Notes for Editors

The Finance Bill 2021, which runs to 83 sections and over 200 pages, implements the taxation changes announced on Budget Day as well as introducing some necessary anti-avoidance measures and technical changes to the tax code. The Bill also transposes a number of EU Directives relating to taxation, into national law.

Measures announced on Budget Day

Measures announced on Budget Day include:

Income Tax Package

The Finance Bill will give effect to the Budget measures to increase the standard rate band by €1,500 and the €50 increase in each of the personal tax credit, employee tax credit and earned income credit.

The Finance Bill provides for an increase of €1,500 in the income tax standard rate band for with effect from 1 January 2022 as follow:

- Single, widowed or surviving civil partner from €35,300 to €36,800;
- Single, widowed or surviving civil partners, qualifying for the Single Person Child Carer Credit from €39,300 to €40,800;
- Married couples or civil partners (one income) from €44,300 to €45,800;
- Married couples or civil partners (two incomes) from €44,300 to €45,800 (with an increase of €27,800 max1).

The Finance Bill will also provide for an increase in the following tax credits from 1 January 2022:

- An increase of €50 in the Personal Tax Credit from €1,650 to €1,700.
- An increase of €50 in the Employee Tax Credit from €1,650 to €1,700.
- An increase of €50 in the Earned Income Credit from €1,650 to €1,700.

USC Changes

The USC 2% threshold will be increased from €20,687 to €21,295 to take account of the increases in the national minimum wage applicable in 2022 and will ensure that the 2% rate remains the highest rate of USC that is charged on the income of full-time minimum wage workers.

The reduced rate of USC for full medical card holders under 70 years of age whose individual annual income does not exceed €60,000 is extended for a further year until the end of the 2022 tax year.

[1] The increase in the rate band is capped at the lower of €27,800 or the income of the lower earner.

Remote working Relief

The Finance Bill will give effect to the Budget announcement, to enhance and formalise the tax arrangements for employees who work from their home, so that from 1 January 2022, an income tax deduction amounting to 30% of the cost of vouched expenses for heat, electricity and internet services, apportioned based on the number of days worked from his or her residence during the year, can be claimed.

Taxation of International Flight Crew

The Finance Bill will amend section 127B of the Taxes Consolidation Act 1997, which provides for the taxation under Schedule E of employment income arising to a flight crew member in respect of an employment exercised aboard an aircraft, operated in international traffic, where the place of effective management of the enterprise operating the aircraft is in the State.

The amendment will provide an exemption from this provision applying where the individual is resident in a Double Tax Treaty country and subject to tax on this income, either in his/her country of residence or another DTA country. This amendment will come into operation with effect from 1 January 2022.

This measure is being implemented with a view to supporting employment creation and assisting with the economic recovery following the pandemic.

Zoned Land Tax

The Finance Bill provides a legislative basis for a new Zoned Land Tax (ZLT). At a high level, the purpose of the ZLT is to encourage the timely activation of zoned and serviced residential development land for housing rather than to raise revenue.

Key features of the measure:

- The rate of tax will be 3% of market value.
- The tax will apply to land zoned for residential or mixed-use purposes that are serviced and not affected by physical considerations such as contamination.
- There will be no minimum size exclusion from the tax, in order to ensure small sites in urban areas can be targeted. However, the following exclusions will apply:
    - Zoned residential: only exclusions will be existing dwellings and their curtilage, amenities, infrastructure requirements, as well as business essential to the fabric of a community. All land used for commercial purposes including farmland will come within scope of the tax.
    - Zoned mixed use: all commercial business including farmland will be excluded. Only land that is vacant or idle or is not integral to business will be subject to the tax.
- Maps identifying zoned residential serviced land within the scope of the tax will be prepared and published by Local Authorities in advance of the commencement of the measure. Such maps will be updated by Local Authorities annually.
- There will be a lead in time for the measure whereby land zoned before January 2022 will become liable for the tax from 1 January 2024 and land zoned after January 2022 will become liable for the tax after three years.

- There will be an appeal process where a person disputes their inclusion on the map. Such appeals may be, for instance, over whether land is serviced or not.
- Where land is zoned residential and is serviced, there will be an option for a person to apply to have their land de-zoned, e.g. if a farmer wishes to continue to farm their land rather than develop it or sell it for development. This process will be aligned with normal local authority procedures, and each case will be considered on its merits in the context of proper planning and sustainable development.
- Once residential construction starts on a site, the tax will be abated, which means the payment will be suspended but the charge will continue to accrue. If the developer delivers on schedule in accordance with terms of planning permission, no further tax will be payable.

