ICMSA PRE-BUDGET SUBMISSION 2019

TO THE MINISTER FOR FINANCE MR. PASCHAL DONOHOE

July 2018

Introduction

The Irish economy continues to perform well with strong economic growth and employment levels as shown in GNP growth for 2017 at 4.4%. This presents the Government with opportunities and challenges and ICMSA believes that it is hugely important that Budget 2019 contains measures to support the productive sectors and those exposed to yet fully unknown Brexit risks which remain front and centre given the proximity of the leaving date.

The Agri-food sector has played a hugely important part in the growth of the Irish economy over the last number of years with agri-food exports to the fore in the recovery since the economic crash. Irish Agri-food and drink exports increased by 13 percent to approximately €12.6 billion in 2017. It is essential not only for rural Ireland and farm families but also the national economy that Budget 2019 takes account of the risk to the economic benefits and contribution of Irish agriculture particularly in a post Brexit environment.

The Irish Government and Department of Agriculture, Food and the Marine have ambitious plans for the future of Irish Agriculture as outlined in the FoodWise 2025 Report which sets out a ten-year strategy for the Irish agri-food sector which projects exports to increase to €19 billion coupled with the creation of 23,000 new jobs by 2025 and increasing value added in the agri-food sector.

It is essential that incentives are put in place to ensure the continued growth and development of the most important indigenous sector in the Irish economy. Within this sector, Irish milk production has increased by almost 50% since the 2007-09 Food Harvest 2020 reference period. Despite this huge change within the sector, dairy farm incomes have seen considerable volatility during this period. The management of income volatility needs to be addressed through the taxation system.

ICMSA believe Irish agriculture has an excellent opportunity to reach its full potential but with the two key concerns being Brexit and future EU agriculture policy. In this regard, Budget 2019 must provide for the necessary adjustments to current taxation policy including the provision of a suitable income volatility management tool and other taxation proposals as set out in this Submission.

Pat McCormack,
President.

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Section 1

Income Volatility Management

Farm income fluctuates from year to year due to many circumstances outside the control of Irish farmers. External forces such as macroeconomics, weather events, geopolitical matters, commodity markets, feed and oil prices, currency, and disease all combine to cause income volatility. Such external and internal forces compel those involved in the industry to adapt to ever-altering scenarios, however, the Irish agri-taxation system significantly impedes the ability of the sole trader to seize the opportunity to grow and develop their business due to periods of significant farm income volatility.

The extent of the extreme volatility in milk price in recent years has been clearly documented by Teagasc and commentators such as the European Milk Market Observatory. As with any other tradable commodity, dairy products face the potential for increases and decreases in both their demand and supply and as a result, changes in their value on world markets and hence Irish milk prices. Agricultural products such as dairy commodities are traded worldwide, and prices have fluctuated greatly over the last decade. Most of the external issues facing the Irish agriculture sector such as price and demand cannot be controlled at farm level. ICMSA believe that the Government must develop a workable and straightforward agri-taxation measure in Budget 2019 that will help farmers to manage the inherent volatility within the sector, especially during years of low output prices.

Output and input price volatility has played a major role in the determination of profits earned by dairy farmers over the last decade. Continued volatility will lead to greater income uncertainty and this is an important issue for Irish farming in terms of generational renewal. From 2007 to 2018, milk prices at the farm gate in Ireland have fluctuated from close to 40cpl to as low as 20 cpl. To emphasise this point, milk prices in 2018 have fallen by up to six cents per litre and regained up to 2cpl in the first six months of 2018 to date.

Volatility increases pressure on farm cash flow from year to year and is resulting in the exit of farmers from the industry. To address volatility, there is a need for dairy farmers to have a taxation system that allows

flexibility from year to year to ensure viability in a bad year can be sustained from profits earned in good years.

Budget 2019 should provide for the introduction of an income volatility management tool to address the difficulties associated with volatile farm incomes and to ensure the availability of funds for investment.

