Irish Tax and Customs

Scheme for Retirement of Farmers

Part 19-07-09 Document last reviewed May 2018 This document should be read in conjunction with Section 612 of the Taxes **Consolidation Act 1997** The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be Rev (\mathbf{P}) assumed that the guidance is comprehensive or that it provides a Cáin agus Custaim na hÉireann definitive answer in every case.

2

Introduction

9.1

The European Communities (Retirement of Farmers) Regulations 1974 were introduced to encourage older framers to retire and provided that a farmer would get an annual pension and a capital sum (called a premium) in addition to the normal purchase price on the sale of the farm. Section 612 provides that any such capital sum or premium is not to be included in the consideration for the disposal of the farm. Thus, such capital sums or premia are exempt from capital gains tax.

A premium paid under the European Communities (Retirement of Farmers) Regulation, 1974, is not to be included in the consideration for the disposal in relation to which the premium is provided.