KPMG

Taxing Times

Budget 2008 & Current Tax Developments

December 2007

AUDIT ▪ TAX ▪ ADVISORY

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- Corporate Tax
- Private Client Services
- International Executive Services
- VAT
- International and Cross Border Tax

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Introduction

Mike Farrell
Partner

Minister Brian Cowen delivered his fourth Budget Statement today – the first Budget Statement of the new government. He did so at a time of change in the economy and against a background of a recent slowdown in tax revenues.

This was the first unified Budget Statement that announced all new spending and income raising measures together. This is a positive development which allows greater transparency in viewing the planned income and expenditure for the year ahead.

The minister adopted a prudent approach in forming his Budget Statement. His decision to run a budget deficit and to continue to roll out the National Development Plan should position Ireland well for competitive advantage in the coming years. The deficit will be funded by borrowings, thereby allowing the minister not to increase taxes.

The minister's proposals in social welfare will be welcomed as will the income tax changes which are aimed primarily at those on lower incomes.

The changes in the stamp duty area will also be welcomed. Together with changes in mortgage interest relief, these should put some life back into the residential property market. However, the top 9% stamp duty rate remains too high by international standards. The commercial property sector will be disappointed that the minister did not take the opportunity to reduce that rate with a view to stimulating activity in that sector.

The minister's decision to bring forward the new rules for VAT on property transactions with effect from 1 July 2008 is significant. This follows an extensive consultation process during which several anomalies that were identified in the original proposals have been corrected.

Reflecting the composition of the government, the Budget Statement includes a considerable number of measures that are aimed at improving the environment.

Business will be largely unaffected by this Budget Statement. No changes have been introduced that would result in increased employment costs and this is welcomed.

This Budget edition of Taxing Times provides a summary of the key changes announced today in all areas, including personal and business taxes, property and indirect taxes. The substantive changes that will give effect to the Budget Statement will be contained in Finance Bill 2008. This is due for publication in early February.

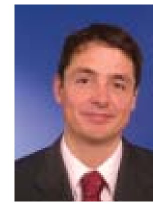
This publication seeks only to summarise the minister's Budget measures. Your KPMG tax contact is best placed to discuss with you the impact of these changes on your business and personal affairs.

Mike Farrell
Head of Tax and Legal Services

Budget 2008

Personal Tax Credits Raised

The minister has widened the Standard Rate Bands and raised tax credits.



Robert Dowley
Partner

The Standard Rate Bands have been widened from:

- €34,000 to €35,400 for single people
- €43,000 to €44,400 for married couples with one income
- €68,000 to €70,800 for married couples with two incomes.

The single person's tax credit has increased by €70 to €1,830, while the married couple's credit has increased by €140 to €3,660. The Employee Tax Credit is now €1,830, an increase of €70.

There are have also been increases in certain tax credits for widowed persons, widowed parents for the first five years after bereavement, the blind person's allowances, the incapacitated child credit (which has been increased to €3,660) and the age credit (up to €325 for a single person and €650 for a married couple). The Home Carer Credit has been raised by €130 to €900.

The Age Exemption Limits have been raised, rising by €1,000 (to €20,000) for a single person and by €2,000 (to €40,000) for a married couple.

The credit for rent paid by certain tenants will increase for 2008. For those aged under 55, it is being increased from €360 to €400 per annum for a single person and from €720 to €800 per annum for widowed and married persons. For those aged over 55, the credit rises to €800 per annum for a single person and €1,600 for a widowed or married person.

The standard-rate tax allowance for trade union subscriptions paid by members is to be increased from €300 to €350 per annum. This equates to a tax credit of €70 per annum.

In addition to the stamp duty changes, the minister raised the ceiling for mortgage interest relief for first time buyers from €8,000 to €10,000 for single people and from €16,000 to €20,000 for married couples. The additional relief will be available for the first seven years for which there is an entitlement to mortgage interest relief.

PRSI and health levy changes

The PRSI ceiling for employees rises from €48,800 to €50,700. The PRSI threshold will also increase from €339 to €352 per week.

The Health Levy thresholds for the individual rises from €480 to €500 per week and from €24,960 to €26,000 per annum.

Preferential loans

The specified interest rate on preferential loans from an employer to an employee has increased from 4.5% to 5.5% in respect of home loans, and from 12% to 13% in respect of other loans.

Rent-a-Room limit raised

This relief provides an exemption from income tax where people rent out a room or rooms in their principal private residence. The limit of the exemption rises from €7,620 to €10,000.