Farm Management Deposit Scheme

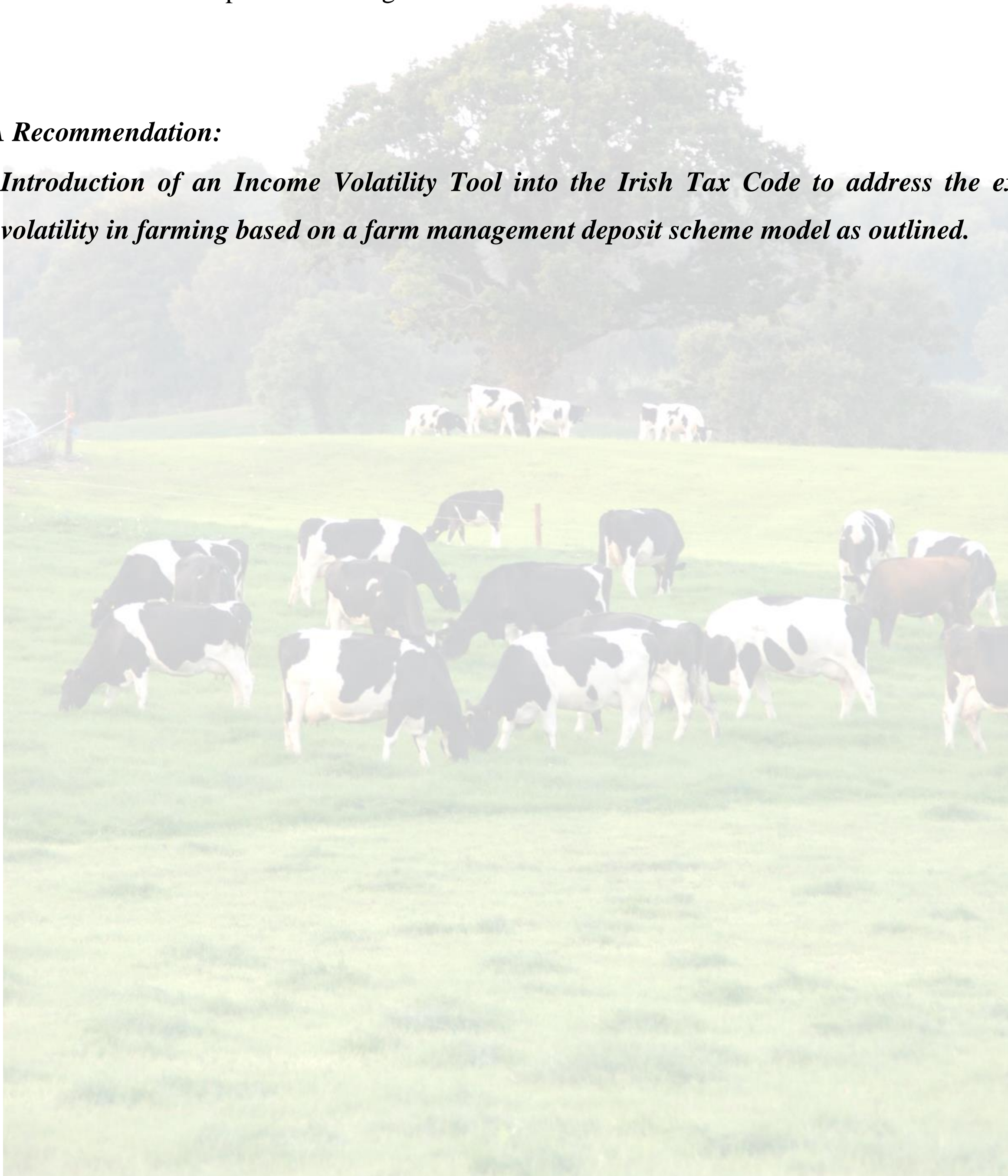
In this context, ICMSA proposes the introduction of an income volatility management tool called the Farm Management Deposit Scheme (FMDS). ICMSA believe the Farm Management Deposits model has many merits and most definitely should be used as a template for the introduction of a farm income volatility management tool into the Irish income tax code for farmers based on the following criteria;

- Allow a farmer to deposit income into a farm management deposit account in the income tax year in which the profits are made, the amount of the deposit is not tax assessable income in that income year but is in a future year when the farmer opts to utilise the deposit for income or investment purposes. The deposits scheme complements other risk management strategies available to farmers such as income averaging.
- Rules for off-farm income of a person availing of this tax measure and an overall ceiling on the amount that can be deposited in the Farm Management Deposit Scheme should be incorporated into this income volatility management tool. Off-farm income of a spouse should not hinder access of a farmer to this scheme. This tax relief measure could be confined to farmers whose sole or principal income is from farming with realistic off-farm income thresholds set. ICMSA suggests that a ceiling of €50,000 would be appropriate.
- ICMSA believe limits could be placed both on the total amount that could be deposited in a given year and the aggregate amount at any time and suggest a maximum deposit per annum of 30 percent of farm profit and/or a maximum of €10,000. Funds could remain in the Farm Management Deposit account up to maximum period of 5 years.
- Farmers would then be able to avail of these funds in an independent deposit account or a Co-operative Managed Account to support the farm business in the event of a downturn in farm income and/or for investment in the farming enterprise.
- Where funds are taken from the farm deposit account in the form of income, then the normal rate of tax applicable in the year of withdrawal would apply.

