

Statistics on the Relief on Disposal of Certain Land or Buildings (Section 604A)

May 2021

Information on the operation of this Relief is available on the Revenue website <https://www.revenue.ie/en/gains-gifts-and-inheritance/cgt-reliefs/property-acquired-between-7-December-2011-and-31-December-2014.aspx>

For queries of a statistical nature in relation to the relief, please contact statistics@revenue.ie



Background

This publication presents statistics on Section 604A Relief.

Section 604A of the Taxes Consolidation Act 1997 introduced a Capital Gains Tax (CGT) relief on disposals of land or buildings acquired in the period commencing on 7 December 2011 and ending on 31 December 2013.

Section 44 Finance (No.2) Act 2013 extended the period within which the land or buildings may be acquired for the purpose of this relief to 31 December 2014.

Section 604A was further amended by Section 33 Finance Act 2017, which provides that, as regards disposal made on or after 1 January 2018, gains on land and buildings acquired between 7 December 2011 and 31 December 2014 are not chargeable gains where the land or buildings are held for at least 4 years and up to 7 years from the date they were acquired.

Where land or buildings is held for more than 7 years, the relief prior to the FA 2017 amendment applies. This means that the relief applies in the proportion that the period of 7 years bears to the period of ownership of the asset. For example, if the property has been owned for 10 years, relief is given on 7/10ths of the gain.

The tables on the next page provide initial information available on this relief from tax returns for 2018. It should be noted that the cost shown is only in respect of claims on tax returns filed and does not include any cost associated with property not yet disposed of or included in CGT returns that may become available at a later date. The information in the tables is provisional and could be revised as claims are examined or additional claims are received.

Exchequer Cost of Section 604A

| Year | Number of Claims | Companies Amount Claimed €m | Cost €m | Number of Claims | Other* Amount Claimed €m | Cost €m | Number of Claims | Total Amount Claimed €m | Cost €m |
|------|------------------|-----------------------------|---------|------------------|--------------------------|---------|------------------|-------------------------|---------|
| 2018 | 59 | 187 | 62 | 573 | 155 | 51 | 632 | 342 | 113 |
| 2019 | 102 | 298 | 98 | 788 | 239 | 79 | 890 | 537 | 177 |

*Taxpayers filing Form 11 Returns of Income for Income Tax.

2019 Distribution of Relieved Gain for Section 604A

| Range of Gain Relieved | Number of Claimants | Amount Claimed €m | Exchequer Cost €m |
|------------------------|---------------------|-------------------|-------------------|
| €1 - €20,000 | 169 | 1.0 | 0.3 |
| €20,001 - €40,000 | 69 | 2.0 | 0.7 |
| €40,001 - €60,000 | 83 | 4.2 | 1.4 |
| €60,001 - €80,000 | 87 | 6.1 | 2.0 |
| €80,001 - €100,000 | 64 | 5.8 | 1.9 |
| €100,001 - €200,000 | 171 | 24.6 | 8.1 |
| €200,001 - €500,000 | 135 | 41.2 | 13.6 |
| €500,001 - €1,000,000 | 44 | 29.5 | 9.7 |
| €1,000,000+ | 68 | 422.4 | 139.4 |
| Total | 890 | 536.7 | 177 |

2018 Distribution of Relieved Gain for Section 604A

| Range of Gain Relieved | Number of Claimants | Amount Claimed €m | Exchequer Cost €m |
|------------------------|---------------------|-------------------|-------------------|
| €1 - €20,000 | 202 | 1.0 | 0.3 |
| €20,001 - €40,000 | 76 | 2.3 | 0.8 |
| €40,001 - €60,000 | 55 | 2.7 | 0.9 |
| €60,001 - €80,000 | 45 | 3.1 | 1.0 |
| €80,001 - €100,000 | 30 | 2.7 | 0.9 |
| €100,001 - €200,000 | 77 | 11.0 | 3.6 |
| €200,001 - €500,000 | 69 | 20.8 | 6.9 |
| €500,001 - €1,000,000 | 28 | 18.9 | 6.2 |
| €1,000,000+ | 50 | 279.1 | 92.1 |
| Total | 632 | 342 | 113 |

2019 Breakdown of Section 604A by Business Sector of the Claimant

| Sector | Number of Claimants | Amount Claimed €m | Exchequer Cost €m |
|-------------------------------------|---------------------|----------------------|----------------------|
| Real Estate Activities | 332 | 186 | 61 |
| Agriculture Forestry & Fishing | 64 | 12 | 4 |
| Public Administration | 122 | 74 | 25 |
| Financial & Insurance | 62 | 15 | 5 |
| Professional Scientific & Technical | 73 | 26 | 9 |
| Construction | 78 | 52 | 17 |
| Wholesale & Retail Trade | 37 | 20 | 7 |
| Information & Communication | 17 | 2 | 1 |
| Other Sectors | 105 | 149 | 49 |
| Total | 890 | 537 | 177 |

2018 Breakdown of Section 604A by Business Sector of the Claimant

| Sector | Number of Claimants | Amount Claimed €m | Exchequer Cost €m |
|-------------------------------------|---------------------|----------------------|----------------------|
| Real Estate Activities | 201 | 106 | 35 |
| Agriculture Forestry & Fishing | 76 | 7 | 2 |
| Public Administration | 73 | 21 | 7 |
| Financial & Insurance | 62 | 10 | 3 |
| Professional Scientific & Technical | 53 | 19 | 6 |
| Construction | 45 | 146 | 48 |
| Wholesale & Retail Trade | 26 | 3 | 1 |
| Information & Communication | 16 | 12 | 4 |
| Other Sectors | 80 | 18 | 6 |
| Total | 632 | 342 | 113 |

2019 Breakdown of Section 604A by Asset Type*

| Description of Assets | Number of Claimants | Amount of Gain Relieved €m | Exchequer Cost €m |
|-----------------------------|---------------------|-------------------------------|----------------------|
| Agricultural Land/Buildings | 25 | 14.7 | 4.9 |
| Development Land | 11 | 3.3 | 1.1 |
| Commercial Premises | 140 | 245.8 | 81.1 |
| Residential Premises | 430 | 88.4 | 29.2 |
| Other Assets | 103 | 8.0 | 2.6 |
| Total | 709 | 360.2 | 118.9 |

2018 Breakdown of Section 604A by Asset Type*

| Description of Assets | Number of Claimants | Amount of Gain Relieved €m | Exchequer Cost €m |
|-----------------------------|---------------------|-------------------------------|----------------------|
| Agricultural Land/Buildings | 32 | 2.8 | 0.9 |
| Development Land | 20 | 72.6 | 24.0 |
| Commercial Premises | 56 | 135.2 | 44.6 |
| Residential Premises | 242 | 41.9 | 13.8 |
| Other Assets | 171 | 4.7 | 1.6 |
| Total | 547 | 262.3 | 86.6 |

**Reflects gain relieved where disposal of a single asset type is reported on tax returns. Further Section 604A claims are included in multiple asset disposals. It is not possible to provide an asset breakdown in respect of Section 604A claims only for these.*