

Analytical Note

How might US tariffs and
other policy changes affect
Ireland's corporation tax
receipts?

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Abstract

The U.S. has introduced wide-ranging policy changes this year. These include tariffs and other trade measures. A key question is how these might impact Irish corporation tax revenues. Corporation tax now accounts for well over one-quarter of Ireland's total tax receipts. Around three-quarters of it comes from large U.S. multinationals. Just two sectors—tech and manufacturing (mainly pharma)—account for about 87% of the corporation tax paid by large US-owned firms here. Analysing these policy changes, we make three key findings. First, most of Ireland's big corporation taxpayers have not been directly impacted by the tariffs—for now, at least. Second, Ireland's corporation tax revenues could be even higher in the short term, all else equal. This is because one large pharma group frontloaded exports to the US in advance of the expected tariffs. Third, Ireland's corporation tax revenues have become more uncertain—they could rise or fall significantly in the coming years. Profits in tech and pharma look set to remain strong in the near term, and therefore corporation tax looks set to become even more concentrated in these sectors. This concentration risk is amplified by the risk of further policy changes in US and international tax, trade, and industrial policy.

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A big risk to Ireland from US trade policy is corporation tax

The U.S. introduced tariffs on most goods this year. Both the measures themselves and the uncertainty around them have been a factor in companies delaying investment decisions.¹

Over time, the tariffs could have a direct impact on Ireland by dampening trade, future investment and job creation here. Some of the most comprehensive work in this area estimates a potential hit to employment at 2% by 2030 (Egan and Roche, 2025; Department of Finance, 2025). The impact on income tax and PRSI receipts may be a little larger since the sectors most likely to be directly impacted have highly paid jobs (Fiscal Council, 2025). Recent work from the Central Bank (2025) suggests that real national income in Ireland could be 0.6% lower as a result of tariffs arising from the recent EU-US trade deal.

A bigger question concerns the outlook for corporation tax revenues. The shift in the US policy stance poses substantial risks to these receipts. Ireland's corporation tax accounted for well over a quarter of all tax receipts in 2024.² About three-quarters of those receipts are paid by large U.S. multinationals (Cronin, 2025a). At some €20 billion, that equates to the Government's combined spend on hospital services, primary schools, and secondary schools in 2023 (Casey and Cronin, 2025).

Most of the biggest corporation taxpayers are US-owned pharma-chem and tech groups (Cronin, 2023; Cronin, 2025b). These two broad sectors can be broken down further into those that provide services and those that manufacture goods. These four key sectors are:

- Tech services
- Tech manufacturing
- Chemical and pharma manufacturing
- Other manufacturing

From 2018 to 2024, these four sectors made up just over half of Ireland's corporation tax revenues (McCarthy and Hayden, 2025). However, in reality, the reliance is probably a bit higher. Some firms, often classed as

¹ The U.S. Supreme Court is currently reviewing the legal basis for tariffs introduced earlier this year. A decision is expected by the end of this year.

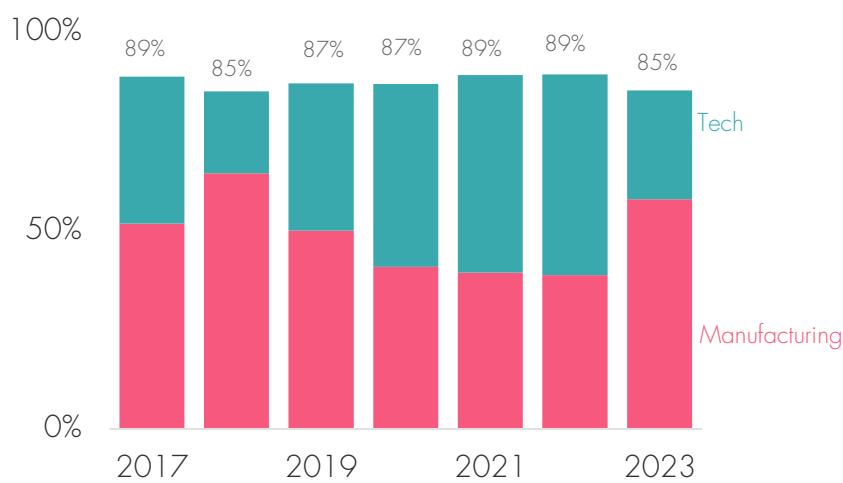
² This is even when receipts linked to the Court of Justice of the European Union ruling are excluded.

financial and insurance in official Irish data, are actually part of larger groups predominantly focused on manufacturing or tech activity (Cronin, 2025b).

Using US tax revenue data, Cronin (2025b) estimates that the manufacturing and tech sectors together accounted for, on average, 87% of the corporation tax paid by large US-owned multinationals in Ireland between July 2016 and June 2023 (Figure 1).