Remittance basis extended to UK income

The remittance basis of taxation (which applies to individuals who are not domiciled in Ireland or who are Irish residents but not ordinarily resident) did not extend previously to income arising from UK sources. With effect from 1 January 2008, this tax treatment will extend to investment income and foreign employment income which has its source in the UK. This amendment follows queries from the EU Commission on whether the exclusion of UK source income from the remittance of tax was discriminatory.

The remittance basis also extends to capital gains tax in the case of non–domiciled individuals. In such cases, the legislation provides that the remittance basis does not apply to UK source gains. Interestingly, the measures published do not remove this tax on gains (unlike income above), and it remains to be seen whether this will also be amended in the Finance Bill.

Capital gains tax on site transfer

There is currently an exemption from capital gains tax on the transfer of a site from a parent to a child, where that site is transferred for the purposes of constructing the child's principal private residence.

In conjunction with the changes announced on stamp duty, the exemption limit on the value of the site has been increased from €254,000 to €500,000. The change will take effect in respect of disposals made on or after Budget Day.

Business Tax Matters – Minister Makes Few Changes

Relatively few corporate tax changes were announced in this year's budget.

Anna Scally
Partner

Preliminary tax threshold raised

Small companies can pay preliminary tax at 90% of their expected final tax liability or 100% of the previous year's tax liability. Last year, this threshold was increased to €150,000. This year the minister further increased the threshold to €200,000.

The threshold for startup companies was also increased, to €200,000. Start-ups will not be required to pay preliminary tax in respect of their first accounting period where their tax liability is expected to be less than this amount.

Both changes are effective in relation to preliminary tax payment dates arising after 5 December 2007.

While these changes are welcome, large businesses will be disappointed that the minister did not extend the prior-year option to them.

VAT alterations

From 1 May 2008 the VAT registration thresholds will be increased to €37,500 for services and €75,000 for goods.

The minister announced proposals to introduce a "reverse-charge" for VAT on supplies made by a subcontractor to a principal contractor in the construction sector, from 1 September 2008. The measure is being introduced to protect Revenue against subcontractors charging VAT on invoices and failing to pay over the VAT.

Capital allowances and expenses for business cars

In line with the minister's "green" agenda, he has essentially reduced the availability of capital allowances and tax deductions for leasing expenses on business cars which emit more than 155g/km of CO2. These changes will become effective from 1 July 2008.

Where cars have CO2 emission levels of less than 155 g/km, capital allowances can be claimed on the lower of cost or €24,000. Capital allowances are available on €12,000 (or 50% of the cost of the car if lower) where CO2 emission levels are between 156 and 190 g/km. There are no capital allowances available on cars with CO2 emission levels of over 191g/km.

Under the existing scheme, leasing charges were restricted proportionately for cars costing in excess of €24,000. From 1 July 2008, the leasing charges for cars with CO2 emission levels of less than 155 g/km will continue to be restricted by reference to €24,000. For cars emitting between 156 and 190 g/km of CO2, only 50% of the actual or restricted leasing charges will be deductible. No tax deduction will be available for cars with CO2 emission levels of over 191g/km.

	CO2 emission levels		
	< 155 g/km	156 – 190 g/km	>191 g/km
Capital allowances	€24,000 (or cost if lower)	€12,000 (or 50% of cost if lower)	Nil
Deductible leasing charges	no restriction for cars costing less than €24,000 or restriction by reference to €24,000	50% of lease charges where car costs less than €24,000 or 50% of restricted lease charges	Nil

Section 481 film relief

The minister confirmed that he was extending the film relief on the current basis until 2012. He has commissioned a report to review the relief and any changes arising from this study will be announced in the Finance Bill.

Unfortunately, this extension to the relief is unlikely to have the desired effect of re-energising the film industry in Ireland, given the package of incentives on offer in the UK.

Minister Cuts Stamp Duty

Colm Rogers
Partner

Following a deceleration of the residential property market in recent months, the minister was inundated with pre-budget submissions urging stamp duty reform to help re-ignite the market.

Suggestions ranged from the introduction of a six-year exemption for first-time buyers to a reduction in the top rate of stamp duty from 9% to 5%. Until the minister delivered his budget speech, it appeared as if these submissions were falling on deaf ears.

