

## Capital Gains Tax – Entrepreneur Relief Statistics

### Background

Section 597AA of the Taxes Consolidation Act 1997 (inserted by the Finance Act 2015) introduced a revised relief for entrepreneurs disposing of certain business assets. A qualifying business is a business other than the holding of securities or other assets as investments, the holding of development land or the development or letting of land. The relief applies to individuals only.

The relief initially provided for a 20% rate of CGT applicable to chargeable gains on disposals of qualifying business assets on or after 1 January 2016 up to a lifetime limit of €1m. This 20% rate was reduced to 10% by Finance Act 2016 in the case of disposals made on or after 1 January 2017.

### Statistics

The tables on the following pages provide statistical breakdowns of the Exchequer cost and other features of Entrepreneur relief.

### Estimated Exchequer cost of Entrepreneur Relief by accounting period

Year	Amount €m	Number of Tax Units
2016	20.4	406
2017	81.8	875

### Breakdown by economic activity code (NACE) of the Relief claimant

Sector	Number	2016		Number	2017	
		Gain Amount €m	Cost Amount €m		Gain Amount €m	Cost Amount €m
Agriculture Forestry and Fishing	42	6.1	0.8	91	15.2	3.5
Manufacturing	<10	1.3	0.2	10	2.3	0.5
Construction	20	5.1	0.7	52	10.1	2.3
Wholesale and retail trade	18	3.9	0.5	59	24.4	5.6
Transportation and Storage	<10	0.3	0.0	13	0.9	0.2
Accommodation and food service activities	16	5.7	0.7	30	10.8	2.5
Information and Communication	<10	1.4	0.2	29	12.5	2.9
Financial and Insurance Activities	17	10.0	1.3	26	12.6	2.9
Real Estate Activities	46	25.7	3.3	124	75.6	17.4
Professional Scientific and Technical Activities	64	19.0	2.5	131	44.1	10.1
Human health and Social Work activities	22	7.5	1.0	40	13.6	3.1
Other Activities and Sectors	19	5.2	0.7	40	9.2	2.1
Other including individuals with a "director only" code	122	65.8	8.5	230	124.7	28.7
<b>Total</b>	<b>406</b>	<b>156.6</b>	<b>20.4</b>	<b>875</b>	<b>355.8</b>	<b>81.8</b>

### Entrepreneur Relief by amount of gain

Amount of Relief Claimed	2016		2017	
	Number of Cases	Amount €m	Number of Cases	Amount €m
€1 to €20,000	48	0.5	65	0.7
€20,001 to €40,000	34	1.0	82	2.5
€40,001 to €60,000	27	1.4	68	3.4
€60,001 to €80,000	20	1.4	42	3.0
€80,001 to €100,000	24	2.2	38	3.5
€100,001 to €200,000	53	8.4	136	20.4
€200,001 to €500,000	78	25.7	152	48.7
€500,001 to €999,999	43	31.3	139	107.5
€1,000,000+*	79	84.8	153	166.2
<b>All</b>	<b>406</b>	<b>156.6</b>	<b>875</b>	<b>355.8</b>

\*Includes claims by self and spouse

## Description of Assets and Aggregate Consideration for Tax Payers who claimed Entrepreneur Relief

A breakdown of the disposal consideration associated with all assets reported by claimants of the relief is as shown below. Due to the format of the tax returns it is not possible to show the assets in respect of the claim in respect of section 597AA. Therefore, the table below indicates all asset disposals in 2016 and 2017 by the claimants.

Description of Assets	Aggregate Consideration Declared	
	2016 €m	2017 €m
Shares/Securities - Quoted	41.4	87.9
Shares/Securities - Unquoted	298.6	683.1
Agricultural Land/Buildings	9.1	28.0
Development Land	6.3	0
Commercial Premises	25.5	25.8
Residential Premises	6.3	12.9
Shares or Securities exchanged (S. 913(5))	0.4	96.1
Other Assets	30.1	81.9
<b>Total Consideration</b>	<b>418.1</b>	<b>1,015.7</b>

It is also worth noting that in 2017 there were 609 proprietary directors claiming €278m with an associated cost of €63.9m. Of these, 54 have a farmer marker on their tax returns. These cases had claims of €16.5 million with a cost of €3.8 million. In total, 128 farmers claimed €27.5m Entrepreneur Relief with an associated cost of €6.3m.