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Inheritance Tax in Ireland

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Séanadh

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Contents

1. KEY MESSAGES **1**

2. INTRODUCTION **2**

3. CAPITAL ACQUISITION TAX IN IRELAND **3**

3.1 Overview 3

3.2 CAT Reliefs 5

3.3 CAT and Inheritance Tax Receipts, 2007-2025 6

3.4 Inheritance Tax Receipts by Beneficiary Group 2011-2025 7

3.5 Geographic Distribution of Inheritance Tax Receipts in Ireland, 2025 9

4.POSSIBLE REFORMS **12**

4.1 Economic Equality and Intergenerational Transfers of Wealth 12

4.2 Family relationships 14

4.3 Effects of Proposed Changes to Inheritance Tax 16

4.4 European Comparison 19

5. CONCLUSION **21**

1. Key Messages

- Capital Acquisitions Tax (CAT) generated net receipts of €1.1 billion in 2025, including €968.4 million from taxes on inheritance and €146.6 million from taxes on gifts. Although representing only approximately 1% of total net Exchequer tax receipts, CAT revenues have grown substantially in recent years, rising by 31.2% compared with 2024 and by 187% compared with 2007.
- In 2025, Group B beneficiaries, which include siblings, nieces, nephews, grandparents and grandchildren, generated the highest level of Inheritance Tax receipts, totalling €449 million. This was followed by Group A beneficiaries, primarily children of the disponer, who contributed €398.9 million in receipts.
- Dublin generated the highest CAT receipts (€572.2 million). However, average receipts per taxpayer may provide a better measure of regional differences, with some counties, such Mayo, ranking relatively highly on this metric.
- Some groups have sought proposed changes to the 33% tax rate and noted the more favourable treatment of parent-child transfers, which may disadvantage individuals without children and raise concerns regarding horizontal equity. The thresholds are not connected to any anchor index, and thus there are no automatic changes.
- From a European perspective, Ireland has the second highest rate between the countries that use a flat rate for inheritance tax and twelfth place overall.
- This paper lists some proposed reforms and discusses current debates in this area.

2. Introduction

Inheritance Tax is a tax levied on assets such as property, investments, personal belongings, when these are inherited by another person following the death of the owner. In Ireland, Inheritance Tax falls under the **Capital Acquisitions Tax (CAT)** system, which also applies to gifts.

In Ireland, the liability for the tax rests with the beneficiary who receives the inheritance or gift, rather than with the estate of the deceased or donor.[1]

Capital Acquisitions Tax (CAT) net receipts amounted to €1.1 billion in 2025, comprising €968.4 million in Inheritance Tax and €146.6 million in Gift Tax.[2] These receipts accounted for 1% of total net Exchequer tax receipts[3] and were 31.2% higher than in 2024[4] and 187% higher than in 2007.[5]

Looking solely at Income Tax receipts, Group B (other relatives with threshold of €40,000) contributed the largest amount in 2025, totalling €449 million. This was followed by Group A (direct descendants with a threshold of €400,000), which generated €398.9 million in tax receipts. Inheritance Tax groups and thresholds are explained in more detail later in this document. In terms of geographic distribution, there was a significant regional disparity. Dublin alone collected €572.2 million in inheritance tax receipts with over 55% of the taxpayers, exceeding the combined total of all other counties, which generated €396.2 million.[6]

Drawing on a 2024 publication[7] by the Parliamentary Budget Office (PBO), this paper reviews the current Inheritance Tax system in Ireland and examines a range of relevant policy issues and challenges.

[1] Revenue Commissioners (2025), 'Gift and Inheritance Tax (Capital Acquisitions Tax - CAT)'.
[2] Revenue Commissioners (2026), 'Breakdown of Capital Acquisitions Tax receipts'.
[3] Tax Strategy Group (2026), '26/05 - Capital Taxes, Stamp Duty and Pensions'.
[4] Department of Finance, Databank. Accessed 30 September 2026.
[5] Revenue Commissioners (2026), 'Breakdown of Capital Acquisitions Tax receipts'.
[6] Revenue Commissioners (2026), 'Geographical breakdown of CAT receipts'.
[7] Parliamentary Budget Office/PBO (2024), 'Information Note: Inheritance Tax'.

3. Capital Acquisition Tax in Ireland

This section presents an overview of Capital Acquisitions Tax (CAT) in Ireland, including an analysis of recent Inheritance Tax receipts.

3.1 Overview

Introduced in 1976, the Capital Acquisitions Tax (CAT) system comprises Inheritance Tax, Gift Tax, and Discretionary Trust Tax. The regime applies to a broad range of assets and becomes payable when the value of the gift or inheritance exceeds the relevant tax-free threshold.

