

# Capital Acquisitions Tax Consolidation Act 2003

## Section 82: Exemption of certain receipts

This document should be read in conjunction with section 82 of the Capital Acquisitions Tax Consolidation Act (CATCA) 2003.

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## 1 Introduction

Section 82 CATCA 2003 provides for the exemption of certain receipts from Capital Acquisitions Tax (CAT). In particular, section 82 grants exemption from CAT on the receipt of, certain compensation payments or damages, bona fide winnings from betting, lotteries, etc., certain payments in bankruptcy matters, certain ex-gratia payments, certain payments within the family for support, maintenance or education and receipts from certain trusts taken by an incapacitated individual.

This manual provides an overview of these exemptions.

## 2 Exemption of certain receipts

**Subsection (1)** provides that certain receipts are not gifts or inheritances, as follows:

- compensation or damages received by a person for any wrong or injury suffered by that person to their person, property, reputation or means of livelihood;
- compensation or damages received by a person for any wrong or injury resulting in the death of any other person;
- *ex-gratia* payments made on or after 1 August 2013 to an individual or to the estate of a deceased individual by the Minister for Justice, Equality and Defence pursuant to the Magdalene Commission Report in respect of women who were admitted to and worked in Magdalene Laundries (the exemption does not extend to the beneficiaries of any subsequent distribution of that individual's estate);
- general payments and work-related payments made to an individual applicant, or to the estate of a deceased individual applicant, under the Mother and Baby Institutions Payment Scheme Act 2023<sup>1</sup> (the exemption does not extend to the beneficiaries of any subsequent distribution of that individual's estate);
- *ex-gratia* payments made on or after 11 March 2019 pursuant to the CervicalCheck non-disclosure ex-gratia Scheme. Where such payments are made to the estate of a deceased individual, the exemption does not extend to the beneficiaries of that individual's estate;
- *ex-gratia* payments made on or after 9 August 2024 under Phase 1 of the Stardust ex-gratia payment scheme, being the scheme administered by the Minister for Justice in furtherance of a decision of the Government of 9 August 2024 for the families of the deceased victims of the Stardust fire;
- payments made under the COVID-19 Death in Service Scheme for Healthcare Workers;

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<sup>1</sup> For further information on these payments, please see <https://www.gov.ie/en/campaigns/2938d-the-mother-and-baby-institutions-payment-scheme/>.

- winnings (in money or in money's worth) from *bona fide* betting, lotteries, raffles or other games with prizes;
- any benefit arising out of the discharge of a debt under a Debt Relief Notice or the discharge or reduction in the amount of a debt under a Debt Settlement Arrangement or a Personal Insolvency Arrangement (in accordance with the Personal Insolvency Act 2012), other than by reason of payment of that debt;
- property provided by friends of a bankrupt person or an arranging debtor to the Official Assignee in Bankruptcy, or a remission or abatement of debts by creditors of a bankrupt or arranging debtor to enable that person to fulfil an offer of composition or a proposal made by a debtor in accordance with sections 39 or section 87 of the Bankruptcy Act 1988.

### 3 Receipts for support, maintenance or education taken during the lifetime of the disponent

**Subsection (2)(a)** exempts from CAT the receipt in the lifetime of the disponent of money or money's worth for support, maintenance or education taken by:

- a minor child of the disponent, or a minor child of the civil partner of the disponent,
- a child of the disponent, or a child of the civil partner of the disponent, who is older than 18 years but not older than 25 years and who is receiving full-time education at any university, college, school or other educational establishment,
- a child of the disponent of any age who is permanently incapacitated by reason of physical or mental infirmity from maintaining himself or herself, or
- a person in relation to whom the disponent stands *in loco parentis*.

For more detail on this relief see Revenue's [Guide to the CAT Treatment of Receipts by Children from their Parents for their Support, Maintenance or Education](#).

**Subsection (2)(b)** exempts the receipt in the lifetime of the disponent of money or money's worth for support or maintenance taken by a person who is in relation to the disponent a dependent relative under section 466 TCA 1997.

The exemptions provided for in **subsection (2)** will apply only if the provision of such support, maintenance or education, or such support or maintenance:

- would be part of the normal expenditure of a person in the circumstances of the disponent, and
- is reasonable having regard to the financial circumstances of the disponent.

## 4 Receipt of funds from certain trusts taken by an incapacitated individual

**Subsection (3)** exempts the receipt by a permanently incapacitated individual of funds, or income deriving from funds, which are held on a qualifying trust (within the meaning of section 189A TCA 1997).

A qualifying trust is a trust which has been established by deed:

1. exclusively for the benefit of one or more named incapacitated individuals,
2. where the trustees hold the trust funds for the benefit of the named incapacitated individual or individuals, and
3. where, in the event of the death of the named incapacitated individual or individuals, the undistributed part of the trust funds are to be applied for charitable purposes.

## 5 Receipts for support, maintenance or education taken by children where both parents are deceased

**Subsection (4)** exempts the receipt by a minor child of the disponer, or a minor child of a civil partner of the disponer, of benefits for support, maintenance or education, where both of the minor child's parents are deceased. Such receipts will be exempt from CAT where the provision of that support, maintenance or education:

1. is such as would be part of the normal expenditure of a person in the circumstances of the disponer immediately prior to the death of the disponer, and
2. is reasonable having regard to the financial circumstances of the disponer immediately prior to the death of the disponer.