

Local Property Tax Frequently Asked Questions

Public Consultation on Setting Local Adjustment Factor

What is Local Property Tax (LPT)?

Local Property Tax (LPT) is an annual tax charged on residential properties in the State and was first introduced in 2013. The Local Property Tax is administered and collected by Revenue.

How is LPT charge calculated?

Between **2013-2021** the charge was calculated by multiplying the basic rate of **0.18%** by the mid-point of the valuation band that a property fell into, based on the valuation of that property on **1 November 2013 in respect of properties valued up to €1m.**

For **2022**, in accordance with the recently announced changes to the operation of LPT as outlined below, it is intended that the LPT charge will be calculated by multiplying the basic rate of **0.1029%** by the mid-point of the valuation band that a property falls into, based on the valuation of that property on **1 November 2021** in respect of properties valued up to €1.05m. For the purposes of calculating the LPT charge for 2022 the valuation bands have been widened and the basic rate lowered. A separate method of calculation applies to properties valued over €1.05m – for further details in relation to the calculation of the LPT charge for 2022 please see the link to the Revenue website below.

<https://www.revenue.ie/en/property/local-property-tax/lpt-revaluation-2021/index.aspx>

What are the recently announced changes to the operation of LPT?

The General Scheme of the Finance (Local Property Tax) (Amendment) Bill 2021 ****** inter alia provides for:

1. A revised method for calculation of LPT liabilities
2. Brings certain currently exempted and excluded properties into the LPT system including most new properties built since 2013; and

3. Implements recommendations of the 2019 Inter-departmental review of the LPT Review in relation to
 - a. Regularly bringing new properties within the LPT charge
 - b. Providing that property valuations to be reviewed every four years
 - c. Ending certain exemptions (first-time buyers and unsold trading stock)
 - d. Cessation of exemptions between valuations
 - e. Modifying the exemption for properties vacated by persons due to illness
 - f. Increased income thresholds for deferrals
 - g. Reduction in the deferral rate of interest
 - h. Changing the Local Adjustment Factor (LAF) notification date
 - i. A number of administrative and technical reforms

****** This legislation has not been enacted as this public consultation process commences and the information above is based on the best information available on 8 July 2021.

What is the Local Adjustment Factor?

A local authority may vary the basic rate of the Local Property Tax within its own area by a maximum of 15%. This means that DLR can either (1) decrease the rate between a range of 1-15% below the basic rate, (2) Increase the rate between a range of 1-15% above the basic rate, or (3) leave the basic rate unaltered as in 2021. The Council must consider whether or not to vary the basic rate each year and the decision only applies for the following financial and budgetary year.

Did the Council vary the rate of LPT in previous years?

The Council reduced the basic rate of LPT by the maximum of -15% each year between 2015-2020. In 2021 the basic rate was not reduced. This enabled the Council to maintain service levels and to respond to additional demand for services that arose due to the pandemic.

What type of additional initiatives were funded from the extra LPT income that was generated in 2021?

The following additional initiatives were funded as a result of the LPT income in 2021:

- Additional public toilets including changing facility for disabled persons
- Increased provision of waste bins
- Additional cycle track maintenance
- Additional benches in public areas
- Expanded weed elimination & tree care programmes
- New access for 40 foot swimming & beach accessibility improvement works
- Accessible playground equipment
- Initiation of dlr BETA to focus initially on use of waste bins
- Gully repairs to reduce incidence of flooding
- Wheelchair adapted bikes & cycling training for people with disabilities
- Initiatives to promote increased participation of women/girls in sports
- Grants for residents associations/schools for planting, wilding & public realm projects
- Community tree & bulb planting programme
- Summer camps for children with special needs
- Provision of solar powered defibrillators
- Providing access to devices & skills to address the identified digital divide
- High security locks programme for older people
- Additional electric vehicle charge points
- Women's refuge needs assessment
- Improved rights of way / mountain walk signage
- Provision of contactless water fountains with dog facilities
- Citizen engagement initiatives
- Provision for implementation of Public Sector Duty
- Expansion of 30km streets scheme
- Supports for work related to architectural conservation areas

What is the money collected under the Local Property Tax used for in the Council?

In addition to the additional initiatives introduced in 2021 the impact of not reducing LPT in 2021 enabled the Council to maintain other services including libraries, public lighting, street cleaning, road maintenance, housing services, fire, community initiatives, economic development, sports facilities, public parks and tourism development initiatives.

Is Covid still having an impact on the Council's income?

Yes - income streams such as parking, harbour related activities, markets, concerts etc. are still well below pre-Covid levels.

What will an adjustment in the Local Property Tax mean in terms of Council services?

If the rate is reduced the associated reduced level of income available to the Council will limit the range and extent of services and supports that can be provided in 2022.

Can I give my views and opinions on any proposal to increase or decrease the rate of Local Property Tax?

The Council welcomes written submissions from the public on this matter specifically covering the potential effects of varying the basic rate of the Local Property Tax on businesses, individuals and on local authority services.

Submissions must be received by the 15th August 2021 and may be made using one of the following methods.

- (1) **Online** through the Council's consultation hub at www.dlrcoco.ie
- (2) **By E Mail** To lptsubmissions@dlrcoco.ie
- (3) **By post** to Local Property Tax Submissions, FMS Section, Dún Laoghaire Rathdown County Council, County Hall, Marine Road, Dún Laoghaire, Co. Dublin

Submissions should be clearly marked "Proposed LPT Variation"