

Items to be treated as Machinery or Plant

Section 284 TCA 1997

Part 09-02-01

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Introduction

This instruction outlines Revenue decisions in relation to items that could be regarded as machinery or plant for the purposes of qualifying for wear and tear allowances under section 284 TCA 1997.

1. Fish Cages

Fish cages used in fish farming (freshwater lakes or offshore) should be regarded as plant and machinery for capital allowances purposes. Fish cages used for the rearing etc. of fish have, in varying degrees, clearly active functional features such as automatic feeding units, facilities to transport and to separate and grade fish, etc. The cages are marketed in this country under a number of different brand names including Wavemaster, Farmoccean, Steelfarms and Bridgestone.

2. Marina Furniture

Certain marina furniture used in a commercial marina for berthing boats and other craft is regarded as plant. The allowable items are pontoons, anchors, gangways, equipment and conduit for utilities and the movable access bridge but not the piles.

3. Taxi Plates

The cost or value of the taxi licence plate represents both the actual licence plate itself, which is plant, and the right to trade, which is not. It is only the part of the cost which is attributable to the actual licence plate that is regarded as plant. This will be a nominal amount.

4. Videotapes

Extract from Tax Briefing, Issue 14 (May 1994)

The matter of whether videotapes should be classified as fixed assets or as stock in trade in the accounts of a video retailer and/or renter is essentially an accountancy matter to which the ordinary rules of commercial accounting apply. The tax treatment will follow the accountancy classification.

Where the videotapes are used in a video rental business, accountancy practice would require the tapes to be treated as fixed assets - on which capital allowances may be claimed. Where the videotapes are used in a video retailing business, they would be treated as stock in trade on which capital allowances would not be due. In relation to the sale of ex-rental videos the correct accountancy adjustments and capital allowance adjustments must be followed to reflect the change from fixed asset status to trading stock status.