

## **IS NOW THE TIME TO PASS ASSETS TO THE NEXT GENERATION?**

All the economic indicators tell us that taxes are going to increase in the Republic of Ireland in the coming years and that there are a number of tough budgets ahead of us. While increases in tax rates may often make the best headlines, the removal of various reliefs and exemptions can have an even more dramatic effect. A significant number of tax professionals would be concerned that the potential exists in the forthcoming budgets to erode many of the reliefs that are currently available in the areas of gift tax, inheritance tax and capital gains tax. There are particularly generous reliefs in these areas relating to the transfer of businesses and passing assets to the next generation. Therefore, we would strongly recommend that any person, be it a farmer or business person considering retirement in the coming years should take the opportunity now to review his or her circumstances to ascertain whether such asset transfer should be brought forward. It may well be possible to transfer now and retire at a much later date and still achieve tax savings.

While tax considerations are an important motivating factor in considering such a review, people must also consider the fact that asset values are probably at their lowest level for many many years and, when taken together with the benign tax environment that exists until later this year, make a compelling case to consider transferring assets sooner rather than later.

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