

**ED&F  
MAN**  
EST. 1783

**Liquid  
Products**

# MOLASSES STORAGE TANKS

Whether you require energy, protein or both ED&F Man Liquid Products have a product to suit all feeding situations. Whatever products you choose you'll need a storage solution - ED&F Man Liquid Products want to make this as simple as possible.



## Molasses Tanks - The Benefits

- Makes molasses products the easiest to use on the farm
- No finance cost – interest paid by E D & F Man (conditional on minimum consumption annually)
- Potential tax benefits makes the financial investment very attractive
- Direct delivery and installation by manufacturer
- Immediate VAT invoice
- Minimum set-up costs i.e. a concrete base
- New tanks at cost price – no hidden mark up
- Free professional advice on tank location and equipment
- Eases handling and eliminates drums and IBC's

When you confirm your tank order in writing, the manufacturer will then supply the tank, stand, valves and fittings to your farmyard.

The continuation of this "Tank Scheme" is reviewed, annually. 'Economics of investing in a molasses storage tank' - see overleaf.



**Cost effective on-farm storage for molasses**

**For more information, contact your local Merchant  
or Co-Op or call 045-481070**



# Economics of Investing in a Molasses Storage Tank

Tank Storage Capacity – 15mts (fixed tank)  
 Cost ex works [VAT included] – €4,200  
 Cost delivered and installed [VAT included] – €4,650

## Net Cost Calculation - High Rate Tax Payer

Gross Cost [VAT included]	€4,650
VAT on Investment = 23%	€869
Cost minus VAT = €4,650 ÷ 123 x 100	€3,781
Cost minus VAT before Tax Relief	€3,781
Tax Relief at High Rate [IT at 41% + USC at 7% + PRSI at 4%]	€1,966** (per schedule)
<b>Net Cost</b> after Tax Relief [100% minus 52%]	<b>€1,815</b>
Total tax savings in VAT and Tax Relief (869 + 1,966)	<b>= €2,835</b>
<b>Net Cost to farmer = 39% of initial investment</b>	<b>Saving 61%</b>

## Net Cost Calculation - Low Rate Tax Payer

Tax Relief at Low Rate [IT at 20% + USC at 7% + PRSI at 4%]	€1,172 *** (per schedule)
<b>Net Cost</b> after Tax Relief [100% minus 31%]	<b>€2,609</b>
Total tax savings in VAT and Tax Relief (869 + 1,172)	<b>= €2,041</b>
<b>Net cost to farmer = 56% of initial investment</b>	<b>Saving 44%</b>
(Savings on other storage tank sizes will be pro rata to their original investment cost)	

## \*\*Tax Savings Schedule - High Rate Tax Payer

Year 1 – VAT		<b>€869</b>
Year 1 – Other Taxes	= €567.15 x 52%	€295
Year 2 – Other Taxes	= €567.15 x 52%	€295
Year 3 – Other Taxes	= €567.15 x 52%	€295
Year 4 – Other Taxes	= €567.15 x 52%	€295
Year 5 – Other Taxes	= €567.15 x 52%	€295
Year 6 – Other Taxes	= €567.15 x 52%	€295
Year 7 – Other Taxes	= €378.10 x 52%	€196
Total Income Tax Allowances		<b>€1,966</b>
<b>Total Tax Saving</b>		<b>€2,835</b>

## \*\*\*Tax Savings Schedule - Low Rate Tax Payer

Year 1 – VAT		<b>€869</b>
Year 1 to 6 Other Taxes	= €567.15 x 31% = €176p.a. x 6yrs	€1,056
Year 7 – Other Taxes	= €378.10 x 31%	€116
Total Income Tax Allowances		<b>€1,172</b>
<b>Total Tax Saving</b>		<b>€2,041</b>

Disclaimer: The above calculations are based on our understanding of current tax legislation and the current Revenue Commissioners interpretation thereof and is subject to change without notice. This information is intended as a general guide only and is not a substitute for individual tax advice. Potential buyers should seek competent professional tax advice specific to their circumstances.