Figure 1: Manufacturing and tech sectors account for bulk of corporation tax paid by US multinationals in Ireland

% share of the corporation tax paid in Ireland by large US multinationals



Sources: Internal Revenue Service (2025) and author's workings.

Notes: The IRS publishes the corporation tax paid by large US multinationals in Ireland for each July-June period. For example, '2023' refers to the 12-month period from July 2022 to June 2023.

This note takes a deeper look at the risks to corporation tax from tariffs and US trade policy more generally. We look at where the exposures are to US developments, focusing on these four high-paying sectors dominated by US multinationals.

Tech services evade tariffs for now

The tech services sector has not been directly impacted by the tariffs or other retaliatory measures—for now, at least. The sector accounted for a record €6.2 billion (22%) of Ireland’s corporation tax revenues in 2024 (Figure 2).³

Figure 2: Tech services sector’s corporation tax payments surge in 2024

€ billion, corporation tax by tech services sector



Sources: McCarthy and Hayden (2025) and previous publications.

The sector has continued to perform strongly so far this year. Many large tech services groups have reported better-than-expected global revenue growth for the first nine months of 2025. Market analysts expect this growth to continue into next year at least (Steer, 2025).

What’s more, the profits booked by many large tech services groups in Ireland do not appear to come from sales to the US. Instead, our analysis of their financial statements suggests that virtually all of their profits arise due to sales in the Europe, Middle East and Africa, and Asia Pacific regions. Therefore, even if the US were to apply tariffs or other retaliatory measures to tech services, these would not directly impact large tech services firms based in Ireland.

However, corporation tax revenues from tech services firms remain exposed to other non-tariff risks.

First, the profitability of the biggest payers continues to be exposed to firm- and sector-specific risks. These include tighter regulation of the industry,

³ The 2024 share excludes any one-off receipts linked to the Court of Justice of the European Union ruling in the Apple State-Aid case. In addition, Ireland’s corporation tax receipts are probably even more reliant on the tech services sector than official Irish data implies. This is because some firms, often classed as financial and insurance activities, are actually part of larger groups mainly focused on manufacturing or tech activity (Cronin, 2025b).

pivots to new product forms, or senior leadership change. While many of these companies have seen their profits surge over the past decade, this may not continue indefinitely.

In addition, the biggest tech firms continue to invest heavily in artificial intelligence, hoping this will generate large profits in the future. However, it remains unclear whether these lofty profit expectations will be met (IMF, 2025). As a result, the range of possible outcomes for future profits, and by extension Irish corporation tax, is very wide and highly uncertain.

Second, the biggest payers are US firms and most of their profits come from their sales in foreign markets. Their group structures are sensitive to shifts in the global tax landscape, as well as further changes in tax, trade and industrial policy in the US.⁴ Ireland's corporation tax receipts have benefitted significantly from changes to international tax systems in the past (Cronin, 2025a). There is a risk future policy shifts reverse at least some of those gains.⁵

⁴ For example, the EU could impose a digital services tax if trade tensions with the US rise further or if the US fails to ratify Pillar I of the OECD's BEPS reforms. Such a tax would likely apply to selected gross revenue streams—such as online advertising—of large digital companies. It would mainly impact large tech groups with their EU headquarters in Dublin, such as Google and Meta (Enache, 2025; Martens, 2025).

⁵ In July 2025, President Trump signed into law the One Big Beautiful Bill Act. Although it maintains the headline US corporation tax rate at 21%, the Act lowers the tax burden for many US companies (EY, 2025). Early analysis by Goodbody (2025) suggests the impacts on Irish corporation tax revenues could be limited. However, the full impact will only become clearer over the time.

Chemical and pharma manufacturing could face higher tariffs

Corporation tax receipts from the chemical and pharma manufacturing sector peaked in 2022, at €5.5 billion. This was most likely due to the profits arising from the sale of Covid-related vaccines and drugs.

At present, tariffs on Irish pharma exports to the US are “effectively zero or close to zero” (European Commission, 2025). The 15% tariff ceiling will only apply once the US concludes a so-called Section 232 investigation into pharma imports, though the timeline for when this will be completed remains unclear. Even then, generic pharmaceutical medicines and their ingredients will remain exempt and be subject to near-zero tariffs (European Commission, 2025).

In the first five months of 2025, Irish exports to the US increased significantly. This was mainly driven by the pharmaceutical sector. By April this year, Irish pharma exports to the US had already exceeded the total for all of 2024.