The person who gives the gift or inheritance is called the disponer and the person who receives the gift or inheritance is called the beneficiary. The threshold available to a beneficiary is determined by their relationship to the disponer. Any taxable amount above the applicable threshold is subject to CAT at a flat rate of 33%. There are three groups under CAT, outlined in Table 1, which affect the amount the beneficiary pays tax on.

Inheritance taxes and taxes on gifts are fully exempted between spouses or civil partners. There are also reliefs which apply for foster children, favourite nephew/niece, and other elements which impact surviving spouses or civil partners. Exemption on gifts for other types of relationship between disposer and beneficiary are capped at the first €3,000 per year, from each disponer.[8,9]

[8] Citizens Information (2026), 'Capital Acquisitions Tax exemptions and reliefs'.
[9] Revenue Commissioners (2025), 'Small Gift Exemption'.

Table 1: Current CAT Groups and Tax-free Group Thresholds

Group	Eligible Relationship	Tax-free threshold
Group A	A child, including an adopted child or stepchild of the disposer or the disponer's civil partner. A minor child (under 18 years of age) of a deceased child of the disponer or the disponer's civil partner. A foster child of the disponer, in certain qualifying circumstances. A parent of the disponer, inheriting with absolute interest (inheriting with full control and no conditions attached under the inheritance).	€400,000
Group B	A parent of the disponer, taking a gift or inheriting with limited interest. A sibling of the disponer. A nephew or niece of the disponer. A grandparent or grandchild.	€40,000
Group C	Any other relationship not covered on groups A or B.	€20,000
Exempt	Spouse or civil partner.	NA

Source: Revenue Commissioners (2025), 'Capital Acquisitions Tax (CAT) thresholds, rates and aggregation rules'. Accessed 17 September 2026.

All thresholds increased from 2024 to 2025, from the previous thresholds of €335,000 (Group A), €32,500 (Group B), and €16,250 (Group C). It was estimated that these increases cost the Exchequer €88 million in a full year.[10]

[10] Department of Finance (2024), 'Budget 2025 - Tax Policy Changes'.

3.2 CAT Reliefs

There are specific reliefs which apply to CAT namely Agricultural Relief and Business Relief. If you receive a gift or an inheritance of agricultural property, you may qualify for Agricultural Relief. This relief reduces the taxable value of the property, including land by 90%. The relief is subject to certain conditions.[11]

Similarly, Business Relief reduces the taxable value of the business property by 90%. A business is an activity, such as a trade, profession or vocation which is carried on for gain, and the relief applies to the transfer of a business, a share in a business or the shares or securities of a company carrying on a business. The relief does not apply to individual assets, even if those assets were used in the business.[12]

CAT business relief cost €628 million in 2025, and CAT agricultural relief cost €263 million[13]. CAT business relief is the fourth largest tax expenditure (cost) in the most recent report and has grown by €493 million since 2013. CAT reliefs were 9% of the total cost of tax expenditures for the most recent data.[14] The Department of Finance introduced guidelines on regular reviews and evaluations of tax expenditures in 2014. CAT agricultural relief was reviewed in 2014 in the Agri-Taxation Review, while CAT business relief has not been reviewed, despite its increasing cost.[15]

The 2022 Commission on Taxation and Welfare recommended substantially reducing the CAT Group A threshold, bringing it closer to the Group B and Group C thresholds. They also noted that the Capital Gains Tax (CGT) Retirement Relief has traditionally interacted with CAT Agricultural Relief and CAT group thresholds (formerly relationship reliefs) to minimise the tax due on intergenerational wealth transfers relating to family businesses and farms. However, they recommended that the level of Agricultural and Business Relief available for CAT be reduced and

