



Budget 2026 Briefing

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BYRNE WALLACE SHIELDS BUDGET 2026 BRIEFING

The Minister for Finance, Mr. Paschal Donohoe T.D., and the Minister for Public Expenditure, Infrastructure, Public Services, Reform and Digitalisation, Mr. Jack Chambers T.D., announced Budget 2026 today.

In his address, Minister Donohoe stated that Budget 2026 will “*invest in our future*” while also securing current jobs, prosperity and stability. The first term budget to be presented by the new coalition Government is predicated on building resilience in response to increasing global uncertainty both economic and political. Budget 2026 is designed to combat inflation and retain Irish economic competitiveness both domestically and abroad.

Generous one-off measures implemented in recent budgets to combat the cost-of-living crisis have given way to medium-to-long term policies in Budget 2026 in a bid to encourage long-term economic and fiscal stability.

Budget 2026 contains an overall package of €9.4 billion and consists of a net tax package of €1.3 billion and an expenditure package of €8.1 billion. The Government has suggested that this is the biggest capital investment in the history of the State, protecting jobs, investing in the future and critical infrastructure while targeting supports to those who need it most.

Housing issues form a key part of Budget 2026, with €5 billion committed to capital investment. The VAT rate on the sale of completed apartments will be reduced to 9% from 8 October 2025. The Residential Zoned Land Tax is amended to allow a further opportunity in 2026 for landowners to request a change in zoning of land. Many other policies are being implemented to encourage property development and ease market problems.

Budget 2026 aims to keep businesses trading and to sustain and encourage employment. The VAT rate on food and catering businesses and hairdressing services will be reduced to 9% from 1 July 2026. The Research and Development

(“R&D”) Tax Credit will be enhanced, with its rate increasing from 30% to 35% and the first-year payment threshold increasing from €75,000 to €87,500 to support smaller R&D projects. Revised Entrepreneur Relief is being reformed with the lifetime limit on gains qualifying for relief being increased from €1 million to €1.5 million.

To further support businesses, enhancements to the participation exemption for foreign dividends will be introduced to provide a simplified mechanism for double tax relief for multi-national businesses.

There are no changes to personal tax rates in Budget 2026.

More details on the tax measures announced today will be set out in the Finance Bill when published.

The ByrneWallace Tax Advisors Team is ready to assist you and your business in navigating the changes proposed by Budget 2026. Please contact any member of our Tax Team or your usual Byrne Wallace Shields LLP contact for more information and advice.



Lee Squires
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BUSINESS TAX

Corporation Tax Rates

Minister Donohoe announced no changes to the existing corporation tax rates, which are as follows:

Trading income (for companies with revenue of €750 million or less) ¹	12.5%
Passive Income	25%
Knowledge Development Box income	10%

Participation Exemption

The participation exemption for foreign-sourced dividends is a double tax relief measure, which operates by exempting qualifying foreign dividend income received from Irish Corporation Tax in the hands of the recipient. Minister Donohoe announced that a number of changes to the exemption will be provided for in Finance Bill 2025. These include:

- Broadening the geographic scope beyond dividends paid from subsidiaries in the EU / EEA and double tax treaty partners to include qualifying dividends received from jurisdictions that apply a non-refundable dividend withholding tax.
- Reducing the period for which companies must have been resident in a jurisdiction within the geographic scope of the relief before paying a dividend from five years to three years.
- Clarifying that the acquisition of a shareholding is not considered to be an acquisition of business assets for the purposes of the participation exemption.

¹ A 15% effective tax rate applies to companies with revenue of greater than €750 million.

Research and Development (“R&D”) Tax Credit

The R&D tax credit currently provides a 30% tax credit for qualifying R&D expenditure. The rate of the credit is being increased to 35%. This credit can, in certain circumstances, be paid to the taxpayer in three instalments over 33 months. The first year payment threshold allows for a claim up to the threshold amount to be paid in full in year 1, rather than over three years. The current threshold of €75,000 is now being increased to €87,500.

An administrative simplification measure to allow 100% of an R&D employee’s emoluments as qualifying costs where at least 95% of their time is spent on qualifying R&D activities was also announced.

