

Relief for Increase in Stock Values

Part 23 Chapter 2

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A more recent version of this manual is available.

Introduction

Stock relief is available only to farming trades and is a relief given in respect of increases in the value of farm trading stock. It is calculated by reference to the increase in value of the stock between the beginning and end of an accounting period.

The amount of relief

The relief takes the form of a deduction, to be allowed in computing the trading profits of an accounting period, of 25 per cent of the amount of the increase in value of trading stock at the end of the accounting period over and above the opening value.

Qualifying period

The relief is only available in the case of a company for accounting periods ending on or before 31 December 2018, and in any other case for tax years up to and including 2018.

Claim for relief

The relief must be claimed in writing on or before the return filing date for the period to which it relates and it applies to partnerships as well as to companies and individual farmers. Where stock relief is claimed:

- unused losses from a previous year are not available subsequently
- unused capital allowances for the year of claim, including any capital allowances brought forward and treated as capital allowances for the year of claim, are not available for carry forward to subsequent years
- unused capital allowances for the year of claim cannot be used under section 392 TCA 1997 to create or augment a loss under section 381 TCA 1997.