Deloitte.

Moving abroad

Irish Tax guide

2022

This tax guide aims to provide individuals who are contemplating moving abroad with information concerning the possible Irish tax implications arising as a result of such a move.

Contents

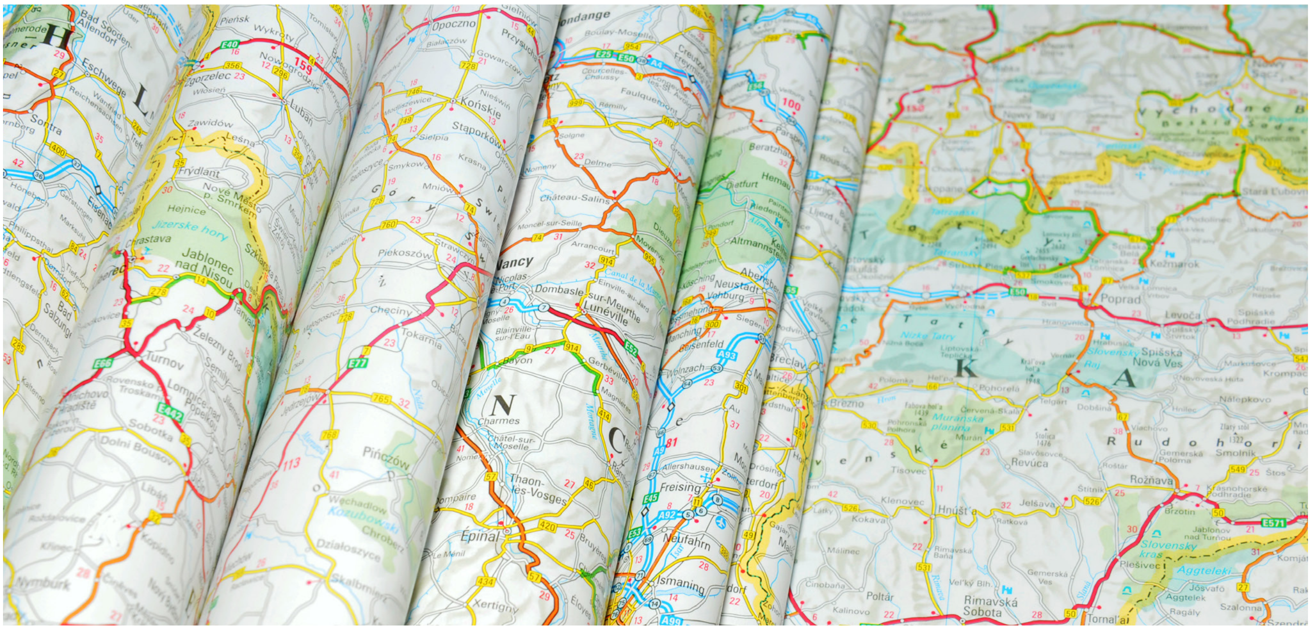
1. Introduction

Moving

This tax guide aims to provide individuals who are contemplating moving abroad with information concerning the possible Irish tax implications arising as a result of such a move.

Along with providing a summary of the Irish income tax, social security, capital gains tax and capital acquisitions tax rules that individuals leaving Ireland should be aware of, our guide also provides information concerning the potential tax savings which can be realised by individuals moving abroad together with guidance in relation to any possible trailing tax issues that may arise.

Where a tax-resident individual leaves Ireland with the intention of being non-resident in the following tax year, a claim for 'split year relief' in the year of departure can be made which essentially means that any employment income earned following their departure from Ireland is not taxable in Ireland.



2. Residence, ordinary residence and domicile

The criteria used to determine an individual's liability to Irish tax are his residence, ordinary residence and domicile status. For the purpose of determining this it should be noted that the Irish income tax year is aligned with the calendar year.

2.1 Residence

An individual is treated as being resident in Ireland if, in the tax year from 1 January to 31 December, an individual:

- Is physically present in Ireland for 183 days or more or
- Spends a combined total of 280 days or more in Ireland in both the current and preceding tax years, provided that they will not be treated as resident under this test for any tax year during which 30 days or less are spent in Ireland.

A day is counted if the individual is present in Ireland for any part of a day. The purpose of their presence is irrelevant.

2.2 Ordinary Residence

An individual is regarded as ordinarily resident in Ireland for a tax year if they have been an Irish resident for each of the three preceding tax years. Once they become ordinarily resident in Ireland, they do not cease to be ordinarily resident for a tax year unless they have been non-resident in Ireland for each of the preceding three tax years.