System simplified to two rates

The minister announced the introduction of a simplified system, incorporating an exemption of €125,000 with two progressive rates instead of the existing six-rate bands for residential property. The changes will apply both to owner occupiers and investors in residential property. This welcome reform is directed towards improving the efficiency of the housing market and boosting overall economic activity.

Residential property transactions which do not exceed the €125,000 exemption level will not attract stamp duty. For amounts not exceeding €1 million, stamp duty at a rate of 7% will be chargeable on the excess over €125,000. Where the transaction exceeds €1 million, the first €125,000 will be exempt, the next €875,000 will attract stamp duty at a rate of 7% and the amount in excess of €1 million will attract stamp duty at a rate of 9%.

In addition, residential properties with a value in excess of €125,000 but not exceeding €127,000 will not be liable for stamp duty.

For example, an investor purchasing a house for €850,000 will pay stamp duty of €50,750, just over €25,750 less than under the old regime, a 34% saving.

Exemptions

The stamp duty exemptions currently available to first-time purchasers and purchasers of new homes will continue to apply. First-time owner-occupying purchasers of residential property and other owner-occupying purchasers of new residential property with a floor area of under 125m² are exempt from stamp duty. Other owner-occupying purchasers of new residential property with a floor area of over 125m² incur stamp duty on the greater of the site value or 25% of the property value (excluding VAT).

These changes will apply to instruments which are required to be presented to the Revenue Commissioners for stamping no later than 5 December 2007. Accordingly, instruments which were executed in the 30-day period prior to 5 December 2007 should benefit from this change.

Claw-back of stamp duty relief

As outlined above, an exemption from stamp duty is generally available for first-time owner-occupying purchasers of residential property and other owner-occupying purchasers of new residential property with a floor area of under 125m². In addition, partial relief is available to owner-occupying purchasers of new residential property with a floor area of over 125m². Currently, these exemptions/reliefs are a clawback where the purchaser rents out the residential property, other than under rent-a-room arrangement, within five years of the date of the deed of transfer relating to the purchase.

The minister has decided to recognise the need to relax the clawback provisions to better reflect the increased career and residential mobility of house buyers and the need to provide them with greater flexibility and certainty in their choices.

He announced a reduction in the claw-back period for all three reliefs from five years to two years for deeds of transfer executed on, or after, 5 December 2007. For deeds of transfer executed before 5 December 2007, to the extent that residential property is rented out on, or after, 5 December 2007, a clawback of relief will not arise where the letting occurs in the third, fourth or fifth year of ownership.

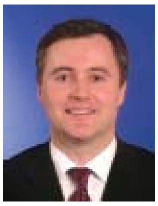
Transfer of a site to a child

The exemption threshold applicable to the conveyance, transfer or lease of a site by a parent to a child for the purposes of constructing the child's principal private residence has been increased.

With effect from 5 December 2007, the exemption will apply to sites with a market value not exceeding €500,000 (previously €254,000).

Similar changes have been made to the equivalent capital gains tax exemption.

New VAT System for Commercial Property



John McGlone
Partner

Terry O'Neill
Partner

The minister announced that the Finance Bill 2008 will introduce a completely new system of VAT on property. This follows a public consultation process.

The implementation date for the new rules will be 1 July 2008. This will be the most significant change to Irish VAT law on property since its introduction in 1972. The new system affects the VAT treatment of all commercial property transactions.

Why is the system being changed?

The Revenue Commissioners carried out a review of the existing system and published their report in December 2006. The existing system, they said, was too complex and not secure from an Exchequer perspective.

Three key features

Broadly speaking, the VAT treatment of residential property will remain the same. The main changes relate to commercial property and there are three key elements.

- First, the VAT treatment of the sale of property will no longer be determined by reference to whether the property has been developed since 1972. Under the new system, VAT will apply to the sale of "new" properties.

"New" will mean the first sale of a property within five years of completion, or any further sale within five years of completion where the building has been occupied for less than two years. The sale of old properties (i.e. those that are not "new" under the definition), will be exempt from VAT, with an option to apply VAT to the sale. The option will be exercisable jointly by the vendor and purchaser, and VAT will be chargeable at 13.5% on the sales price (this is a change from the original proposals).

- Secondly, the current VAT treatment of long leases will be abolished. Under the new system, all leases (with the exception of very long leases akin to a freehold) will be treated as exempt from VAT unless the landlord elects to charge VAT on the lease rents at 21%. An election will not be possible where the landlord and tenant are connected parties. This is a worrying aspect of the proposals given the level of subletting between members of a group which can arise in everyday situations.

