Costing P2

	Costing Request	2022 (First Year)	2023 (Full Year)	2024 (Full Year)	2025 (Full Year)	2026 (Full Year)	
1.	The revenue raised from tapering out the personal, PAYE and Earned Income credit by 2.5% per €1,000 on individual income between €100,000 and €140,000 per year, resulting in no entitlement to these tax credits when income is in excess of €140,000.						The first and full year yield is estimated to be of the order of €232m and €282m respectively. These figures are based on tax returns for 2018, an exercise undertaken on these data to break down the gross incomes of taxpayer units to an individualised level.
2.	Additional Income levy: The revenue raised from an additional USC rate of 5% on individual income in excess of €140,000.						The estimated yields are €294m and €383m on a first and full year basis respectively. These estimated figures are based on projected 2021 incomes, calculated on actual data for the year 2018, and may be revised.
3.	Additional Income levy: The revenue raised from an additional USC rate of 4% on individual income in excess of €140,000.						The estimated yields are €235m and €307m on a first and full year basis respectively. These estimated figures are based on projected 2021 incomes, calculated on actual data for the year 2018, and may be revised.
4.	Additional Income levy: The revenue raised from an additional USC rate of 3% on individual income in excess of €140,000.						The estimated yields are €176m and €230m on a first and full year basis respectively. These estimated figures are based on projected 2021 incomes, calculated on actual data for the year 2018, and may be revised.

5.	The revenue raised by introducing a new employers' rate of PRSI of 15.75% on the portion of salary paid in excess of €100,000 per annum.	274.14	274.14	274.14	274.14	274.14	
6.	The revenue raised by introducing a new employers' rate of PRSI of 14.75% on the portion of salary paid in excess of €100,000 per annum.	215.81	215.81	215.81	215.81	215.81	
7.	The revenue raised by introducing a new employers' rate of PRSI of 13.75% on the portion of salary paid in excess of €100,000 per annum.	157.49	157.49	157.49	157.49	157.49	
8.	The revenue raised by introducing a new employers' rate of PRSI of 12.75% on the portion of salary paid in excess of €100,000 per annum.	99.16	99.16	99.16	99.16	99.16	
9.	The revenue raised by introducing a new employers' rate of PRSI of 12.05% on the portion of salary paid in excess of €100,000 per annum.	58.33	58.33	58.33	58.33	58.33	
10.	The revenue raised if the bailed-out banks had applied to them a 25% limit on losses that could be carried forward in any year and a ten year absolute limit in which such losses could be used.						Based on pre-COVID-19 profitability levels, a 25% limit on the losses forward that can be used in one year would likely not yield significant additional tax, due to the amounts of losses forward available to the relevant companies. A ten year restriction on the carry forward of losses could mean that these companies are no longer able to use the historic losses that are being carried forward since the downturn. However, the likely additional tax yield from such a measure would depend on future profitability

							levels and it is not possible to estimate this accurately at present. Further information on considerations relevant to loss relief is available in a 2018 technical paper prepared by the Department for the Committee on Finance, Public Expenditure and Reform, and Taoiseach.
11.	The revenue raised if intangible assets onshored between 2015 and 2018 were taxed at the current 80% cap.						The 80% cap on capital allowances for intangible assets applies to all intangible assets acquired on or after 11 October 2017. It is important to note that the cap only affects the timing of relief in the form of capital allowances and related interest expenses for intangible assets. It does not affect the overall quantum of relief, therefore no additional tax revenue would be raised in the long-term by this proposal. A tentative estimate of the potential short-term cash-flow benefit that could accrue if intangible assets onshored between 2015 and 11 October 2017 were subject to the 80% cap was provided in previous years. However, as Revenue anticipate that many of the claims associated with this period are likely to be finishing due to the write down periods, it is likely that this estimate no longer applies and any gain would be significantly lower from 2022 on.

