



Capital Allowances

Our Nursing Home services



Capital allowances for nursing homes are akin to a tax-deductible expense and are available in respect of qualifying capital expenditure incurred on the provision of Plant & Machinery (“P&M”) in use for the purposes of a trade or rental business. In Ireland these usually take the form of Wear & Tear allowances (“WTAs”) which allow a taxpayer to write off the cost of an asset over a period of time, normally over eight years.

Key Facts:

- Our experience has shown that capital allowances / tax depreciation claims for nursing homes are often understated. This results in taxpayers leaving behind valuable tax/cash savings.
- The area of capital allowances is complex. Entitlement to claim must be established and qualifying expenditure must be properly identified. There is no approved list of qualifying items of plant and machinery!

Examples of some benefits of claiming:

- Claim an immediate tax / cash benefit.
- Reduce or completely shelter a tax liability.
- Compliant tax return.

Who can claim?

- If you have built or purchased a nursing home, you can likely claim capital allowances on certain elements of its construction.
- KPMG’s Tax Depreciation Group will carry out an initial assessment of your capital expenditure – at no cost – to determine if there is an opportunity for us to add value.

- Based on our significant experience completing tax depreciation reports for these assets, we normally see circa 15%-35% of the construction cost incurred on the nursing home as potentially qualifying for capital allowances.

What assets usually qualify for Nursing Homes?

Below is a list of items that may qualify:



Health Care equipment: equipment such as patent hoists.



Operating Equipment: Plant & Machinery associated with the trade being carried out.



Building Installations such as HVAC Installations



Energy Efficient Equipment (“EEE”), in particular certain lighting installations which may qualify for Accelerated Capital Allowances (“ACAs”);



Any items of **P&M** purchased directly by the claimant;



An apportionment of **Indirect Project Expenditure** such as professional/ design fees.

Due diligence report

KPMG can also provide a high-level capital allowance due diligence review on potential acquisitions outlining likely allowances that may be available, this provides our clients with an informed decision prior to purchase.

Our experience & credentials:



We have successfully completed a number of tax depreciation reports for small, medium and large nursing home projects over recent years.



Our review is end-to-end and often includes the analysis of the entire cost data set on a line by line basis, including reconciliation of the project expenditure analysed to the fixed asset additions.



We have worked with many clients involved in purchasing and/or operating nursing homes in Ireland. We have analysed in excess of €250 million of expenditure on nursing homes in Ireland.



Our unrivalled experience allows us to efficiently optimise our clients' claims while keeping the time required of their teams to a minimum.



Our team includes four Chartered Quantity Surveyors with strong sector specific experience in undertaking tax depreciation studies for small, medium and large projects.



Our experience in analysing expenditure on the construction and equipping of small, medium and large nursing homes is particularly strong and we have an excellent understanding of the types of expenditure incurred, the supporting backup information generally available, and the systems typically used for recording the project expenditure as it is incurred.



Our full time multidisciplinary team enables us to fully understand and address all tax, accounting and construction cost aspects of projects ensuring claims are maximised while being fully compliant.



Our tailored methodologies and reports have been tried, tested, and accepted by the Irish Revenue Commissioners.

Contact Us



Ken Hardy

Partner

T: +353 87 7441645

E: ken.hardy@kpmg.ie



Damien Flanagan

Partner

T: +353 87 0504214

E: damien.flanagan@kpmg.ie



[kpmg.ie/capitalallowances](https://www.kpmg.ie/capitalallowances)

© 2023 KPMG, an Irish partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks of KPMG International Limited ("KPMG International"), a private English company limited by guarantee.

If you've received this communication directly from KPMG, it is because we hold your name and company details for the purpose of keeping you informed on a range of business issues and the services we provide. If you would like us to delete this information from our records and would prefer not to receive any further updates from us please contact unsubscribe@kpmg.ie.

Produced by: KPMG's Creative Services. Publication Date: May 2023 (9330)