Corporation Tax Exemption for Cost Rental Income

It was announced that a new exemption from Corporation Tax for rental profits arising from homes that are designated by the Minister for Housing, Local Government and Heritage as Cost Rental properties is being introduced. This exemption is being provided in order to accelerate the delivery of affordable homes to the market. It will apply in respect of properties designated as Cost Rental from 8 October 2025. Cost Rental is a form of rental tenure, legislated for in Part 3 of the Affordable Housing Act 2021, which is intended for moderate-income households which are above the income limits for social housing, but which have difficulty affording rental accommodation in the private market.

Enhanced Corporation Tax Deduction for Apartment Construction Costs

An enhanced Corporation Tax deduction is being introduced for qualifying apartment construction costs. The measure will allow an enhanced deduction of 125% of qualifying costs, up to a maximum additional deduction of €50,000 per apartment unit.

Some of the key features of this measure are:

- The deduction to be allowed for certain apartment construction costs will be enhanced to 125% of the actual cost incurred, subject to a cap of €50,000 enhanced deduction per apartment. This will provide a net benefit of up to €6,250 per apartment (€50,000 enhanced deduction x 12.5% Corporation Tax).
- The enhanced deduction will be provided to a developer that is the beneficial owner of the property at the time it is completed.
- The enhanced deduction will be available for projects comprising 10 or more apartments.
- It will be available for both new-build developments and for conversion projects including a change of use, such as the conversion of offices or retail spaces into apartments.
- The enhanced deduction will be available in respect of projects for which a Commencement Notice is submitted on or after 8 October 2025, and on or before 31 December 2030.
- The enhanced deduction will be claimable upon the completion, when the Certificate of Compliance on Completion is signed.

Accelerated Capital Allowances for Energy Efficient Equipment

The Accelerated Capital Allowances Scheme for Energy Efficient Equipment is designed to improve energy efficiency among companies and unincorporated businesses. It provides for an accelerated deduction of 100% of the asset cost in year one where the business chooses highly energy-efficient options when investing in business assets. This scheme is being extended to 31 December 2030.

Accelerated Capital Allowances for Gas Vehicles and Refuelling Equipment

The Accelerated Capital Allowances Scheme for gas vehicles and refuelling equipment provides a tax incentive for companies and unincorporated

businesses that invest in vehicles which run on compressed natural gas, liquefied natural gas, biogas or hydrogen, and in related refuelling equipment. This scheme is being extended to 31 December 2030.

Capital Allowances for Intangible Assets

Companies may claim capital allowances for costs incurred on Intellectual Property (IP), intangible assets acquired for the purposes of a trade. Such allowances are ring-fenced for offset against trading income generated by such IP assets only, and the deduction allowed in any year is capped at a maximum of 80% of relevant trading profits in that accounting period. Any unused or capped allowances carry forward to future periods, subject to the operation of the ring-fence and cap in those periods also.

Amendments are being made to the IP capital allowances legislation regarding how balancing allowances, which arise on certain events such as the disposal or transfer of the asset, can be used.

A Financial Resolution, brought forward on the night of Budget 2026, provides for these amendments with immediate effect and will be followed by legislation in Finance Bill 2025.

Audiovisual Sector

Amendments to both the Section 481 Film Tax Credit and the Digital Games Tax Credit were announced.

Section 481 is being enhanced to provide for a new 40% rate for productions with a minimum of €1 million of eligible expenditure on relevant Visual Effects work. This rate will apply on eligible expenditure of up to a maximum of €10 million per production.

The Digital Games Tax Credit is being extended by six years to 31 December 2031. In addition, the credit is being enhanced to allow for claims in respect of Post-Release Content work, subject to certain conditions.

The amendments to both tax credits are subject to the approval of the European Commission.

Accelerated Capital Allowances for Slurry Storage

The Accelerated Capital Allowances Scheme for the construction of slurry storage facilities by farmers is being extended for a further four years to 31 December 2029.

This measure allows for the capital expenditure for slurry storage buildings and associated equipment to be written off at 50% per annum over two years as opposed to seven years for farm buildings and eight years for plant / machinery.

