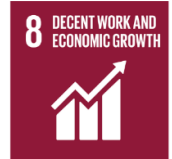




**Chambers
Ireland**
Advancing business together



Budget 2026 Recap

October 2025

Purpose of the recap

This document is prepared by Chambers Ireland and circulated among the Chamber Network to outline the most relevant points of Budget 2026 for Irish businesses. It lists the main details from the budget, organised into relevant sections.

Our perspective of Budget 2026

While we welcomed the commitments to infrastructure and housing - long-standing priorities of the Chamber Network - we highlighted the lack of direct support for businesses. The extension of the Living Cities Initiative and the focus on high-density housing and derelict property redevelopment are positive steps that could unlock stalled projects and revitalise urban centres. However, most businesses will only benefit indirectly through infrastructure delivery, and their competitiveness increasingly depends on the successful implementation of We also believe that the minor change to ETF taxation misses a significant opportunity to redirect substantial savings into productive investment.

Chambers Ireland's Budget priorities focussed on several key areas:

1. The critical need to provide investment and scale-up the delivery of housing, energy, public transport, water and wastewater infrastructure to meet growing demands and secure lasting improvements to our national competitiveness.
2. The imperative to promote business growth, prioritise our trading links, simplify reliefs and protect SMEs from increasing regulatory requirements that have further impacted the cost of doing business.
3. The importance of investing in skills, fostering thriving towns and cities by tackling vacancy and dereliction, developing our urban areas in line with sustainable principles and prioritising social infrastructure.

Read the full Chambers Ireland response to Budget 2026 [here](#).

Disclaimer

The information contained in this document is for general informational purposes only. While we strive to ensure that the information provided is accurate, we make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability, or availability with respect to the document or the information contained in the document for any purpose. Any reliance you place on such information is therefore strictly at your own risk.

In no event will we be liable for any loss or damage including without limitation, indirect or consequential loss or damage, or any loss or damage whatsoever arising from loss of data or profits arising out of, or in connection with, the use of this document. All measures announced in Budget 2025 are subject to the drafting and enactment of legislation in due course.

.

Budget 2025 recap

Water

- €1.4 billion to Uisce Éireann in 2026 to support housing developments and improve water supply. This includes progress on waste treatment plant development across the country.

Housing

- Over €5bn in capital investment has been committed to delivering homes in 2026, in addition to investment from the Land Development Agency and approved housing bodies.
- A €1 billion contingency fund will address spending pressures and EU presidency costs.
- The Department of Housing will receive €11.3 billion, including:
 - €2 billion for social home building and acquisitions
 - €1.2 billion for starter home schemes
 - €300 million is allocated for urban regeneration
 - €205 million for a housing activation infrastructure fund
 - €140 million for retrofitting social homes
 - €130 million for adaptation grants
- The Rent Tax Credit is extended for three years at €1,000 for individuals and €2,000 for couples.
- VAT on new apartment sales will reduce from 13.5% to 9%.
- Corporation tax exemptions and deductions will apply to certain apartment developments and conversions.
- Mortgage interest tax relief will continue for two years, with €1,250 in 2025 and €625 in 2026.
- Living City Initiative extended to end of 2030 and to include residential properties built before 1975.
- "Over the shop" premises relief to increase from €200,000 to €300,000.
- Landholders may seek exemptions from the Residential Zoned Land Tax.

- A new derelict property tax will replace the derelict site levy in 2027.
- Income tax deductions for landlords retrofitting properties will be extended for three years.
- Help-to-Buy scheme will not rise above current €30,000 cap.
- €200m extra funding for SMEs to fund housebuilders.

Energy and Climate

- €3.5 billion will be allocated to ESB and EirGrid to enhance energy security and support renewable energy transition.
- The reduced VAT rate of 9% on utility bills will be extended through 2028.
- €588 million will fund SEAI residential and community energy upgrades, and €1.1 billion will support energy upgrades, retrofits, and Just Transition projects.
- The carbon tax will be increased to €71 per tonne of CO2 emitted.
- New rate to be applied to auto fuels tomorrow and other fuels such as coal, gas, home heating oil and briquettes, from 1 May 2026.
- €5,000 VRT relief to be extended by one year until the end of 2026.
- €209m to go towards climate action plan and environmental leadership programme.

Transport

- The Department of Transport will receive €4.7 billion in Budget 2026.
- €940 million will fund the Public Transport Public Service Obligation. Funding will support Bus Connects, DART+ in Dublin, and commuter rail expansion in Cork.
- Road projects include the Adare bypass, M28 Cork-Ringaskiddy, and N5 Ballaghaderreen-Scramogue. Greenway and active travel projects will also be developed.
- Investment in aviation and maritime connectivity will enhance the Irish Coast Guard's search and rescue services.
- €2 billion from the Infrastructure, Climate and Nature Fund will support the MetroLink project.

Other Infrastructure

- €4.1 billion in current expenditure will enhance apprenticeship delivery for key infrastructure projects.
- €810 million will be given to fund projects such as Taighde Éireann, student accommodation at Maynooth University and University College Dublin, and 11 technological university facilities.
- Additional funding will support two new veterinary colleges, retrofit skills centres, and the National Demonstration Park for Modern Methods of Construction.

Measures to Support Business

- VAT on food businesses, catering, and hairdressing will drop from 13.5% to 9% in July 2026, costing €232 million next year and €681 million annually.
- R&D tax credits will increase from 30% to 35%, with the first-year payment threshold rising to €87,500.
- Entrepreneurial relief lifetime limit will increase from €1 million to €1.5 million.
- The Special Assignee Relief Programme is extended for five years with a higher qualifying income of €125,000.
- The banking levy will continue for another year with a €200 million target yield.
- The Department of Enterprise will receive €1.3 billion, including increased funding for Enterprise Ireland, IDA, and enterprise offices.

Garda Resourcing

- €6.17 billion will be allocated to the Department of Justice, Home Affairs and Migration. This includes funding for:
 - 1,000 trainee gardaí
 - 200 civilian staff
 - Garda Reserve intakes
 - €39 million will support the Irish Prisons Service
 - €11 million for the Courts Service
 - €6.7 million for the Probation Service
- €11.5 million will fund Domestic and Gender Based Violence initiatives.

- €7.3 million for Youth Justice interventions.
- Further investment will enhance international protection processing and accommodation.
- The Courts Service will continue modernisation with eProbate and other efficiency measures.

Other

- Capital Acquisitions Thresholds, Small Benefit Exemption, and BIK for motor vehicles will be updated.
- No broad personal tax package is planned.
- Minimum wage will increase by 65c to €14.15/hour.
- The USC 2% band will rise to €28,700.
- Shared Island initiative funding will double by €1 billion through 2035. Projects include the Dublin-Derry airlink, Narrow Water Bridge, Ulster Canal restoration, bioeconomy development, and border region tourism.
- €611 million will be allocated to the Department of Rural and Community Development and the Gaeltacht.
- Community development supports will receive €260 million, including a €9 million increase.