The Department of Housing has indicated that there should be in the region of 8000-9000 hectares of land within the scope of the tax.

Tax treatment of income from micro-generation of electricity

The Bill exempts from tax the first €200 of income arising from the domestic generation of electricity supplied to the grid. This is intended to remove a barrier for entry for those who engage with the Clean Energy Guarantee scheme.

Help-to-Buy

The Help to Buy scheme is extended in its current form for a further year. This will allow for a full review of the scheme in 2022 and it will allow time for measures in Housing for All that have a similar policy aim to bed-in over the coming year.

Pre-letting expenses for landlords

The Finance Bill extends, for a further three years, the provision which allows relief to landlords for pre-letting expenses where a property has been vacant for a period of 12 months. This is measure is aimed at increasing supply and is consistent with the Housing for All strategy.

Employment Investment Incentive (EII)

EII is extended for a further three years to the end of 2024.

The Bill allows for a broader range of investment funds invest in eligible start-ups. The intention of the measure is to stimulate new sources of finance for SMEs.

The Bill relaxes the rules around the so called “capital redemption window” so that investors with a number investments in a company over multiple years may redeem an investment for a year where that year is outside the compliance period even though other investments may still be within their compliance periods.

The Bill also removes the 30% expenditure rule which requires that an EII investee spends 30% of the investment on qualifying purposes before relief can be claimed by the investor. This is unduly restrictive in the context of the self-assessment principles that now apply to the relief.

A small number of further, technical, amendments are also being made to EII and the related SURE schemes.

Employment Wage Subsidy Scheme (EWSS)

The Finance Bill provides a legislative basis for extension of the Employment Wage Subsidy Scheme (EWSS) in graduated form until 30 April 2022.
The following are the broad parameters of this extension:

- no change to EWSS for the months of October and November;
- businesses availing of the EWSS on the 31st of December 2021 will continue to be supported until the 30th of April 2022;
- across December, January and February, a two-rate structure of €151.50 and €203 will apply;
- for March and April 2022, the final two months of the scheme, a flat rate subsidy of €100 will be put in place. The reduced rate of Employers' PRSI will no longer apply for these two months;
- the scheme will close to new employers from the 1st of January 2022.

Corporation Tax

Tax Credit for Digital Games

The Bill will introduce a new tax credit for the digital gaming sector. The relief will support digital games development companies by providing a refundable corporation tax credit for qualifying expenditure incurred on the design, production and testing of a game. The relief will be available at a rate of 32%, on eligible expenditure of up to a maximum limit of €25 million per project. As European State aid approval is required for the credit, it will be introduced subject to a commencement order.

Relief for Certain Start-Up Companies

Section 486C of the Taxes Consolidation Act 1997 provides relief from corporation tax for start-up companies in their first three years of trading. The relief is granted by reducing the corporation tax payable on the profits of the new trade and gains on the disposal of any assets used for the purposes of the new trade. This relief will be extended in Finance Bill 2021, for a period of five years. To assist new and recently-established start-up companies in the aftermath of the pandemic, the relief will also be enhanced to apply to small start-up companies within their first five years of trading, an increase from the current three year claim window.

Accelerated Capital Allowance scheme for Gas Vehicles and Refuelling Equipment

The Accelerated Capital Allowance Scheme for Gas Vehicles and Refuelling Equipment is designed to contribute to the transition toward a low carbon economy by supporting the transition to lower-emission fuels, particularly in the heavy-duty land transport sector. The scheme allows taxpayers to deduct the full cost of expenditure on eligible equipment from taxable profits in the year of purchase. Finance Bill 2021 will extend the scheme until 31 December 2024. In addition, it will amend the scheme to allow hydrogen powered vehicles and refuelling equipment to qualify for the accelerated capital allowances.

Accelerated Capital Allowance scheme for Energy Efficient Equipment

The Accelerated Capital Allowance (ACA) scheme for energy efficient equipment is designed to encourage improved energy efficiency among Irish companies and unincorporated businesses. The ACA scheme allows taxpayers to deduct the full cost of expenditure on highly energy efficient equipment from taxable profits in the year of purchase. In consideration of the Government's commitments to reducing emissions, the scheme is being amended to prohibit equipment directly operated by fossil fuels from qualifying for the accelerated capital allowances.

