

Taxation of farm land let on conacre, for a season or for a period of 11 months

Part 04-08-05

This document should be read in conjunction with section 96 of the Taxes Consolidation Act 1997

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Conacre letting is a term that refers to farm land let for a season or for 11 months.

Income arising from conacre letting is “a payment in the nature of rent” and comes within the definition of rent in section 96(1) TCA 1997. It is taxable under Schedule D Case V.

This approach is supported by the case of **Maurice E. Taylor (Merchants) Ltd. v Commissioner of Valuation** [1981] N.I. 236. The modern conacre agreement is analogous to a lease and consequently any payment made on foot of that agreement is analogous to rent; that is, a payment in the nature of rent.

Such income should not be included in arriving at the Schedule D Case I profit or loss from farming and cannot be taken into account for the purposes of stock relief or income averaging. A separate Case V computation is required.