It is clear that pharma companies frontloaded some exports to the US ahead of the expected tariffs. But has there been a level shift in pharma exports too? In other words, mixed in with the temporary surge to circumvent potential tariffs, has there also been some permanent increase in exports? The answer matters for Ireland’s corporation tax revenues. If pharma exports stay high, it makes sense to expect a rise in corporation tax receipts too (Box A).

Box A: Higher chemical and pharma exports usually lead to higher corporation tax revenues

Irish chemical and pharma exports have surged so far this year. But should we expect this to boost corporation tax revenues?

The short answer is probably yes. As Ireland’s chemical and pharma exports have grown, so too have the corporation tax revenues the sector generates (Figure 3). However, the link between the two can vary from year to year.

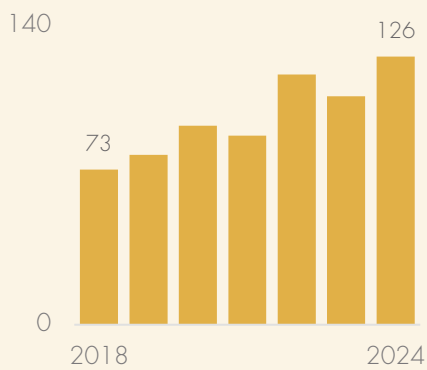
Corporation tax receipts tend to be more volatile than exports for two main reasons. First, some pharma products are much more profitable than others. As a result, the composition of pharma exports matters for corporation tax. The more profit a drug or active ingredient generates, the more corporation tax is likely to be paid, all else being equal.

Second, the timing of corporation tax payments does not always match when the exports occur. Large companies pay the bulk of their corporation tax in two instalments, in months 6

and 11 of their financial year.⁶ A final balancing payment is then due nine months after the financial year end. These payment dates may not line up with when the goods are actually exported.

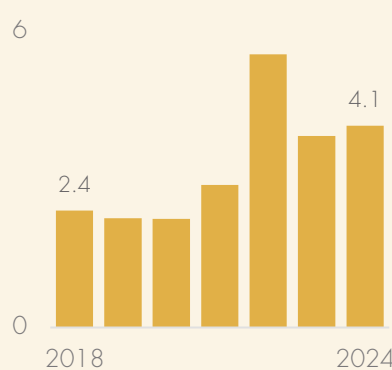
Figure 3: As chemical and pharma exports from Ireland have increased, so too has the corporation tax the sector contributes.

€ billion, Irish exports of organic chemicals and medicinal and pharmaceutical products



Source: CSO

€ billion, corporation tax revenues from the chemical and pharmaceutical manufacturing sector



Source: Revenue Commissioners⁷

To better understand the sharp increase in Irish pharma exports to the US, we consider a number of possibilities. Pharma companies might be:

- i. redirecting products from other markets
- ii. using up existing stockpiles
- iii. expanding production capacity in Ireland
- iv. exporting new, higher-value products

We now explore the evidence for each possibility in detail.

Pharma exports to the US grow, but not at expense of other markets

In 2025, pharma exports from Ireland to the US have surged, while exports to other markets have grown more modestly. Figure 4 shows Irish pharma exports from January to August each year since 2015. It suggests the sharp rise in US pharma exports is probably not due to goods being

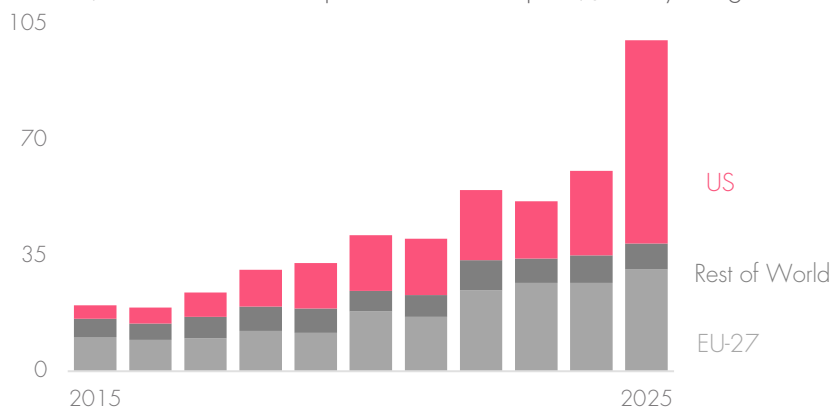
⁶ Large companies (those whose corporation tax liability was greater than €200,000 in the previous period) have two options for their first preliminary tax payment, due in month 6. The amount due is either: a. 50% of the preceding period's tax liability; or b. 45% of the expected final tax liability in the current period. The second preliminary tax payment in month 11 must bring the total paid up to 90% of the estimated liability for the period (Revenue Commissioners, 2025).