INCOME TAX

Standard Rate Band

No changes to the income tax rates or standard rate band were announced. As such, the rates and bands of income tax for 2026 are as follows:

Taxpayer	Standard Rate Band
Single, widowed or surviving civil partner (no dependent children)	€44,000
Single, widowed or surviving civil partner (dependent children)	€48,000
Married couple or in a civil partnership (one income)	€53,000
Married couple or in a civil partnership (two incomes)	€53,000 (with an increase of €35,000 max ²)

Universal Social Charge ("USC")

From 1 January 2026, the second USC rate band will be increased from €27,382 to €28,700 in line

² The increase in the rate band is capped at the lower of €35,000 or the income of the lower earner.

with the €0.65 per hour increase in the national minimum wage.

The updated rates of USC will be as follows:

€0 to €12,012	0.5%
€12,013 - €28,700	2%
€28,701 - €70,044	3%
€70,045 +	8%
Self-employed income in excess of €100,000	3% surcharge

The USC concession for medical card holders is being extended for a further two years to 31 December 2027. Reduced rates of USC apply to individuals who have a full medical card and whose income is €60,000 or less per annum. The reduced rates of USC are 0.5% on the first €12,012 and 2% on the balance.

Rent Tax Credit

Minister Donohoe announced that the rent tax credit is being extended by a further three years, to 31 December 2028. The amount that can be claimed will be a maximum of €1,000 (or €2,000 in the case of a jointly assessed tax-payer unit) in respect of 2026 and subsequent years.

Pension Changes

It has been announced that Finance Bill 2025 will provide for additional amendments to the tax treatment for the Auto Enrolment (AE) Retirement Savings Scheme. These amendments will address the tax treatment of AE retirement savings on the death of the participant. Further amendments are also being made to exempt AE provider schemes from investment undertaking tax and to provide an exemption from USC for employer contributions to AE.

Taxation of Investments

Minister Donohoe announced that Finance Bill 2025 will reduce the rates of taxation that apply to

investments in Irish domiciled funds and life assurance policies, other than those applying to companies, personal portfolio investment undertakings and personal portfolio life assurance policies. It will also reduce the rates that apply to equivalent offshore funds and certain foreign life assurance policies. The amendments are as follows:

- The rate of Investment Undertaking Tax (IUT), which applies to Irish domiciled Irish Collective Asset Management Vehicles (ICAVs), Authorised Investment Companies and Unit Trusts, is being reduced from 41% to 38%.
- The rate of Life Assurance Exit Tax (LAET), which applies to policies contracted since 2001 with Irish domiciled life assurance companies, is being reduced from 41% to 38%.
- The rate of tax that applies to investments in offshore funds located in the EU or EEA, or in a member state of the OECD with which Ireland has a double taxation agreement, and which are considered equivalent to Irish domiciled funds, is being reduced from 41% to 38%. The rate change will apply to Exchange Traded Funds (ETFs) that are subject to tax under this regime, including Irish domiciled ETFs.
- The rate of tax which applies to life assurance policies commenced after 2001 by a life assurance company, agency or branch operating in an EU, EEA or an OECD member state with which Ireland has a double taxation treaty is being reduced from 41% to 38%.

Micro-Generation of Electricity

The exemption of up to €400 from Income Tax for certain profits arising from the micro-generation of electricity is being extended for a further three years to 31 December 2028.

The relief applies to a qualifying individual who generates energy from renewable, sustainable or alternative energy sources for their own consumption, and who sells surplus electricity to the grid.

Manufacture of Uilleann Pipes and Irish Harps

The Income Tax disregard on up to €20,000 of a person's profits from the manufacture, maintenance and repair of sets of uilleann pipes, early Irish harps and Irish lever harps, is being extended to 31 December 2028.

EMPLOYEE & EMPLOYER TAXES

Key Employee Engagement Programme

It has been announced that Finance Bill 2025 will provide for an extension of the Key Employee Engagement Programme (KEEP) to 31 December 2028. This extension is subject to approval from the European Commission and will be commenced by Ministerial Order on receipt of such approval.

