



Budget 2022

Reflections and Analysis

NERI Seminar 20th October 2021

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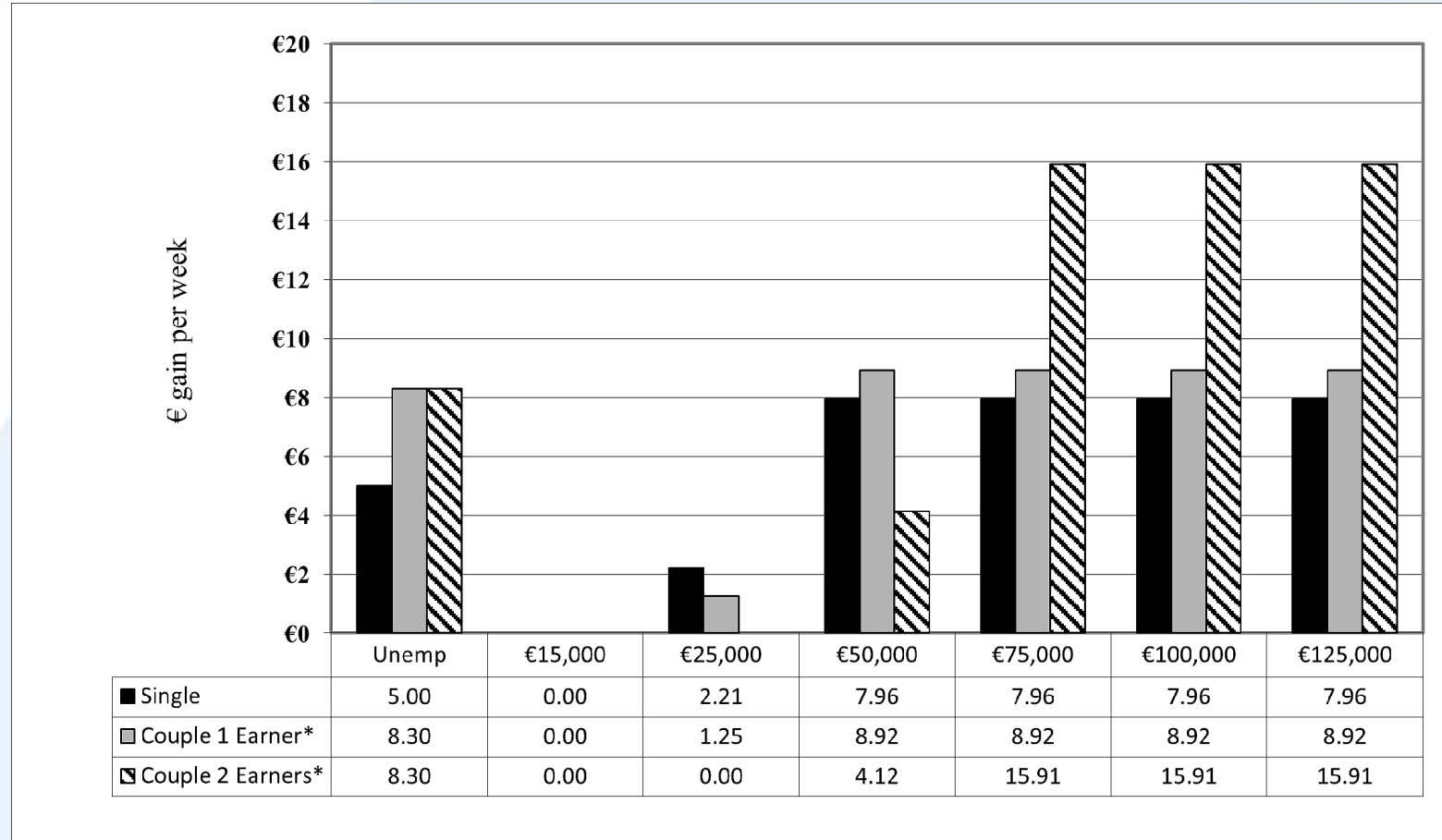
Budget 2022: positive developments

- Acceptance of an effective minimum corporate tax rate.
- Funding for residential community retrofit schemes and targeted funding for energy poverty.
- Expansion of DEIS, increased teaching and SNA posts and increased funding for skills development.
- Allocation of €1.04bn to Overseas Development Assistance.
- Allocation for a Basic Income Pilot Programme – no detail

Budget 2022 and low income households

- Single people depending on social welfare will see their incomes increase by €5.00 a week (€260 a year).
- Single person earning €25,000 will see an increase of €2.21 a week (€115 a year).
- Single person earning €50,000 a year will take home an additional €7.96 a week (€415 a year).
- No commitment to benchmarking social welfare rates.
- Adjustment in tax bands benefit middle to higher income earners.

