

Housing for guests and employees

Expenditure incurred on residential facilities such as bedrooms, dining rooms, sitting rooms and kitchen facilities that are made available to safari guests and hunters, is not incurred directly in connection with farming operations and therefore does not qualify for deduction under the First Schedule. Such buildings may qualify for an allowance under section 13bis if the taxpayer is carrying on the trade of "hotel keeper" as defined in section 1(1). In order to qualify as a hotel keeper the taxpayer would have to supply meals and sleeping accommodation.

Before 21 October 2008, the First Schedule provided for a person carrying on farming operations to deduct the expenditure incurred on the erection of dwellings for the person's farm employees. This deduction is no longer available under the First Schedule or under the main body of the Act. A deduction is, however, available under section 13sept for the sale of low-cost residential units on loan account to employees.