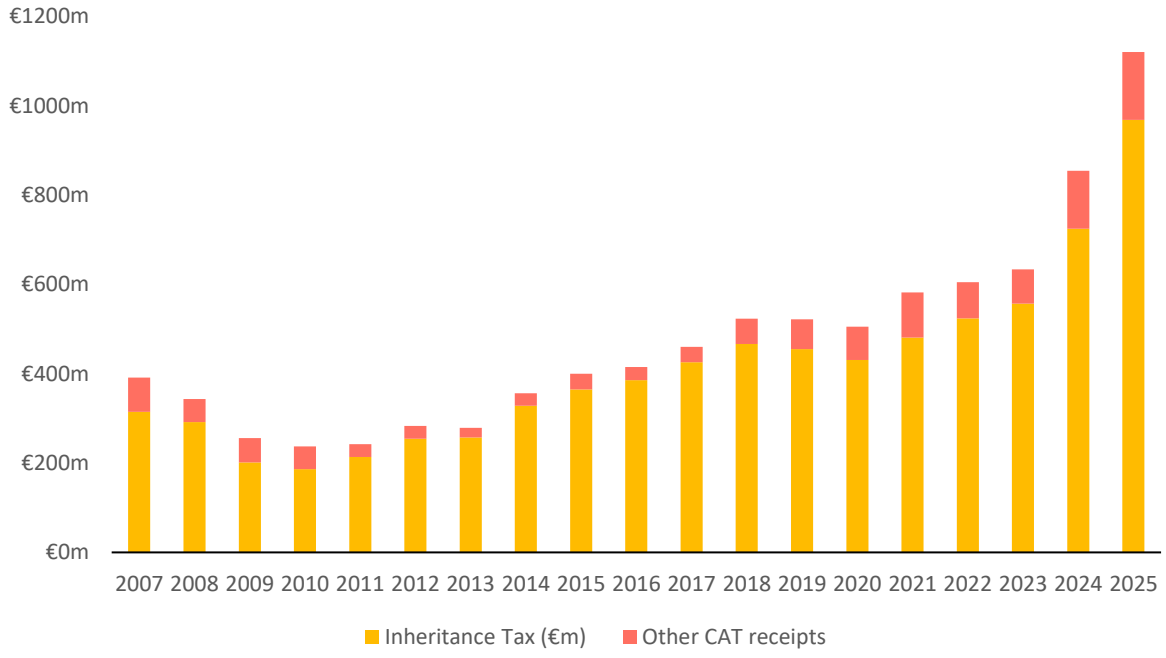
[11] Revenue (2025), 'Agricultural Relief'.
[12] Revenue (2025), 'Business Relief'.
[13] Revenue Commissioners (2026), 'Cost of Tax Expenditures'.
[14] Department of Finance (2026), 'Tax Expenditures in Ireland - 2026 Report'.
[15] Department of Finance (2024), 'Tax Expenditures Evaluation - Updated Guidelines'.

that the qualifying conditions for both reliefs be amended to incentivise and ensure active participation in the farm or business by the recipient.[16]

3.3 CAT and Inheritance Tax Receipts, 2007-2025

Figure 1 presents the trend in CAT net receipts between 2007 to 2025, together with the contribution of Inheritance Tax receipts. Over this period, CAT receipts almost tripled, increasing from €391 million in 2007 to €1.1 billion in 2025. A similar trend was observed for Inheritance Tax receipts, which increased from €314 million to €968 million over the same period. Inheritance Tax accounted for the majority of CAT receipts throughout the period and remained the principal driver of the overall increase in CAT receipts.

Figure 1: Composition of Capital Acquisitions Tax Receipts, 2007-2025



Source: Revenue Commissioners (2026), 'Breakdown of Capital Acquisitions Tax receipts'. Accessed on 14 September 2026.

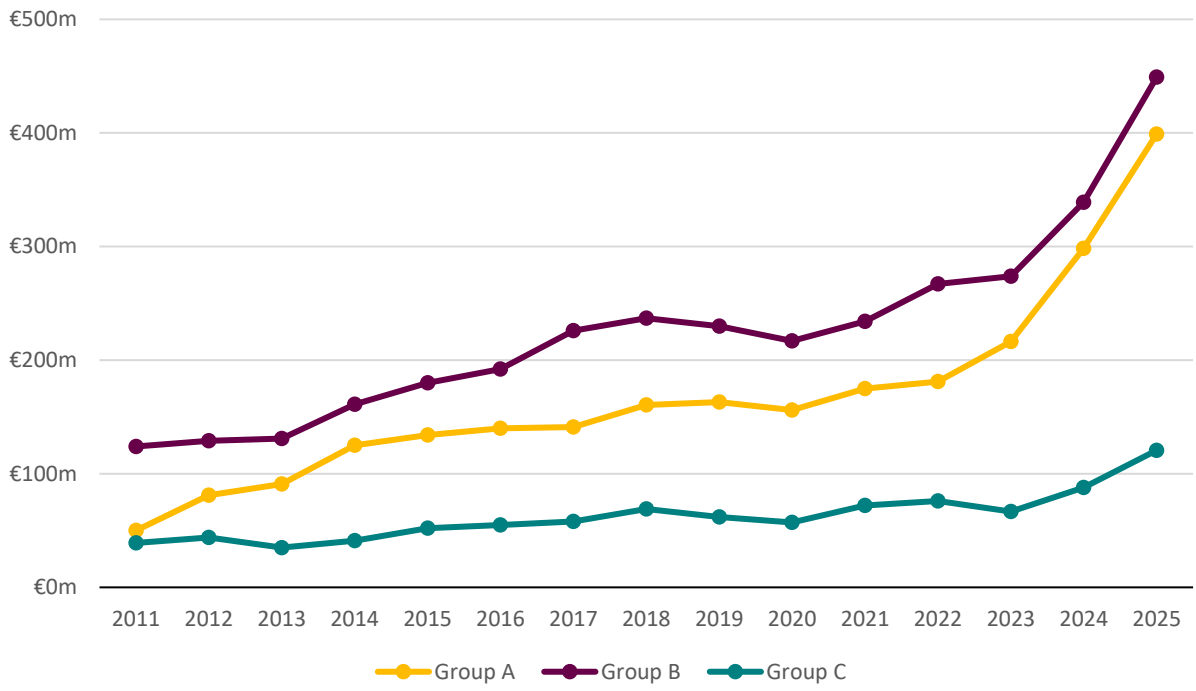
As illustrated in Figure 1, Inheritance Tax consistently represented the largest component of CAT receipts, accounting for approximately 80% to 90% of total revenue over the period. The total CAT receipts had a decline of almost 40% during

