

Accelerated Capital Allowances for Slurry Storage Facilities

Part 23-01-37

This document should be read in conjunction with section 658A of the Taxes Consolidation Act 1997

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Introduction

Section 658A¹ of the Taxes Consolidation Act (TCA), 1997 provides for a scheme of accelerated capital allowances (referred to as wear and tear allowances) for capital expenditure incurred, on slurry storage facilities, by a person² carrying on a trade of farming. This will allow for qualifying capital expenditure incurred on the construction of slurry storage buildings and associated equipment to be written off at a rate of 50% per annum over a period of 2 years as opposed to the standard period of 7 years in the case of farm buildings and 8 years in the case of plant and machinery. The expenditure must be incurred in the period from 1 January 2023 to 31 December 2029.

1 Farm Buildings Allowances

Farm buildings allowances are made over a 7-year period to a farmer who incurs capital expenditure on the construction of farm buildings (excluding buildings or parts of buildings used as dwellings), fences, roadways, holding yards, drains, land reclamation and other works such as walls, water, and electrical installation and sewerage.

The expenditure must be incurred by the farmer for the trade of farming land occupied by the farmer. The 7-year writing-down period begins with the chargeable period related to the expenditure. The rate of the allowance is 15 per cent of the capital expenditure for each of the first six years of the 7-year period with the 10 per cent balance allowed in the final year.

In the case of certain slurry storage facilities this rate is accelerated, and the entire allowance can be claimed over a two-year period provided the storage facilities are in use for the purposes of the person's farming trade at the end of the chargeable period. Buildings that have not been included in the list can avail of the normal farm buildings allowances.

If a person who is entitled to farm buildings allowances transfers the farmland to another person, the transferee becomes entitled to whatever allowances are due for chargeable periods after the transfer. If only part of the farmland is transferred, the transferee may claim so much of the allowances as relate to that part of the land. Tax and Duty Manual [Part 23-01-07](#) sets out an overview of how farm buildings allowances operate.

¹ Inserted by section 30 Finance Act 2022 and amended by section 3 Finance Act 2023, and section 29 Finance Act 2025

² A company or an individual whether carrying on the trade as a sole trader or in partnership.

2 Capital Allowances

Capital allowances in the form of wear and tear allowances will be available where the provisions of section 284 of the TCA, 1997 are met as follows:

- A person carrying on a trade must incur capital expenditure on the provision of machinery or plant for the purposes of that trade;
- The machinery or plant must belong to that person;
- The machinery or plant must be in use at the end of the chargeable period for which the allowances are claimed;
- While the machinery or plant is used for the purposes of the trade, it must be wholly and exclusively so used.

Wear and tear allowances for machinery or plant are generally given over an eight-year period at an annual rate of 12.5% of the capital expenditure incurred. In the case of slurry storage equipment included in the list this rate is accelerated and the entire allowance can be claimed over a two-year period provided the equipment is in use for the purposes of the person's farming trade at the end of the chargeable period. Equipment that is machinery or plant but that has not been included in the list can, of course, avail of the normal wear and tear allowances.

The normal rules regarding balancing charges in section 288 TCA 1997 apply. Where certain 'balancing' events occur, for example, the sale of the equipment or its ceasing to be used for the purposes of the trade, there may be a claw-back of the allowances already granted having regard to the proceeds or value of the equipment (or deemed proceeds/value) at the time of the event.

Examples of machinery or plant for the purposes of this scheme of accelerated capital allowances would include an automatic slurry scraper, or a simple slurry aeration system as contained in the table in Part 2 of Schedule 35A TCA 1997. A copy of the table is reproduced at [Appendix 1](#).

3 Who can qualify for the incentive?

The scheme of accelerated capital allowances is available to companies and unincorporated businesses that incur qualifying expenditure on capital items for slurry storage facilities for use in their farming trade. The building and/or equipment must be owned by the business. Buildings and/or equipment that is leased, let or hired will not qualify for the allowance.

