

Budget 2027 Summary

Personal Tax

Income tax bands

The standard-rate income tax band increases by **€2,500 to €46,500** for a single person, with proportionate increases for married couples and civil partners.

Tax credits

- Personal Tax Credit, Employee Tax Credit and Earned Income Tax Credit each increase **by €125 to €2,125**.
- Home Carer Credit increases **by €100 to €2,050**.
- Rent Tax Credit increases **by €150 to €1,150** for an individual.

Universal Social Charge

The 2% USC band limit increases from **€28,700 to €30,300**.

Capital Acquisitions Tax

CAT thresholds increase to **€420,000 (Group A), €44,000 (Group B) and €22,000 (Group C)** for gifts and inheritances taken on or after 7 October 2026.

Capital Gains Tax

The standard rate of CGT reduces from **33% to 31%** for disposals on or after 7 October 2026. The 33% rate continues to apply to disposals of development land.

Employment & Business

National minimum wage

The national minimum wage increases **by €0.79 to €14.94 per hour** from 1 January 2027.

Employer PRSI

The weekly income threshold for the higher employer PRSI rate increases from **€552 to €600**.

R&D Tax Credit

- The first-year payment threshold increases from **€87,500 to €105,000**.
- The subcontracting limit increases to the greater of 20% of qualifying in-house R&D expenditure or €200,000 (previously 15% or €100,000).
- A new 5% enhancement is to be introduced for qualifying R&D wage costs, subject to certain conditions.

Investment reliefs

The Employment Investment Incentive, Start-Up Capital Incentive, Start-Up Relief for Entrepreneurs and Angel Investor Relief are to be extended, subject to stated EU GBER revisions.

Housing & Property

Help to Buy

The maximum Help to Buy amount increases immediately from **€30,000 to €35,000**.

Rent Tax Credit

Up to **€1,150 for an individual** and **€2,300 for a jointly assessed couple**.

Rent-a-Room Relief

The annual tax-free limit increases from **€14,000 to €16,000** from 1 January 2027. The relief is also extended, subject to conditions, to qualifying detached auxiliary homes built in back gardens.

Derelict Property Tax

The proposed Derelict Property Tax will replace the Derelict Sites Levy and will be charged at 7% of the property's market value. Legislation will be included in the Finance Bill, with a preliminary national register due to be published on 1 September 2027.

Investment, Transport & Energy

New investment account

A new account is planned from 1 July 2027, with a **€50,000 tax-free threshold**, 1% tax above that amount and a maximum annual contribution of **€12,000**.

Electric vehicles

The €5,000 VRT relief for electric vehicles is extended to 31 December 2028.

VRT

From 1 January 2027, VRT rates increase **by 1%** for cars in bands 3 to 20 with CO₂ emissions above 80g/km.

Carbon tax

The carbon tax on kerosene and natural gas will reduce to €48.50 per tonne of CO₂ and remain at this rate until 2030. Scheduled carbon tax increases on petrol, diesel and other fuels will be deferred until 1 May 2027.

Social Welfare

Weekly payments

From January 2027, the maximum rate of most weekly social welfare payments and pensions increases **by €10**.

Child Support Payment

Weekly rates rise to **€64** for children under 12 and **€84** for children aged 12 and over.

Fuel Allowance

Increases by **€5 to €43 per week**.

Carer's Allowance

From July 2027, the weekly income disregard increases to **€1,150** for a single person and **€2,300** for a couple.

Christmas bonus

A 100% Christmas bonus is due for qualifying recipients in the week beginning **7 December 2026**.

Farming & Climate

Farmer's flat-rate addition

The 2027 rate increases from **4.5% to 4.8%**.

Farm safety equipment

Accelerated Wear and Tear Allowance is extended to 31 December 2029.

Livestock vaccines

VAT on respiratory vaccines for livestock reduces from **23% to 9%**.

Succession Farm Partnerships

For partnerships registered from 1 January 2027, the tax credit increases **from €5,000 to €10,000**, and the three-year waiting period before a qualifying transfer of farm assets can take place is removed.

Micro-generation

The income tax disregard for household income from electricity sold back to the grid increases by €200, from **€400 to €600**.

Families, Education & Other Measures

Childcare

From September 2027, families with a reckonable income of €38,500 or less will qualify for the maximum income-assessed subsidy.

The universal subsidy for children up to and including senior infants rises to **€2.50**, with fees capped at **€137.50 per week / €550 per month** for this age group.

Childminders

The tax-free annual earnings limit increases from **€15,000 to €20,000**, and the three-child limit is removed.

Third level

The student contribution fee is permanently reduced **by €150 to €2,350**. Maintenance grants increase by 4.5% across every band from January 2027.

Future Ireland Fund

An additional **€1 billion** is allocated.

Rural pubs

€15 million is allocated to support rural pubs.



Important note

This publication provides a general overview of selected measures announced in Budget 2027 on 6 October 2026. It is intended for information purposes only and does not constitute tax, legal or financial advice. Certain measures remain subject to legislation, commencement orders and qualifying conditions. Professional advice should be sought before making decisions based on these measures.