

# Budget 2026 Update

## AmCham's Budget 2026 Analysis

In its Budget 2026 submission, AmCham outlined the importance of bridging the infrastructure gap, addressing planning, housing, water and wastewater, transport and balanced regional development, bridging the energy gap, leading on the green transition, supporting talent attraction and skills, enhancing Ireland's RD&I environment, and leading on taxation, digital transformation, AI and cyber security.

Following the announcement of Budget 2026, AmCham recognises the Government's commitment to ensuring Ireland "*will always be a global voice for, and champion of, cooperation and trade*", alongside Government's intention to protect jobs and support growth. Minister Donohoe outlined the expectation that 63,500 jobs will be added to the Irish economy by the end of 2026, with the Department of Finance projecting that modified domestic demand will grow by 3.3 percent this year and by 2.3 percent next year.

You can listen to AmCham reaction to Budget 2026, following its announcement, in the video below.



AmCham's full Budget 2026 submission 'Ireland 2026 - Bridging Economies, Leading Change: Pioneering Prosperity in the Transatlantic Relationship' is available at [AmCham.ie](https://amcham.ie)

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## Taxation

Recent global economic and political uncertainty means that there is increased competition for investment as companies navigate changing realities. Ireland must adapt and it is now more important than ever that Ireland is considered an attractive and competitive location for inward investment. With modernisation of the Irish tax code and the enhancement of its offering, the opportunity exists for Ireland to remain a destination of choice for inward investment and business growth. Below are key asks from AmCham's Budget 2026 submission on taxation, and related measures announcement by the Government in Budget 2026:

### R&D Tax Credit

- **Ask:** Increase the R&D tax credit rate to 35 percent, keeping Ireland's offering globally competitive and encouraging long-term R&D investment, job creation, and skills development.
- **Result:** R&D tax credit rate is being increased from 30 percent to 35 percent.
- **Ask:** Amend Section 766 TCA 1997 to create a new subcontracting cap of 100 percent of internal R&D spend, allowing related party subcontracting costs where conditions are met; recognise agency staff working under a company's control and direction as internal R&D expenditure, reflecting the realities of modern R&D projects and supporting high-value STEM employment in Ireland.
- **Result:** Research and Development Compass is being launched in the coming weeks to consider targeted changes to the Research and Development Tax Credit to better align with industry practices, for example in the areas of outsourcing and qualifying expenditure definitions.

### Participation Exemption

- **Ask:** Extending the geographic scope of the participation exemption so as not to confine the exemption to dividends received from EU / EEA / tax treaty countries only, given that this approach is out of step with international norms.
- **Result:** The participation exemption introduced last year will be enhanced by expanding the geographic scope of the exemption to include jurisdictions where non-refundable withholding taxes apply and providing for a number of technical amendments to improve the operation of the relief.





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## Tax Treatment of Interest

- **Ask:** Introduce a simplified, elective interest deductibility regime to replace Ireland's current fragmented system and enhance competitiveness for US investment; providing a timeframe for the completion of the review and implementation of legislative change.
- **Result:** An Action Plan to reform the tax regime for interest has been published with a feedback statement being published in November for further consultation. Minister Donohoe said: "The phased approach of the plan will progress reforms to achieve a simplified regime that supports competitiveness and protects the tax base. In this regard, a feedback statement will be published in November for further consultation."

## Personal Taxation

- **Ask:** Protect, broaden and modernise competitive personal tax policies designed to attract key in-demand individuals to encourage talent to move to Ireland.
- **Result:** The Special Assignee Relief Programme (SARP) is being extended for 5 years, with the Minister stating that measures to simplify the administrative requirements will be outlined in the Finance Bill.

# Infrastructure

AmCham's Budget 2026 submission highlighted the need to ensure that housing supply is increased, alongside investments to energy, water and wastewater, and that critical transport infrastructure is progressed to sustain and strengthen Ireland's competitiveness in the years ahead. Below are some of the key asks made by AmCham regarding infrastructure and corresponding announcements from Government in Budget 2026:

## Housing

- **Ask:** Ensure a continued focus on, and delivery of, housing under the 'Housing for All' plan.
- **Result:** Budget 2026 will facilitate €5bn in capital investment in housing, in addition to investments made by the Land Development Agency and Approved Housing Bodies. Overall, the Department of Housing, Local Government, and Heritage will receive €11.3bn under Budget 2026.





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## Water and Wastewater

- **Ask:** Provide the necessary resourcing and capital investment for the delivery of vital projects regarding water and wastewater.
- **Result:** Uisce Eireann will receive €1.4bn under Budget 2026 to support the delivery of housing in Ireland. A commitment of €12.2bn for water and wastewater services has also been announced.

