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## Budget 2022

Budget 2022 is focused primarily on protecting jobs for the coming year, as well as providing significant resources for the Public Service sector to cope with increased demands.

There is an emphasis as well on saving jobs and protecting health and support living cost pressures.

### Personal Tax:

There is a €50 tax credit increase in the budget for the Personal Tax Credit, Employee Tax Credit and Earned Income Tax Credit, meaning these tax credits are now worth €1,700.

### 20% Rate Band

The 20% income tax rate band is increasing by €1,500. This will allow you to earn up to €1,500 more which is taxed at the lower 20% tax rate, instead of the 41% tax rate.

### USC

The 2% US rate band will be increased slightly, allowing you to earn an additional €608 at the 2% rate band instead of the 4.5% rate band.

## 1. Warehousing of Tax Liabilities

The tax debt warehousing scheme will be expanded to allow self-assessed income taxpayers with employment income to warehouse income tax liabilities relating to their salary income from that employer company. The existing tax debt warehousing support was not previously available to this income for the self assessed. This was seen as harsh and is now being corrected.

### Employer's PRSI

The weekly income threshold for the higher rate of employer PRSI will increase from €394 to €410 from January 2022. This follows a recommendation from the Low Pay Commission to ensure that the increased hourly minimum wage from €10.20 to €10.50 does not lead to work disincentives for workers, in particular those seeking work full-time.

### Remote and Home Working

Government policy is to facilitate and support remote work. Budget 2022 announces an income tax deduction for 30% of the cost of vouched expenses for heat, electricity and broadband in respect of those incurred while working from home.

## Help to Buy Scheme

The Help-to-Buy scheme will be extended in its current "enhanced" form for 2022. A full review of the Help-to-Buy scheme will be conducted in 2022.

## Motorists

### BIK On Electric Vehicles

The BIK exemption for electric vehicles is being extended until 2025. From 2023 the relief will apply by reducing the original market value by €35,000. This reduces to €20,000 for 2024 and €10,000 for 2025.

In addition, there is an extension of the €5,000 relief for electric vehicles to the end of 2023, to further encourage the uptake of electric vehicles

### Lower Carbon-emission vehicles

The accelerated Capital Allowance Scheme for gas and hydrogen-powered vehicles and refuelling equipment is extended for 3 years. In addition the scheme will be expanded to encompass hydrogen-powered vehicles and refuelling equipment.

If you need help our team are on hand to ensure you claim all the expenses you are entitled to. e: [info@macs.ie](mailto:info@macs.ie)