

[15.2A.2] High Income Individuals' Restriction**- income chargeable to tax at the standard rate in joint assessment cases***Reviewed December 2016***1. Introduction**

Chapter 2A of Part 15 of the Taxes Consolidation Act (TCA) 1997 and associated Schedules 25B and 25C introduced, with effect from 1 January 2007, a measure to limit the use of certain tax reliefs and exemptions by high-income individuals. This instruction clarifies the position on the entitlement of married couples (from 2007) and civil partners (from 2011) on joint assessment to have an additional amount of income charged to tax at the standard rate where the restriction applies.

2. Entitlement to Additional Amount at the Standard Rate

In joint assessment cases, section 15 of the TCA 1997 provides for an increase in the amount of income chargeable to tax at the standard rate where each spouse or civil partner is in receipt of income. The increase is set at the lower "specified income" of the spouses or civil partners, subject to a maximum amount of €24,800¹ for 2015, 2016 and 2017. Specified income is defined in section 15 by reference to total income.

Where the high income restriction applies, the entitlement under section 15 to the additional amount at the standard rate may be calculated by reference to the recalculated taxable income of the spouse or civil partner in question where this is more beneficial than calculation by reference to total income (on which entitlement to the additional amount is normally based).

¹ 2007: €25,000
2008: €26,400
2009 - 2010: €27,400
2011 - 2014: €23,800