12.	The revenue raised by increasing commercial stamp duty from 7.5% to 12.5%.						The yield from increases in the rate of stamp duty on non-residential property is shown at page 19 of: https://www.revenue.ie/en/corporate/documents/statistics/ready-reckoner.pdf. While the exact changes outlined in the question are not included in the ready reckoner, the changes can be estimated on a straight-line mathematical basis using the ready reckoner. It should be noted making significant changes to rates can have a behavioural impact that is not reflected in the ready reckoner.

13.	The revenue raised by increasing commercial stamp duty by 1.0% each year, from 7.5% to 12.5%.						The yield from increases in the rate of stamp duty on non-residential property is shown at page 19 of: https://www.revenue.ie/en/corporate/documents/statistics/ready-reckoner.pdf. While the exact changes outlined in the question are not included in the ready reckoner, the changes can be estimated on a straight-line mathematical basis using the ready reckoner. It should be noted making significant changes to rates can have a behavioural impact that is not reflected in the ready reckoner.
14.	The revenue raised by reducing the ceiling for ceiling/earnings cap for occupational pension schemes, RACs and PRSAs from €115,000 to €60,000.						Scenarios for changes to Income Tax Relief on Pensions are shown (on page 10) in the Post-Budget 2021 Ready Reckoner available at: https://www.revenue.ie/en/corporate/documents/statistics/ready-reckoner.pdf. Based on these estimates, by reducing the ceiling for ceiling/earnings cap for occupational pension schemes, RACs and PRSAs from €115,000 to €60,000 would result in a yield of €187m.
15.	The revenue raised by reducing the ceiling for ceiling/earnings cap for occupational pension schemes, RACs and PRSAs from €115,000 to €70,000.						Scenarios for changes to Income Tax Relief on Pensions are shown (on page 10) in the Post-Budget 2021 Ready Reckoner available at:

							https://www.revenue.ie/en/corporate/documents/statistics/ready-reckoner.pdf. Based on these estimates, by reducing the ceiling for ceiling/earnings cap for occupational pension schemes, RACs and PRSAs from €115,000 to €70,000 would result in a yield of €140m.
16.	The revenue raised by reducing the ceiling for ceiling/earnings cap for occupational pension schemes, RACs and PRSAs from €115,000 to €80,000.						Scenarios for changes to Income Tax Relief on Pensions are shown (on page 10) in the Post-Budget 2021 Ready Reckoner available at: https://www.revenue.ie/en/corporate/documents/statistics/ready-reckoner.pdf. Based on these estimates, by reducing the ceiling for ceiling/earnings cap for occupational pension schemes, RACs and PRSAs from €115,000 to €80,000 would result in a yield of €100m.
17.	The revenue raised by reducing the Standard Fund Threshold from €2 million to €1.2 million.						The Standard Fund Threshold is the maximum allowable pension fund on retirement for tax purposes, which was introduced in Finance Act 2006 to prevent over-funding of pensions through tax-relieved arrangements. Information on the numbers and values of individual pension funds or on individual accrued benefits in pension schemes are not generally required to be supplied to Revenue. Therefore, there is no readily available underlying data or methodology on which to base reliable estimates of any possible yield which might be realised from the reduction in the Standard Fund Threshold outlined.

18.	The revenue raised by reducing the Standard Fund Threshold from €2 million to €1.5 million.						The Standard Fund Threshold is the maximum allowable pension fund on retirement for tax purposes, which was introduced in Finance Act 2006 to prevent over-funding of pensions through tax-relieved arrangements. Information on the numbers and values of individual pension funds or on individual accrued benefits in pension schemes are not generally required to be supplied to Revenue. Therefore, there is no readily available underlying data or methodology on which to base reliable estimates of any possible yield which might be realised from the reduction in the Standard Fund Threshold outlined.
19.	The cost of abolishing the Local Property Tax.						The projected LPT yield for 2021 is €485m and this revenue would be lost if the LPT was abolished based on current values. The yield (and potential loss on abolition) for 2022 onwards will be determined by the valuations returned by property owners as part of revaluation later this year.
20.	The cost of reducing the Local Property Tax by 20 percent each year over a five year period						The LPT valuation model is currently being updated for the purpose of implementing the new bands and rates. It is not possible to cost changes to the new regime until LPT returns are filed and the data processed.
21.	The revenue raised by abolishing the Help to Buy Scheme.						The following factual data may be helpful in addressing the question. The cost of the Help to Buy (HTB) scheme in 2020 was approximately €126m.The 2020 cost can be used as a guide to estimate the yield if the Help to Buy Scheme were abolished. A temporary