Transposition of ATAD Interest Limitation Rule

Finance Bill 2021 will provide for the introduction of new Interest Limitation Rule in line with Article 4 of the EU Anti-Tax Avoidance Directive (ATAD). This measure will place a limit on deductible interest expenses of 30% of EBITDA for companies within scope of the measure. Disallowed interest may be carried forward and may be deducted in future years if the company has sufficient interest capacity.

In line with the provisions of ATAD, a de-minimis rule will apply where net interest deductions are below €3 million, and exemptions will apply for standalone entities, legacy debt the terms of which were agreed before 17 June 2016, and certain long-term infrastructure projects. Companies may operate the restriction on a single entity or local group basis, and certain group reliefs may apply where the Irish taxpayer is part of a consolidated worldwide group for accounting purposes. A number of consequential amendments are also included.

Transposition of ATAD Anti-Reverse Hybrids Rules

The Bill makes provision for the introduction of anti-reverse-hybrid rules as required in the second EU Anti-Tax Avoidance Directive (ATAD2). The purpose of anti-hybrid rules is to prevent arrangements that exploit differences in the tax treatment of an instrument or entity under the tax laws of two or more territories to generate a tax advantage. The anti-reverse-hybrid rules bring certain tax transparent entities within scope of Irish tax where the entity is

50% or more owned/controlled by entities resident in a jurisdiction that regard it as tax opaque and, as a result of this hybridity, double non-taxation occurs.

International Taxation

Transfer Pricing

The Bill will make an amendment to ensure that certain aspects of the transfer pricing legislation operate as intended. An exemption is provided for certain domestic transactions together with robust anti-abuse provisions.

Authorised OECD Approach

This Bill will make changes to apply an OECD-developed mechanism for the attribution of income to a branch of a non-resident company operating in the State. The Authorised OECD Approach will apply transfer pricing rules to the taxation permanent establishments or branches in Ireland by attributing the profit of a permanent establishment or branch on a separate entity or arm's length basis. This delivers on a commitment in the Update to the International Tax Roadmap, and is another important step in alignment of the Irish tax code with international best practice.

Defensive measures towards non-cooperative jurisdictions for tax purposes

The EU list of non-cooperative jurisdictions for tax purposes is a common list agreed by all Member States that includes jurisdictions that do not comply with good tax governance standards. EU Member States apply legislative defensive measures against listed jurisdictions. The Bill updates the list of jurisdictions to whom the enhanced CFC (controlled foreign company) measures apply.

Double Taxation Agreements

Ratification of recently signed Double Taxation Agreement with Kosovo, and separately the recently signed Protocol to the Double Tax Agreement between Ireland and Germany, is also provided for in the Bill. The ratification of these treaties was debated in the Committee on Finance, Public Expenditure and Reform, and Taoiseach, in July and subsequently approved by Dáil Éireann.

Transposition of DAC7 extending tax transparency rules to digital platforms

The Bill will also transpose the DAC 7 EU Directive on Administrative Cooperation into national law. DAC 7 extends automatic exchange of information (AEOI) to apply to digital platforms, that provide a platform for; the sale of goods, the rental of immovable property (e.g. accommodation), the provision of personal services, and the rental of any mode of transport. The legislation introduces a reporting obligation for digital platform operators applicable from 1 January 2023, and will ensure that tax is paid where appropriate.

Updated Revenue Powers to ensure Proper Application of DAC6

Council Directive 2011/16/EU on administrative cooperation in the field of taxation (DAC 6) was transposed in Finance Act 2019. The Bill updates that legislation to provide the Revenue Commissioners with additional powers necessary to review advisors' and taxpayers' procedures to ensure compliance with DAC6. This is broadly aligned with existing powers for other aspects of administrative cooperation notably DAC2 which reviews compliance by financial institutions.

Excise and VAT

Tobacco

Budget 2022 provided for a 50 cent increase to tobacco products tax on a pack of 20 cigarettes, with a pro-rata increase on other tobacco products. This has raised the price of cigarettes in the most popular price category to €15.00 per pack of 20 cigarettes. These measures support the public heath objective of a tobacco-free Ireland (less than 5% of the population smoking) by 2025 and meet the commitment in the Programme for Government: Our Shared Future to increase the excise duty on tobacco in the years ahead to further discourage smoking.

VRT changes

Significant changes were made to the vehicle registration tax system in Budget 2021 to strengthen the environmental rationale of VRT in line with Government commitments to radically reduce emissions from road transport. The structure of new car sales for 2021 compared to 2020 is evidence of the success of this approach, with an increase in vehicles registered at the lower end of the VRT scale and a consequent reduction in the registration of high emission vehicles.