[16] Commission on Taxation and Welfare (2022), 'Foundations for the Future'.

the financial crisis between 2007 and 2010.[17] This reflected the broader deterioration in economic conditions and asset values following the onset of recession, as the receipts fell even while CAT rates increased from 20% to 25%[18]. Both Inheritance Tax and overall, CAT receipts increased steadily from 2011 onwards, even as CAT rates increased further[19]. This upward trend in receipts strengthened from 2021, particularly in 2024 and 2025, culminating in record-high receipts in 2025.

3.4 Inheritance Tax Receipts by Beneficiary Group 2011-2025

Figure 2: Inheritance Tax Receipts by Beneficiary Group, 2011-2025 (€m)



Source: Revenue Commissioners (2026), 'Breakdown of Capital Acquisitions Tax receipts'. Accessed on 14 September 2026.

Figure 2 shows that Group B (other relatives) consistently accounted for the largest share of Inheritance Tax receipts over the period, followed by Group A (direct descendants). While Group B remained the largest contributor, the difference

[17] Central Bank of Ireland (2015), 'Government revenues in Ireland since the financial crisis'.
[18] Revenue (2025), 'Capital Acquisitions Tax (CAT) thresholds, rates and aggregation rules'.
[19] Ibid.

between the two groups narrowed considerably after 2023. Between 2023 and 2025, Group A generated approximately €0.9 billion in receipts, compared with €1.0 billion for Group B. Group C, comprising beneficiaries outside Groups A and B, remained the smallest source of receipts but also recorded sustained growth. Particularly strong increases were observed between 2023 and 2025, when receipts from all three groups increased rapidly.

3.5 Geographic Distribution of Inheritance Tax Receipts in Ireland, 2025

Figure 3: Inheritance Tax Receipts by Geographical Area in Ireland, 2025 (€m)

Source: Revenue Commissioners (2026), 'Geographical breakdown of CAT receipts'. Accessed 14 September 2026.
Note: A total of 2,965 foreign inheritance cases were excluded from the analysis. These figures exclude beneficiaries living abroad, as these cases have been excluded from Revenue's geographical data since 2019.

Figure 3 illustrates the geographical distribution of Inheritance Tax receipts in Ireland. Note that these are taxes paid after reliefs apply, such as Business Relief or Agricultural Relief. Dublin dominates by a substantial margin, with €572.2 million collected in 2025. This amount is more than nine times higher than the €62.2 million collected in Cork, the region with the second-highest level of receipts, highlighting a sharp decline after Dublin. Only Dublin, Cork and Wicklow recorded Inheritance Tax receipts exceeding €40 million, while all the other regions collected less than this amount. Cavan/Monaghan, Louth and Donegal recorded the lowest

levels of Inheritance Tax receipts, with each collecting less than €10 million in 2025.

Table 2 provides a comparative assessment of the 2025 tax liabilities across Irish geographical areas, enabling an analysis of how wealth was distributed among them.

Please note that care must be taken with recent inheritance tax data – gifts become inheritances if the disponer dies within two years of giving the gift.[20] 2025 data on the €146 million of gift tax receipts show 53% of gift tax paid in Dublin, with Cork the next highest at 16%.