2.3 Domicile

This term is not defined in the Irish tax code. It is a complex term and is primarily a question of fact, based on the notion of an individual's permanent home to which that person intends ultimately to return. A person can be considered domiciled in the country which is the individual's permanent home although they are temporarily resident in another country.

An individual can never be without domicile. Generally, an individual is domiciled in the country of nationality and in which the greater part of the person's life is spent (i.e. the domicile of origin). Once an individual has reached the age majority, 'domicile of origin' can be abandoned and a 'domicile of choice' can be acquired. In this situation, factors of presence and intention would be required.

2.4 Consequences of residence, ordinary residence and domicile

Scenario	Resident	Ordinarily resident	Domiciled	Liable to Irish income tax on
1	Yes	Yes	Yes	Worldwide income
2	Yes	Yes/No	No	• Irish source income • Foreign employment income to the extent duties of the employment are performed in Ireland • Other foreign income (including foreign employment income relating to duties performed outside of Ireland) to the extent that it is remitted into Ireland
3	No	Yes	Yes	Worldwide income with the exception of: • Income from a trade, profession, office or employment all the duties of which are exercised outside Ireland • Other foreign income provided that it does not exceed €3,810
4	No	Yes	No	Same as scenario 2 above except: Income from the following sources is not liable to Irish income tax even if remitted to Ireland: • Income from a trade, profession, office or employment all the duties of which are exercised outside Ireland • Other foreign income provided that it does not exceed €3,810
5	No	No	Yes/No	Irish source income

2.5 Domicile levy

The domicile levy is due in respect of an individual:

- Who is Irish-domiciled
- Whose worldwide income for that tax year exceeds €1 million
- Whose liability to Irish income tax was less than €200,000 for that tax year
- Whose Irish-located property is greater than €5 million in value on the valuation date for that tax year.

The levy is payable on a self-assessment basis.

The domicile levy itself is a maximum annual amount per tax year of €200,000, which can be reduced to the extent of income taxes that are due for that tax year and that have been paid by or on the due date of the domicile levy. The due date for the domicile levy is 31 October following the end of the tax year in question. Shares in trading companies (or holding companies whose main value derives from subsidiary trading companies) are excluded from the definition of Irish-situated property for the purposes of the €5 million test.

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3. Taxation of employment income while abroad

3.1 Operation of PAYE when leaving Ireland

Where an Irish employee is leaving Ireland temporarily, depending on their Irish tax residence position and number of work days spent in Ireland, they may continue to have a liability to PAYE on their Irish employment income earned while working abroad.

3.1.1 Leaving Ireland with the intention of remaining Irish tax resident

Where an employee continues to be tax resident in Ireland, the Irish employer must continue to deduct PAYE and USC from their employment income notwithstanding that it may be wholly or partly earned abroad. This is likely to be the position applying to those commuting cross-border to perform all or part of their duties of an Irish employment in another jurisdiction. In such cases, it is likely that payroll withholding taxes will also be due in the host country. Where a double taxation agreement exists between Ireland and the host country, the individual will be able to file an Irish tax return in order to claim a credit for foreign taxes paid on their employment income, thus relieving any double taxation.

Where a double taxation agreement does not exist with a particular country, Irish Revenue will allow a deduction for foreign taxes against the income liable for tax in Ireland.

3.1.2 Leaving Ireland with the intention of breaking Irish tax residence

Where an employee is non-resident and no duties of his Irish employment (or incidental duties only) are performed in Ireland, then it may be possible for the employer to obtain a PAYE exclusion order which exempts the employer from the obligation to deduct PAYE and USC for the duration of the period spent working abroad provided certain conditions continue to be met.

Where a tax-resident individual leaves Ireland with the intention of being non-resident in the following tax year, a claim for 'split year relief' in the year of departure can be made, which essentially means that any employment income earned following their departure from Ireland is not taxable in Ireland and a refund of tax may be due to the individual relating to unused tax credits and standard rate bands.

Where an Irish employer does not make an application for a PAYE exclusion order and does not apply PAYE to earnings, that employer can be held accountable for any tax payable.

3.1.3 Leaving Ireland with the intention of breaking Irish tax residence but continuing to work in Ireland

Where an employee is non-resident in Ireland but continues to perform the duties of their Irish employment in the State, then a liability to PAYE will continue for the period of their non-residence.

3.2 What to do when you leave Ireland

Where an individual is in receipt of income other than employment income, a tax return should be filed for the year of departure and any liability settled for the year. The individual should advise the Revenue of the circumstances of their leaving Ireland.