Budget 2022 provided for further changes in this regard to reinforce the environmental rationale behind the VRT system by increasing the rates above band 8, with a 1% increase for vehicles that fall between bands 9-12; 2% for bands 13-15; and then a 4% increase for bands 16-20.

In addition, to continue to incentivise the uptake of electric vehicles, the VRT relief for Battery Electric Vehicles is being extended for a further 2 years.

Flat Rate Farmers compensation Scheme

The farmers' flat rate scheme compensates unregistered farmers for the VAT incurred in their farming inputs. Based on macro-economic data received from the CSO and Revenue, a decrease from 5.6% to 5.5% is warranted for the year 2022 to avoid over-compensation, which is not allowed under the VAT Directive.

EU Directives on Alcohol and Excise

The Bill makes a number of amendments to transpose Council Directive (EU) No. 2020/262 into Irish law. This Directive replaces and updates the existing excise Directive 2008/118/EC. Member States are required to complete the transposition by 31 December 2021. The Directive sets out the general principles for the charging of excise duty, the liability of persons to excise duty and the procedures for the holding, movement and storage of those products within the European Union.

It also transposes the provisions of Council Directive 2020/1151 (amending Council Directive 92/83/EEC – "the Alcohol Structures Directive", which lays down a harmonised approach to the structures of excise duties on alcohol and alcoholic beverages in the EU) into Irish law.

Stamp Duty

Extension of the Young Trained Farmer stamp duty relief

Full relief from stamp duty on the conveyance of farm land is currently available under section 81AA of the Stamp Duties Consolidation Act 1999 (SDCA 1999) subject to a number of conditions.

The purpose of this relief is to promote lifetime transfers of land and encourage more young people to pursue farming. The transfer can be by gift or sale, though land transferred by lease does not qualify.

The relief is only being extended for one year pending the outcome of CAP and related State Aid negotiations at EU level.

Extension of Bank Levy

The Finance (No.2) Act 2013 introduced the Financial Institutions Levy for the three-year period 2014 to 2016 with the purpose of enabling the banking sector to contribute to economic recovery. The annual yield of this levy has been approximately €150 million. Finance Act 2016 extended the levy to 2021.

It was announced in Budget 2022 that the bank levy would be extended for another year and to apply it only to those banks that will continue to operate in the Irish market going forward.

The decision to exclude the two banks (Ulster Bank and KBC) who are leaving the Irish market is being done in order to minimise the potential for disruption to bank customers that could arise from a possible accelerated exit if they were made subject to the levy in 2022.

Under the relevant provision in this Bill, the banks remaining in the market will not pay anymore in 2022 than they paid in 2021. Therefore the levy is expected to generate in the region of €87 million in 2022.

Measures not announced on Budget Day

Corporation Tax

Section 481 (Film Relief)

Section 481 TCA 1997 provides a 32% payable credit for eligible expenditure on film production in Ireland. Finance Act 2021 amends the definition of 'eligible expenditure' for the purposes of expenditure qualifying for the Section 481 tax credit to confirm the existing practice that it may include expenditure on individuals providing a labour-only service on the production of a qualifying film.

Taxation of Non-Resident Landlords

This measure is being introduced in conjunction with the introduction of ATAD interest limitation rules from 1 January 2022 onwards, to ensure that non-resident corporate landlords will be within scope of the new rules. Non-resident corporate landlords that do not carry on a trade in the State through a branch or agency are currently within the charge to income tax at the standard rate of 20%, rather than corporation tax. By contrast, Irish resident companies are liable to 25% corporation tax on Irish rental income, and will be subject to the new ATAD interest limitation rule when introduced. To ensure parity of treatment, Finance Bill 2021 will introduce an amendment to bring non-resident corporate landlords in receipt of Irish rental income within the charge to corporation tax from 1 January 2022, concurrent with the introduction of the interest limitation rule.

Section 129A (Irish resident company distributions - Dividends paid out of foreign profits)

Section 129 TCA 1997 provides that distributions between Irish companies are generally not subject to tax. This is to avoid a double charge to corporation tax as distributions are paid from after-tax income. Section 129A TCA 1997 provides that this exemption does not apply to distributions between Irish-resident connected companies where the dividends are paid out of profits earned by the paying company while it was resident outside the State. Finance Bill 2021 amends Section 129A to correct a legislative anomaly whereby interim dividends paid from current-year profits earned while a company is Irish resident were deemed to have been earned while non-resident.