							enhancement was announced in the July 2020 Stimulus package last year. The cost of the HTB scheme in the 6 month period from July to December 2020 was approximately €87m. This enhanced HTB relief has been extended to 31 December 2021 in Finance Act 2020. Note: HTB is a demand led scheme.
22.	The revenue raised by abolishing the Special Assignee Relief Programme (SARP).						The annual cost of the Special Assignee Relief Programme (SARP) from 2012 (year introduced) to 2018 (the most recent year for which data are currently available) are available at: https://www.revenue.ie/en/corporate/information-about-revenue/research/statistical-reports/special-assignee-relief-programme.aspx. The cost (€42.4 million in 2018, the most recent year for which data is currently available) may represent a saving to the Exchequer in a given year were SARP abolished. This could be indicative of a possible savings if the scheme terminated. However, there could likely be losses resulting from lower employment levels (and related tax receipts) and other indirect effects within the activities that are supported by the Programme.
23.	The revenue raised by abolishing the Foreign Earnings Deduction.						The estimated cost of the Foreign Earnings Deduction (FED) in relation to 2018 (the latest year for which data are available) can be found in the Cost of Tax Expenditures report which is published on the Revenue website at:

							https://www.revenue.ie/en/corporate/information-about-revenue/statistics/tax-expenditures/costs-expenditures.aspx. The cost (€5.5 million in 2018, the most recent year for which data is currently available) may represent a saving to the Exchequer in a given year were FED abolished. However, there could likely be losses resulting from lower employment levels (and related tax receipts) and other indirect effects within the activities that are supported by the Programme.
24.	The cost of abolishing the punitive charge of an where you tax your vehicle for less than 12 months, ie. A motor being more expensive when charged for 6 months as opposed to 12 months.						€41.3 million based on the number of quarterly and half-yearly transactions in 2020
25.	The revenue raised from introducing a minimum Dividend Withholding Tax rate of 33% on all dividends paid by REITs.						Information in respect of dividends from shares in REITs is not separately identified in Revenue's Dividend Withholding Tax (DWT) data. It is also noted that foreign investors resident in treaty-partner countries may be able to reclaim some part of the DWT deducted, if the relevant tax treaty allows. Given the interaction with tax treaties, and because information is not available in relation to potential future REIT distributions to investors, an accurate estimate of any potential revenue from an increase in the withholding tax rates cannot be made.

26.	The revenue raised from introducing a minimum Dividend Withholding Tax rate of 33% on all dividends paid by IREFs.						Irish resident IREF investors are generally subject to exit tax at a rate of 41% which is deducted at source by the IREF. Foreign investors resident in treaty-partner countries may be able to reclaim some part of the IREF withholding tax (20%) if the relevant tax treaty allows. Given the interaction with tax treaties, and because information is not available in relation to potential future IREF distributions to investors, an accurate estimate of any potential revenue from an increase in the withholding tax rates cannot be made.
27.	The revenue raised by applying a 12.5% rate of commercial stamp duty on all REITs.						The yield from increases in the rate of stamp duty on residential and non-residential property is shown at: https://www.revenue.ie/en/corporate/documents/statistics/ready-reckoner.pdf. The stamp duty paid by IREFs and REITs and other purchasers of multiple properties (combined figure – breakdown not separately identifiable) is in the region of 9 million for 2020. A breakdown of this figure is not available between residential and non-residential. It is assumed most of the relevant transactions relate to residential premises, in which case increasing the rate of stamp duty on non-residential
28.	The revenue raised by applying a 12.5% rate of commercial stamp duty on all IREFs.						