Where an individual employed under an Irish contact of employment leaves Ireland for a temporary period resulting in them being non-resident in either the year of departure or the following year, a refund of PAYE may be claimed when the relevant tax return is filed.

Where an individual is in receipt of employment income only but leaves during the year, their employer will provide them with a form P45 setting out their taxable income earned together with relevant taxes paid during the part of the year in which they worked here. A tax return or a Form P50 should be completed by an individual leaving Ireland to ensure that any unused balance of tax credits and allocation of

> “A tax return or a Form P50 should be completed by an individual leaving Ireland to ensure that any unused balance of tax credits and allocation of standard rate band is fully utilised.

standard rate band is fully utilised. A refund may be generated in such cases.

3.3 Termination payments

Payments made in connection with the termination of employment in Ireland may be subject to tax in Ireland. In general, the reason and nature of the payment will determine the tax treatment of the payment. Where the payment is not regarded as contractual in nature and is not in relation to services rendered, but is an ex-gratia payment on the termination of employment, the payment may be subject to various tax exemptions and reliefs.

3.4 Employment income earned pre departure and paid post departure

Employment income is generally taxed based on amounts earned rather than paid. Where an individual leaves Ireland and subsequently receives a bonus earned in respect of employment duties performed in Ireland prior to their departure, professional advice should be sought in relation to the rates of tax applying to such income.

3.5 Equity

Where an individual participates in their employer's equity schemes, the Irish tax position will depend on a number of factors including the particular type of equity scheme, the country the individual moves to and also when the move occurs. Professional advice should be sought with regard to such schemes.

4. Employment income reliefs

4.1 Foreign Earnings Deduction

2012 saw the re-introduction of the Foreign Earnings Deduction. A deduction is available for employees working temporarily overseas in the BRICS countries (Brazil, Russia, India, China and South Africa). Finance Act 2013 extended the available deduction to Algeria, The Democratic Republic of Congo, Egypt, Ghana, Kenya, Nigeria, Senegal and Tanzania. Finance Act 2015 further extended the deduction to Japan, Singapore, Korea, Saudi Arabia, the UAE, Qatar, Bahrain, Indonesia, Vietnam, Thailand, Chile, Oman, Kuwait, Mexico and Malaysia. Finance Act 2016 extended the deduction to Pakistan and Columbia. The deduction is subject to a maximum claim of €35,000 and applies for the tax years 2012 to 2022.

For the tax years 2012 to 2014, in order to receive this deduction the employee must spend at least 60 days working in a qualifying country in a tax year or a continuous 12-month period. For the years 2015 to 2016, the minimum number of days has been reduced to 40. For the years 2017 to 2022, the minimum number of days has been reducted to 30. These 'qualifying days' must form part of a period of at least four consecutive days spent working in the qualifying country for the years 2012 to 2014. For the years 2015 to 2022, the 'qualifying days' must form part of a period of at least three consecutive days spent working in the qualifying country.

The deduction does not apply to employees paid out of the public revenue of the State (e.g. civil servants, Gardaí and members of the defence forces or individuals employed with any board, authority or similar body established by or under statute).

The deduction is calculated based on the amount of time spent working in the qualifying country.

For 2015 to 2022, time spent travelling from Ireland to the qualifying country, or from the qualifying country to Ireland, is deemed to be time spent in the qualifying country.

The deduction is claimed at the end of the tax year when making an annual return of income for that year. A deduction will not, however, be claimable where another relief is claimed by the employee (e.g. split year relief, Trans-border Workers Relief, Special Assignment Relief Programme, Research & Development Incentive and the limited remittance basis that still exists).

4.2 Trans-border Workers Relief

This relief is designed to give income tax relief to individuals who are resident in the State but who work outside the State. It applies to individuals who commute daily or weekly to their place of work outside the State and who pay tax in the other country on their employment income. While this relief benefits those individuals travelling cross border daily to work in Northern Ireland, individuals travelling to mainland UK and elsewhere to work, returning at the weekends also benefit.

Trans-border Workers Relief effectively removes the earnings from a qualifying foreign employment from a liability to Irish tax where foreign tax has been paid on those earnings. Essentially this relief means that Irish income tax will only arise where the individual has income other than income from a foreign employment. The relief also applies to USC.