Table 2: Geographic Breakdown of Inheritance Tax (IT) and Gift Tax (GT), 2025

Geographical area	IT amount (€m)	IT number of taxpayers	Inheritance Tax (average €000)	Gift amount (€m)	GT number of taxpayers	Gift Tax (average €000)
Carlow/Kilkenny/Laois	19.44	404	48.119	1.27	54	23.519
Cavan/Monaghan	7.95	228	34.868	0.82	30	27.333
Clare	11.57	282	41.028	2.62	34	77.059
Cork	62.21	1,145	54.332	24.42	211	115.735
Donegal	9.24	200	46.200	0.56	42	13.333
Dublin	572.22	8,436	67.831	78.21	1,170	66.846
Galway/Roscommon	36.74	699	52.561	5.68	107	53.084
Kerry	25.44	380	66.947	3.78	60	63.000
Kildare	27.64	407	67.912	5.78	75	77.067
Leitrim/Longford/Sligo	14.34	283	50.671	0.36	24	15.000
Limerick	25.94	382	67.906	1.87	55	34.000
Louth	8.42	185	45.514	1.98	22	90.000
Mayo	13.51	284	47.570	5.50	37	148.649
Meath	22.98	363	63.306	1.49	56	26.607
Tipperary	14.88	329	45.228	2.01	41	49.024
Waterford	11.38	218	52.202	0.62	18	34.444
Westmeath/Offaly	23.62	332	71.145	1.56	45	34.667
Wexford	16.95	232	73.060	2.77	57	48.596
Wicklow	43.93	411	106.886	5.26	70	75.143

Source: PBO calculations based on Revenue Commissioners (2026), 'Geographic Breakdown of CAT receipts'. Accessed 15 September 2026.

[20] Revenue (2026), 'Gift and Inheritance Tax (Capital Acquisitions Tax - CAT)'.

Mayo, Wicklow and Cork were the counties with the highest average total tax liabilities per taxpayer with Mayo recording a liability of €196,219, originated by a total of 321 taxpayers (assuming no overlap between inheritance and gift tax taxpayers), almost four times higher than Donegal, which has the lowest average liability at €59,533, collected from 242 taxpayers. The high rankings of Mayo and Cork are largely driven by the value of gifts received, with both counties showing substantially higher Gift Tax liabilities than many others. In contrast, Wicklow's position among the top three is primarily attributable to its exceptionally high Inheritance Tax liability, the highest of all counties examined.

Inheritance tax policies and housing market are the two important mechanisms that shape how wealth is transferred between generations and influence patterns of economic inequality. Inheritance taxation affects the extent to which transferred wealth is redistributed, while housing plays a central role in household wealth accumulation and intergenerational wealth transmission.[21,22]

[21] OECD (2021), 'Inheritance Taxation in OECD Countries'.
[22] OECD (2019), 'Housing, Wealth Accumulation and Wealth Distribution: Evidence and Stylised Facts'.

4.Possible Reforms

There have been calls to reform Inheritance Tax, focusing primarily on the applicable tax rate and the tax-free thresholds. Some commentators have argued that tax-free thresholds should be linked to property prices to prevent increases in asset values from bringing more inheritances within the scope of taxation. As property prices have risen substantially in recent years, concerns have been raised that children inheriting family homes, particularly from middle-income households, may face significant tax liabilities and, in some cases, may be required to sell inherited property in order to meet their tax obligations.[23]

A further issue raised the more favourable tax treatment of transfers between parents and children. It has been argued that this preferential treatment may disadvantage individuals without children and raises questions regarding horizontal equity, [24,25] as recipients of similar-value inheritances may face different tax liabilities depending on their relationship to the disponer. This section examines these issues in greater detail.

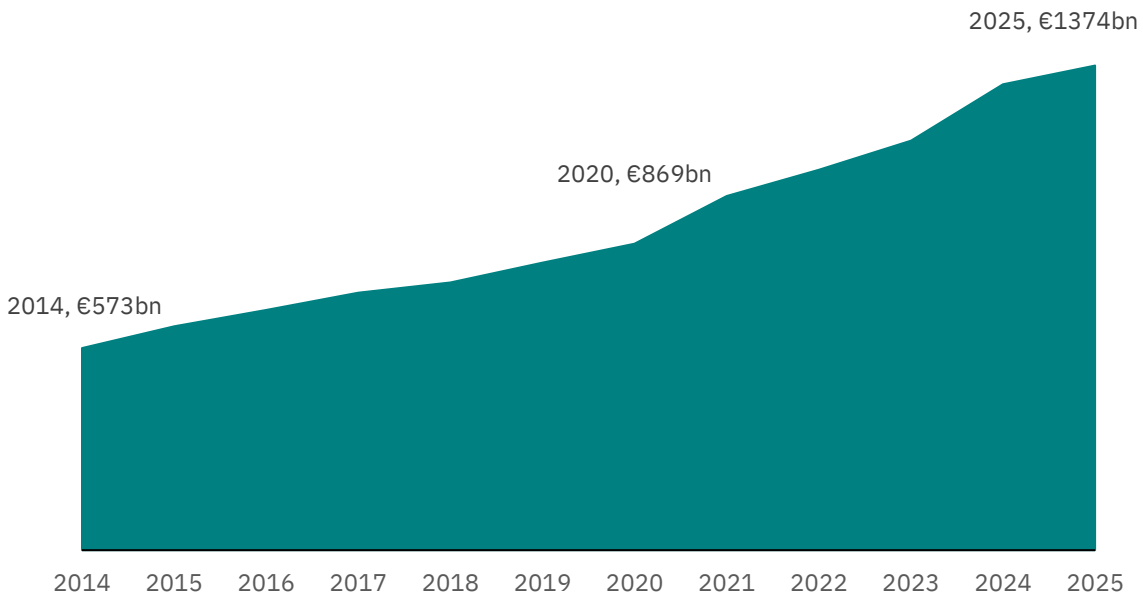
4.1 Economic Equality and Intergenerational Transfers of Wealth