- On-farm investment using funds from the farm management deposit account would qualify for all reliefs currently available for on-farm investment such as capital allowances.
- All interest on the deposit will be returned to the farmer and only the farmer in question will have access to the account to withdraw the money according to set parameters defined within the scheme.
- The normal rules regarding deposit guarantees would apply to these accounts whether in a financial institution or a Co-operative managed account.

ICMSA Recommendation:

- ***Introduction of an Income Volatility Tool into the Irish Tax Code to address the extreme volatility in farming based on a farm management deposit scheme model as outlined.***



Personal Taxation

Earned Income Credit

ICMSA welcomed and acknowledged the introduction of an Earned Income Credit of €550 in Budget 2016 but believes that Budget 2017 and 2018 did not go far enough by increasing this level to €1,150. The Government had committed to equalising this credit to the PAYE Tax Credit in successive Budgets. Therefore, ICMSA believe Budget 2019 should provide for an immediate equalising of the Earned Income Credit by increasing it to €1,650 (or to the level for all PAYE workers in Budget 2018) effective from 01 January 2019.

ICMSA Recommendation:

- ***Equalisation of Earned Income Credit in Budget 2018 to €1,650 effective from 01 January 2019.***

Universal Social Charge

The "Programme for a Partnership Government" in 2016 committed to making Ireland's personal taxation system more competitive by continuing to phase out the Universal Social Charge (USC) as part of a wider medium-term income tax reform plan. The USC continues to have a negative impact on low and middle-income families including farm families and ICMSA fully supports the elimination or a considerable further reduction of this charge.

Farm investment is critical to the future viability of the farm but also rural areas. The USC rules do not support farm investment and ICMSA believes that the rules must be amended to allow the deduction of capital allowances before the USC is calculated.

In addition, ICMSA believe Budget 2019 must address the current anomaly regarding USC and the self-employed whereby self-employed income in excess of €100,000 has an additional 3 percent USC (effective rate of 11 percent USC) relative to equivalent PAYE income (effective rate of 8 percent USC). If entrepreneurship and expansion are to be encouraged in our economy, parity must be restored with respect to the rate of USC for self-employed income.

ICMSA Recommendation:

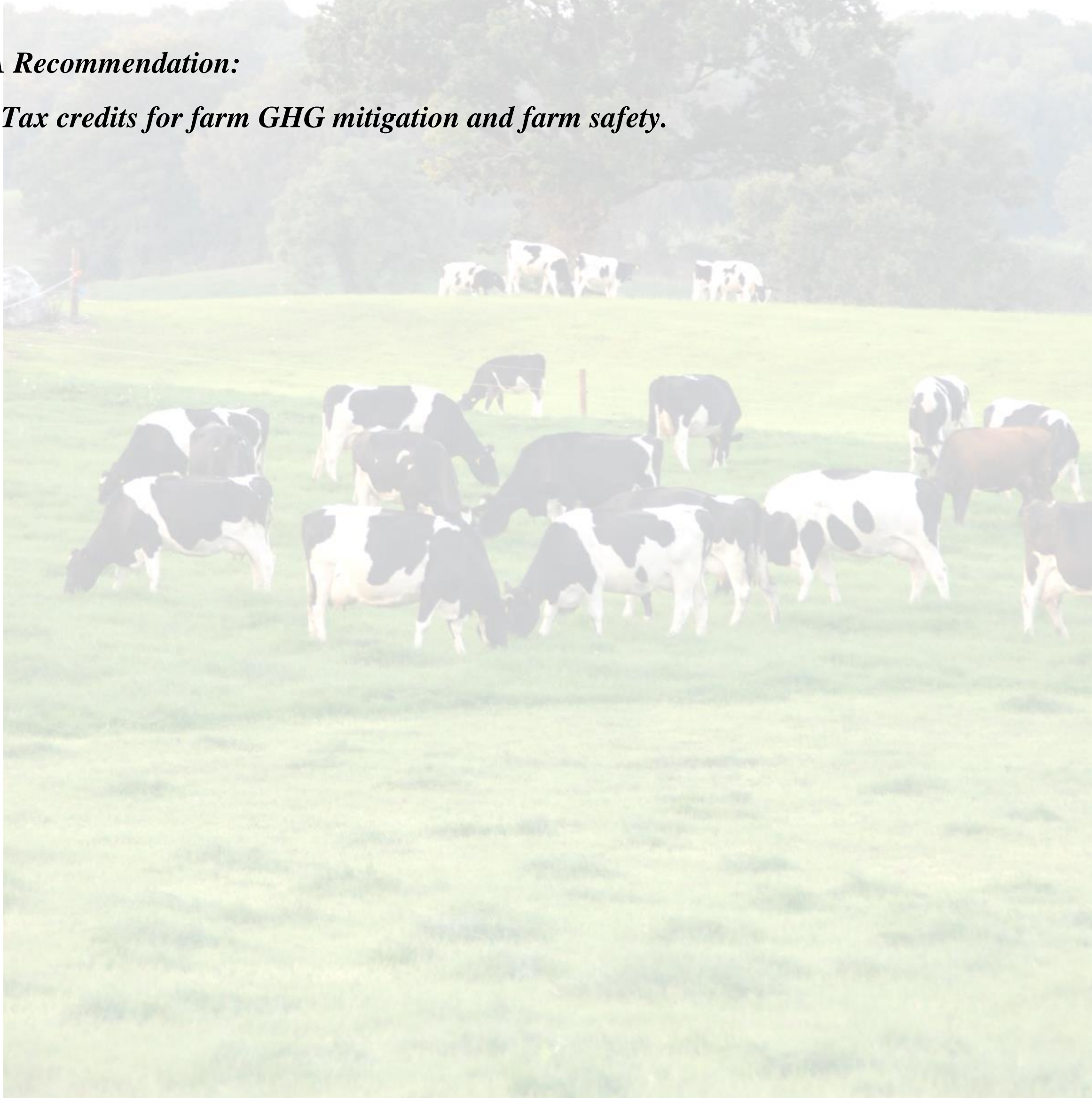
- ***Elimination or further reduction of the Universal Social Charge in Budget 2018.***
- ***Amendment to allow the deduction of capital allowances before the USC is calculated.***
- ***The maximum USC rate applicable to the self-employed must be equalised to the PAYE maximum rate of 8 percent in Budget 2018.***