Special Assignee Relief Programme

The Special Assignee Relief Programme (SARP) is being extended for five years, to 31 December 2030.

The scheme is being amended so that from 1 January 2026, to qualify for the relief, an annualised salary of €125,000 or above will be required. New entrants to the scheme from 2026 onwards may then benefit from an Income Tax exemption on 30% of relevant annual employment income between €125,000 and €1 million. Existing claimants who continue to avail of SARP in 2026 or further years will not be impacted by this change. Amendments will be introduced in order to make some of the administrative requirements more practical. Further details will be set out in Finance Bill 2025.

Foreign Earnings Deduction

The Foreign Earnings Deduction (FED) is being extended for five years, to 31 December 2030.

The scheme is being amended so that from 1 January 2026 the maximum amount of relevant employment income that may qualify for Income Tax relief will increase from €35,000 to €50,000. In addition, the relief will be extended to apply in respect of qualifying time spent working in two additional countries: the Philippines and Türkiye. Amendments will be introduced with a view to making some of the administrative requirements more practical and to ensure the relief is appropriately calibrated.

Benefit in Kind (BIK) Measure: Original Market Value Deduction for Certain Categories of Vehicles

The temporary universal relief of €10,000 applied to the Original Market Value of cars in categories A-D and to all vans is being extended on a tapered basis for three further years of assessment, to end on 31 December 2028. The relief will remain at €10,000 for the 2026 year of assessment, reducing thereafter to €5,000 for 2027 and €2,500 for 2028.

Additionally, the lower limit in the highest mileage band is being permanently reduced from 52,001km to 48,001km from 1 January 2026.

BIK Rate for Electric Vehicles

The tables used to calculate BIK liability on employer-provided cars are being amended to incorporate a new category for vehicles with zero emissions. The new A1 category introduces reduced BIK rates for electric vehicles, with rates of 6 to 15%, depending on business mileage.

CAPITAL TAXES

Capital Gains Tax ("CGT")

No change to the rate of CGT was announced. It remains at 33%.

The Revised Entrepreneur Relief provides for a reduced rate of CGT of 10% on gains of up to €1 million, over a lifetime, arising from the disposal of qualifying business assets. This lifetime limit on which relief can be claimed is being increased to €1.5 million from 1 January 2026.

Finance Bill 2025 will provide for an extension of the current CGT Farm Restructuring Relief to 31 December 2029. A broadening of the relief to cover land under commercial forestry as well as non-commercial woodland / forestry is also being introduced. These measures will be subject to separate commencement orders due to the need to notify the EU Commission.

Capital Acquisitions Tax ("CAT")

There was no change announced for the rate of CAT on gifts and inheritances. It remains at 33%.

There are three tax-free thresholds in respect of CAT, depending on the relationship between the person giving a gift or inheritance (the disponent) and the person receiving it (the beneficiary), with CAT applying on the amount of gifts and inheritances received by a beneficiary over the thresholds. No changes to the thresholds have been announced. They therefore remain as follows:

Group A Threshold	€400,000
Group B Threshold	€40,000
Group C Threshold	€20,000

INDIRECT TAX

Value-Added Tax ("VAT")

The reduced VAT rate of 9% for electricity and gas is being extended until the end of 2030.

The VAT rate applied to the construction of new apartments is being reduced from 13.5% to 9% from 8 October 2025. This measure is due to last until the end of 2030.

The VAT rate applied to businesses in food and catering and hairdressing services is being reduced from 13.5% to 9%. This will commence from 1 July 2026.

Farmer's Flat Rate Compensation Percentage

The Farmer's Flat Rate Payment compensates farmers who opt not to register for the VAT incurred on their purchases. It is revised every Budget and is derived from a calculated average of VAT costs based on macroeconomic data collected from the CSO and Revenue over the preceding three years. The rate for 2026 will be 4.5% (it was 5.1% in 2025).

Excise Duties

The excise duty on a pack of 20 cigarettes will increase by €0.50 (inclusive of VAT) with a pro-rata increase on other tobacco products.