⁷ We are grateful to the Revenue Commissioners for providing us with this data for 2018-2020 on request. This had not been published previously. It is also worth noting that Ireland's corporation tax receipts are probably even more reliant on the chemical and pharma manufacturing sector than official Irish data implies. This is because some firms, often classed as financial and insurance activities, are actually part of larger groups mainly focused on manufacturing or tech activity (Cronin, 2025b).

redirected from other export markets. Instead, it likely reflects added production capacity in Ireland, the unwinding of existing stockpiles, or both.

Figure 4: Ireland's pharma exports surge, mainly to US

€ billion, Irish medicinal and pharmaceutical exports, January - August



Source: CSO.

Note: This chart shows Irish pharma exports from January to August each year.

Pharma companies reduced existing stockpiles in Ireland

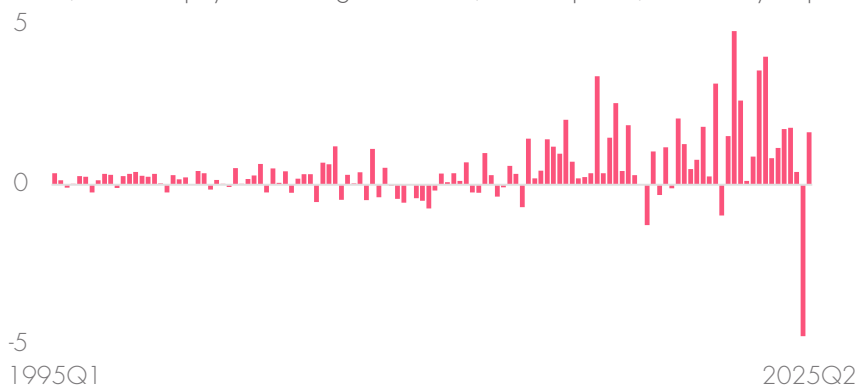
There are signs that pharma companies exported products from existing stocks in early 2025. Although not sector-specific, the CSO publishes quarterly data on the value of physical changes in stocks.⁸ It shows that stocks fell by €4.7 billion in Q1 2025, by far the biggest drop in the thirty-year series (Figure 5).⁹ This significant outflow was very likely driven by pharma companies running down their existing stocks.

⁸ This item measures the actual value change in stocks between the beginning and end of a quarter, adjusted for any changes in the prices of the underlying goods. It is a flow measure—it may be positive or negative, depending on whether stocks went up or down (CSO, 2025a).

⁹ A decline in the value of physical changes in stocks is unusual (Figure 5). For example, stocks increased by €0.9 billion in Q1 2023 and by €1.1 billion in Q1 2024. Therefore, compared to the recent average increase of €1 billion, the Q1 2025 outturn reflects a negative shift of €5.7 billion.

Figure 5: Sharp fall in stocks in the first quarter of the year

€ billion, Value of physical changes in stocks, current prices, seasonally adjusted



Source: CSO (2025a).

However, stock reduction alone does not come close to fully explaining the surge in pharma exports. Total pharma exports increased by €33 billion year-on-year in Q1 2025. This indicates that other factors, such as increased production capacity and the launch of new products, also played a role in driving the rapid export growth.

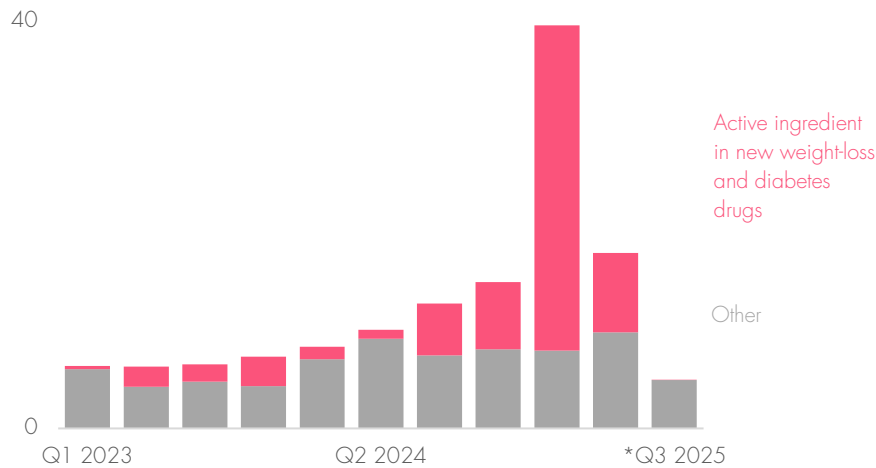
Pharma companies expand capacity to meet demand for new products

Almost all of the surge in pharma exports to the US in the first five months of 2025 was due to one product category: protein- and peptide-based hormones (Figure 6). This category includes the active ingredient used to make new and increasingly popular weight-loss and diabetes medicines (FitzGerald, 2025). This spike in exports likely reflects strong US demand for these medicines, along with stockpiling in the US ahead of potential tariff changes.¹⁰

¹⁰ Company financial statements show US sales of these weight-loss and diabetes medicines hit \$7.1 billion in Q3 2025, almost double the total in Q3 2024.

