

Schedule D Case V

(Taxation of rents and certain other payments):

Allowability of accountancy and administrative costs

Part 04-08-04

Document reviewed August 2019

The deductions allowed in computing taxable Case V income are listed in section 97(2) Taxes Consolidation Act 1997 (TCA). Section 97(2)(d) authorises a deduction in respect of “the cost of ... management of the premises borne by the person chargeable and relating to and constituting an expense of the transaction or transactions under which the rents or receipts were received”.

Accountancy fees arguably relate more to the management of the landlord’s financial affairs than to the management of the premises. Also, such expenses may not constitute an expense of the transaction under which the rents were received. However, it is recognised that the efficient running of a business of letting premises requires that a financial account be prepared.

Accordingly, Revenue is prepared to treat accountancy fees incurred for the purposes of **preparing a rent account** as an allowable deduction in computing Case V income. Accountancy fees incurred for purposes other than preparing a rent account are not allowable as a Case V deduction.