Carbon Tax

The rate per tonne of carbon dioxide emitted for all propellant fuels is being increased from €63.50 to €71 from 8 October 2025 as per the trajectory set out in the Finance Act 2020. This increase will be applied to all other fuels with effect from 1 May 2026.

Vehicle Registration Tax ("VRT")

The VRT relief for electric vehicles, which was due to end on the 31 December 2025, is being extended by one year to 31 December 2026.

PROPERTY TAXES

Mortgage Interest Tax Relief

The Mortgage Interest Tax Relief is being extended, on a tapered basis, for two further years, to 31 December 2026. Homeowners with an outstanding mortgage balance between €80,000 and €500,000 as of 31 December 2022 will be eligible.

The current level of relief will be maintained for the increase in interest paid in the tax year 2025 over interest paid in the tax year 2022, with a maximum tax credit of €1,250 per property available, this relief can be claimed by taxpayers from 2026.

A reduced level of relief will be available for the increase in interest paid in the tax year 2026 over interest paid in the tax year 2022, with a maximum tax credit of €625 per property applicable, this relief can be claimed by taxpayers from 2027.

Deduction for Retrofitting by Landlords

The Income Tax relief for retrofitting by landlords, which provides a deduction for landlords against rental income for certain retrofitting expenses on rented residential properties, is being extended for a further three years to 31 December 2028. The relief will also now be allowed to be claimed in respect of the year in which the expenditure occurred and the number of properties for which landlords can claim the relief in respect of is being increased from two to three.

Derelict Property Tax

A new Derelict Property Tax ("DPT") has been announced. This new tax will be collected by the Revenue Commissioners and will replace the existing Derelict Sites Levy.

The Government has noted that in order for the tax to be effective, it must apply in a consistent manner to all residential properties that are derelict. Therefore, a lead-in time will be required for local authorities to identify all the relevant derelict properties in their area for inclusion on the register.

It is proposed that the DPT will be legislated for in Finance Bill 2026. Local authorities will begin the process of identifying derelict properties in 2026. Following completion of this, a preliminary register of derelict properties will be published in 2027, with the tax coming into effect

subsequently. Currently, the Derelict Sites Levy is an annual levy of 7% of the land's market value. The rate of the DPT is yet to be determined; however, it is envisaged that the tax rate would not be lower than the current 7% rate.

Residential Zoned Land Tax ("RZLT")

RZLT is a tax on land both zoned for residential development and which has necessary services in place to develop housing. It is an annual tax, calculated at 3% of the market value of the land in scope. Amendments proposed in Finance Bill 2025 will provide for a further opportunity for RZLT landowners to make a submission requesting a change in zoning of land appearing on the revised map for 2026, and, in certain circumstances, being exempted from RZLT for 2026 on foot of such submissions. In addition, an exemption is being provided from RZLT during An Coimisiún Pleanála proceedings brought by a third party in relation to a grant of planning permission in respect of a relevant site. Consequential amendments required on foot of the Planning and Development Act of 2024 and technical legislative amendments to ensure that the RZLT legislation operates as intended are also being included in Finance Bill 2025.

Living City Initiative

The Living City Initiative supports the enhancement of older housing and commercial stock in the designated Special Regeneration Areas in Cork, Dublin, Galway, Kilkenny, Limerick and Waterford.

A number of changes to the relief are being made to enhance the attractiveness of the relief and to extend the scope of the relief to additional properties. It currently applies to owner-occupiers, rented residential properties and commercial premises.

The key changes to the scheme include:

- The extension of the scheme to 31 December 2030;

- An increase in the building age date of qualifying properties for owner occupier and rented residential relief, from those built before 1915 to those built before 1975;
- The introduction of a new category of tax relief for the conversion of commercial property into residential properties, including utilisation of "over the shop" premises for residential purposes. There will be no building age restriction on these properties;
- That where the works are carried out by enterprises, the maximum amount of relief available to those undertakings will be increased from €200,000 to €300,000 in line with EU State Aid De Minimis requirements; and
- That greater flexibility will be afforded in claiming the relief.