Intergenerational transfers of wealth refer to the passing of assets, property, money, or other forms of wealth from one generation to another, most commonly through inheritances and gifts.[26] Individuals who receive inheritances tend to have higher levels of wealth and are more likely to own property than those who do not inherit assets. Because inherited wealth is received rather than earned through labour, it can reinforce unequal opportunities and contribute to disparities in economic outcomes. Receiving an inheritance at any time in the past raises by 14% the position of the average household in the wealth distribution.[27]

[23] Parliamentary Budget Office/PBO (2024), 'Information Note: Inheritance Tax'.
[24] OECD (2021), 'Inheritance taxation in OECD countries'.
[25] Nevin Economic Research Institute (2026), 'Reforming Inheritance Tax'.
[26] VoxEU (2022), 'Intergenerational transfers and wealth inequality'.
[27] VoxEU (2022), 'Intergenerational transfers and wealth inequality'.

As noted in relevant Tax Strategy Group papers, wealth received through transfers from gifts or inheritances is notably different from income, as it is not earned or accumulated by the individual, but is received as a result of personal circumstances. In receiving unearned wealth in this way, inheritances and gifts can provide increased social mobility and opportunity for those who receive them. However, if concentrated amongst a few, they may perpetuate inequalities in these same areas. These papers also note that research indicates that the expectation of future inheritances can affect consumption and savings decisions of individuals, meaning that inheritances can have an impact across a lifecycle, and not just at the time the inheritance occurs.[28]

Figure 4: Total Net Wealth of Irish Households, 2014-2025 (€bn)



Source: Davy (2025), 'Wealth in Ireland' and Central Bank of Ireland (2026), 'Household Wealth'. Accessed 14 September 2026.

Irish household wealth has expanded rapidly in recent years, increasing by an average of 8.3% annually between 2014 and 2025. This upward trend continued in

[28] Department of Finance/Tax Strategy Group (2024), 'Capital and Savings Taxes and Stamp Duty - 24/06'. Page 7.

Q1 2026, when household net wealth[29] reached €1,429.5 billion, up €55.3 billion on the previous quarter. Rising financial assets, which increased by €42.8 billion, were the main driver of growth, alongside a €14.1 billion increase in housing assets. However, the distribution of wealth remained highly concentrated, with the top 10% of households accounting for 47.2% (€693.1 billion) of total net wealth. By comparison, middle-wealth households held at 42.9% (€629.4 billion), while the lowest-wealth group accounted for 9.9% (€145.0 billion).[30]

4.2 Family relationships

Equity is a fundamental but difficult principle to define in taxation, as it depends on societal values and can change over time. It is best assessed across the entire tax and transfer system rather than through individual taxes or benefits.

Tax equity is generally divided into two categories:

- **Vertical equity**: Individuals with a greater ability to pay should contribute proportionately more tax or receive fewer benefits.
- **Horizontal equity**: Individuals with the same ability to pay should be treated equally, paying similar taxes or receiving similar benefits regardless of how their income is earned.[31]

Horizontal equity means that individuals with the same income or wealth should pay the same tax and receive similar benefits. In practice, this is difficult to achieve because personal circumstances and various tax deductions, credits, exemptions, and government benefits can affect outcomes.[32]

However, in the context of the Irish inheritance tax system, beneficiaries have a different tax treatment depending on their relationship to the disponer. In many cases, beneficiaries of estates left by individuals without direct descendants are disadvantaged, facing a higher tax burden than beneficiaries who inherit the same amount from a parent. As a result, two inheritances of identical value currently

[29] Net wealth is equal real assets plus financial assets, minus debts.
[30] Central Bank of Ireland (2026), 'Household Wealth'.
[31] Australian Parliamentary Budget Office (2024), 'Equity'.
[32] Australian Parliamentary Budget Office (2024), 'Equity'.

