

TAX GUIDE

2026



Law Society
of Ireland

CAPITAL GAINS TAX

Annual exemption €1,270 per individual. Non-transferable between spouses or civil partners. For disposals made on or after 7 December 2007, land transfer of site for house plus no more than 1 acre from parent to a child (or in specified circumstances a foster child), valued not more than €500,000, for purposes of building principal private residence, is exempt. Tax charged at 33% on gains arising on disposals on/after 6 December 2012*. Certain profits from dealing in or developing residential property will be charged at the taxpayer's marginal rate of tax**.

* Note: Other rates apply to certain foreign life policies and certain offshore funds.

** Note: Development rules apply regarding indexation.

*** Note: In limited circumstances relief under section 597AA TCA 1997 can reduce the rate to 10% up to a lifetime limit of €1 million in chargeable gains. From 1 January 2026, the lifetime limit is €1.5 million.

Retirement relief on disposals of qualifying assets by individuals aged 66 or more reduced / restricted for disposals on or after 1 January 2014.

For disposals from 1 January 2025, CGT retirement relief will be subject to the following limits: Disposal to a child: age 55-69 €10m, age 70 and over €3m. Any other disposal: age 55-69 €750,000, age 70 and over €500,000.

Indexation relief only applies for the period of ownership up to 31 December 2002 for disposals on or after 1 January 2003. In the case of disposals made between 1 January – 30 November, the tax must be paid by 15 December the same year. For disposals 1 December – 31 December the tax must be paid by 31 January in the following year.

WITHHOLDING TAX: Purchasers of specified assets exceeding €500,000 (or €1,000,000 if the asset disposed of is a "house" within the meaning of section 372AK TCA 1997) in value must withhold tax @15% if CGT clearance certificate is not furnished prior to closing. Tax withheld becomes payable 30 days after net consideration is paid to seller and will be allowed as credit against vendor's CGT liability.

CAPITAL ACQUISITIONS TAX (INHERITANCE AND GIFT TAX)

**In the case of an absolute inheritance, a parent falls into Group A*

Group	Relationship to disponent	From 14 Oct 2015	From 12 Oct 2016	From 10 Oct 2018	From 9 Oct 2019	From 2 Oct 2024
A	Child/foster child/minor child of a deceased child	€280,000	€310,000	€320,000	€335,000	€400,000
B*	Lineal ancestor or lineal descendant, brother, sister, child of brother or sister	€30,150	€32,500	€32,500	€32,500	€40,000
C	Others	€15,075	€16,250	€16,250	€16,250	€20,000

Base date for aggregation of gifts/inheritances taken after 5 December 2001: 5 December 1991. From 1 December 1999, aggregation is limited to aggregation within each group. From 26 March 1984 to 30 November 1999, aggregation arises between all group thresholds.

Rate of Tax

Threshold amount

Balance

Inheritance/Gift

Nil

33% on gifts/inheritances taken on or after 6 December 2012

30% on gifts/inheritances taken on or after 7 December 2011 and prior to 5 December 2012

Small Gifts Exemption = €3,000 per individual

Note: This guide is produced on the basis of figures current at December 2025. Disclaimer: The information herein is intended as a general guide only, does not constitute tax advice and is not intended to be an exhaustive summary. Different tax treatments may apply in different circumstances. No responsibility is accepted for errors or omissions howsoever arising. Specific tax advice should be sought in individual cases, as required.

STAMP DUTIES

Consanguinity relief for stamp duty at a 1% rate applies to inter-family transfers of farms before 31 December 2028. Full exemption for Young Trained Farmer Relief in the acquisition of farmland/agricultural buildings.

Residential Property Transactions (for instruments executed on/after 2 October 2024)

Consideration	Rate of Duty
First €1,000,000	1%
Next €500,000	2%
Excess over €1,500,000	6%*

These rates are progressive, not cumulative

*Note: The 6% rate is disappplied where three or more apartments in the same block of apartments are being acquired and 2% rate applies instead.

Non-Residential Property (excluding shares and policies of insurance)

7.5% on full amount of consideration from 9 October 2019. 2% applies where land is subsequently used for residential development (stamp duty refund scheme), and certain conditions are fulfilled.