							(commercial) premises purchased will not yield significant amounts of additional tax. However, if there were large or significant commercial purchases, these would yield additional revenues but the level or frequencies into the future of such purchases is not something that the Department or Revenue is in a position to predict.
29.	The revenue raised by applying a 12.5 percent rate of corporation tax on profits made by IREFs and REITs.						A REIT is not chargeable to corporation tax on income derived from its property rental business. Property rental income is instead taxed at the investor level when distributed, and a dividend withholding tax at 25% also applies. As an investment undertaking, the profits of IREFs are not taxed within the fund, but instead are subject to tax in the hands of the investors. IREFs are subject to a 20% withholding tax on distributions to non-resident investors. Irish resident individuals/corporates are subject to investment undertakings tax. As REITs and IREFs are taxed in the above manner, tax returns data do not record the required information for this costing. It is also noted that, due to the small number of REITs and Revenue's need to protect taxpayer confidentiality, there are limitations on the information that can be provided by Revenue in respect of REITs.

30.	The revenue raised by applying a 25 percent rate of corporation tax on rental income made by IREFs and REITs.						A REIT is not chargeable to corporation tax on income derived from its property rental business. Property rental income is instead taxed at the investor level when distributed, and a dividend withholding tax at 25% also applies. As an investment undertaking, the profits of IREFs are not taxed within the fund, but instead are subject to tax in the hands of the investors. IREFs are subject to a 20% withholding tax on distributions to non-resident investors. Irish resident individuals/corporates are subject to investment undertakings tax. Tax returns data do not record the required information for this costing. Also, due to the small number of REITs and Revenue's need to protect taxpayer confidentiality, there are limitations on the information that can be provided by Revenue in respect of REITs.
31.	The cost of restoring a Trade Union tax relief (on subscriptions) as per the relief that existed until 2010.						There are no data on the number of taxpayers with union subscriptions, the cost of their individual union subscription, nor the ability of the taxpayer to absorb the credit, therefore there is no basis available to Revenue on which to estimate a cost for this measure.
32.	The revenue raised by increasing the Vacant Site Levy from 7% to 15%.						It is not possible to provide an exact estimate of the annual levies that may be raised by planning authorities in the operation of the vacant site levy due to a number of factors:
33.	The revenue raised by increasing the Vacant Site Levy from 7% to 20%.						

34.	The revenue raised by increasing the Vacant Site Levy from 7% to 25%.						• The registers are a live document with sites being added and removed by the local authorities as appropriate. • Some planning authorities have yet to include the market values of the newer sites on their registers; • A number of sites are on appeal and if successful will be removed from the registers; • Sites may be brought into use before the demand for payment is made and will therefore be removed from the registers. DHLGH proactively engages with local authorities with a view to ensuring that the vacant site levy achieves its full potential in terms of bringing concerned sites into productive use. In this regard, the Department issued Circular Letter PL 03/2021 on 8 March 2021 requesting the submission of a progress report on the collection of the levy by each local authority. The Department received a return from each of the 31 local authorities which indicated that as of 1 January 2020 there were 215 sites with market valuations of €268m listed on local authority registers and were liable to the levy in 2021. These sites will be levied at 7% market valuation

							rate in 2021 unless works commenced in the interim or their inclusion on the registers is successfully appealed. Based on the information from the recent progress reports, it is estimated that the levy proceeds nationally could be of the order of: • €40.2m at a rate of 15%, • €53.6m at a rate of 20%, and • €67m at the rate of 25% The levy is not intended to be a revenue generating measure with the proceeds accruing to the relevant local authority rather than the Exchequer. The levy proceeds generated are specifically intended to be used by local authorities for the provision of housing and regeneration development in the local area in which vacant sites are located. No more than 10% of the levy monies received by planning authorities may be used on their administration costs in collecting the levy.
35.	The revenue raised by increasing Excise duty on a packet of cigarettes by 30 cents annually (€1.50 increase in total).						See the Revenue Ready Reckoner (page 25), which is available at link: https://www.revenue.ie/en/corporate/information-about-revenue/statistics/ready-reckoner/index.aspx