Tax Credits

ICMSA would like to see the introduction of Tax credits as incentives for farm safety and Greenhouse Gas Emission mitigation. The proposal would see tax credits secured for farmers if they engage or purchase equipment in the reduction farm accidents or the reduction of carbon emissions on their farms.

ICMSA Recommendation:

- ***Tax credits for farm GHG mitigation and farm safety.***



Section 2

Land Policy and Taxation

Stamp Duty

The increase in the non-residential stamp duty rate to 6% in Budget 2018 is a major deterrent to land purchase to secure farm viability and this must be reversed as a matter of priority. Many farmers need to grow the size of their farm in order to maintain their viability. Therefore, having a 6% stamp duty on top of the sale price has been a major negative in farm development and consolidation in the last year. ICMSA is calling for all agricultural land sales to be subject to a 2% rate of stamp duty.

Young Trained Farmers Stamp Duty Relief should be permanent and would provide reassurance regarding future costs for farm families planning the transfer of their farm.

Consanguinity Relief while amended in the Finance Bill 2018 is an important relief from stamp duty frequently availed of in transferring family farms. Consanguinity relief is mostly relevant to transfers of agricultural property where the transferee does not qualify for an alternative relief such as Young Trained Farmer Relief. Consanguinity Relief should also be a permanent fixture to encourage farm transfer to the next generation.

ICMSA Recommendation:

- ***Stamp duty rate must be reduced to 2% for agricultural land sales.***
- ***Young Trained Farmer relief which is due to expire on 31 December 2018 must be extended in Budget 2019 and along with Consanguinity Relief made permanent .***

Capital Gains Tax

ICMSA believe that the current 33 percent rate of Capital Gains Tax continues to be a significant deterrent to farm investment and propose that Budget 2019 should provide for a significant reduction in the 33 percent rate currently applicable to all chargeable gains. In addition, the first €1,270 of an individual's chargeable gain is exempt from Capital Gains Tax, however, this exemption has not been increased since

its introduction and ICMSA believe it should be increased to €5,000 in Budget 2019 in order to stimulate land transfer, facilitate sale of assets and encourage further re-investment in the farm business.

Indexation was withdrawn in 2002 and ICMSA propose its re-introduction to further stimulate investment including on-farm investment.

Co-op Patronage Shares

The Co-operative movement has played and continues to play a hugely important role in the Agri-food sector and the wider rural community. The issuing of Patronage shares to active users of Co-operatives is central to the future role and development of all Co-operatives. Thus, the Revenue Commissioners eBrief 94/16 is of significant concern to the operation of Co-operatives in Ireland. ICMSA believes that the Minister for Finance should consider clarifying or amend the legislation to ensure that Co-op members will only be liable to tax on a realisation basis and that the nominal value will continue to be accepted in the absence of realisation.