Figure 6: One active ingredient boosts Irish pharma exports to US

€ billion, Irish pharma exports to US



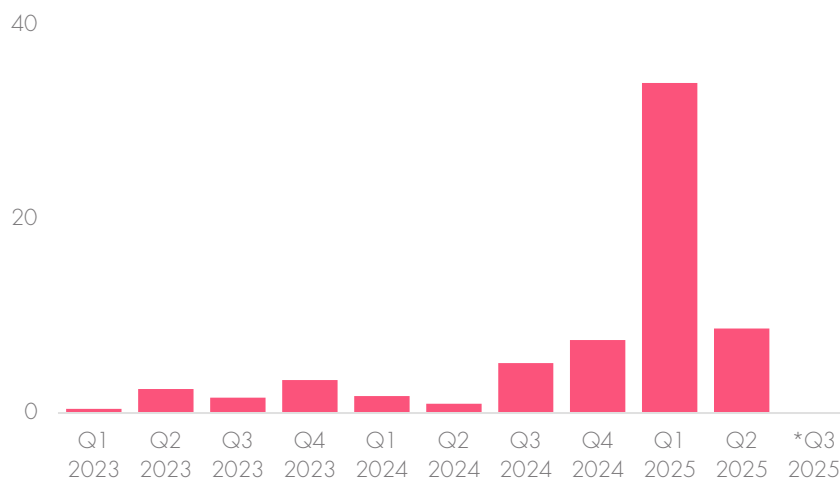
Source: Eurostat (2025).

*Q3 2025 includes only July and August, the most recent months for which data is available.

In addition, US customs data shows that all US imports of protein- and peptide-based hormones from Ireland go to the state of Indiana (Figure 7). This is where one very large producer of weight-loss and diabetes drugs is headquartered and operates several large manufacturing sites. This company also has a large and long-established presence in Ireland and recently expanded its manufacturing capacity here. It likely manufactures the active ingredient in Ireland before then processing it into finished medicines in Indiana.

Figure 7: This active ingredient is being exported to one state: Indiana

\$ billion, Imports of protein- and peptide-based hormones in Indiana from Ireland



Source: US Census Bureau.

*Q3 2025 includes only July, the most recent month for which data is available.

Growing concentration in Irish pharma exports

Irish pharma exports have become more concentrated. While getting ahead of expected tariffs appears to be the key driver behind the surge in pharma exports, there also seems to have been a permanent increase.

It is not yet clear how big this long-term increase in exports will be. Ireland appears to be a key manufacturing hub for the active ingredient used to make two blockbuster drugs, whose sales are forecast to increase substantially in the near-term.¹¹ As a result, pharma exports — and the tax revenues they generate — are likely to be higher than they would otherwise be in 2025, at the very least.

Long-term outlook for pharma carries huge uncertainty

Looking further ahead, the outlook for pharma is very uncertain. At present, the biggest Irish corporation taxpayers in the sector are those that manufacture active ingredients for branded medicines—the most profitable stage of drug manufacturing. Irish exports data and company financial statements suggest these ingredients are sold in both US and non-US markets. A key long-term objective of the tariffs and tax policy is to encourage more pharma manufacturing in the US.

How this will impact Irish corporation tax revenues remains unclear. On one hand, Ireland will likely remain an important manufacturing hub for non-US markets. On the other, it is still unclear how much manufacturing, if any, moves to the US from Ireland. Incentives to move intellectual property back to the US could also have a significant impact on corporation tax paid in Ireland.

Beyond tariffs, profits from the pharma sector may also be exposed to other risks.

On the positive side, strong underlying demand, new blockbuster drug approvals, expanded uses for existing drugs, and possible price increases in non-US markets could all boost profits.

However, profits could also be lower due to key products coming off patent, supply-chain disruptions, corporate restructurings, or failures to get approval for new drugs. In addition, China is not simply making generics

¹¹ One pharma sector analyst forecasts global sales of these drugs to reach \$62 billion in 2030, becoming two of the world's top three best selling drugs (Evaluate, 2025). In addition, the group's annual financial statements note that the patent for the active ingredient in these medicines has an estimated expiry date of 2036 in the US and 2037 in major European countries.

anymore—it is now developing high-quality biopharmaceuticals more quickly and cheaply than its western counterparts (Evaluate, 2025). China has a much smaller pharma footprint in Ireland, relative to the US.