In addition, the scheme will be extended to the five regional centres under the National Planning Framework. These are Athlone, Drogheda, Dundalk, Letterkenny and Sligo.

The process of extending the schemes to these areas will begin over the coming period with the assistance of the relevant Local Authorities in mapping the Special Regeneration Area for each of the five regional centres.

Local Property Tax

No changes to Local Property Tax were announced. The Local Property Tax rates and bands for liability dates from 1 November 2025 have recently been changed.

STAMP DUTY

Stamp Duty Exemption for Acquisition of Shares

Minister Donohoe announced that a new exemption from the 1% Stamp Duty on acquisitions of shares in Irish registered companies is being introduced. It will apply to the shares of companies admitted for trading on a

regulated market, a multi-lateral trading facility, or an equivalent third country market, and which has a market capitalisation of below €1 billion. A sunset clause will apply, expiring on 31 December 2030.

Due to the introduction of the new exemption, the existing Stamp Duty exemption for shares in Irish registered companies traded on the Euronext Growth Market (formerly the Enterprise Securities Market) will be removed.

Residential Stamp Duty Refund Scheme

The Residential Development Stamp Duty Refund Scheme provides for a partial repayment of the Stamp Duty paid on the acquisition of land where the land is subsequently developed for residential purposes subject to a number of conditions. This scheme, which is due to close to new commencements on 31 December 2025, is being extended to 31 December 2030. A number of amendments to the scheme to bring it more into line with current planning and development practices, and to further enhance its support of the delivery of new housing in a timely and efficient manner are also being made. These changes include extending time limits and permitting refunds in relation to a multi-phase development to be claimed when the first phase commences.

Farm Consolidation Relief

Farm Consolidation Relief provides that a 1% rate of Stamp Duty is charged on the net difference between the value of land sold and land acquired as part of a Teagasc certified farm consolidation. The relief is being extended to 31 December 2029. Commercial forestry which is already within scope is being broadened to cover non-commercial woodland/forestry. These measures will be subject to separate commencement orders due to the need to notify the EU Commission appropriately.

Young Trained Farmer's Relief

The Young Trained Farmer relief, which provides a full exemption from Stamp Duty on the transfer of farmland, subject to certain conditions being met, is being extended to 31 December 2029 and will be subject to a commencement order due to the need to notify the EU Commission.

Rates of Stamp Duty

No changes to the rates of stamp duty were announced. As such, the rates will continue to be as follows:

Residential Property	
- Consideration up to €1,000,000	1%
- Consideration between €1,000,001 and €1,500,000	2%
- Balance of consideration over €1,500,000	6%
Cumulative purchases of ten or more houses or duplexes (but not apartments) in any 12 month period	15%
Non-Residential Property	7.5%
Shares	1% ³

OTHER

Bank Levy

A revised bank levy was introduced for 2024, and this is now being extended for one further year so as to apply in 2026. It is applied to those banks that received financial assistance from the State during the banking crisis (AIB, EBS, Bank of Ireland and PTSB). It will have a revenue target of €200 million for 2026.

³ Subject to certain exceptions.

Personal Income Tax Rates and Bands		
	20%	40%
Single, widowed or surviving civil partner (no dependent children)	€44,000	Balance
Single ¹ , widowed or surviving civil partner (dependent children)	€48,000	Balance
Married couple or in a civil partnership (one income)	€53,000	Balance
Married couple or in a civil partnership (two incomes) ²	€88,000	Balance

Personal Tax Credits	
Single person (no dependent children)	€2,000
Single person child carer credit ³	€1,900
Married or in a civil partnership	€4,000
Employee (PAYE) credit	€2,000
Earned income credit	€2,000
Home carer credit	€1,950
Rent credit	€1,000
Incapacitated child credit	€3,800

PRSI (Employer Rate) ⁴	
Employer	
If income is €527 p/w or less	9%
If income exceeds €527 p/w	11.25%
Self-Employed⁵	4.2%
Employee Class A⁶	4.2%