receive different tax treatment solely because of the family circumstances of the disponer, with beneficiaries who are direct descendants benefiting from an additional €360,000 tax-free threshold.[33] This differential treatment raises concerns regarding horizontal equity and may be viewed as discriminatory towards individuals without direct descendants, as it results in less favourable tax outcomes based on family status rather than the value of the inheritance itself. Some campaigners are aiming to highlight the issues for individuals without children and suggest reforms towards a single threshold for all beneficiaries.[34]

This was considered in a recent Tax Strategy Group paper[35], which considered the potential cost of a single lifetime threshold of €460,000 (a combination of current A, B and C thresholds). This would have significant costs associated with it as far less people would be subject to CAT as a result. In addition, the Department of Finance suggested that consideration would need to be given as to how this would interact with the Constitution and Succession Act. While highlighting that data is not fully available to cost this, Revenue estimated that the cost for such a proposal would cost approximately €537 million.

A previous Minister for Finance noted that the current approach, which differentiates tax treatment based on the beneficiary's relationship to the disponer, was founded on the principle that the transferred capital has not been earned by the beneficiary. The reason for this approach is that the capital being transferred has not been earned by the beneficiary and the effective taxation of windfall capital is an important tool for addressing income and wealth inequality.[36]

[33] Revenue Commissioners (2025), 'Capital Acquisitions Tax (CAT) thresholds, rates and aggregation rules'
[34] RTÉ (2026), 'Campaign urges Budget Inheritance tax reform'.
[35] Department of Finance – Tax Strategy Group 'Capital Taxes, Stamp duty and Pensions - 26/05'.
[36] Dáil Éireann Debate (2020), 'Tax Code'. 26 November 2020.

4.3 Effects of Proposed Changes to Inheritance Tax

Inheritance Tax plays an important role in determining how wealth is transferred from one generation to the next. Proposed changes to the current rules raise important questions about the financial impact on families and the ways in which they plan and manage their assets. Such reforms may also have wider implications at a government level, as policymakers seek to ensure a fair and more sustainable tax system while increasing revenue generation. However, any changes must be carefully balanced to avoid placing a disproportionate burden on certain groups of taxpayers.

The inheritance tax rate has been 33% since December 2012,[37] with ongoing debate regarding potential reforms to the system.[38]

Some potential reforms costed in the Tax Strategy Group papers include the introduction of a single €400,000 threshold for both Group A and Group B beneficiaries, with an estimated cost to the Government of approximately €349 million.[39]

The Tax Strategy Group also outlined the estimated costs and revenue yields associated with decreases or increases to the current CAT rate at 33%, as presented in Table 3. In addition, it examined potential impact of changes to existing CAT thresholds, with the associated costs and revenue implications summarised in Table 4.

[37] Revenue (2025), 'Capital Aquations Tax (CAT) thresholds, rates and aggregation rules'
[38] Dail Éireann Debate 26 May 2026, 'Tax Code'.
[39] Department of Finance Tax Strategy Group (2026), 'Capital Taxes, Stamp Duty and Pensions - 26/05'.

Table 3: Estimated Cost/Yield of Changes to the CAT Rate

CAT Rate (%)	Full Year (€m)
Increase/decrease by 1%	+/-28.2
Increase/decrease by 3%	+/-84.5
Increase/decrease by 5%	+/-140.9
Increase/decrease by 10%	+/-281.8

Source: Department of Finance Tax Strategy Group (2026), Capital Taxes, Stamp Duty and Pensions - 26/05. Accessed 18 September 2026.

Table 4: Estimated Cost/Yield for Changes to CAT Thresholds

Group/Threshold	Cost/Yield (€m)
Group A decrease by €65,000 (€335,000)	58.1
Group A decrease by €50,000 (€350,000)	44.7
Group A increase by €50,000 (€450,000)	-44.7
Group A increase by €100,000 (€500,000)	-86.6
Group A increase by €200,000 (€600,000)	-146.4
Group B decrease by €7,500 (€32,500)	28.3
Group B decrease by €5,000 (35,000)	18.9
Group B increase by €5,000 (45,000)	-19
Group B increase by €10,000 (50,000)	-37.6
Group B increase by €20,000 (€60,000)	-70.1
Group C decrease by €10,000 (€10,000)	14.3
Group C decrease by €3,750 (16,250)	5.4
Group C increase by €5,000 (25,000)	-7
Group C increase by €10,000 (€30,000)	-13.2
Group C increase by €17,000 (€37,000)	-20.4

Source: Department of Finance Tax Strategy Group (2026), Capital Taxes, Stamp Duty and Pensions - 26/05. Accessed 18 September 2026.

