

## [19.7.3B] Relief for farm restructuring (S. 604B)

Updated: May 2017

A more recent version of this manual is available.

---

1. Section 604B (inserted by section 48 Finance Act 2013) gives relief from capital gains tax for farm restructuring. The provision came into operation on 6 June 2013 as a result of a Commencement Order made by the Minister for Finance ([S.I. No. 193 of 2013](#)).
2. The relief applies to a sale, purchase or exchange in the relevant period (i.e. 1 January 2013 to 31 December 2019) where Teagasc has certified that a sale and purchase or an exchange of agricultural land was made for farm restructuring purposes.
3. The initial sale, purchase or exchange must occur in the relevant period and the subsequent sale or purchase must occur within 24 months of that sale or purchase. Accordingly, where a disposal of land takes place on 31 December 2018, the relief can be claimed if replacement land is acquired before 31 December 2020, i.e. within 24 months. Similarly, if land is acquired on 31 December 2018 (i.e. before a sale), the relief may be claimed if a sale of land occurs before 31 December 2020 (i.e. within 24 months of land being acquired).
4. Full relief from capital gains tax will be given where the consideration for the purchase or the exchange of agricultural land is equal to or exceeds the consideration for the sale or the other land that is exchanged. Where the consideration for the purchase or exchange is less than the consideration for the land that is sold or the other land that is exchanged, relief will be given in the same proportion that the consideration for the land that is purchased or exchanged bears to the consideration for the land that is sold or the other land that is exchanged.
5. A clawback of the relief is provided for where qualifying land in respect of which relief has been given is disposed of within 5 years of the date of purchase or exchange of that land. The clawback does not apply where the disposal arises under a compulsory purchase order.