4 Qualifying Equipment

To qualify for the accelerated wear and tear allowances the capital items must be of a type specified in the table in Part 2 of Schedule 35A TCA 1997. A copy of the table is reproduced at [Appendix 1](#).

5 Qualifying expenditure

Qualifying expenditure is capital expenditure incurred during 1 January 2023 and 31 December 2029 on the provision of or the construction of qualifying capital items.

6 Who can avail of the scheme?

Any person carrying on the trade of farming who incurs capital expenditure on the provision of or the construction of qualifying capital items between 1 January 2023 and 31 December 2029. Farming for these purposes is given the same meaning as in Part 23 of TCA 1997 and means farming farmland, that is, land in the State wholly or mainly occupied for the purposes of husbandry, other than market garden land. A person who leases out their land cannot claim accelerated allowances under the scheme.

Certain entities are specifically excluded from claiming accelerated capital allowances under the scheme i.e. a person who is, or is part of, an undertaking³ in difficulty⁴, a person who is, or is part of, an undertaking part of which is subject to an outstanding recovery order following a previous decision of the Commission of the European Union that declared an aid illegal and incompatible with the internal market or a person who is or is part of an undertaking that is not a SME⁵.

7 How relief is claimed

Once all the conditions of the scheme have been met, a claim for the accelerated allowances can be made through the normal route via a person's Income Tax Return (Form 11) or Corporation Tax Return (Form CT1) as appropriate. Separate lines are available on both forms for claims under section 658A TCA 1997.

³ Undertaking means the relevant economic unit that would be regarded as an undertaking for the purposes of the Rescuing and Restructuring Guidelines. Rescuing and Restructuring Guidelines means the Communication of the Commission on Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (OJ No. C249, 31.7.2014, p.1).

⁴ Undertaking in difficulty is to be construed in accordance with section 2.2 of the Rescuing and Restructuring Guidelines.

⁵ SME has the same meaning as it has in Commission Regulation (EU) No. 2022/2472 of 14 December 2022 (OJ No. L327, 21.12.2022, p. 1).

8 Grants

While every effort has been made to ensure that any capital items that may already be subsidised have been excluded from the definition of “qualifying capital items”, section 317 TCA 1997 would, in any event, apply to expenditure incurred under this section so that any grants received would be deducted from the qualifying expenditure on plant and machinery. Section 658(13) TCA 1997 would apply to slurry storage facilities which qualify for accelerated farm building allowances so that only net expenditure qualifies – any State or other grant is excluded.

9 VAT

In general, VAT registered farmers may reclaim VAT on items used for the purposes of their trade. Some farmers may not be registered for VAT and may reclaim VAT incurred by them on certain costs, such as the construction of a farm building, through the [Flat-Rate Farmers Refund Order](#). Where VAT is refundable under the order, the cost for capital allowance purposes should be the VAT exclusive amount.

For expenditure not covered by the Flat-Rate Farmers Refund Order, unregistered farmers are not entitled to make a claim for repayment of VAT. When this is the case then, under general capital allowances rules (section 319 TCA 1997), that person would be entitled to include the VAT paid as part of the capital expenditure incurred on the equipment, provided that it is used for the purposes of the farming trade.

Example

In October 2022, Martin, a farmer, spends €50,000 on capital items to build a slurry storage pit on his farm. There are delays, and the slurry storage pit will not be built before the year end. Due to rising costs, he spends an additional €100,000 in January 2023 to complete the building works. The slurry storage tank is completed in March 2023 at a total cost of €150,000. As the qualifying period for the ACA scheme is 1 January 2023 to 31 December 2029, only expenditure incurred on construction work actually carried out during this period can qualify for the accelerated allowances.

Capital expenditure incurred on any construction work carried out outside the qualifying period won't qualify for the accelerated capital allowances but will qualify for the standard farm buildings allowances available under section 658. Capital allowances available under both sections 658 and 658A are given beginning with the chargeable period in which the expenditure is incurred.

In this case Martin will be entitled to claim accelerated capital allowances on his €100,000 spend for construction work actually carried out during the qualifying period and his €50,000 spend will be eligible for the standard farm buildings allowances. Martin can make claims for both the accelerated capital allowances and the standard allowances through his Income Tax Return (Form 11).