Although the budget announcement was not clear on the point, it appears that the election will be property-specific. There will be provisions to allow for cancellation of the election but the proposals indicate that there will be potential consequences where a cancellation occurs within 20 years of the commencement of the lease. The original proposal - to allow an election only where the tenant has greater than 90% VAT recovery - has been dropped.

- The third key feature of the new system is a "Capitals Goods Scheme". This is likely to be a complex mechanism for adjusting the initial VAT deduction arising on a property transaction. Depending on the use to which the property is put over the 20 years from acquisition, a party acquiring or developing a property may be required to adjust the initial deduction claimed.

Worrying clawback

The budget announcement contained an overview of transitional measures but more detail will be needed to properly assess their impact. One worrying retrospective measure envisages a clawback of VAT deducted in the last 20 years under the existing rules, where the use of the property has changed since then.

Many issues remain

In May 2007, in its response to the public consultation process, KPMG outlined significant concerns about aspects of the proposals. These included concerns relating to the transitional regime, the potential complexity of the new system and the market impact of the proposed largescale changes. In addition to general concerns, KPMG also raised a number of specific points in respect of the draft legislation.

Whilst the budget proposals address some of these concerns, many issues remain. It is not yet clear whether the Revenue's ambition of simplifying the system of VAT on property will be achieved.

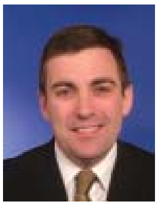
Other measures

From 1 May 2008 the VAT registration thresholds will be increased to €37,500 for services and €75,000 for goods.

The minister announced proposals to introduce a "reverse-charge" for VAT on supplies made by a subcontractor to a principal contractor in the construction sector, from 1 September 2008. The measure is being introduced to protect Revenue against subcontractors charging VAT on invoices and failing to pay over the VAT to Revenue.

Minister Improves R&D Incentive

This was the minister's fourth budget, and the fourth time he will amend the R&D tax credit regime he introduced in his first budget in 2004.



Ken Hardy
Partner

Given the current economic climate and the Government's efforts to promote Ireland as a knowledge economy, it is reassuring that the minister is listening to the needs of industry.

Further freezing of base year

Last year's budget saw the rolling three-year base year "frozen" at 2003 for relevant periods commencing before 1 January 2010. This year the minister went further and announced that the base year which is used to calculate incremental qualifying expenditure is being fixed for a further four years, to 2013. This improvement reflects the reality of the average life cycle of R&D activities carried out by companies in Ireland. The longer the period between the base year and the relevant period, the more likely it is that a company will have incremental expenditure in excess of that expected from inflation alone.

This improvement is welcome. The Irish R&D tax credit needs to be kept under regular review, particularly in light of competing jurisdictions' recent enhancements of their R&D investment incentives.

The fixing of the base year at 2003 is also good news for start up companies, or multinational companies which did not have a presence in Ireland in 2003 - all their expenditure could be incremental.

It will be necessary to inform the European Commission about these changes from a State Aid perspective.

CO_2 and VRT

The minister announced a number of initiatives to encourage behaviour that would reduce greenhouse gas emissions. He described the initiatives as forward-looking and pro-active.


Shaun Murphy
Partner


Ken Hardy
Partner

Recycling BES

He will amend the Business Expansion Scheme (BES) so that recycling companies can have easier access to BES financing. As the BES is an approved State aid, it is necessary to advise the European Commission of the proposed change.

Electricity tax

Under the EU Energy Tax Directive all member states are required to introduce an excise tax on electricity. From 1 October 2008, the rates will be 50 cent per megawatt hour for business use and €1 per megawatt hour for non-business use. However, electricity used by households will be exempt from the new charge as will electricity produced from renewables and combined heat and power generation.

The introduction of a carbon tax, expected to be on a revenue-neutral basis, will be part of the terms of reference of the forthcoming Commission on Taxation.

Cutting CO2

There are changes to the capital allowances and leasing expense deduction for motor cars and to the VRT regime, both aimed at supporting reduced CO2 emission levels. To complement the changes in the VRT system, the government also intends to bring forward proposals that will link motor tax to CO2 emissions for new cars from 1 July 2008.

'Greener vehicles'

This year's "green budget" takes another step towards addressing Ireland's commitment to the Kyoto protocol under which we must reduce emissions over the next few years to 13% of 1990 levels.