ICMSA Recommendation:

- ***Budget 2018 must provide for a significant reduction in the 33 percent rate of Capital Gains Tax.***
- ***First €5,000 of an individual's chargeable gain be exempt from CGT.***
- ***Indexation should be reintroduced to act as a catalyst for investment.***
- ***The nominal value of Co-op shares should continue to be accepted for tax purposes.***

Capital Acquisitions Tax

Food Harvest 2020 and FoodWise 2025 have set ambitious targets for the Agri-food sector and ICMSA believe Budget 2019 taxation policy must support the further achievement of these goals. In this context, the transfer of the family farm to the next generation in a timely manner is essential to ensure the continued growth and viability of the Agri-sector. Group A tax-free thresholds for transfers from parent to child/favourite niece or nephew are currently €310,000, this still represents a significant reduction compared to previous tax-free thresholds and ICMSA propose that Budget 2019 provides for an immediate increase to €500,000. In addition, as a commitment to the continued growth and development of the

economy, the Government must provide for a significant reduction in the 33 percent Capital Acquisitions Tax rate in Budget 2019.

The transfer of the family farm to the next generation would not be possible in the absence of the 90 percent Agricultural Relief for Capital Acquisitions Tax. This cornerstone relief which promotes the transfer of land from one generation to the next must be maintained at its current 90 percent rate in Budget 2019.

There is an anomaly within the application of the Capital Acquisitions Tax Favourite Niece/Nephew Relief regarding a situation whereby the niece/nephew has opted to lease the farm from the disposer prior to transfer as opposed to a situation whereby the niece/nephew has been working for the disposer. ICMSA believe this relief should also apply where the favourite niece/nephew has farmed the land under a lease agreement.

Benefits from the same Group Threshold are aggregated back to 5th December 1991, this can cause considerable difficulties when transferring assets to family members and ICMSA propose that Budget 2019 should provide for the introduction of a ten-year limit to the look-back period for aggregation purposes on gifts and inheritances. In addition, ICMSA propose the reintroduction of the lower rate of Capital Acquisitions Tax applicable to gifts (75 percent of Capital Acquisitions Tax Rate) to encourage the lifetime transfer of assets.

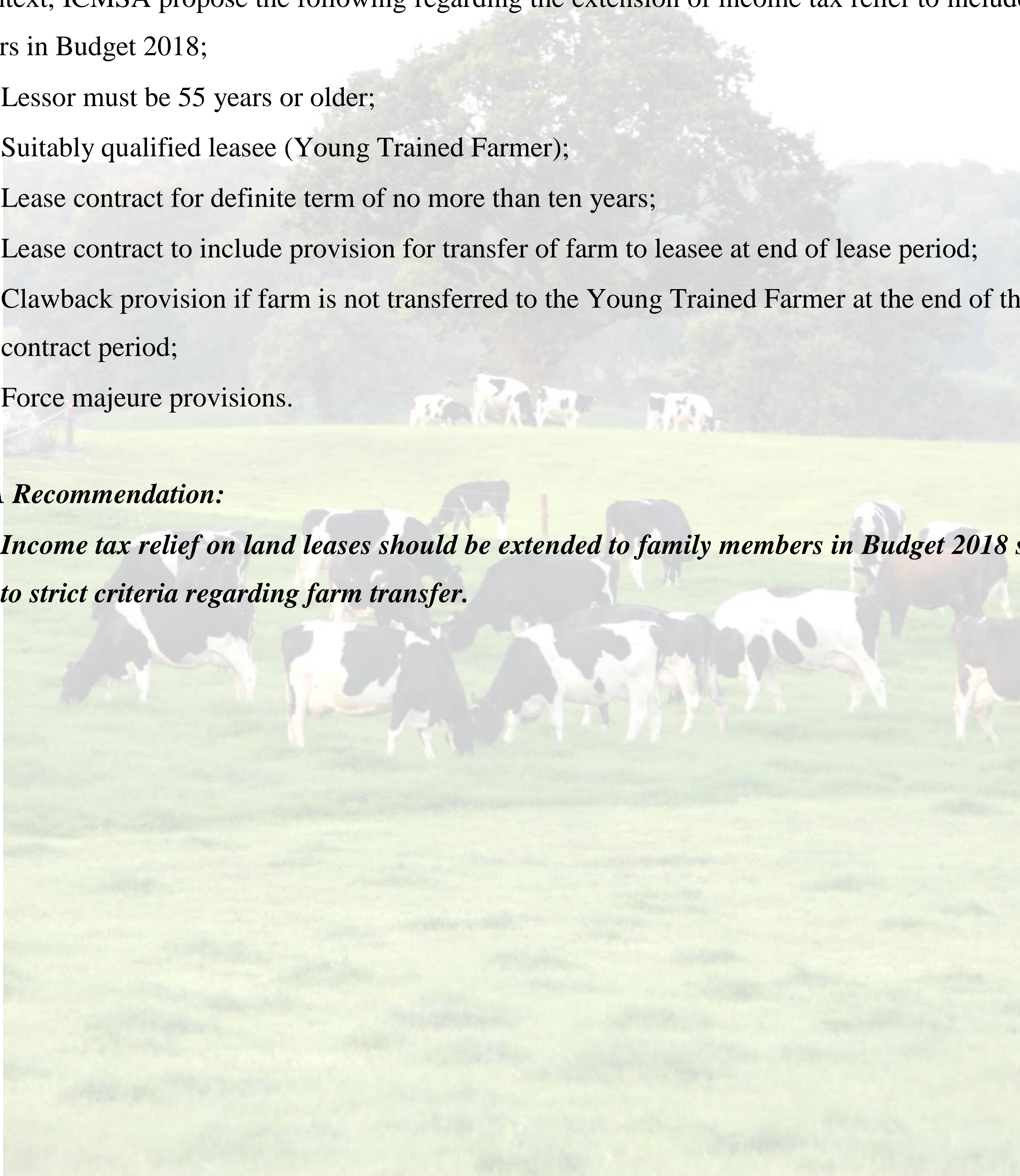
ICMSA Recommendation:

- ***Budget 2019 must provide for a significant reduction in the 33 percent rate of Capital Acquisitions Tax and the Group A Tax-Free Threshold should be increased to €500,000.***
- ***Retention of the 90 percent Agricultural Relief.***
- ***ICMSA believe CAT favourite niece/nephew relief should apply where the favourite niece/nephew has farmed the land under a lease agreement.***
- ***Ten-year look back period for Group Thresholds.***
- ***A reduced tax rate for assets transferred by gift.***

Land Leasing Income Tax Relief.

Income Tax Relief on land leases and the ongoing discrimination in the tax code of inter-family leases continues to be an issue for many farm families. There are many personal and family reasons why a parent is unable to transfer the family farm to the next generation prior to the retirement age of 66 years of age. ICMSA believe farm families must be provided with an option to lease the farm to a family member for a period in advance of retirement, particularly, in the absence of a suitable Farm Retirement Scheme. In this context, ICMSA propose the following regarding the extension of income tax relief to include family members in Budget 2018;

- Lessor must be 55 years or older;
- Suitably qualified leasee (Young Trained Farmer);
- Lease contract for definite term of no more than ten years;
- Lease contract to include provision for transfer of farm to leasee at end of lease period;
- Clawback provision if farm is not transferred to the Young Trained Farmer at the end of the lease contract period;
- Force majeure provisions.



ICMSA Recommendation:

- ***Income tax relief on land leases should be extended to family members in Budget 2018 subject to strict criteria regarding farm transfer.***

Section 3

Tax Incentives to Support Farm Investment

Stock Relief

Stock Relief measures are a vital tool for farmers increasing stock numbers as they expand their farming enterprise. However, the current 25 percent stock relief means that farmers expanding their enterprise are taxed at 75 percent of the additional investment which in many cases is a substantial amount and is having a negative impact on expansion. ICMSA proposes an extension of the 100 percent stock relief to all additional stock expenditure of up to €100,000. Once a farmer has reached the €100,000 level, he/she would then qualify for 50 percent stock relief on the remainder of their investment in stock. In addition, ICMSA propose that if the qualifying farmer disposes of the herd within a specified timeframe then provisions could be included for a claw back of such relief.

ICMSA Recommendation:

- ***Budget 2018 to provide for the introduction of a new Stock Relief measure whereby farmers would be allowed 100 percent stock relief on additional expenditure of up to €100,000.***

Capital Allowances

Farm building Capital Allowances are deductible over a 7-year period to a farmer who incurs capital expenditure on the construction of farm buildings, fences, roadways, holding yards, drains, land reclamation and other works such as walls, water and electrical installation and sewerage. The rate of the farm buildings allowance is 15 percent of the capital expenditure for each of the first 6 years of the 7-year period with the balance of 10 percent allowed in year 7. Capital Allowances on farm machinery can be claimed over 8 years at a rate of 12.5 percent.

Capital Allowances are a necessary tool for farmers investing in the expansion and upgrading of farm facilities to ensure the future viability of their business. However, the current application of capital allowances is very inflexible with farmers unable to utilise the allowance in years where farm profits are low or non-existent. Due to the cyclical nature of farm income, ICMSA believe the Government in Budget 2019 must allow for flexibility in the claiming of Capital Allowances and propose that farmers be allowed to write-off

capital expenditure on farm buildings and plant and machinery over a period of between three and eight years with a "floating allowance" of up to 50 percent allowable in any one year to promote farm investment. If implemented, the proposal would also provide a considerable boost to the economy of rural areas.

