

**Summary**

- Overall, the Exchequer deficit at end-2014 stood at €8,183 million compared to €11,503 million in the same period last year.
- The Exchequer deficit of €8,183 million represents an improvement of €1,407 million on the Budget 2014 consistent profile, driven by increases in tax and non-tax revenues and reduced interest expenditure.

**Revenue**

- Total tax revenue of €41,282 million was collected during 2014, an increase of €3,476 million (9.2%) on the previous year. In addition, cumulative tax revenues are €1,242 million (3.1%) ahead of target.
- With regards to the month of December, tax revenues were €114 million (3.8%) above the monthly target and up €500 million (19.1%) when compared to the same month last year.
- Income tax totalled €17,157 million for the year, an increase of €1,400 million (8.9%) year-on-year and up €112 million (0.7%) on profile. For the month of December, income tax receipts of €1,392 million were broadly on profile (€9 million shortfall) and up €113 million year-on-year.
- VAT receipts for the year totalled €11,153 million, up €413 million (3.8%) on profile and up €817 million (7.9%) in year-on-year terms. December was a non-due month and VAT receipts for the month were €100 million (43.6%) above profile.
- Corporation tax receipts for the year of €4,614 million are up €344 million (8.1%) year-on-year and €235 million (5.4%) above profile. Corporation tax receipts for the month of December at €430 million were up €25 million (6.3%) against profile.
- Excise duties, at €4,991 million for the year, were up €100 million (2.0%) year-on-year and also up €176 million (3.7%) against profile. In December, excise receipts were €69 million (13.8%) below the monthly target.
- Cumulative Stamp Duties at €1,687 million, were up €347 million (25.9%) year-on-year and up €211 million (14.3%) on profile, driven by the increased number of property transactions and receipts from the pension levy.
- Local Property Tax (LPT) receipts of €491 million were collected in the year, which was €58 million (10.6%) below profile.
- Taken together, the remaining smaller tax-heads – Customs, CGT and CAT – are up €295 million (33.0%) year-on-year and €152 million (14.7%) above profile. This is wholly attributable to the performance of CGT.

***Non-tax revenue***

- **Non-tax revenues**, at €2,966 million are up €290 million (10.8%) in year-on-year terms. This is driven by increased dividends and the transfer of €520 million of motor tax receipts, as a result of the restructuring of local government funding. These have been partially offset by lower ELG income due to the closure of the scheme to new liabilities.

### ***Capital receipts***

- **Capital receipts** for 2014 of €6,157 million, are up €1,950 million (46.3%) year-on-year. The main reasons for the increase are the repayments of Exchequer loans given to the Social Insurance Fund and the sale of the National Lottery license. These are somewhat offset by the non-recurrence of the sale of the Bank of Ireland CoCo's and the sale of Irish Life in 2013. The loan repayments to the Exchequer are cash flow related and have no impact on a general government basis on which achievement against fiscal targets are based on.

## **Expenditure**

### ***Voted Expenditure***

- Overall **Net voted expenditure** for the year, at €42,224 million, was €841 million (2.0%) above profile. In comparison to 2013, net voted expenditure was down €848 million (2.0%).
- **Net voted current expenditure** at €39,022 million was €638 million (1.7%) above profile driven by overspends in the Health Group which was €649 million (5.7%) over profile. Eleven Departments finished the year on or below profile. In year-on-year terms, net voted current expenditure for 2014 was €985 million (2.5%) lower.
- **Net voted capital expenditure** for the year amounted to €3,202 million, an increase of €137 million (4.5%) year-on-year, and €204 million (6.8%) above profile.
- **Gross voted expenditure** of €54,004 million was €1,017 million (1.9%) above profile. In year-on-year terms, gross voted expenditure was down €507 million (0.9%).

### ***Non-voted expenditure***

- **Non-voted capital expenditure** of €5,633 million for the year, was up €3,623 million year-on-year. This increase is primary driven by the temporary loans to the Social Insurance Fund.
- **Non-voted current expenditure**, excluding debt servicing costs, stood at €2,525 million for the year, compared to €3,027 million for the same period last year. The primary reason for the decrease is due to the significant reduction in bank guarantee payments associated with the liquidation of IBRC, which is partially offset by the transfer of local property tax receipts to the Local Government Fund.

### ***Debt Servicing costs***

- Total Exchequer debt servicing costs for 2014 were €8,206 million, a year-on-year increase of €122 million or 1.5%. Interest expenditure – the largest component of debt servicing – was 8.4% below the original Budget 2014 forecast. This is primarily due to the December 2013 bond-buy back which reduced interest expenditure in the early part of 2014, lower than expected costs from bond issuance in 2014 and a more favourable interest rate environment generally, including with respect to the resets on the floating rate bonds.