Another emerging factor is the US drive to lower prescription drug prices domestically, which are on average 2.8 times higher than in other countries (Mulcahy et al., 2024).¹² From 2026, prices for ten specific drugs will be reduced, with more to be added in the coming years (Centers for Medicare and Medicaid Services, 2023).¹³ While some of the companies that make these drugs have big factories in Ireland, it is unclear if any of these drugs are manufactured here for the US market. In addition, the Trump administration has recently struck agreements with individual pharma companies to cut prices significantly on certain medicines and ramp-up manufacturing investment in the US in exchange for time-limited tariff exemptions.¹⁴

At this point, it is difficult to know what impact, if any, these policy changes will have on future Irish corporation tax revenues. For example, if the sale price of branded drugs in the US falls, then the profits of the firms that make them would also fall, all else equal.

Corporation tax revenues from pharma could go up by a lot or down by a lot. Multiple forces are at play, from potential tariffs and drug price reforms to new blockbuster drugs and buoyant underlying demand. Each could have an influence on the value of Ireland's pharma exports to the US and, hence, Ireland's corporation tax receipts.

¹² Prices varied widely by product. Brand-name drugs in the U.S. cost about 4.2 times more than in other countries, while generic drugs were generally cheaper—less than 70% of the price elsewhere (Mulcahy et al, 2024).

¹³ The Inflation Reduction Act (2022) allows Medicare, for the first time, to directly negotiate prices for certain high-cost, single-source drugs that lack generic alternatives (Centers for Medicare and Medicaid Services, 2023). The lower prices initially apply to ten drugs and will take effect for Medicare beneficiaries from 1 January 2026. Depending on the drug, prices will be 38% to 79% lower than the list price in 2023. An additional 15 drugs will have lower prices from 2027, with more added in the following years.

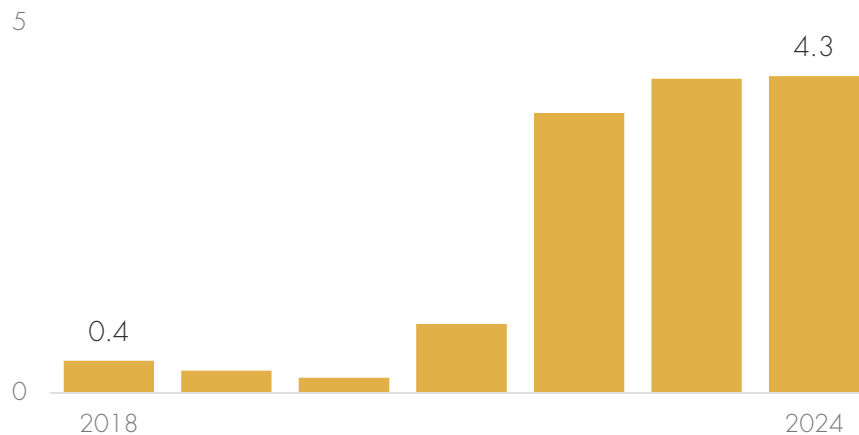
¹⁴ At the time of writing, the US Government has made agreements with Pfizer, AstraZeneca, Eli Lilly, and Novo Nordisk, with other companies likely to follow. While exact details remain confidential, reports suggest the agreements include commitments by the companies to reduce prices on certain prescription drugs and boost investment in the US. In return, the US Government will defer Section 232 tariffs on imported drugs for three years. The US Food and Drug Association has also agreed to accelerate the approval process for two new oral weight-loss medicines (AstraZeneca 2025; Pfizer, 2025; Temple-West, 2025).

Tariffs have had minimal impact on tech manufacturing sector so far

Corporation tax payments from the tech manufacturing sector rose sharply in 2022 and have remained high ever since (Figure 8).¹⁵

Figure 8: Jump in CT receipts from tech manufacturing sector in 2022

€ billion, corporation tax revenues from the tech manufacturing sector



Sources: McCarthy and Hayden (2025) and previous publications. We are grateful to the Revenue Commissioners for providing this data for 2018-2020 on request. This had not been published before.

This increase is likely driven by one of the world’s largest tech multinationals, which is almost certainly the sector’s largest taxpayer. Although this company had a strong manufacturing presence in Ireland when it first arrived in the early 1980s, this group’s operations today are mainly service-oriented (Coffey, 2020).¹⁶ The group has a number of subsidiaries in Ireland. Those still classified as tech manufacturing—likely for historical reasons—are almost certainly the sector’s biggest corporation taxpayers. There are two main reasons to support this.