36.	The revenue raised by applying capital gains tax of 33% on the disposal of all assets by REITs and IREFs.						Information is not available in respect of possible future disposals of assets by REITS and IREFs, therefore an estimate of the yield cannot be provided.
37.	The revenue raised by introducing a 40 percent rate of Capital Gains Tax on the disposal of assets made by persons in cases in which the gains accrued are in excess of individual incomes of €140,000.						Estimated at € 87m It is assumed a higher rate of Capital Gains Tax (CGT) for individuals with income in excess of the thresholds noted, who also have taxable gains in excess of the same thresholds.
38.	The revenue raised by introducing a 40 percent rate of Capital Gains Tax on the disposal of assets made by persons in cases in which the gains accrued are in excess of individual incomes of €200,000.						Estimated at € 69m It is assumed a higher rate of Capital Gains Tax (CGT) for individuals with income in excess of the thresholds noted, who also have taxable gains in excess of the same thresholds
39.	The revenue raised by introducing a 40 percent rate of Capital Gains Tax on the disposal of assets made by persons in cases in which the gains accrued are in excess of individual incomes of €300,000.						Estimated at € 41m It is assumed a higher rate of Capital Gains Tax (CGT) for individuals with income in excess of the thresholds noted, who also have taxable gains in excess of the same thresholds
40.	The revenue raised by introducing a 40 percent rate of Capital Gains Tax on the disposal of assets made by persons in cases in which the gains accrued are in excess of individual incomes of €400,000.						Estimated at € 35m It is assumed a higher rate of Capital Gains Tax (CGT) for individuals with income in excess of the thresholds noted, who also have taxable gains in excess of the same thresholds
41.	The revenue raised by introducing a 40 percent rate of Capital Gains Tax on the disposal of assets made by persons in cases in which the gains accrued are in excess of individual incomes of €500,000.						Estimated at € 28m It is assumed a higher rate of Capital Gains Tax (CGT) for individuals with income in excess of the

							thresholds noted, who also have taxable gains in excess of the same thresholds
42.	The revenue raised by increased the Capital Acquisitions Tax by 3% to 36%.						The Exchequer impact of various changes to the Capital Acquisitions Tax thresholds and rates is published at link: https://www.revenue.ie/en/corporate/documents/statistics/ready-reckoner.pdf. While the exact changes in the question are not shown in all cases, the Exchequer yield from the changes can be estimated using this table.
43.	The revenue raised by reducing the Group A tax-free threshold, referring to Capital Acquisitions Tax, from €335,000 to €250,000 in conjunction with increasing the Capital Acquisitions Tax by 3% to 36%.						The Exchequer impact of various changes to the Capital Acquisitions Tax rates is published at link: https://www.revenue.ie/en/corporate/documents/statistics/ready-reckoner.pdf - see page 15. While the exact changes in the question are not shown in all cases, the Exchequer yield from the changes can be estimated using this table.
44.	The revenue raised by reducing the Group A tax-free threshold, referring to Capital Acquisitions Tax, from €335,000 to €280,000 in conjunction with increasing the Capital Acquisitions Tax by 3% to 36%.						The Exchequer impact of various changes to the Capital Acquisitions Tax thresholds and rates is published at link https://www.revenue.ie/en/corporate/documents/statistics/ready-reckoner.pdf - see page 16. While the exact changes in the question are not shown in all cases, the Exchequer yield from the changes can be estimated using this table.

Note 1: Costings 5-9 provided by the Department of Social Protection. All figures are in millions of euro and are estimates based on 2019 contribution data.

Note 2: Other costings supplied by Revenue, the Dept. of Finance with input from others. These include, where available, only first and full year costs, as projections or forecasts over multiple years are not provided.