A number of conditions must be met in order for Trans-border Workers Relief to apply:

- The individual must have earnings from a qualifying employment
- The duties of the qualifying employment must be exercised wholly outside the State in a country with which Ireland has a double taxation agreement
- The income from that employment must be subject to tax in the other country and must not be exempt or relieved from tax in that country
- The foreign tax due on the income must have actually been paid to the relevant authorities and must not be repaid or be eligible to be repaid
- For every week during which the individual works outside the State in a qualifying employment, he or she must be present in the State at least one day in that week.

Although Trans-border Workers Relief may apply to remove the earnings from a qualifying foreign employment from a liability to Irish tax where foreign tax has been paid on those earnings, such income remains assessable in the hands of the recipient. The income must be declared on the individual's annual return of income and normal self-assessment rules apply. Care should be exercised in the cases of married couples/civil partners, where one of them may be eligible for Trans-border-Workers Relief and the other has income assessable in the State under PAYE.

4.3 Travel and subsistence relief

Where an Irish employee is temporarily assigned overseas and remains tax resident in Ireland, certain travel and subsistence expenses can be provided tax free. The level of travel and subsistence relief is dependent on the length of the assignment and also on the location to which the individual is assigned.

5. Other income tax considerations

5.1 Irish rental income

Rental income arising from property situated in Ireland is chargeable to tax here regardless of the individual's tax residence or domicile status. Taxable rental income is calculated based on gross amounts of rents receivable less allowable expenses. Generally, for expenses to be deductible they must:

- Meet the criteria applied to regular trade expenses
- Not be of a capital nature
- Be incurred by the taxpayer.

Wear-and-tear allowances are available in respect of capital expenditure incurred on fixtures and fittings provided by the landlord for the purposes of furnishing the rental property.

Interest on money borrowed to purchase, improve or repair the rental property is deductible in computing the individual's rental income for tax purposes. A deduction for such interest is not available unless the landlord has registered the property with the Private Residential Tenancies Board.

Further considerations apply where a landlord leaves Ireland, becoming non-resident. In order to receive the rents gross, the landlord must nominate an agent who is resident in Ireland and who can take on the responsibility to receive the gross rents and file the annual tax returns on behalf of the non-resident landlord. Where an agent is not nominated, the tenant is obliged to deduct income tax at the standard rate (currently 20%) from the gross rents payable. At the end of the tax year, the tenant must provide the landlord with a completed Form R185 to show that the tax has been accounted for by the Revenue. The landlord can then claim this amount as a credit on their annual income tax return.

5.2 Tax relief for mortgage interest paid on a home loan

Tax relief for mortgage interest on home loans drawn down prior to 31 December 2012 is given to mortgage holders on the interest paid on a qualifying mortgage on their sole or main residence. Tax relief is granted at source (TRS) by the mortgage provider.

Where an individual leaves Ireland, they may no longer qualify for tax relief at source on the mortgage interest. For interest to qualify for tax relief at source, the individual must be able to demonstrate that the house is still their sole or main residence. Where the house is available for rent they will not meet this condition. Relief for mortgage interest paid in respect of rental properties will be available subject to certain other conditions being met and this will be claimed when the individual's annual tax return is filed (see 5.1 above).

5.3 Foreign investment income

Where an ordinarily resident individual leaves Ireland (see table 2.4 on page 6), they may continue to have a liability to Irish tax in respect of foreign investment income (i.e. foreign rental income or dividend income) until such time as they cease to be ordinarily resident. Whether or not a liability arises will depend on the level of the income received and the provisions of any double taxation agreement in place. Professional advice should be obtained in any such cases.

5.4 Deposit Interest Retention Tax

Non-resident individuals are exempt from Deposit Interest Retention Tax (DIRT). An individual is required to provide

Where an individual leaves Ireland, they may no longer qualify for tax relief at source on the mortgage interest. For interest to qualify for tax relief at source, the individual must be able to demonstrate that the house is still their sole or main residence.

the deposit-taker with a non-resident declaration in order to receive the interest gross.

Where an individual is tax resident in Ireland and also in a country with which Ireland has a double taxation treaty, any interest income may be relieved from the charge to Irish deposit interest retention tax and a claim for repayment made.

5.5 Local Property Tax

Local Property Tax is an annual tax payable in respect of residential property. The tax is collected by Revenue and is self-assessed.

The Local Property Tax will be based on the market value of the residential property on the valuation date of 1 November 2021 for years of assessment until 2025. The standard rate is 0.18% for property up to a market value of €1 million and 0.25% on the excess over €1 million. Certain properties are exempt from Local Property Tax, including residential property that is used wholly as a dwelling liable to commercial rates. Certain local authorities have adjusted the standard LPT rate by up to 15%*.