First, this group pays most of its corporation tax in March and August—months in which few other large companies pay. Figure 9 shows that tax receipts collected during these months follow a fairly similar trend to the tech manufacturing sector overall: an uptick in 2021, a major increase in 2022, and continued strength through to 2024.

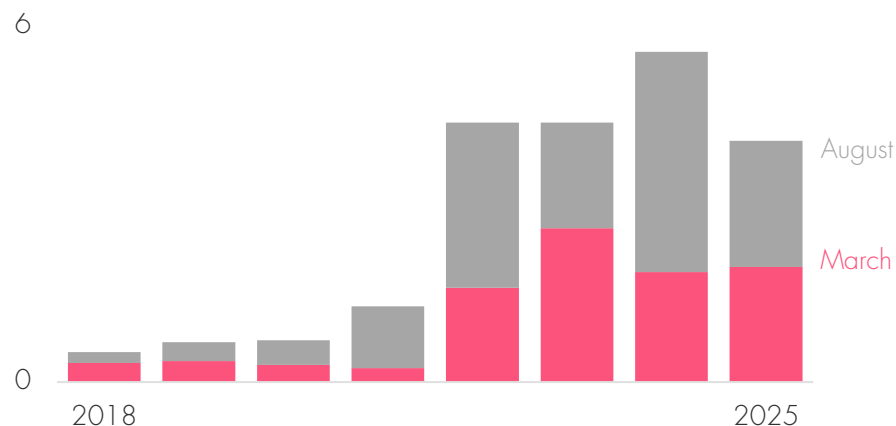
¹⁵ Ireland’s corporation tax receipts are probably even more reliant on the tech manufacturing sector than official Irish data implies. This is because some firms, often classed as financial and insurance activities, are actually part of larger groups mainly focused on manufacturing or tech activity (Cronin, 2025b).

¹⁶ The group still makes bespoke products in Ireland based on customer specifications. However, the bulk of its staff here work in services, including in-house roles like logistics and supply chain management, as well as customer-facing services such as support and invoicing (Coffey, 2020).

However, the patterns differ for a few reasons. Some of the group’s subsidiaries may be classified under other sectors, such as financial and insurance (Cronin, 2025b). Other companies also pay corporation tax in March and August, but none at the same scale as this very large tech group. In addition, Ireland hosts several major semiconductor manufacturers, which would also be classified as tech manufacturing.

Figure 9: Monthly corporation tax receipts also jump in 2022

€ billion, corporation tax revenues collected in March and August



Source: Department of Finance (2025)

Second, two firm-specific factors help explain why corporation tax payments in this sector rose sharply after 2020 (Coffey, 2023):

- i. the increase in 2021 and subsequent boom in 2022 may be linked to a substantial increase in the group’s profits, with the profit of a key Irish tax resident subsidiary possibly rising significantly above that which could be offset by capital allowances.¹⁷
- ii. the further increase may be due to the exhaustion of those capital allowances taking place. This means a larger share of the group’s profits became subject to corporation tax.

It is not yet clear why the combined corporation tax receipts in March and August declined in 2025. This group continues to perform well globally. Like many other large tech multinationals, it services markets outside the Americas from its Irish operations, making it less likely to be directly impacted by tariffs. Even though it has recorded some tariff costs, its global profit before tax has increased year on year.¹⁸

¹⁷ Back in 2015, this large multinational made a significant capital outlay to purchase intangible assets. This spending could be offset against trading profit as a capital allowance. In other words, the company was able to reduce its taxable income in Ireland for a number of years.

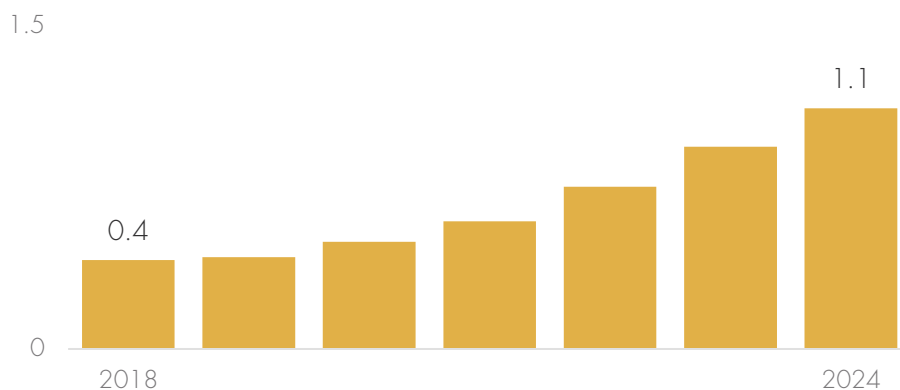
¹⁸ The group estimated tariff costs amounted to about 1% of total net sales between April and September and expects little change in the next quarter.

