

Relief on dissolution of farming partnerships

Part 19-06-03A

This document should be read in conjunction with section 598A of the Taxes Consolidation Act 1997.

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Relief on dissolution of farming partnerships

3.A1 **Section 598A** provides capital gains tax relief for farming partnerships on the dissolution of such partnerships. The relief provides that a gain will not be treated as accruing in respect of a relevant asset and that asset will be treated as having been acquired at the same time and for the same consideration as it was originally acquired by the partner who disposed of it.

For the purpose of this section a “relevant asset” is an asset which is jointly owned by the partners in a farming partnership.

3.A2 The asset being disposed of must have been owned and used by the farming partnership for 10 years prior to its dissolution. Where one of the partners has acquired a share of a relevant asset by way of inheritance, the period of ownership and use of that asset will run from the date that partner originally entered the partnership.

3.A3 The section applied to disposals on or after 13 March 2008. It ceased on 31 December 2013.