Revenue have confirmed that where a chargeable person has a liability to income tax for a tax year, a surcharge will be applied to their income tax liability (even if the tax return is filed on time)
if the Local Property Tax is not paid before their return is filed.

Property owners can opt to pay their Local Property Tax for 2022 in one single payment or to phase their payments over the period January to December 2022. One of the phased payment options being made available is deduction at source from salary or occupational pension.

Where an individual opts to pay by way of salary deduction, the payment will be spread evenly over the tax year.
Individuals leaving Ireland may still have a liability to pay Local Property Tax for the year of their departure notwithstanding the fact that they may be selling their home. Professional advice should be obtained in such cases.

* You can confirm how much LPT is due on your property by accessing your LPT recored online using your PPSN, property ID and PIN.

The last valuation date was on 1 November 2021

Where an individual is tax resident in Ireland and also in a country with which Ireland has a double taxation treaty, any interest income may be relieved from the charge to Irish deposit interest retention tax and a claim for repayment made.

6. Irish tax system

6.1 Self-assessment filing requirements
For income tax purposes, the tax return for a particular tax year must be submitted no later than 31 October of the following year. For the 2022 tax year, the tax return in respect of income earned in the year to 31 December 2022, must be submitted no later than 31 October 2023.

6.2 Surcharge
If a return for a particular year of assessment is not submitted before the specified date, the tax liability for that year is increased by a surcharge on the amount of tax assessed, as follows:
- 5% of the amount of tax subject to a maximum of €12,695 where the return is submitted before the expiry of two months after the specified date
- 10% of the amount of tax subject to a maximum of €63,485 where the return is submitted more than two months after the specified date

6.3 Self-assessment payment of tax
The self-assessment system requires a payment of tax on account (preliminary tax) to be made on or before 31 October in the tax year to which the payment relates. To avoid an exposure to interest, the payment must be equal to either:
- 100% of the previous year's liability or
- 90% of the final liability for the year in question or
- 105% of the final liability for the pre-preceding year. This option is only available if the tax is paid by direct debit and where there was a tax liability in the pre-preceding year

6.4 Revenue online service
Individuals within the self-assessment system who file their tax return and pay their taxes through the Revenue Online Service (ROS) can avail of an extended filing and payment deadline, usually mid-November in the following tax year.

6.5 Foreign bank accounts
Where an Irish tax-resident individual opens a foreign bank account during the tax year, a Form 11 tax return must be completed to declare details relating to the bank account, such as address of the bank, opening bank balance, etc.

7. Taxation of income

7.1 Irish income tax

Ireland has a tax credit system rather than a tax allowance system for calculating income tax. Once the income liable to Irish tax has been identified, the tax is calculated and any tax credits available are deducted from it. The standard personal tax credits are set out in the Appendix entitled 'Personal tax tables 2021 and 2022'. Income tax is due at the rates of 20% and 40% for 2021 and 2022.

An employed individual should apply for a certificate of tax credits and standard rate cut-off point, which will allow the PAYE due each pay period to be calculated by taking into account the individual's personal tax credits and tax bands.

7.2 Universal Social Charge

The Universal Social Charge (USC) is a tax payable on gross income, including notional pay, after relief for certain capital allowances, but before relief for pension contributions.

The rates and thresholds are as follows:

2021	
Income levels	**Rate of USC**
€0 - €12,012	0.5%
€12,012 - €20,687	2%
€20,687 - €70,044	4.5%
Over €70,044	8%

2022	
Income levels	**Rate of USC**
€0 - €12,012	0.5%
€12,012 - €21,295	2%
€21,295 - €70,044	4.5%
Over €70,044	8%

A surcharge of 3% applies to non-employment income over €100,000.

All individuals whose gross income exceeds the minimum threshold of €13,000 per annum for 2021 and 2022 are liable to pay USC. Once an individual's income exceeds the minimum threshold, the USC is payable on the full amount of their income. Chargeable persons are required to pay the USC with their preliminary tax payment and any balance due is payable by 31 October in the year following the year of assessment.

The USC is a separate charge to income tax and no reliefs or tax credits are allowable against it. Excess or unused tax credits cannot be used to reduce an individual's USC liability.
Certain types of income and individuals in particular circumstances can avail of exemptions from the USC.

> All individuals whose gross income exceeds the minimum threshold of €13,000 per annum for 2021 and 2022 are liable to pay USC.

