

Information Sheet



Reduced Rates of USC

Budget 2017 saw a reduction in 3 USC rates. These 3 rates were reduced by 0.5% respectively. This is in line with the Government's plan to phase out USC over an indefinite time scale.

- In 2016, the first rate of USC was 1% on the first €12,012 earned. This has been reduced to 0.5%.
- In 2016, the second rate of USC was 3% on income between €12,013 and €18,772. This has been reduced to 2.5%.
- In 2016, the third rate of USC was 5.5% on income between €18,773 and €70,044. This has been reduced to 5%.
- The highest rate of USC of 8% on any income earned in excess of €70,045 remains unchanged.

Budget 2016		Budget 2017	
Band	%	Band	%

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First €12,012	1%	First €12,012	0.5%
Next €6,760	3%	Next €6,760	2.5%
Next €51,376	5.5%	Next €51,272	5%
Balance	8%	Balance	8%

These changes reduce the tax burden on lower and middle-income earners/families more so than higher income earners/families.