Other Manufacturing sector set to be directly impacted by tariffs

Corporation tax receipts collected from the other manufacturing sector have risen steadily in recent years, reaching €1.1 billion in 2024 (Figure 10). This represented just 4% of total corporation tax revenues.¹⁹

Figure 10: Steady rise in CT receipts from other manufacturing sector

€ billion, corporation tax revenues from the other manufacturing sector



Sources: McCarthy and Hayden (2025) and previous publications. We are grateful to the Revenue Commissioners for providing this data for 2018-2020 on request. This had not been published before.

The other manufacturing category covers a range of smaller sectors, many of which have already been impacted by tariffs. It likely includes all types of manufacturing, apart from chemical and pharma, and computer and electronic products.

Although we do not know for certain, the biggest corporation taxpayers are likely to be manufacturers of medical devices and soft drink concentrates. IBEC (2025) estimate medical devices made up €7.9 billion of total goods exports to the US in 2024, and concentrates €3.5 billion.²⁰

Many companies in the other manufacturing sector are likely to be directly affected by the tariffs when exporting to the US. It is still unclear how these changes will impact corporation tax revenues, but there is a clear risk they could decline. However, given this sector accounted for only 4% of corporation tax revenues in 2024, the overall impact is likely to be small.

¹⁹ The 2024 share excludes any one-off receipts linked to the Court of Justice of the European Union ruling in the Apple State-Aid case.

²⁰ Ireland's total goods exports to the US amounted to €73.5 billion in 2024 (CSO, 2025b).

More concentration, more risk

This note examines the potential impacts of US tariffs and broader trade policy on Ireland's corporation tax revenues. To identify where these revenues might be most vulnerable, we focus on the highest-paying sectors dominated by US multinationals.

We make three key findings.

First, most of Ireland's big corporation taxpayers have not been directly impacted by the tariffs—for now, at least. Two broad sectors—manufacturing (mainly pharma) and tech—account for, on average, 87% of the corporation tax paid by large US-owned multinationals in Ireland. Both the tech and pharma sectors have avoided US tariffs to date.

Second, Ireland's corporation tax revenues could be even higher than they might otherwise have been in the short term. This is because one large pharma group frontloaded some exports to the US ahead of the expected tariffs.

Third, Ireland's corporation tax revenues have become more risky. That is, future receipts could be much higher or lower than current levels.

On the upside, the short-term profit forecasts for most of the biggest tech taxpayers remain strong, supported by strong demand for their latest products and services. Advances in artificial intelligence could also potentially boost profits in the tech and pharma sectors in the coming years. In addition, Ireland appears to be a key manufacturing hub for the active ingredient used to make hugely popular weight-loss and diabetes medicines. These medicines are extremely profitable, and their sales are forecast to grow significantly.

More generally, Ireland has introduced a 1.5% minimum effective tax rate for large companies, as part of the OECD's Pillar II reforms. This means many large firms would pay more tax than they otherwise would from June 2026, assuming they maintain their current level of activity in Ireland. Cronin (2025a) estimates Ireland's corporation tax receipts could be in the region of €5 billion higher. This would be spread across 2026 and 2027, with the majority of the increase arising in 2026.

On the downside, there are still several risks surrounding corporation tax.

First, on policy, tariffs on pharmaceuticals imported into the US are still a possibility. There are also policies in motion to reduce drug prices in the

US. This could make the pharma sector here less profitable. Ireland's corporation tax receipts have previously benefitted significantly from shifts in the global tax landscape. However, there is a risk future policy shifts reverse at least some of those gains. For example, incentives for companies to move intellectual property back to the US or to restructure their operations could reduce the amount of corporation tax paid in Ireland. So far, we have yet to see clear evidence of this happening.

Second, much of the longer-term prospects of tech firms remain unclear. They depend on whether large investments in artificial intelligence generate higher profits, which is still uncertain. More generally, Ireland's biggest corporation taxpayers are US multinationals whose profits mainly come from sales in foreign markets. Their group structures will continue to be sensitive to changes in international tax regimes, as well as further changes in tax, trade and industrial policy in the US.

Ireland's corporation taxes have been highly concentrated for a long time. The top ten highest paying corporate groups accounted for 59% of total corporation tax receipts in 2024, up from around a third in 2008.

This concentration could be set to rise. The new 15% minimum effective tax rate will only apply to large multinationals. This means Ireland's corporation tax revenues will likely become even more reliant on a small number of very large US-owned multinationals. In addition, any future large profits from artificial intelligence and weight-loss or diabetes drugs will likely accrue to a small number of major players. Growing concentration increases the risk of sudden swings (up or down) in revenue.

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