Section 840A (Interest on loans to defray money applied for certain purposes)

Section 840A is an anti-avoidance provision, introduced to deal with situations whereby tax deductible interest expenses were created within a group fundamentally for tax reasons with little or no commercial rationale. Finance Bill 2021 amends Section 840A to prevent the circumvention of the provision through the use of instruments such promissory notes or the re-financing of loans.

Technical amendment to ATAD Anti-Hybrids rules

The Bill makes a number of technical amendments to the anti-hybrid rules introduced in 2019 as part of Ireland's commitment to implementing ATAD. The amendments will ensure that the rules operate as intended.

Mergers by absorption (s.617A and s.630 TCA 1997)

A technical amendment will be made in this Bill to Parts 20 and 21 of the Taxes Consolidation Act 1997, to confirm that mergers by absorption (both domestic and cross-border) do not give rise to chargeable gains.

Appeal procedures

Finance Bill 2021 will introduce a legislative amendment to address administrative difficulties identified by the Tax Appeals Commission (TAC). It will provide for an increase of a maximum of 42 days in the time allowed to the TAC to complete and sign a "case stated" for the purposes of an appeal of a TAC determination to the High Court.

Tax Exemptions

Finance Bill 2021 will amend Schedule 4 of the Taxes Consolidation Act 1997 to include the Approved Housing Bodies Regulatory Authority and Schedule 15 to include the Western Development Commission. These Schedules provide exemptions to specified State-sponsored or non-commercial bodies. Both of these bodies are State-sponsored, not-for-profit bodies and are being made exempt from taxation in order to avoid circular payments in to and out of the Exchequer.

Stamp Duty

Modernisation of Revenue's pay and file system for the collection of certain banking and insurance levies

This series of amendments to the Stamp Duties Consolidation Act 1999 (SDCA 1999) is designed to provide a legislative basis for Revenue's modernisation programme for how it collects certain stamp duties on insurance policies, financial cards and cheques. The pay and file system for the collection of these stamp duties is to be streamlined and fully automated, replacing a complicated system of manual returns and varied payment methods.

Amendments to sections 31E (10% stamp duty charge)

Section 31E of the Stamp Duty Consolidation Act 1999, which applies a 10% stamp duty charge to the multiple purchase of properties (10 or more) by institutional investors and others was introduced through a Financial Resolution on 19 May 2021. It was subsequently confirmed in legislation through sections 13 to 15 of the Finance (Covid 19 and Miscellaneous Provisions) Act 2021.

The Finance Bill is making a number of technical amendments, none of which change the substance or purpose of the legislation underpinning the 10% charge. Instead they amongst other things reinforce the fact that apartments are outside the scope of the charge, address an inadvertent charging of the 1% stamp duty transaction to what should be exempt transactions and reinforce the underlying intent of the mortgage to rent and social housing leasing provisions.

Capital Acquisition Tax (CAT)

Amendment for a requirement to file a return for certain reliefs

Section 46 (14) of the Capital Acquisitions Tax Consolidation Act 2003, which provides for the delivery of returns is amended. The amendment requires that, where requested by the Revenue Commissioners, the disponer of a gift which comprises agricultural property (where agricultural relief applies) or relevant business property (where business relief applies), must deliver a return to the Revenue Commissioners in respect of such gifts. This is irrespective of whether the taxable value of such agricultural property or relevant business property, when aggregated with the taxable value of previous gifts or inheritances since 5 December 2001, exceeds 80% of the relevant group threshold.

Amendment as to how a gift or inheritance for the free use of money is valued

Section 40 of the Capital Acquisitions Tax Consolidation Act 2003, which provides for the appropriate tax treatment where a gift or inheritance comprises the free use of property is amended. The amendment provides that in the case of a gift or inheritance of the free use of money, the value of that gift or inheritance is to be determined by reference to the best price obtainable of borrowing an equivalent sum in the open market.

Other Taxation changes

Amendment to remove a double taxation charge on deposit interest earned by trusts

Section 261 of the Taxes Consolidation Act 1997 sets out how interest, on which Deposit Interest Retention Tax ("DIRT") has been deducted at source, is taxed in the hands of depositors.