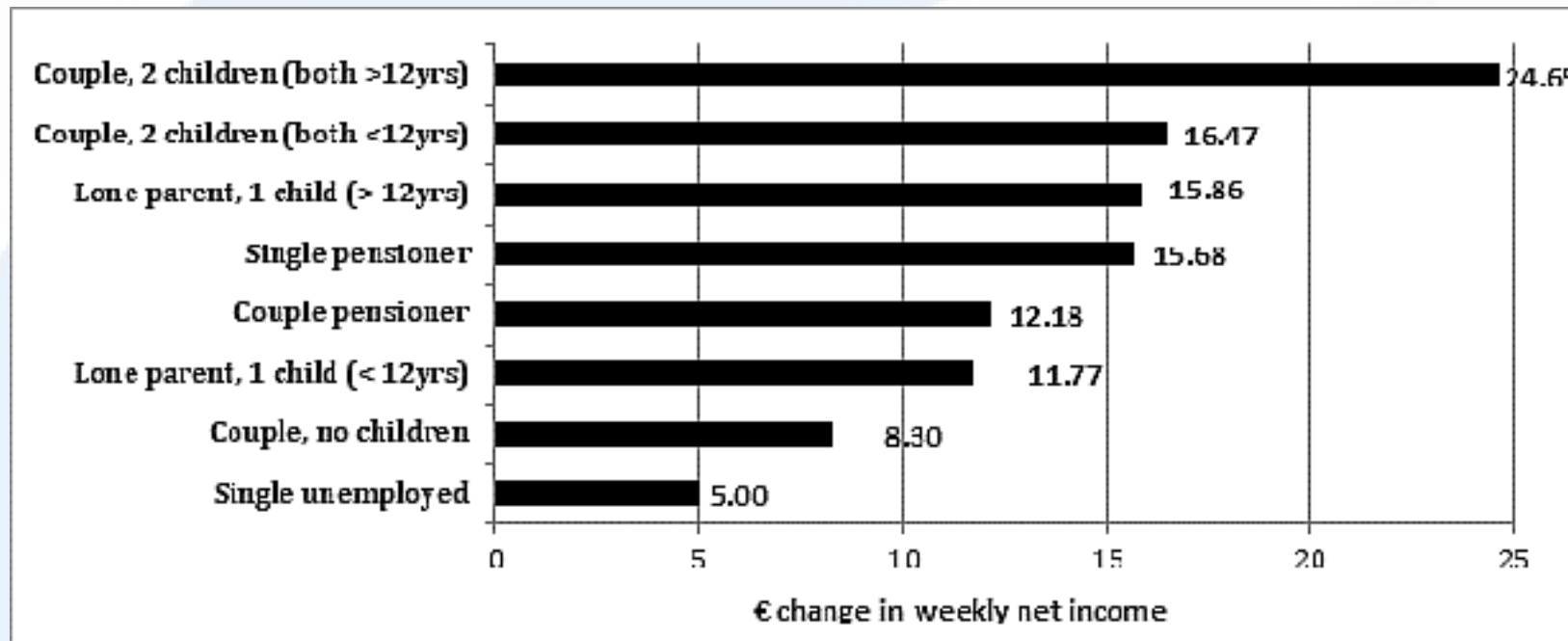
Impact of Tax and Headline Welfare Changes Budget 2022



Notes: * Except in case of the unemployed where there is no earner. Unemployed aged 26 years plus. All other earners have PAYE income. Couple with 2 earners are assumed to have a 65%/35% income division. Lower income earners may also benefit from an increase in the minimum wage.

