change. Worked examples are illustrative Shelbourne calculations using simplified assumptions. This briefing is general guidance, not advice. Please talk to us before acting. © Shelbourne Accountants Limited 2026.