8. Social Security

8.1 PRSI

Social security is payable in the country in which an individual exercises the duties of his employment regardless of the location of the employer. Irish social security contributions are known as Pay Related Social Insurance (PRSI) contributions.
Both employee PRSI (not capped) and employer PRSI (not capped) contributions are payable. The PRSI rates are set out in the Appendix entitled 'Personal tax tables 2021 and 2022. In general, employees/employers will pay PRSI through the PAYE system. Self-employed individuals are subject to PRSI at the same rates as an employee. The income on which their contributions are calculated is uncapped. In certain circumstances, a director of a company can be considered as self-employed and may be subject to self-employed PRSI. In general, self-employed individuals will pay PRSI through the self-assessment system.

8.2 Temporary postings abroad

Where an employee is temporarily posted to another member of the European Economic Area (EEA) or to a country with which Ireland has a social security agreement, the employer can apply for an A1 Certificate or a Certificate of Coverage which retains the employee within the home social security system for the duration of the posting. As the employee continues paying Irish social security while working abroad, their social security record remains intact and they continue to be entitled to all social security benefits here in Ireland as if they had not been posted abroad.

8.2.1 Multi-state workers

Individuals working in two or more member states of the EU pay social security where they are habitually resident provided that a substantial part of their activities is carried out in the state of habitual residence. An individual will be considered habitually resident in Ireland if they are residing here and have a proven close link to the State. Where an individual has lived in Ireland for all of their life, they will have little difficulty demonstrating that they satisfy the conditions which indicate habitual residence. An A1 Certificate should be obtained by multi-state workers.

8.2.2 Third-country nationals

Non-EEA nationals with Irish employers assigned to other EU member states remain covered by the Irish social security system. This only applies to third-country nationals residing in EU member states (i.e. does not apply to Iceland, Liechtenstein, Norway and Switzerland).

8.2.3 Assignment to countries outside the EEA and where no social security agreement exists

Where an individual employed in Ireland is assigned to a country with which no social security agreement is in place, the individual must be compulsorily insured in Ireland for the first 52 weeks of the assignment. An employer must apply for a Certificate of Retention in order for the employee to continue paying PRSI in Ireland. In practice, a Certificate of Retention can be sought for periods of up to five years, subject to the agreement of the Department of Social Protection.

8.2.4 Permanent transfers

Individuals transferring abroad permanently are usually treated as 'local hires' for social security, purposes, meaning that they are compulsorily insured for social security purposes in the country to which they have relocated.
Individuals leaving Ireland should bring documentation confirming details of their social security paid while in Ireland in order to ensure any entitlement to social welfare benefits in their new country continues, where appropriate.

8.2.5 Not remaining compulsorily insured

An individual who ceases to either be an employed or self-employed contributor other than by virtue of attaining pensionable age may become a voluntary contributor. Where an individual leaves Ireland and will not be compulsorily insured abroad they can apply to become a voluntary contributor within 12 months after the end of the tax year in which they last paid PRSI or had a PRSI credit. In order to become a voluntary contributor it is necessary for an individual to:

- Have previously paid 364 weeks of PRSI in either employment or self-employment, if becoming a voluntary contributor on or after 6 April 2013
- Have previously paid 468 weeks PRSI in either employment or self-employment, if becoming a voluntary contributor on or after 6 April 2014
- Have previously paid 520 weeks PRSI in either employment or self-employment, if becoming a voluntary contributor on or after 6 April 2015
- Apply within 12 months of the end of the contribution year (see note below) during which they last paid compulsory insurance or were last awarded a credited contribution
- Agree to pay voluntary contributions from the start of the contribution week that follows the week in which they left compulsory insurance.

While voluntary contributions will enable an individual to qualify for long-term social welfare benefits, such as the contributory state pension, it does not afford any entitlement to short-term-type social welfare payments. Likewise, the payment of voluntary contributions is not considered in determining eligibility for statutory redundancy.

9. Capital Gains Tax (CGT)

9.1 Implications of residence, ordinarily residence and domicile

An Irish-resident or ordinarily resident and domiciled individual is liable to Irish Capital Gains Tax on the gains arising from the disposal of chargeable assets worldwide.
A non-Irish-domiciled individual who is resident or ordinarily resident is liable to capital gains tax on the following:

- Gains arising on the disposal of chargeable assets situated in Ireland at the time of the disposal and
- Remittances into Ireland of proceeds of gains from the disposal of assets situated outside of Ireland.

Where an individual is non-resident and non-ordinarily resident, they are only liable to capital gains tax on gains arising on the disposal of specified Irish assets. Specified Irish assets include land and buildings situated in Ireland and assets situated in Ireland, which at the time of disposal or earlier were used for the purposes of a trade to Ireland. Gains on the disposal of such assets are chargeable irrespective of the residence, ordinary residence and domicile for the period the disposal was made in.

