Capital Acquisitions Tax (CAT) thresholds, rates and aggregation rules

CAT group thresholds

Each Capital Acquisition Tax (CAT) group has a tax-free threshold amount. The threshold applies to the total taxable benefits you have received in that group. You must include the taxable value of any previous gifts and inheritances received since 5 December 1991 in the same group.

You only pay tax on the value of a gift or inheritance above the tax-free group threshold amount.

Applicable Tax -free thresholds since 7 December 2011

	Group A	Group B	Group C
On or after 2 October 2024	€400,000	€40,000	€20,000
9 October 2019 - 1 October 2024	€335,000	€32,500	€16,250
10 October 2018 - 8 October 2019	€320,000	€32,500	€16,250
12 October 2016 - 9 October 2018	€310,000	€32,500	€16,250
14 October 2015 - 11 October 2016	€280,000	€30,150	€15,075
6 December 2012 - 13 October 2015	€225,000	€30,150	€15,075
7 December 2011 - 5 December 2012	€250,000	€33,500	€16,750

Example 1

In her will, Sarah leaves a property worth €900,000 equally to her two children, Adam and Louise.

The value of Adam and Louise's benefit is €450,000 each. Neither Adam nor Louise have received any previous gifts or inheritances from either parent. They can both avail of the current Group A threshold of €400,000 in relation to this benefit. As each benefit exceeds the Group A threshold, they must both file an IT38 Return.

Calculation of Capital Acquisition Tax (CAT) due for both Adam and Louise

Value of property		€450,000
Less Group A threshold	€400,000	
Taxable excess	€50,000	
Tax due @ 33%	€16,500	

Example 2

Michael dies and, in his will, leaves:

a house to his mother, Catherine

and

- a bank account to his father, Adam.

As both parents are receiving an absolute inheritance with no conditions attached, Group A threshold applies to Catherine's and Adam's benefit from Michael.

Example 3

Carmel dies and, in her will, leaves:

- shares to her sister, Claire

- the income from the shares to her mother, Ann, for her lifetime

- a dwelling house to Claire

- a life interest in that dwelling house to Ann

and

- a bank account to Ann.

In this instance, two group thresholds will apply to Ann's inheritance.

Group A threshold applies to the bank account as this is an absolute interest.

Group B threshold applies to the income from the shares and the life interest in the dwelling house as these are limited interests.

Example 4

In 2023, Annie receives an inheritance valued at €34,000 from her sister. The Group B threshold at the date of the inheritance is €32,500. Annie has not received any prior gifts or inheritances under the Group B threshold. Annie pays CAT as follows:

Calculation of Capital Acquisition Tax (CAT) due for Annie	
Value of property	€34,000
Value of prior benefits in Group B	Nil
Less Group B threshold	€32,500
Taxable excess	€1,500
Tax due @ 33%	€495

On 1 March 2025, Annie receives an inheritance valued at €20,000 from her grandfather. The Group B threshold at the date of the inheritance is €40,000. Annie pays CAT as follows:

Calculation of Capital Acquisition Tax (CAT) due for Annie	
Value of property	€20,000
Value of prior benefits in Group B	€34,000
Less Group B threshold	€40,000
Taxable excess	€14,000
Tax due @ 33%	€4,620

Example 5

In 2023, Annie receives an inheritance valued at €34,000 from her sister. The Group B threshold at the date of the inheritance is €32,500. Annie has not received any prior gifts or inheritances under the Group B threshold. Annie pays CAT as follows:

Calculation of Capital Acquisition Tax (CAT) due for Annie	
Value of property	€34,000
Value of prior benefits in Group B	Nil
Less Group B threshold	€32,500
Taxable excess	€1,500
Tax due @ 33%	€495

On 1 March 2025, Annie receives an inheritance valued at €5,000 from her grandfather. The Group B threshold at the date of the inheritance is €40,000. No CAT is payable by Anne, as follows:

Calculation of Capital Acquisition Tax (CAT) due for Annie	
Value of property	€5,000
Value of prior benefits in Group B	€34,000
Less Group B threshold	€40,000
Taxable excess	Nil
Tax due @ 33%	Nil