ICMSA Recommendation:

- ***Budget 2019 must allow for flexibility in the claiming of Capital Allowances and propose that farmers be allowed to write-off capital expenditure on farm buildings and plant and machinery over a period of three and eight years with a "floating allowance" of up to 50 percent allowable in any one year to promote farm investment.***

Section 4

Funding Farm Schemes

Under the Rural Development Programme (RDP) 2014-2020, there was an overall allocation of €2.1bn of EU funding and €1.9bn of national funding. The economic, social and environmental benefits to the agriculture sector and the wider rural economy of the many schemes provided for under the Rural Development Programme cannot be underestimated in the preparation of Budget 2019 and these schemes should be further enhanced with additional funding available under Budget 2019.

GLAS and GLAS+

There are currently 50,000 farmers approved for GLAS under Tranche 1, 2 and 3. Unfortunately, GLAS has remained closed for new entrants since 2016. The scheme should be reopened in 2019 and ICMSA believe adequate funding must be provided in Budget 2019 to support maximum participation and full-year payment to 60,000 farmers. GLAS has the potential to deliver multiple benefits in terms of climate change mitigation, reduced ammonia emissions and improved bio-diversity and thus, ICMSA is calling for the scheme to be re-opened to accommodate an additional 10,000 farmers in 2019.

In addition, GLAS + must provide adequate funding to support landowners whose farm practices have been severely restricted by designations on their land such as Hen Harrier and other Special Areas of Conservation (SAC) and Special Protection Areas (SPA) designated lands.

ICMSA Recommendation:

- ***An additional 10,000 applicants to be admitted to GLAS in 2019.***
- ***An increase in the current maximum payment of €5,000 to further enhance the environmental benefits of GLAS.***

Areas of Natural Constraint

The increased funding of €25m in 2018 was welcome and ICMSA believe that this should be increased further in Budget 2019. The review of ANC which is on-going and will be paid in 2019 for the first time should be adequately funded for all levels of disadvantaged land. The ANC is a vital financial support for farmers that are maintaining this marginal land and ICMSA is proposing an increase to the three levels within the scheme.

ICMSA Recommendation:

- ***The ANC Budget should be increased to return payment levels to pre-2009 levels.***

Beef Data and Genomics Programme

The Beef Data and Genomics Programme is in place until 2020 to provide financial support to suckler farmers who undertake actions aimed at improving the genetic merit of their suckler herd. This is a necessary support for suckler farmers and it is essential it remains fully funded for the full period of the RDP. It must be reopened in 2019 and allowances made in Budget 2019 for those within the existing schemes to change reference numbers if their circumstances have changed.

ICMSA Recommendation:

- ***The scheme should be re-opened for new applicants in 2019.***

Targeted Agricultural Modernisation Schemes II (TAMS II)

Food Harvest 2020 and FoodWise 2025 have set out ambitious targets for the Agri-food sector and it is essential Budget 2019 continues to support the ongoing implementation of a strong on-farm investment scheme across all sectors to improve efficiency and meet better environmental and animal welfare standards and thereby ensure the ongoing growth and viability of the sector. Improvements are required in relation to the TAMS scheme to reflect the level of investments required at farm level and the range of allowable investments including road underpasses and additional farm safety equipment.

ICMSA Recommendation:

- ***The maximum investment ceiling should be increased to €100,000.***
- ***A specific farm safety ceiling of €20,000 should be introduced.***

Section 5

Indirect Taxation

Value Added Tax

ICMSA propose that the 23 percent VAT rate which was introduced in 2011 should be reviewed downwards to 20 percent in Budget 2019. ICMSA believe that this would encourage further on-farm and rural investment and would have a positive impact on purchasing activity in the rural economy.

ICMSA Recommendation:

- ***A reduction in VAT from 23 percent to 20 percent in Budget 2019.***

Farm Safety Initiatives

Farm fatalities and serious injuries continue to be a serious concern in the agriculture sector. The taxation system can play an important role in addressing this major issue. ICMSA is proposing that farm safety expenditure should be treated as an expense in the year in which the expenditure is incurred.

Financial constraints on farmers often result in a lack of investment in the upgrading of safety equipment and clothing. In this context, ICMSA propose that farmers should be allowed to claim back VAT on farm safety equipment and clothing. In addition, ICMSA is proposing the introduction of a Scrappage Scheme for PTO shafts as was recommended in the Seanad Public Consultation Committee Report on Farm Safety.

ICMSA Recommendation:

- ***Farm safety expenditure should be treated as an expense in the year in which the expenditure is incurred.***
- ***ICMSA propose that farmers should be allowed to claim back VAT on farm safety equipment and clothing.***
- ***ICMSA propose the introduction of a Scrappage Scheme for PTO shafts as was recommended in the Seanad Public Consultation Committee Report on Farm Safety.***

Section 6

Social Welfare Issues

Farm Assist

Farm Assist has been utilised for many years by low income farm families as an essential income support during periods of low income. ICMSA believe that to take full account of an income crisis in a given year, it is essential that the Department of Employment Affairs & Social Protection takes the current years' income into account when assessing means on family farms. With price and weather volatility, there can be serious income swings on farms from year to year. Thus, the current practice of means assessment based on previous years' income does not fully reflect the current year income situation on family farms.

