

## PART 10 Reliefs

### Chapter 1 Agricultural relief

Provisions relating to agricultural property. CATA 1976 s19 89.—(1) In this section—

“agricultural property” means agricultural land, pasture and woodland situate in the State and crops, trees and underwood growing on such land and also includes such farm buildings, farm houses and mansion houses (together with the lands occupied with such farm buildings, farm houses and mansion houses) as are of a character appropriate to the property, and farm machinery, livestock and bloodstock on such property;

“agricultural value” means the market value of agricultural property reduced by 90 per cent of that value;

“farmer” in relation to a donee or successor, means an individual who is domiciled in the State and in respect of whom not less than 80 per cent of the market value of the property to which the individual is beneficially entitled in possession is represented by the market value of property in the State which consists of agricultural property, and, for the purposes of this definition—

(a) no deduction is made from the market value of property for any debts or encumbrances, and

(b) an individual is deemed to be beneficially entitled in possession to—

(i) an interest in expectancy, notwithstanding the definition of “entitled in possession” in section 2, and

(ii) property which is subject to a discretionary trust under or in consequence of a disposition made by the individual where the individual is an object of the trust.

(2) Except where provided in subsection (6), in so far as any gift or inheritance consists of agricultural property—

(a) at the date of the gift or at the date of the inheritance, and

(b) at the valuation date,

and is taken by a donee or successor who is, on the valuation date and after taking the gift or inheritance, a farmer, section 28 (other than subsection (7)(b) of that section) shall apply in relation to agricultural property as it applies in relation to other property subject to the following modifications—

(i) in subsection (1) of that section, the reference to market value shall be construed as a reference to agricultural value,

(ii) where a deduction is to be made for any liability, costs or expenses in accordance with subsection (1) of that section only a proportion of such liability, costs or expenses is deducted and that proportion is the proportion that the agricultural value of the agricultural property bears to the market value of that property, and

(iii) where a deduction is to be made for any consideration under subsection (2) or (4)(b) of that section, only a proportion of such consideration is deducted and that proportion is the proportion that the agricultural value of the agricultural property bears to the market value of that property.

(3) Where a taxable gift or a taxable inheritance is taken by a donee or successor subject to the condition that the whole or part of that taxable gift or taxable inheritance will be invested in agricultural property and such condition is complied with within 2 years after the date of the gift or the date of the inheritance, then the gift or inheritance is deemed, for the purposes of this section, to have consisted—

(a) at the date of the gift or at the date of the inheritance, and

(b) at the valuation date,

of agricultural property to the extent to which the gift or inheritance is subject to such condition and has been so invested.

(4) (a) The agricultural value shall cease to be applicable to agricultural property, other than crops, trees or underwood, if and to the extent that such property, or any agricultural property which directly or indirectly replaces such property—

(i) is sold or compulsorily acquired within the period of 6 years after the date of the gift or the date of the inheritance, and

(ii) is not replaced, within a year of the sale or within 6 years of the compulsory acquisition, by other agricultural property,

and tax is chargeable in respect of the gift or inheritance as if the property were not agricultural property, but this paragraph shall not apply where the donee or successor dies before the property is sold or compulsorily acquired.

(b) If an arrangement is made, in the administration of property subject to a disposition, for the appropriation of property in or towards the satisfaction of a benefit under the disposition, such arrangement is deemed not to be a sale or a compulsory acquisition for the purposes of paragraph (a).

(c) The agricultural value in relation to a gift or inheritance referred to in subsection (2) shall cease to be applicable to agricultural property, other than crops, trees or underwood, if the donee or successor is not resident in the State for any of the 3 years of assessment immediately following the year of assessment in which the valuation date falls.

(5) For the purposes of subsection (2), if, in the administration of property subject to a disposition,

property is appropriated in or towards the satisfaction of a benefit in respect of which a person is deemed to take a gift or an inheritance under the disposition, the property so appropriated, if it was subject to the disposition at the date of the gift or at the date of the inheritance, is deemed to have been comprised in that gift or inheritance at the date of the gift or at the date of the inheritance.

(6) Subsection (2) shall apply in relation to agricultural property which consists of trees or underwood as if the words "and is taken by a donee or successor who is, on the valuation date and after taking the gift or inheritance, a farmer," were omitted from that subsection.

(7) In this section, any reference to a donee or successor includes a reference to the transferee referred to in section 32 (2).