VAT: 0% (newspapers and news periodicals (both printed and digital editions), e-books, audio books and certain health products); 5.1% (farmers' flat rate); 4.8% (livestock rate, including horses for use in agricultural production or preparation of foodstuffs – otherwise does not include horses and greyhounds); 9% (gas, electricity (up to 31 December 2030) and the supply and installation of low emissions heat pump heating systems, sports facilities, horses, other than those chargeable at the 4.8% rate, and greyhounds), 9% on restaurant / catering and hairdressing (from 1 July 2026); 13.5% (to include hotel accommodation and stud nomination fees); and 23% (standard rate). Note VAT on property is outside the scope of this Guide.

PROFESSIONAL SERVICES WITHHOLDING TAX: 20% (i.e., standard rate of tax)

CORPORATION TAX

Non-trading rate: 25%

Trading rate: 12.5% (subject to certain exceptions where rate of 25% applies)

Profits on trading in residential development land (other than 'qualifying land'): 25%

Chargeable Gains: 33%

Certain foreign dividends: 12.5%

LOCAL PROPERTY TAX (LPT) (PAYABLE FROM 1 JULY 2013)

The property valuation on 1 November 2025 will determine the amount of LPT due for 2026 to 2030. LPT is charged according to the relevant valuation band that applies to a property valued up to €2.1m. For properties valued more than this, different rates apply. Different rules applied for 2013 – 2021 inclusive.

VACANT HOMES TAX

Applies to residential properties that are occupied for less than 30 days in a 12-month period. For the 12 months starting on 1 November 2024 (and future chargeable periods), the tax will be charged at a rate seven times the basic rate of Local Property Tax for the property. It will not apply to properties unsuitable for use as a dwelling.

INCOME TAX

Exemption Limits

Single/Widowed/Surviving Civil Partner

65 and over €18,000

Married/Civil Partnership

65 and over €36,000

Additional for Dependent Children

1st and 2nd child (each) €575

Each subsequent child €830

Personal Tax Credits

Single Person €2,000

Married Person/Civil Partnership €4,000

Employee Tax Credit (formerly PAYE Tax Credit) €2,000

Earned Income tax credit (max)	€2,000
Widowed Person/Surviving Civil Partner qualifying for Single Person Child Carer Tax Credit	€1,900
Widowed Person/Surviving Civil Partner without qualifying dependent children	€2,540
Widowed Person/Surviving Civil Partner in year of bereavement	€4,000
Single Person Child Carer Tax Credit, Widowed/Surviving Civil Partner, Deserted, Separated or Unmarried (with qualifying dependent children)	€1,900
Home Carer (max.)	€1,950
Age Tax Credit if Single/Widowed/Surviving Civil Partner	€245
Age Tax Credit if Married/Civil Partnership	€490
Incapacitated Child Credit	€3,800
Dependent Relative	€305
Incapacitated Person – Allowance For Employing a Carer	€75,000*max
Fishermen’s credit	€1,270
Sea-going naval personnel credit	€1,500
Rent tax credit**	
(for jointly assessed married person or civil partner),	€2,000
or (in all other cases)	€1,000
Small benefit exemption	€1,500
(max, over an aggregate of no more than five gifts)	

*Relief is allowable at the individual’s highest rate of tax, i.e. 20% or 40%. Where this relief is claimed, the incapacitated child tax credit or the dependent relative tax credit, as appropriate, cannot be claimed.

**Applies to parents paying for children’s ‘rent a room’/‘digs’ type accommodation

Tax relief, which is given at source, on **health insurance premium** is limited to €1,000 per adult policy and €500 per child policy. With respect to policies entered into or renewed on or after 1 May 2015, the €1,000 ceiling will apply to all adults aged 21 and older, regardless of the fact that they may be availing of a “child-rate” premium offered by the insurer.

An income tax deduction amounting to 30% of the cost of vouched expenses for electricity, heating and internet services for days spent working from home (apportioned based on the number of days worked from home over the year) can be claimed by **remote workers**. Employers may also pay remote workers up to €3.20 per day to cover the costs of working from home without deducting income tax, universal social charge (USC) or pay-related social insurance (PRSI).