To reflect the necessity to reduce our level of carbon emissions the budget aims to incentivise us to purchase and use "greener " low-emission vehicles and alternative fuel sources. One aspect of the Government's strategy is to make those choosing higher-emission vehicles pay more by increasing the VRT chargeable on these vehicles. Conversely, those using "greener", lower carbon-emitting vehicles will be rewarded with lower rates of VRT.

The basis for calculating VRT will shift from a system based on engine capacity to one based on the level of carbon dioxide emissions produced by the vehicle. The changes will not be retrospective, and will come into force from 1 July 2008 generally. The July commencement date should allow car importers to adjust their purchase orders to reflect a perceived decrease in future sales of higher carbon-emitting vehicles.

Current system

Under the current system, the engine size of vehicles dictates the rate at which VRT is paid – currently cars with an engine size of 1,400cc or lower attract a 22.5% rate, those between 1,401cc and 1,900cc a 25% rate, and vehicles above 1,901cc attract a 30% rate. These rates are applied to the open market selling price of the vehicle

Proposed system

Under the minister's proposals, new bands of VRT rates ranging from 14% to 36% will apply to new vehicles from 1 July 2008. The VRT to be charged will depend on the amount of CO2 emitted per kilometre. For example, a car emitting up to 120g will have VRT charged at 14%, those emitting up to 140g will have VRT charged at 16%and a top rate of 36% will apply to cars emitting more than 226g per ilometre.

The result of these proposed changes will probably be twofold - we will see the price of some lower-emission vehicles fall (e.g. diesel-powered vehicles), while some larger petrol models will rise in price.

Free trade issues

As the law is not retrospective, vehicles that are purchased abroad, and brought into Ireland, will be liable to the new VRT system when enacted, whereas secondhand cars purchased in Ireland will not.

VRT tax take may fall

Last year's revenue from VRT was of the order of €1.3 billion. If the Government succeeds in reducing carbon emissions from vehicles by rewarding people who buy greener cars, the tax take from VRT will, by necessity, fall.

So, if this tax succeeds in changing car buyer's preferences, and given the current economic climate in which the Exchequer tax returns are falling, how does the Government plan to make up a shortfall, should it arise? The proposed changes could make VRT a self-defeating tax.

Financial Services, Farming and Fishing

Paul McGowan
Partner

Pat McDaid
Partner

Electronic payment boost

To support the trend away from a paper-based payment system, the minister has substantially reduced the stamp duty on the various cash/debit/credit cards.

The stamp duty on credit cards will be reduced by 25% while the stamp duty on all other cards will be reduced by 50%. The reduction in this penal duty will be welcomed by consumers.

The cost of this measure will in part be financed by a doubling of the stamp duty on cheques and other bills of exchange. If this latter measure succeeds in reducing cheque usage it should be welcomed by banks, given the high cost of administering this paper-based system.

Description	Current	New
Charge cards & credit card accounts	€40	€30
ATM cards	€10	€5
Debit cards	€10	€5
Combined ATM/Debit cards	€20	€10
Cheques/Bills of Exchange	€0.15	€0.30

Card stamp duty

In a now familiar manoeuvre to produce a once-off current year cash-flow benefit to the Exchequer, the minister has accelerated the payment dates of stamp duty on credit and cash cards for banks.

In December 2008 and in subsequent years banks will be obliged to make a payment on account of this duty for the current year based on 80% of the actual payment for the previous year. This change should have no impact for customers of the banks.

Farm partnerships

The dissolution of a farm partnership can give rise to deemed disposals of chargeable assets for capital gains tax purposes. Liability to capital gains tax could arise, for example, in respect of farm land which was a partnership asset owned by all the partners prior to the dissolution but is taken by one of the partners on the dissolution of the partnership.

The minister stated that he intends to introduce a new relief from capital gains tax to cover exposures to capital gains tax arising on the dissolution of farm partnerships. The relief will run for a period of five years.

Sugar beet growers

Finance Act 2007 introduced a relieving provision for payments made to farmers in respect of restructuring aid under the EU Sugar Beet Compensation Package. In broad terms, the relief provides for the taxation of the payments to be spread over six years.

The minister stated that a similar relieving provision will be introduced in respect of payments under the diversification aid element of the EU Compensation Package.

Milk partnerships

Provisions will be included in the Finance Bill to remove the clawback of income tax that would occur for farmers who have opted to avail of the special income tax averaging arrangements and subsequently enter into a milk production partnership.

VAT – flat rate farmers

The farmers' flat rate addition is being retained at 5.2% for 2008.

