



Ark FinanceTM

Independent Advice for Independent People

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Budget 2009

Income tax levy increase by 1% on all income to €100k 2% thereafter

Standard rate band increased by €1,000 for single tax payers and €2,000 to married two income couples

Mortgage Interest Relief:

- First time buyers rates increases to 25% of qualifying interest in years 1 and 2. Increases to 22.5% in years 3,4, and 5. Lowers to 20% in years 6 and 7.
- Non First time buyers – relief reduced to 15% of qualifying interest.

Standard rate of VAT up 0.5% to 21.5% from Dec 1st

Changes in Duty – effective midnight 14/10/08:

- Wine up 50c per bottle
- 50c additional duty per packet of 20 cigarettes
- Additional 8c per litre of petrol – no increase on diesel

Top rate of **stamp duty on Commercial Property Stamp Duty reduced to 6%**

Capital Gains Tax – rate increased by 2%

Changes to car BIK calculations aligned to Co2 emissions – details in Finance Bill.

DIRT increases to 23%

New Air Travel tax €10 per flight

€200 tax on 2nd properties – includes all non principal dwelling homes

Pension contribution qualifying for tax relief is reduced from max annual gross salary of €275k to €150k

Social Welfare Changes:

- State pensions increase by €7 per week
- Childcare supplement ends at age 5 ½ years
- Child benefit for over 18's ceases in 2010 and is halved until then.
- Medical Cards for over 70's means tested.