Universal Social Charge ⁷	
€0 - €12,012	0.5%
€12,013 - €28,700	2%
€28,701 - €70,444	3%
€70,445+	8%
Self-employed income in excess of €100,000	3% surcharge

Capital Acquisitions Tax (CAT) Rate, Thresholds and Exemption	
CAT rate	33%
Group A threshold	€400,000
Group B threshold	€40,000
Group C threshold	€20,000
Small gift exemption	€3,000

1. This rate is available to the principal carer of the child only.
2. €53,000 with an increase of €35,000 maximum, capped at the lower of €35,000 or the income of the lower earner.
3. This credit is available to the principal carer of the child only.
4. All PRSI contribution rates increased by 0.1% from 1 October 2025.
5. The minimum annual contribution for Class S is €650.
6. Employees earning €352 or less p/w are exempt from PRSI. A tapered employee PRSI Credit of €12 p/w applies on earnings up to €424.
7. Individuals with total income up to €13,000 are not subject to the Universal Social Charge.

BUDGET 2026: TAX RATES & CREDITS

Capital Gains Tax (CGT) Rate, Relief and Exemption	
CGT rate	33%
CGT entrepreneur relief ⁸	10%
Annual exemption	€1,270

Deposit Interest Retention Tax Rate	
Deposit Interest Retention Tax (DIRT)	33%

Corporation Tax Rates	
Trading income (for companies with revenue of €750 million or less) ⁹	12.5%
All other income	25%
Knowledge Development Box	10%

Research and Development Tax Credit	
Research and Development Tax Credit	35%

Digital Gaming Sector Tax Credit	
Digital Gaming Tax Credit	32% ¹⁰

Dividend Withholding Tax Rate	
Dividend Withholding Tax (DWT)	25%

Value Added Tax (VAT) Rates	
Standard rate	23%
Reduced rate ¹¹	13.5%
Second reduced rate ¹²	9%

Stamp Duty Rates			
Transfer of certain stocks and shares			1% ¹³
Non-residential property			7.5%
Residential property	1% on consideration up to €1 million	2% on consideration between €1,000,001 and €1,500,000	6% on balance
Cumulative purchases of ten or more houses or duplexes (but not apartments) in any 12 month period			15%

8. Subject to certain conditions and lifetime limit of €1.5 million chargeable gains.

9. A 15% effective tax rate applies to companies with revenue of greater than €750 million.

10. Enhanced to provide for a new 40% rate for productions with a minimum of €1 million of eligible expenditure on relevant VFX work. This enhanced rate will apply on eligible expenditure to a maximum of €10 million per production.

11. Applicable to certain supplies including land and buildings, building services and waste disposal services.

12. Applicable to certain supplies including electricity/gas and new apartments (until 31 December 2030), and food and catering/hairdressing (from 1 July 2026).

13. Subject to certain exceptions.

HOW THE BYRNEWALLACE TAX ADVISORS TEAM CAN HELP

The ByrneWallace Tax Advisors team offers a fully integrated tax service providing both advisory and compliance services to our clients. Our highly experienced team is made up of lawyers, chartered accountants and tax advisors.

Focused on offering pragmatic and realistic solutions, we advise a broad range of clients including private and public sector organisations, international corporations, financial institutions as well as private clients. As part of our multi-disciplinary approach, we regularly work alongside lawyers from our other practice areas, advising on the taxation aspects of client transactions.

Our team has developed specialist expertise advising clients on structured finance transactions, capital market issues, investment funds and cross border financing. We have significant experience in the area of intellectual property planning, mergers and acquisitions, inward investment, group re-organisations, property acquisition and holding structures. We provide advice on all personal taxation matters including employment related issues, pensions, retirement, succession planning and other matters affecting high net worth individuals.

We also have extensive experience on VAT and indirect tax matters, including a specialist practice advising on customs and tariffs. Our tax team regularly assists clients with Revenue interventions and investigations, and appeals to the Tax Appeals Commission.

The ByrneWallace Tax Advisors team can assist you and your business in navigating through the changes proposed by Budget 2026.

Please contact any member of our [Tax team](#) or your usual Byrne Wallace Shields contact for more information or advice.

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Disclaimer

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