9.2 Calculation of Capital Gains Tax

Under the Irish CGT provisions, an individual is taxed on the difference between the sales proceeds and the base cost of an asset (increased by an index based on inflation).
Deductions are allowed in respect of the incidental costs of acquisition and disposal (e.g. stamp duty, legal and auctioneers' fees, advertising, etc.).
The multiplier for inflation is the same irrespective of where the asset is situated and the purpose is to adjust the base cost of the asset in line with inflation. If the base cost of the asset has been increased by enhancement expenditure in different years, separate indexation adjustments are made for each year's expenditure.
Indexation is not available in respect of periods of ownership after 31 December 2002.

The first €1,270 of a gain is exempt from Capital Gains Tax for each individual. The standard rate of Capital Gains Tax from 6 December 2012 is 33%; prior to this date the rate was 30%.

9.3 Capital losses

An allowable capital loss may be set against chargeable gains arising in the same year of assessment or, if unused, may be carried forward to be set against chargeable gains in future years of assessment.
Capital losses are not deductible from taxable income. No relief is available for a capital loss incurred on the sale of certain assets, which are exempt for CGT purposes (e.g. principal private residence). Indexation cannot be used to create or increase a loss.
Losses arising to non-Irish-domiciled individuals on the disposal of foreign assets may not be offset against other gains.

9.4 Disposals following departure

As outlined in the section above dealing with tax residence, where an individual leaves Ireland following a period of residence they may continue to be ordinarily resident in Ireland for a period of three years following the year of departure. Irish-domiciled individuals will continue to be liable to Irish capital gains tax on their worldwide gains for this period of ordinary residence subject to any Double Taxation Relief being available. Non-Irish-domiciled, but ordinarily resident, individuals will continue to be liable to Irish capital gains tax on any Irish gains and other foreign gains to the extent they are remitted to Ireland.

9.5 Principal Private Residence relief (PPR relief)

Principal Private Residence relief exists to exempt from capital gains tax, gains arising on the disposal of an individual's principal private residence. Where an individual's principal private residence (including grounds up to a maximum of one acre) has been used as such throughout the entire period of ownership, an exemption applies on disposal. Any period during which the individual was absent as a result of performing the duties of an employment abroad will be considered a period of deemed occupation. Essentially, this relief considers the individual to have occupied the property for the full period of ownership notwithstanding the fact they were working abroad.
There is no restriction on the amount of time that can be considered a period of deemed occupation. However, a number of conditions apply that specify that the individual must live in the property both immediately before and after the foreign absence, and must not have a principal private residence available to them in the other country.

9.6 Foreign currency

Under Irish rules, proceeds and costs denominated in a foreign currency must be converted into Irish currency at the exchange rate applicable to determine the appropriate chargeable gain.

9.7 Payment of Capital Gains Tax and reporting requirements

Capital Gains Tax arising in respect of disposals made in the period from 1 January to 30 November is due for payment by 15 December of that year. Capital Gains Tax arising on disposals made in the period from 1 December to 31 December is due for payment by 31 January in the following year.

The acquisition and disposal of chargeable assets within a tax year must be reported on the annual tax return by the deadlines stated in Section 6.

10. Capital Acquisitions Tax (CAT)

Irish Capital Acquisitions Tax is, in effect, two distinct taxes – a tax on gifts and a tax on inheritances.

The relationship between the person giving and the person receiving determines, to a large extent, how much can be received by an individual without payment of CAT. There is no CAT on gifts and inheritances between spouses.

CAT will be calculated at the rate of 33% from 6 December 2012 for both gifts and inheritances. The previous rate was 30% for gifts and inheritances prior to this date. Prior to 1 December 1999, charges to CAT arose if the disponer was domiciled in Ireland or, in the case of a non-Irish domiciled disponer, if the property was situated in Ireland.

Gifts or inheritances of Irish-situated property remain within the charge of CAT regardless of the domicile or residence of the disponer or the beneficiary. However, from 1 December 1999, a charge of CAT arises on gifts/inheritances of foreign-located assets if either the disponer or the beneficiary is resident or ordinarily resident in Ireland in the tax year in which the date of the gift/inheritance falls.

There is an exemption to this rule, where a non-Irish domiciled disponer or beneficiary will not be treated for CAT purposes as being resident or ordinarily resident in the State unless:
- The date of the gift/inheritance occurs on or after 1 December 2004 and
- The person has been resident in the State for the 5 consecutive years of assessment preceding the year of assessment in which the date falls and
- The person is either resident or ordinary resident in the State on that date.