Farm consolidation

In Finance Act 2007, the minister introduced a new stamp duty relief for farmers consolidating their holdings. The relief applied on land exchanges between two farmers consolidating their holdings and to each farmer where only one farmer is consolidating his holding. The relief was to be implemented by ministerial order. The minister, having obtained the necessary EU State Aid approval, has now signed the order to commence the relief.

Vessel decommissioning

The minister has announced proposals to help the restructuring of the fishing industry. Provision will be made in the Finance Bill to amend the tax code to assist the take-up of decommissioning payments to be made under the Fishing Vessel Decommissioning Scheme.

Tax rates and credits 2008

Personal income tax rates

	At 20% First	At 41%
Single person	€35,400	Balance
One parent / Widowed parent	€39,400	Balance
Married couple (*one income*)	€44,400	Balance
Married couple* (*two incomes*)	€70,800	Balance
**subject to max. transferable of €44,400		

Personal tax credits

Single person / widowed person	€1,830
Married couple	€3,660
Home Carer credit	€900
Employee credit	€1,830
Rent - Single and under 55 years	€400
Additional credit for widowed person	€600
Additional one-parent family credit	€1,830

Home loan interest

The relief is granted at source
First-time buyers (for the first seven years)

Married couple	Lower of €4,000 or 20% of interest paid
Widowed person	Lower of €4,000 or 20% of interest paid
Single	Lower of €2,000 or 20% of interest paid
Other mortgages	
Married couple	Lower of €1,200 or 20% of interest paid
Widowed person	Lower of €1,200 or 20% of interest paid
Single person	Lower of €600 or 20% of interest paid

Stamp duty - Residential Property

Property Value;	Rate
Up to €125,000	exempt
Next €875,000	7%
Balance	9%

The current exemptions in relation to first time buyers and buyers of new homes will continue to apply.

PRSI Contribution from 1 January 2008

	%	
Employer	10.75	no limit*
	8.50	if income is €356 pw or less**
Employee (class A1)		
PRSI	4.00	on first €50,700**
Health	2.00	Income up to €100,100 ***
	2.50	Income > €100,100

* Includes training levy of 0.7%
** Employees earning €352 or less pw are exempt from PRSI. In any week in which an employee is subject to full-rate PRSI, the first €127 of weekly earnings are disregarded
*** Employees earning €500 pw or less and medical cardholders exempt

Self-employed PRSI

	%	
Social insurance	3.0	No limit*
Health	2.00	Income up to €100,100
	2.50	Income > €100,100

* Minimum annual PRSI contribution is €253.

Capital gains tax

Rate	20%
Annual exemption	€1,270

Corporation tax rates

Standard rate	12.50%
Incentive rate	10%*
Residential land, not fully developed	20%
Non-trading income rate	25%

*Companies entitled to the 10% CT rate retain it until 2010

Value added tax

Standard rate/Lower rate	21% / 13.5%*
Flat rate for unregistered farmers	5.20%

* VAT registration threshold for small businesses will be raised from €35,000 to €37,500 in the case of services and from €70,000 to €75,000 in the case of goods.

Personal Tax Scenarios

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Single person, earning €35,000

Budget 2008 changes	2008 Euro
Tax saving	210.00
Extra tax credits	140.00
Additional PRSI/Levies	0.00

Gain €350

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Married couple, one earning €50,000 two children (aged below 6)

Budget 2008 changes	2008 Euro
Tax saving	294.00
Extra tax credits	340.00
Additional PRSI/Levies	(43.00)
Increased child benefit	308.00

Gain €899

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Married couple, one earning €60,000, one earning €35,000, one child (aged below 6)

Budget 2008 changes	2008 Euro
Tax saving	588.00
Extra tax credits	280.00
Additional PRSI/Levies	(71.00)
Increased child benefit	154.00

Gain €951

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Married couple, one earning €45,000, one earning €30,000

Budget 2008 changes	2008 Euro
Tax saving	588.00
Extra tax credits	280.00
Additional PRSI/Levies	0.00

Gain €868

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Unmarried couple, living together, renting, one earning €35,000, one earning €60,000

Budget 2008 changes	2008 Euro
Tax saving	504.00
Extra tax credits	360.00
Additional PRSI/Levies	(71.00)

Gain €793

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Married couple, one self-employed earning €100,000

Budget 2008 changes	2008 Euro
Tax saving	294.00
Extra tax credits	140.00
Additional PRSI/Levies	0.00

Gain €434

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