It has been argued that, under the current framework, a reduction in the CAT rate would primarily benefit wealthier individuals and families, as larger estates and

high-value properties are more likely to be subject to CAT and may be distributed among more than a single child.[40]

[40] Economist Barra Roantree speaking on Newstalk (2026), 'Very few pay: Economist says inheritance tax cut benefits rich'.

4.4 European Comparison

Table 5 compares the inheritance tax regimes across selected European countries. Several countries, including Belgium, France, Germany, the Netherlands and Spain, apply progressive tax schedules, whereby the tax rate increases as the value of the inheritance rises. In contrast, Ireland, along with Croatia, Iceland, Portugal and the United Kingdom, applies a flat-rate system under which a single tax rate applies regardless of the value inherited. In terms of comparison, Ireland has the second highest flat rate and the twelfth overall.

While termed 'Inheritance Tax', the system in the United Kingdom differs from those in many other European countries, as it functions as an estate tax. Under this approach, tax is imposed on the estate of the deceased before the remaining assets are distributed to beneficiaries. [41,42]

Several European countries, including Austria, Cyprus, Estonia, Malta, Norway, Romania, Slovakia and Sweden, have either abolished inheritance tax or do not impose a specific inheritance tax.[43]

[41] Tax Foundation Europe (2026), 'Estate, Inheritance, and Gift Taxes in Europe, 2026'.
[42] Gov.UK, 'How Inheritance Tax works: thresholds, rules and allowances'. Accessed 30 September 2026.
[43] Tax Foundation Europe (2026), 'Estate, Inheritance, and Gift Taxes in Europe, 2026'.

Table 5: Inheritance Tax Rates in Selected European Countries[44]

Country	Rate
Spain	7.65% to 87.6%
Belgium	3% to 80%
France	5% to 60%
Denmark	up to 52.07%
Germany	7% to 50%
Switzerland[45]	up to 50%
Luxembourg	up to 48%
Greece	1% to 40%
Netherlands	10% to 40%
United Kingdom	20% to 40%
Slovenia	5% to 39%
Finland	7% to 33%
Ireland	**33%**
Hungary	9% to 18%
Iceland	10%
Lithuania	5% to 10%
Portugal[46]	10%
Italy	4% to 8%
Bulgaria	0.4% to 6.6%
Croatia	4%

Source: Tax Foundation Europe (2026), 'Estate, Inheritance, and Gift Taxes in Europe, 2026'. Accessed 14 September 2026.

[44] It should be noted that this table presents tax rates only; thresholds, exemptions, and reliefs have not been considered. In addition, it is important to note that each country has distinct mechanisms for taxing wealth and wealth transfers. As a result, this research maintains comparisons at a high level.
[45] Swiss rates vary by canton.
[46] Portugal does not levy tax on transfers to spouses, children, grandchildren, parents or grandparents. Instead, a 10% stamp duty applies to many transfers to other beneficiaries.

5. Conclusion

Inheritance Tax remains an important component of Ireland's Capital Acquisitions Tax system, generating significant Exchequer revenue while influencing how wealth is transferred between generations. Between 2021 and 2025, receipts from both CAT and Inheritance Tax rose substantially. Analysis of Revenue data also indicates significant variation in tax liabilities across beneficiary groups and geographic regions.

Issues have been raised with the current system. Rising property prices and falling family sizes increase calls for reforms to the thresholds for beneficiaries. There is no indexation of these thresholds. Some raise concerns about horizontal equity. Broader demographic changes, including evolving family structures and a growing number of individuals without children, may influence the distributional effects of the current Inheritance Tax regime in the years ahead.

The design of Inheritance Tax involves balancing a number of competing policy objectives. While the tax can contribute to addressing wealth concentration and disparities arising from inherited assets, international experience demonstrates that countries have adopted a range of different approaches. Some operate progressive rate structures, others apply flat rates, and several have abolished inheritance taxes altogether. In Ireland, policy proposals have included changes to tax rates, thresholds, and beneficiary group structures, each of which carries implications for equity, administrative simplicity, revenue sustainability, and economic efficiency. Any future reforms will need to balance a range of competing objectives, including fairness, the taxation of intergenerational wealth transfers, demographic change, and Exchequer sustainability. Ensuring that the tax system remains responsive to economic and social developments while maintaining an appropriate balance between equity, efficiency, and revenue generation will continue to be a key challenge for policymakers.

Contact: pbo@oireachtas.ie

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Houses of the Oireachtas
Leinster House
Kildare Street
Dublin 2
D02 XR20

www.oireachtas.ie
Tel: +353 (0)1 6183000 or 076 1001700
Twitter: @OireachtasNews

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