

Capital Taxes

Our Team



Rory Meehan, Head of Taxation

With extensive experience in succession planning, Rory Meehan advises clients on the transfer of businesses to the next generation, the disposal of businesses to third parties and reorganisations within existing ownership structures. He has specific experience relation to the interaction of tax and commercial issues so as to ensure that tax is consistent with the overall objectives.

T +353 (0) 1 646 9003 · E rory.meehan@rsmfsgs.ie

Capital Taxes

Ever since the Commission on Taxation reported what seems like eons ago, we have expected changes in regard to capital taxes. Today the Minister for Finance finally opened the Pandora's Box but thankfully did not let all the evils out.

Capital Gains Tax

The Capital Gains Tax rate was increased from 25% to 30% and in line with that the Capital Acquisitions Tax rate (which applies to inheritances and gifts) was also increased to 30%. Many anticipated a greater increase but perhaps the Minister realised that he might have killed off all movements of capital if he had done so.

The tax free threshold for Capital Acquisitions Tax purposes which exists between parents and children was reduced by a third to €250,000.

Farmer Taxation

In the statement accompanying the Budget, under the "Farmer Taxation" section, there was an announcement of an incentive to transfer business and farming assets before a person reaches the age of 66. Full relief will apply until then, but afterwards there will be a cap of €3m on inter-family transfers. Outside the family, the limits will be €750,000 and €500,000 respectively. It's not clear if businesses other than farming will be affected in the same way. No reference was made to the Business Relief available under the CAT legislation. The retention of these reliefs is welcome.

However Government strategy in the area of pensions may mitigate against this as individuals may not have sufficient funds accumulated to enable them to transfer the businesses and retire. A rethink of the moves made in recent years against pensions should be done in conjunction with the review of the Capital Gains Tax Retirement Relief.

Contact Rory Meehan, Partner, Head of Tax, for more information
rory.meehan@rsmfsgs.ie or call 01 646 9003

www.rsmfarrellgrantsparks.ie

For further information please contact:

RSM Farrell Grant Sparks

Molyneux House, Bride Street
Dublin 8, Ireland

T +353 (0) 1 418 2000
F +353 (0) 1 418 2044
E dublin@rsmfsgs.ie

Church Street, Longford
Co Longford, Ireland

T +353 (0) 43 334 1900
F +353 (0) 43 334 1754
E longford@rsmfsgs.ie

RSM McClure Watters

Number One, Lanyon Quay
Belfast BT1 3LG, Northern Ireland

T +44 (0)28 9023 4343
F +44 (0)28 9043 9077
E office@rsmmcw.com