

## Finance Bill 2012 Factsheet

- **Mortgages:** Mortgage Interest Relief (MIR) is being increased to 30 per cent for first-time buyers who bought their home between 2004 and 2008. First-time buyers who purchase in 2012 can get MIR at 25 per cent, while it will be available at 15 per cent for non-first-time buyers who purchase this year.
- **Stamp Duty:** Stamp Duty will now come under self-assessment, as with other taxes.
- **Universal Social Charge:** The minimum threshold to qualify for making the payment is being raised from €4,004 to €10,036.
- **Tax evasion:** The Bill proposes granting the Revenue extra powers when investigating serious tax offences or fraud to apply for a court order to access documents or information.
- **Skilled workers:** A Special Assignee Relief Programme is being introduced to cut employers' costs in hiring skilled workers from overseas to work in their Irish-based operations. Employees signed up for at least one year and a maximum of five years will be exempt from income tax on 30 per cent of salary between €75,000 and €500,000.
- **DIRT:** The Deposit Interest Retention [Tax](#) is being increased to 30 per cent (up 3 per cent), and to 33 per cent for some longer-term savings products. This applies for interest paid or credited on or after 1 January 2012.
- **R&D [tax credits](#):** Companies who receive a research and development tax credit can give all or part of it to key employees. The claim cannot exceed the corporation tax payable by the company over that accounting period. Key employees cannot be the company's directors and three-quarters of their work for that period "in the conception or creation of new knowledge, products, processes, methods and systems".
- **[Corporation Tax](#):** The exemption from [Corporation Tax](#) of trading income and certain gains of new start-up companies in the first three years of their trading is being extended to those companies who start trading this year, in 2013 and in 2014.
- **Foreign earnings:** The Bill introduces a Foreign Earnings Deduction under which up to €35,000 of income earned abroad can be deducted a year for three years. The government says this is to support companies who are trying to break into the markets in China, India, Brazil, Russia, and South Africa.
- **[Retirement relief](#):** In an effort to incentivise farmers to transfer their agribusiness to their successor sooner, the Bill introduces an upper limit of €3m on retirement relief for business and farming assets disposed of within the family when the person doing the transfer is over 66 years of age. (This was introduced in the Budget and applies for people who are aged 66 now or who will be by 31 December 2013.)
- **Domicile levy:** The Bill removes the condition of Irish citizenship for the payment of the €200,000 domicile levy from this year onwards. The changes mean that non-residents in Ireland will not be able to avoid the payment on the basis of their not being an Irish citizen. Note: it applies for individuals whose worldwide income exceeds €1m, whose Irish property is valued at more than €5m and whose [tax liability](#) in a tax year is less than €200,000.



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