10 Limit on relief and disclosure of information

There is a limit of €500,000 on the total amount of relief that can be granted to any person under this scheme. Additionally, where the total amount of relief granted to a person in a chargeable period, and for any previous chargeable periods, exceeds €10,000 then Revenue may disclose (for the purposes of complying with EU State aid rules) the following information:

- the name of the person,
- the sector of activity at NACE group level,⁶
- the territorial unit, within the meaning of the NUTS Level 2 classification specified in Annex 1 to Regulation (EC) No 1059/2003 (as amended), in which the person is located,⁷ and
- the year in which the relief is granted.

For the purposes of the calculating the amount of relief granted to a person in a chargeable period the following formula is used:

$$R = A - B$$

Where –

“R” = the amount of the relief granted to the person in the chargeable period,

“A” = the amount of relevant tax⁸ that would be payable by the eligible person⁹ for the chargeable period, but for subsection (2)¹⁰, and

“B” = the amount of relevant tax payable by the eligible person for that chargeable period.

The data shared will contain personal data and non-personal data including the name of the farmer, NACE code (sector identifier), NUTS code (location identifier), the year in which the relief is granted, and the total amount of relief granted.¹¹

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1893&from=en>

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1755&from=EN>

⁸ Corporation tax or income tax, USC and PRSI, as appropriate.

⁹ A person carrying on a trade of farming.

¹⁰ The subsection that provides for the accelerated allowances.

¹¹ See Tax and Duty Manual [Part 37-00-39](#) for additional information regarding the publication of information regarding State aid granted to individual taxpayers.

Appendix 1- Part 2 of Schedule 35A TCA 1997

Items	Description
(1)	(2)
Floors and walls of animal housing	Floors and walls of slurry collecting and storing buildings used to house livestock, built in accordance with the relevant specifications as may be approved from time to time by the Minister for Agriculture, Food and the Marine as required by the relevant regulation.
Mass concrete tanks with roof or cover	Slurry storage tank built in accordance with the relevant specifications as may be approved from time to time by the Minister for Agriculture, Food and the Marine as required by the relevant regulation. The tank must be covered.
Precast concrete tanks with roof or cover	Precast concrete tank built in accordance with the relevant specifications as may be approved from time to time by the Minister for Agriculture, Food and the Marine as required by the relevant regulation. The tank must be covered.
Circular slurry stores with roof or cover	Circular slurry tank built in accordance with the relevant specifications as may be approved from time to time by the Minister for Agriculture, Food and the Marine as required by the relevant regulation. The tank must be covered.
Geo-membrane lined stores with roof or cover	Geo-membrane lined slurry store built in accordance with the relevant specifications as may be approved from time to time by the Minister for Agriculture, Food and the Marine as required by the relevant regulation. The tank must be covered.
Farmyard manure pit with roof or cover	Structure for storage of high dry matter slurry built in accordance with the relevant specifications as may be approved from time to time by the Minister for Agriculture, Food and the Marine as required by the relevant regulation.
Collecting yards	Slurry collecting structure used for the holding of animals while they are waiting to be milked, built in accordance with the relevant specifications as may be approved from time to time by the Minister for Agriculture, Food and the Marine as required by the relevant regulation.
Cattle enclosure yards	Slurry collecting structure used for the holding of animals while they are waiting for handling, built in accordance with the relevant specifications as may be approved from time to time by the Minister for Agriculture, Food and the Marine as required by the relevant regulation.

Automatic slurry scrapers	A fixed device for the collection of slurry from the floor of an animal house for storage in a slurry store. The device will consist of a scraper blade that is either pulled or pushed along the floor of an animal house. The blade is usually driven by either a rope, chain or track.
Simple slurry aeration system	System for keeping stored slurry in a homogeneous pumpable state. The system works by pumping low pressure air through a valve system to outlet branches fixed to the base of the slurry store. Each outlet branch sequentially releases the air for a set period, with the rising air bubbles mixing and aerating the slurry.