This section is being amended to remove a double tax charge that currently exists on this type of interest earned by a trust. At present, a trust earning interest on a deposit from which DIRT has been deducted at source (currently 33%) will also be liable to pay income tax at the standard rate (currently 20%) on that interest.

The amendment provides that the interest will only be taxed at the DIRT rate with a credit given for the DIRT already deducted. This removes the double layer of taxation and is in line with how individuals are taxed with respect to this type of interest.

Taxation of Pandemic Placement Grant (PPG) for student nurses and student midwives

The Pandemic Placement Grant recognises the particular difficulties faced by student nurses and midwives in the course of the pandemic as they went on temporary placements away from home. The Bill exempts all payments of this grant in 2021 from income tax, USC and PRSI.

Sea-going Naval Personnel Tax Credit

The Bill extends this relief (a tax credit of €1,500) for Naval Service personnel serving at sea for more than 80 days p.a., for one further year to the end of 2022. The intention of the measure is to help address problems regarding recruitment and retention in the Naval Service.

Stock Relief

General Stock Relief measures are rolled over for a further three years to the end of 2024.

The Young Farmers Stock Relief and the Registered Farm Partnership measures will be rolled over for one year to the end of 2022. This shortened period is necessary pending the outcome of CAP and related State Aid negotiations at EU level. It is expected to then extend this relief next year for a further two years to re-align it with general stock relief provisions.

Pensions Tax Amendments

The Bill provides for a number of pension related amendments to implement some of the recommendations for the Interdepartmental Pensions Reform and Taxation Group.

It will provide for the full removal of the Approved Minimum Retirement Fund (AMRF) requirement for individuals availing of the Approved Retirement Fund (ARF) option and retirement and the transfer of current AMRF funds to an ARF for existing ARF holders. The Bill will also provide that for death-in-service pensions, the ARF option will be available as an alternative to the compulsory purchase of annuities. The Bill will also remove the prohibition on transfers from an occupational pension scheme to a Personal Retirement Savings Account (PRSA) for members with more than 15 years' service. These measures contribute towards the simplification and harmonisation agenda in relation to the pensions' landscape.

The Bill will provide for a technical amendment regarding relief for pension contributions made by an employer to occupational pensions schemes set up for employees of another company in certain defined circumstances – for example, company re-organisations, joint ventures or other group arrangements.

Penalties and publication of tax defaulters' details

The Bill makes a number of amendments to the penalty and publications provisions in the main Tax Acts (TCA, VATCA, SDCA and CATCA). They include provision for the application of tax-geared penalties for failing to file a return or filing an incorrect return, as appropriate. The amendments also remove the prohibition on mitigation in "offshore cases" to allow qualifying disclosures in these cases. In relation to publication, they include amendments to clarify the circumstances for a settlement to be published, provide for non-publication of certain amounts and increase the minimum publication figure.

Debt warehousing

The Finance Bill expands the tax debt warehousing scheme to allow self-assessed income taxpayers with employment income who have a material interest in their employer company to warehouse income tax liabilities relating to their Schedule E income from that employer company. A further amendment will prevent two interest charges arising on the same sum in such circumstances.

<u>Additional Note on Carbon Tax</u>

The Finance Act 2020 legislated for a multi annual series of rate increases bringing the rate of Carbon Tax to €100 per tonne of CO2 in 2030. Accordingly, there is no requirement to provide for a carbon tax increase in this year's Finance Bill.

Based on Finance Act 2020, carbon tax is set to increase by €7.50 in 2022, bringing the rate to €41 per tonne. This took effect on Budget Night (12 October) for transport fuels. As is the

custom with carbon tax increases, its implementation for other fuels will not take effect until 1 May, after the winter heating season. This will raise an estimated additional revenue of some €109m in 2022 and €148m in a full year.

Next steps

Finance Bill 2021 Dáil Second Stage is expected to begin on Tuesday 2 November 2021.

Timing of the Finance Bill:

Under the regulations known as the "Two-Pack" which were formally adopted on 30 May 2013, a common budgetary timeline was introduced for all Euro Area member states. In light of these requirements, the Government decided, from 2013 onwards, to bring Budget Day forward from the first week in December to on or before 15th October. This meant that Budget 2022 was presented and published on Tuesday 12th October this year.

The Government also decided that the Finance Bill should complete its passage through the Oireachtas by 31 December each year. This means also that, as this Finance Bill is published in 2021, it is called "Finance Bill 2021" even though it relates to Budget 2022.

The full text of the Bill and the Explanatory Memorandum will be published today Thursday 21 October.

Ends