



The impact of the budget on people's income will generally be modest.

Middle-income earners and two-income families were the main, albeit modest, beneficiaries of Budget 2019 with a combination of USC cuts and a widening of the top income tax. Increased numbers will qualify for schemes and payments such as the affordable childcare schemes, which will make a significant increase to some families.

In his second Budget, Minister for Finance Paschal Donohoe also announced a raft of measures to tackle the housing crisis, including €1.25 billion allocated to build 10,000 social homes in 2019. He also introduced a Rainy Day Fund of €1.5 billion to increase the State's resilience to larger economic shocks.

The biggest revenue-raising measure and the one that drew the ire of the tourism and hospitality sector was an increase in the VAT rate from 9% to 13.5%, which is expected to net the exchequer nearly €466 million a year.

He also increased the earned income credit for the self - employed by €200 to €1,350, still falling short of PAYE parity of €1,650.

There aren't too many losers, apart from the beleaguered smoker, those buying diesel cars and the likelihood that the VAT increase will lead to higher prices for a meal out or a night in a hotel.

**From
All the team at Fitzgerald & Partners**

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