## Transport

- **Ask:** Accelerated transport development, including the continued development and delivery of MetroLink, DART+, and the Cork Commuter Rail Programme.
- **Result:** The Department of Transport will have a budget of €4.7bn under Budget 2026, funding progress in projects such as BusConnects, DART+ and the first phase of the Cork Area Commuter Rail project. €2bn is also being provided to the development of the MetroLink project.

## Energy and the Electricity Grid

- **Ask:** Enhance existing electricity grid capacity to avoid energy opportunity costs.
- **Result:** The ESB and Eirgrid respectively have been provided with €3.5bn under Budget 2026, this will contribute to the development of the energy security and to support the transition to renewable energy.

## Planning

- **Ask:** Implement measures to allow for the prioritisation of critical infrastructure projects, and to provide clarity with regard to timelines for planning applications given the importance of such timelines for investor confidence.
- **Result:** A new Action Plan will be published in November 2025 to address Ireland's infrastructure deficit. This will aim to address challenges and barriers within the planning system and to support the delivery of critical infrastructure projects, by cutting reducing administrative burdens, simplifying regulation, and striking a better balance between individual rights and the public good.

## National Broadband Plan

- **Ask:** Complete the rollout of the National Broadband Plan.
- **Result:** An allocation of €433m has been made to complete the National Broadband Plan.

AmCham's will shortly be publishing a white paper entitled *'Ireland's Immigration Pathways: Driving Competitiveness and Economic Growth'* which will be available at [AmCham.ie](https://amcham.ie)



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## Talent & Skills

Access to, and sustainability of, Ireland's highly educated and skilled workforce is critical to Ireland's long-term competitiveness and attractiveness for future investment. AmCham is committed to ensuring Ireland is an attractive location for talent and FDI. In its Budget 2026 submission, AmCham made a number of calls to strengthen Ireland's talent and skills landscape. Below are some of the key asks made by AmCham and related actions announced in Budget 2026:

- **Ask:** Enhance investment in Ireland's higher education institutional infrastructure to ensure it meets the needs of the education sector.
- **Result:** Budget 2026 provides for the development and operation of 11 technological university facilities, supporting STEM and related disciplines; and the progression of centres of excellence for retrofit skills, including Near Zero Energy Buildings and the National Demonstration Park for Modern Methods of Construction.
- **Ask:** Expand the range of apprenticeships available, informed by industry skills gaps, for instance in data and digital, AI and machine learning, and engineering, with a focus also on strategic roles including supply chain management and cyber security.
- **Result:** As part of Budget 2026, the Department of Further and Higher Education, Research, Innovation and Science will receive funding of almost €5bn. €4.1bn of current spending will facilitate the increased delivery of apprenticeships with a particular focus on supporting key infrastructure projects.



AmCham's will shortly be publishing a white paper entitled '*Ireland's Immigration Pathways: Driving Competitiveness and Economic Growth*' which will be available at [AmCham.ie](https://amcham.ie)

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## Digital Transformation and Cyber Security

AmCham's Budget 2026 submission highlighted the need to ensure that Ireland continues to focus on digital and cyber innovation. This will strengthen Ireland a digital leader on the global stage, given the pace of change in digital technologies and services. Below are some of the key asks made by AmCham regarding digital transformation and cyber security and key Budget 2026 announcements:

- **Ask:** Provide adequate resourcing and investment to the National Cyber Security Centre (NCSC), ComReg and all regulatory bodies to ensure the significant presence of cyber competencies within each body.
- **Result:** The recruitment of an additional 70 civil servants to work in critically important areas, such as cyber security.
- **Ask:** Protect and enhance Ireland's position as a digital regulatory hub within the EU.
- **Result:** €1.3bn is being provided to the Department of Enterprise, Tourism and Employment for:
  - The establishment of the National Artificial Intelligence Office to provide a focal point for the promotion and adoption of transparent and safe AI in Ireland.
  - Supporting Enterprise Ireland to strengthen its capacity to support Irish businesses in scaling innovation, accessing global markets and creating high-quality, sustainable jobs.
  - Supporting the IDA to continue to attract world class Foreign Direct Investment to our shores.
  - The promotion of regional enterprise development through the Local Enterprise Development Offices.

### Digital Healthcare

- **Ask:** Advance a fully digitalised healthcare system to bring care closer to the patient and patient outcomes.
- **Result:** Investment in digital health including the HSE Health App, National Share Care Record, and Virtual Wards.