

Compulsory disposals of livestock. FA96 s136 668.— (1) In this section—

“excess” means the excess of the relevant amount over the value of the stock to which this section applies at the beginning of the accounting period in which the disposal takes place;

“relevant amount” means the amount of any income received by a person as a result or in consequence of a disposal of stock to which this section applies;

“stock to which this section applies” means all cattle forming part of the trading stock of the trade of farming, where such cattle are compulsorily disposed of on or after the 6th day of April, 1993, under any statute relating to the eradication or control of diseases in livestock, and for the purposes of this section all cattle shall be regarded as compulsorily disposed of where, in the case of any disease eradication scheme relating to the eradication or control of brucellosis in livestock, all eligible cattle for the purposes of any such scheme, together with such other cattle as are required to be disposed of, are disposed of.

(2) Where stock to which this section applies is disposed of in an accounting period by a person carrying on the trade of farming, the person may elect to have the excess treated in accordance with subsections (3) to (5), and such election shall be made in such form and contain such information as the Revenue Commissioners may require.

(3) (a) Notwithstanding any other provision of the Tax Acts apart from paragraph (b), where a person elects in accordance with subsection (2), the excess shall be disregarded as respects the accounting period in which it arises and shall instead be treated for the purposes of the Tax Acts as arising in equal instalments in each of the 2 immediately succeeding accounting periods.

(b) Notwithstanding paragraph (a), where the person further elects, the excess shall be treated as arising in such equal instalments in the accounting period in which it arises and in the immediately succeeding accounting period.

(4) Where, not later than the end of the succeeding accounting period or succeeding accounting periods, as appropriate, referred to in subsection (3), the person incurs expenditure on the replacement of cattle in an amount not less than the relevant amount, the person shall be deemed to be entitled to a deduction under section 666 in respect of the amount of the excess, that section being applied as if “100 per cent” were substituted for “25 per cent”; but, where the expenditure incurred on such replacement is less than the relevant amount, the deduction under section 666 in each of the 2 accounting periods referred to in paragraph (a) or (b) of subsection (3) shall be reduced to an amount that bears the same proportion to the excess as the expenditure incurred in those 2 accounting periods bears to the relevant amount.

(5) An election under this section shall be made by notice in writing made on or before the specified return date for the chargeable period in which the stock to which this section applies is compulsorily disposed of.