Additionally, farmers who were receiving a Farm Assist payment for a period of time may not have paid their PRSI contribution in the years they received the aid and thus their pensions benefits may not be under threat. ICMSA believes that the Department of Employment Affairs & Social Protection need to address this anomaly.

ICMSA Recommendation:

- ***ICMSA believe that to take full account of income crisis in a given year, it is essential the Department of Employment Affairs & Social Protection takes the current years' income into account when assessing means on family farms.***
- ***Review farmer pension entitlements for those who were in receipt of Farm Assist from 1999–2006.***

Rural Social Scheme

The Rural Social Scheme plays a key role in the development of local communities and ICMSA believe that funding for this vital scheme should be increased further in Budget 2019 to ensure the maintenance and development of local and vibrant communities.

ICMSA is also proposing that the six year overall participation limit should be reviewed and extended where a programme is under resourced.

ICMSA Recommendation:

- ***Additional funding should be allocated to the Rural Social Scheme.***
- ***The six-year participation time limit should be reviewed and extended where a programme is under resourced.***

Fair Deal Scheme

The Nursing Homes Support Scheme is a scheme of financial support for people who need long-term nursing home care. Under the Nursing Homes Support Scheme, individuals contribute towards the cost of their care and the State pays the balance. This applies whether the nursing home is public, private or voluntary. However, there are significant difficulties regarding the costs of care and the implementation of the Fair Deal Scheme for farm families.

ICMSA fully supports a policy of lifetime transfer of family farms thereby giving the next generation the opportunity to grow and develop the business. However, there is a considerable discrimination against farm families where the farm has not been transferred, or where the transfer has taken place within the previous five years. The potential uncapped liability which applies to the family farm asset (excluding the primary residence) and the resultant risk to the ongoing viability of the farm business associated with meeting the costs of care is a significant concern for farm families. ICMSA believe that the five-year look-back rule which applies to the financial assessment for the Fair Deal Scheme must be reassessed and suggest a reduction of this look-back period to one year.

Coupled with this, ICMSA believe farm families and other business owners must be treated equitably and a cap on the percentage charge that can be applied to the non-residential farming asset must be introduced in Budget 2018 which is equivalent to the 3-year cap of 22.5 percent for the primary residence. ICMSA welcomes the Government commitment to address this particular policy issue.

In addition, it is essential that there is no further increase to the 7.5 percent of the value of any assets which can be considered in any one year (5 percent of assets if the application was made prior to the 25th July 2013) in the financial assessment of ones' contribution to care.

ICMSA Recommendation:

- ***Five-year look-back period should be reduced to one year.***
- ***Farm families and other business owners must be treated equitably and a cap on the percentage charge that can be applied to the non-residential farming assets must be introduced.***

Employer PRSI

The current threshold at which employers pay the 8.6 percent employers PRSI for employees is on earnings up to €376/week. However, ICMSA believe if the Government wants to promote job creation within the primary agricultural sector and ensure targets set out in FoodWise 2025 are achieved, it is essential that the lower rate of employers' 8.6 percent PRSI on jobs that pay less than €376 per week and the 10.85 percent higher rate of employers' PRSI on earnings greater than €376/week is reduced in Budget 2019.

ICMSA Recommendation:

- ***The employer PRSI rate should be reduced for lower incomes.***

PRSI Benefits

The self-employed including farmers pay Class S PRSI which is currently 4 percent. However, the self-employed are not covered for the same level of Occupational PRSI Risk Benefit as is currently available to PAYE workers despite the particularly high occupational risk faced by farmers. The improvements implemented for self-employed in late 2017 in relation to the Invalidity Pension were very welcome. However, ICMSA believes that further additional supports related to injury benefit available to employees should be extended to the self-employed

ICMSA Recommendation:

- ***The supports related to occupational injury available to employees should be extended in full to the self-employed.***

Pension Contributions

Farmers like all citizens need to ensure their financial needs are adequately provided for post-retirement. Therefore, continued saving in the form of a private pension needs to be incentivised and the current marginal rate of income tax relief for pension contributions must be maintained in Budget 2018.

ICMSA Recommendation:

- ***The current marginal rate of income tax relief for pension contributions must be maintained.***
- ***Given the volatility in farm incomes, the tax rules for pension contributions should allow for greater flexibilities in relation to annual contributions.***