These changes will not affect gifts or inheritances received from a trust or settlement in existence prior to 1 December 1999.

Previously, all gifts/inheritances taken by the individual from any source were aggregated. From 1 December 1999, only the gifts or inheritances taken from within the same threshold as outlined in the Appendix 'Capital Acquisitions Tax thresholds' will be aggregated in assessing an individual's CAT liability.

As a consequence of the changes in the method in which prior benefits are aggregated, an individual will now only be obliged to submit a return in relation to a benefit taken if the current benefit, together with any prior benefits within the same group threshold, exceeds 80% of the group threshold amount.

The attached Appendix 'Capital Acquisitions Tax thresholds' sets out the categories of relationships and tax thresholds that apply in respect of gifts received on or after 11 October 2016.

The pay and file date for CAT is 31 October. This will mean that any CAT arising in relation to any gifts or inheritances received between 1 September 2021 and 31 August 2022 must be returned and the tax paid by 31 October 2022.

Gifts or inheritances of Irish-situated property remain within the charge to CAT regardless of the domicile or residence of the disponer or the beneficiary.

Appendices
11. Personal tax tables 2021 & 2022

Rate bands	2021	2022
Standard tax rate	20 %	20 %
Single/Widowed	€35,300	€36,800
Married	€44,300	€45,800
Married (two incomes)	€70,600	€73,600
One Parent	€39,300	€40,800
Higher tax rate	40 %	40 %
In all Cases	Balance	Balance

Universal social charge for employees	2021	2022
Income < €13,000	0%	0%
Income €0 to €12,012	0.5%	0.5%
Income €12,012 to €20,687 / €12,012 to €21,295	2%	2%
Income > €20,687 to €70,044 / €21,295 to €70,044	4.5%*	4.5%*
Income > €70,044	8%	8%

Note: Non-PAYE income in excess of €100,000 is subject to USC surcharge of 3%
*70 years or over maximum rate is 2%/2% where income does not exceed €60,000

Universal social charge for self-employed	2021	2022
Income < €13,000	0%	0%
Income €0 to €12,012	0.5%	0.5%
Income €12,012 to €20,687 / €12,012 to €21,295	2%	2%
Income > €20,687 to €70,044 / €21,295 to €70,044	4.5%*	4.5%*
Income > €70,044	8%	8%

Note: Non-PAYE income in excess of €100,000 is subject to USC surcharge of 3%
*70 years or over maximum rate is 2%/2% where income does not exceed €60,000

Income tax allowances	2021	2022
	€	€
Employed carer re Incapacitated individual (allowed at marginal rate)	75,000	75,000

Exemption limits	2021	2022
Age exemption limits (65 years and over)	€	€
Single/Widowed	18,000	18,000
Married	36,000	36,000

Appendices
11. Personal tax tables 2021 & 2022

Income tax credits	2021	2022
Personal credit	€	€
Single	1,650	1,700
Married	3,300	3,400
Widowed	1,650	1,700
PAYE credit	1,650	1,700
Widowed without dependent child	2,190	2,240
Single person childcarer *	1,650	1,650
Dependent relative	245	245
Incapacitated child	3,300	3,300
Carers credit	1,600	1,600
Earned income tax credit	1,650	1,700
Age credit		
Single/Widowed	245	245
Married	490	490
Widowed with dependent child		
1st year following bereavement	3,600	3,600
2nd year following bereavement	3,150	3,150
3rd year following bereavement	2,700	2,700
4th year following bereavement	2,250	2,250
5th year following bereavement	1,800	1,800
Blind person		
Single	1,650	1,650
Married couple, both blind	3,300	3,300

**can be claimed by principal carer only*

PRSI and levies	2021		2022	
Employer	Rate %	Ceiling	Rate %	Ceiling
Employer	8.8	€20,696	11.05	€21,320
Employer	11.05	No limit [1]	11.05	No limit [1]
Employee	4.00	No limit	4.00	No limit
Self employed and proprietary directors	4.00	No limit	4.00	No limit

[1] *applied to all income where earnings are in excess of €20,696 in 2021 or in excess of €21,320 in 2022*

Appendices
12. Capital Acquisitions Tax thresholds

Capital Acquisitions Tax thresholds

Relationships	2022
Son/daughter	€335,000
Niece/nephew	€32,500
Brother/sister	
Grandchild	
Strangers	€16,250
Cousins	
Grandnephew/grandniece	

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