



# BUDGET 2014

## CREATING JOBS & SECURING OUR EXIT

**34,000 jobs** created over the year and job creation number one priority in Budget.

Economy forecast to **grow by 0.2%** in 2013 & by **2%** in 2014.

Deficit on **downward trajectory** & ahead of target falling to **7.3%** in 2013, to 4.8% in 2014 & to below 3% in 2015.

**Primary surplus** forecast for 2014.

**Debt to peak** in 2013 at 124% & reduce to 120% in 2014, 118% in 2015 and 115% in 2016

Ireland to **exit** the EU/IMF Programme & make a **full & sustainable return** to the markets.

## FAIR & PROGRESSIVE SYSTEM

19% of income tax & USC paid by top 1%.

Highest earners have taken greatest share of correction since 2009.

## HELPING HARD PRESSED FAMILIES

Headline social welfare payments & pensions **protected for a third Budget** in a row.

No change to **weekly fuel allowance rates**.

No change to **child benefit system**.

Free GP care for under 5s.

No **income tax or USC** increases.

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## SUPPORTING BUSINESSES TO CREATE JOBS

**€500 million tax package - 25 new measures** to support entrepreneurs, SMEs & create jobs.

**9% VAT** rate on tourism & hospitality retained.

**Air Travel Tax** reduced to 0% from 1 April.

**Home Renovation Incentive** of up to **€4,050** for renovation and maintenance work.

**Living City Initiative** extended to all residential properties built **up to and including 1914**.

**CGT Exemption** on commercial property extended to 2014.

**Trade Finance Initiative** to support Irish exporters.

Increase in **farmers' flat rate addition to 5%** & **extension of retirement relief**.

Non-EU talent included in **Film Relief Scheme**.

SMEs' **training & mentoring** programme & **7 anti-fraud measures**.

**Credit Review Office** threshold raised to €3m.

**Build Your Business Initiative** to promote entrepreneurship & support SMEs including:

- **2 year income tax exemption** for long term unemployed who start a business;
- **CGT relief** on reinvested proceeds;
- **VAT cash receipt** threshold to €2m;
- **Removal of EII** from higher earners restriction;
- Improvements to **R&D Tax Credit**.

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## CREATING JOBS & GETTING PEOPLE BACK TO WORK

**€200m in capital spending** from the lottery licence will fund the construction of the National Children's Hospital.

A further **€200m** will support **local economic activity & create jobs** by funding:

- **road** maintenance & repair works;
- a new round of **Sports Capital Grants**;
- new **National Indoor Training Arena**;
- the **Better Energy Programme**;
- **housing adaptation grants**;
- the **National City of Culture Initiative**;
- a large scale **multi-functional events centre in Cork**;
- the **Wild Atlantic Way**;
- **1916 Commemoration Projects**.

€1.6 billion investment to fund circa **300,000 places**, up 18,000 (7%) since 2012, on **work, education & training programmes** under the **Pathways to Work Initiative**.

€9m investment to complete roll out of **"One Stop Shop" Intreo offices** to provide better services for the unemployed.

€14m to **"Youth Unemployment Fund"** for additional activation places for people under 25s as part of **Youth Guarantee Scheme**.

## REFORMING OUR PUBLIC SERVICES

Fundamental reform of public services is underway & a **New Public Service Reform Plan** will be announced by year end.