

Exemption of certain profits arising from production, maintenance and repair of certain musical instruments

Part 07-01-43

This document should be read in conjunction with section 216F of the Taxes Consolidation Act 1997

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Introduction

This manual provides guidance on the operation of section 216F of the Taxes Consolidation Act 1997¹ (“TCA 1997”), which makes provision for an exemption from income tax for certain profits from the production and maintenance of uilleann pipes and Irish harps.

1 What is the relief?

The relief applies to profits arising to an individual from the production, maintenance, and repair of uilleann pipes, early Irish harps or Irish lever harps.

The relief is given by exempting the first €20,000 of profit from this source when computing the income tax liability of the individual.

The exemption applies to income tax only. USC and PRSI apply to the profits in the usual manner.

The exemption applies to profits earned from the making and repair of uilleann pipes, early Irish harps or Irish lever harps only and does not apply to profits earned from related activities such as by giving tuition or musical performances. It does not apply to profit earned from the manufacture of other musical instruments.

The relief is available in the years of assessment 2023, 2024 and 2025.

2 To what kinds of musical instruments does the relief apply?

The relief relates to the making and repair of uilleann pipes, early Irish harps or Irish lever harps. The section defines these instruments for the purposes of the relief.

Where there is doubt as to whether a given type of instrument falls within these definitions for the purposes of the relief, the section enables Revenue to consult with:

- the Harp Foundation of Ireland for Irish lever harps or early Irish harps, or
- Na Píobairí Uilleann Cuideachta Faoi Theorainn Ráthaíochta for uilleann pipes, or
- such other person with relevant experience with uillean pipes or Irish harps and their practice as the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media may designate.

2.1 Uilleann pipes

Uilleann pipes are musical instruments that are traditionally used in uilleann piping, a musical practice recognised by UNESCO as part of the intangible cultural heritage of humanity. Uilleann pipes are defined as a set of bagpipes which has air supplied by a bellows operated by the elbow.

¹ Section 24 Finance Act 2022.

2.2 Irish harps

Irish harps are musical instruments that are traditionally used in Irish harping, a musical practice recognised by UNESCO as part of the intangible cultural heritage of humanity. For the purposes of this section, there are two types, the 'early Irish harp' and the 'Irish lever harp'.

The 'early Irish harp' is a harp instrument, traditionally referred to in the Irish language as a "cruit" or "cláirseach" by reason of its characteristics and shape.

- It is played with the left hand above the right and using the fingernails.
- It is strung with 29 or 30 metal strings that emerge through eyelets set in a solid soundboard which has been hollowed out from the back.
- The strings are held in place along the harmonic curve by the tuning and bridge pins, without a semitone lever system.

The 'Irish lever harp' is a harp instrument, traditionally referred to in the Irish language as a "cruit" or "cláirseach" by reason of its characteristics and shape.

- It is played with the right hand above the left and using the tips or pads of the fingers.
- It does not have pedals of any kind.
- It has levers on its strings, which can raise the note of a string by a semitone.
- It is strung with between 34 and 36 strings.

3 Who can claim the relief?

The relief is available to individuals who are engaged in the production, maintenance or repair of uilleann pipes, early Irish harps or Irish lever harps and who are chargeable to income tax under Schedule D in respect of profits of this activity.

The relief is not available to companies.

4 Claiming the relief

An individual may claim the relief on their income tax return (Form 11). Profits from the activity must be reported on the Form 11 and an exemption claimed from income tax, even where all profits from the activity are exempt. USC and PRSI apply to the profits in the usual manner.

5 Making returns and other obligations

Under section 216F, the normal rules in relation to making an income tax return apply to an individual who qualifies for an exemption from income tax, for certain profits from the production, maintenance and repair of certain musical instruments. An individual claiming this relief has the same obligation to file income tax returns and to keep books and records as they would if their profits were taxed in the usual manner.

6 State aid

This relief is a form of State aid. It is available only where it complies with the 'De Minimis' requirement for State Aid set out in Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union².

The key requirements are that an undertaking may not receive more than €300,000 in State aid (from all sources subject to the de minimis regulations) in any three-year period, and is required to keep, and on request to produce, records to enable the amount of State Aid received to be verified by the Revenue Commissioners and by the EU.

² OJ L 2023/2831, 15.12.2023