Landlords temporary tax relief

A relief for qualifying small landlords whereby rental income of €3,000 (2024), €4,000 (2025), and €5,000 (2026/27) is disregarded at the standard 20% rate, subject to clawback provisions.

Mortgage interest relief

Temporary tax credit for LPT compliant taxpayers with an outstanding mortgage balance on their principal private residence (PPR) of between €80,000 and €500,000 as of 31 December 2022. Relief available at the standard rate of income tax on the increase in interest paid in the relevant year (from 2023) over the interest paid in 2022, capped at €6,250 (tax credit of €1,250) per residence. There will be a reduced level of relief for 2026 and a maximum tax credit of €625 per property for that year.

Personal Income Tax Rates/Tax Bands

	2026
Single/Widowed/Surviving Civil Partner without dependant children	€44,000 @ 20% Balance @ 40%
Single/Widowed/Surviving Civil Partner Qualifying for One-Parent family tax credit	€48,000 @ 20% Balance @ 40%
Married Couple or Civil Partnership (one spouse/civil partner with income)	€53,000 @ 20% Balance @ 40%
Married Couple/Civil Partnership (both spouses/civil partners with income)	€53,000 @ 20%*
*with an increase of €35,000 max	Balance @ 40%

Child minder's exemption

Full exemption on income up to €15,000: if income exceeds €15,000, entire amount is taxable.

Domicile Levy

Irish domiciled individuals whose worldwide income exceeds €1m, whose Irish-located property is greater than €5m and whose liability to Irish income tax is less than €200,000 will be subject to a levy of €200,000. Irish income tax paid will be credited against the levy.

Rent a room scheme

Gross annual rental income up to €14,000 is exempt: if income exceeds €14,000, entire amount is taxable.

Help To Buy Scheme

The maximum rebate of previous 4 years' income tax and DIRT for First Time Buyers of newly-built houses/apartments is the lower of 10% of purchase price (or the completion value in the case of a self-build) up to value of €500,000, and provided the house is valued at less than €500,000, or €30,000 or the amount of income tax/DIRT paid in the four years. To be eligible for the scheme, the first-time buyer must have signed the contract on or after 19 July 2016 and on or before 31 December 2029. Alternatively, in the case of a self-build, the first tranche of the mortgage loan must be drawn down between those dates. From 11 October 2023, the scheme includes properties purchased through the Local Authority Affordable Purchase (LAAP) scheme.

UNIVERSAL SOCIAL CHARGE: Payable on 'aggregate income' which is the aggregate of 'relevant emoluments' and 'relevant income'. This is generally all gross income before certain reliefs but excludes social welfare payments and income that has suffered DIRT. Where 'aggregate income' does not exceed €13,000 per annum, the income is exempt from the USC. Where the 'aggregate income' exceeds the exemption limit, the following rates apply:

Up to €12,012: 0.5%

€12,012.01 to €28,700: 2%

€28,700.01 to €70,044: 3%

PAYE income in excess of €70,044: 8%

Self-employed €70,045 to €100,000: 8%

Self-employed income in excess of €100,000: 11%

Individuals aged 70 Years or over or Individuals who hold full medical cards and who have aggregate income of less than €60,000: maximum rate of 2% (extended to end of 2027)

PRSI

Employed rates

	Employee (Class A1)	Employer
Annual earnings (and relevant unearned income) from 1 October 2025 not exceeding €27,404	4.2%*	9%**
Annual earnings (and relevant unearned income) from 1 October 2025 exceeding €27,404 – entire amount	4.2%*	11.25%***

Employees earning €352 or less per week are exempt from PRSI. Employer rates include the National Training Fund Levy, (collected in conjunction with Employer PRSI).

Note: the €27,404 threshold (€527 per week) is expected to increase to €552 per week in 2026.

Self-Employed person

PRSI on all income **Total** 4.2%*

The minimum contribution for a self-employed person is €650

*From 1 October 2026, this rate will increase to 4.35%.

**From 1 October 2026, this rate will increase to 9.15%.

***From 1 October 2026, this rate will increase to 11.40%.

D.I.R.T. (CERTAIN ACCOUNTS / INVESTMENTS)

From 01.01.2020: 33% for deposit accounts (including Credit Union savings accounts). From 01.01.2026 38% on exit in relation to certain life assurance policies and investments funds.

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