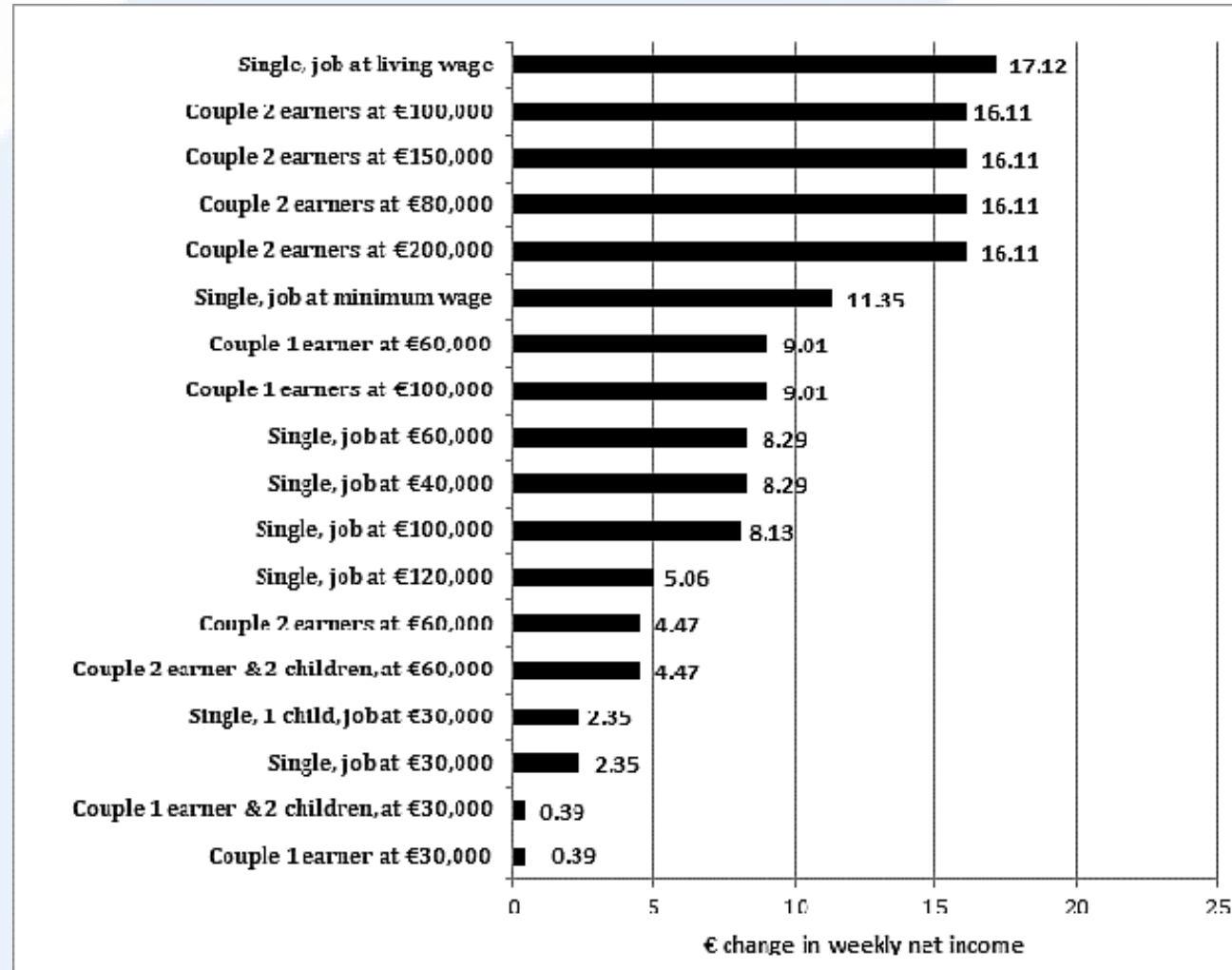
Impact of Tax and Benefit Changes Budget 2021 and 2022 on welfare dependent households

Overall Impact 2020-2022 on Welfare Dependent Households



Impact of Tax and Benefit Changes Budget 2021 and 2022 on households with jobs

Overall Impact 2020-2022 on Households with Jobs



Budget 2022: Housing

- Renewal of Help to Buy Scheme regressive, expensive and artificially maintains high house prices of new build homes.
- Fails to account for current unmet housing need (90,500 households).
- No reference to Land Value Sharing measures.
- Zoned Land Tax – 2/3 year lead in time.
- €194m to delivery of homeless services, emergency accommodation, etc. Preventative measures?

Budget 2022: Environment

- Reduced public transport fares for young people is positive.
- Ringfencing of carbon tax revenues for retrofitting and energy poverty initiatives welcome – however far more required.
- Low cost retrofit loans not an attractive option to many households.
- Missed opportunity on many fronts:
 - PSO Levy
 - Single use coffee cups
 - Deposit and Return Scheme
 - Aviation tax
 - Potentially harmful environmental subsidies - €2.4bn in 2018

Budget 2022: Taxation

- Welcome the commitment to minimum corporate tax rate of 15 per cent.
- No broadening of overall tax base and no outline of a gradual increase in overall tax take.
- Long-term direction of fiscal policy unclear.
- Ireland stands to lose €2bn per annum as a result of OECD tax proposals, but no strategy to replace this revenue.
- Missed opportunity:
 - Levy on empty houses
 - Windfall Gains tax on rezoned land
 - SVT on underdeveloped land
 - Restoration of NPPR tax

Budget 2022 – overall assessment

- Low to middle income households left behind
 - Social Welfare
 - Low pay
- No real progress in major areas
 - Housing
 - Environment
 - Taxation
- Contained some welcome developments
 - ODA budget + €1bn
 - Investment in Community Health Networks
 - Investment in Education



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Thank you