

Dublin City Council

Local Property Tax – FAQ

What is the Local Property Tax (LPT)?

The LPT is a tax payable on the market value of residential property.

What is residential property?

A residential property means any building or structure (or part of a building) which is used as, or is suitable for use as, a dwelling and includes any shed, outhouse, garage or other building or structure and includes grounds of up to one acre. The LPT does not apply to development sites or farmland.

When did the LPT come into effect?

The charge came into effect on the 1st of July 2013. A half year charge was payable in 2013 with a full year charge payable from 2014 onwards

Who is responsible for collecting the tax?

The LPT is collected by the Revenue Commissioners. Revenue offers a range of methods for paying the tax. Further details are available from: <http://www.revenue.ie/en/tax/lpt/>

Who is liable to pay the LPT?

All owners of residential property, including rental properties, are liable to pay the tax. The following groups are also liable for LPT:

- People who have a long-term lease (20 years or more)
- People with a life interest or long-term right of residence (life or more than 20 years) in a residential property
- Local authorities or social housing organisations
- A person acting as a personal representative for a deceased owner (for example, as an executor/administrator of an estate). Trustees or beneficiaries are jointly liable where a residential property is held in trust.

How is your property valued?

The tax is based on the *chargeable value* of a residential property on the *valuation date*. The chargeable value is defined as the market value that the property could reasonably be expected to fetch in sale on the open market on the valuation date.

The valuation date was the 1st of May 2013 for the 4-year period until 2016. This means that the valuation of your property for LPT purposes on 1 May 2013 will stay the same for 2013, 2014, 2015 and 2016 (even if you make improvements to your property).

Valuation was by self-assessment in 2013 and these self-assessed valuations will be used until the end of 2016.

What is the basic rate of the LPT?

The basic rate of the LPT is 0.18%

What is the basic rate of the LPT for Dublin City?

The basic rate of the LPT in Dublin City is 0.153%.

Why is the Dublin City rate different?

Under Section 20 of the Finance (Local Property Tax) Act 2012 it is a reserved function of our elected members to vary the basic rate of the LPT by +/- 15%. This adjustment is known as the local adjustment factor and it shall not exceed 15%.

As part of the budgetary process our elected members passed a resolution on the 22nd September 2014 to reduce the LPT in the Dublin City area by 15% for 2015. The effective rate for the LPT in Dublin City for 2015 is 0.153% on properties up to €1m. For properties valued in excess of €1m, the first €1m is liable at 0.153% and the excess over €1m is liable at 0.2125%.

How much did the reduction in the LPT cost Dublin City Council?

The cost of reducing the LPT by 15% is €12.4m.

Why am I being asked to vary the LPT again?

Per Statutory Instrument 296 of 2014 the local authority may;

‘By resolution vary the basic rate and set a local adjustment factor that will apply for a period of one year from the next local property tax date’

This means that when our elected members passed a resolution in September 2014 to vary the rate, it was for the 2015 liability only. In order to reduce the LPT liability for 2016, our elected members must pass a resolution in September 2015 and the Revenue Commissioners must be notified by the 30th of September 2015.

The rate, once again, can only be varied by +/- 15% of the basic rate.

What charge am I liable to pay currently?

The Local Property Tax (LPT) is based on market value bands. The first band covers all properties worth up to €100,000. Bands then go up in multiples of €50,000. The table below indicates what charge you currently pay based on your valuation band;

LPT Valuation Band	Midpoint	Annual Property Tax
€		€
0-100,000	50,000	76.50
100,001-150,000	125,000	191.25
150,001-200,000	175,000	267.75
200,001-250,000	225,000	344.25
250,001-300,000	275,000	420.75
300,001-350,000	325,000	497.25
350,001-400,000	375,000	573.75
400,001-450,000	425,000	650.25
450,001-500,000	475,000	726.75
500,001-550,000	525,000	803.25
550,001-600,000	575,000	879.75
600,001-650,000	625,000	956.25
650,001-700,000	675,000	1,032.75
700,001-750,000	725,000	1,109.25
750,001-800,000	775,000	1,185.75
800,001-850,000	825,000	1,262.25
850,001-900,000	875,000	1,338.75
900,001-950,000	925,000	1,415.25
950,001-1,000,000	975,000	1,491.75
Properties worth more than €1 million are assessed on the actual value at 0.153% on the first €1 million and 0.2125% on the portion above €1 million.		

What is the expected LPT funding for 2015?

The value of LPT funding for Dublin City in 2015 has been estimated by the DECLG at €70.2m. After a transfer of €16.5m to the national equalisation fund, the available funding is €53.7m. The expected funding is calculated as follows;

Calculation of 2015 LPT Funding for Dublin City Area	
	€M
Expected 2015 LPT funding for Dublin City	70.2
Towards national equalisation fund (20% of €82.6m)	16.5
Available LPT funding for Dublin City for 2015	53.7

How will Dublin City Council use this money?

Dublin City Council has been directed by Circular Fin 17/2014 issued by the DECLG to self fund the following grants in Y2015 i.e. the LPT will fund grants that were previously funded by Government. In 2015 the LPT accounted for €4.2m of new funding to Dublin City, the balance of LPT funding replaced previous Government grants;

Allocation of Y2015 LPT Funding	
	€M
Housing capital grants per Fin 17/2014	25.0
Capital Loan and Subsidy Scheme per Fin 17/2014	16.1
Roads Grants per Circular Fin 17/2014	5.7
Previous GPG allocation (already in funding base)	2.7
Additional funding for service provision	4.2
Total of LPT funding to replace existing funding streams	53.7

What is the national Equalisation Fund?

In September 2014 the government announced that 80% of all LPT receipts would be retained locally with the balance of 20% being redistributed towards the national equalisation fund. This fund is to act as financial support to Councils whose receipts from the LPT in 2015 would be less than their historical Local Government Fund allocation in 2014. Nineteen Local Authorities are set to benefit from the equalisation fund in 2015. The total value of this fund for 2015 is €101.9m.

What impact does the LPT have on Local Authority service provision?

Revenue from the LPT will accrue to Local Authorities and will finance the provision of local services. The idea to fund local services by local charges follows best international practice. Dublin City Council is responsible for (among other services) Public Parks, Libraries, Leisure Facilities, Fire and Emergency Services, Homeless Services, Street Cleaning, Street Lighting, Roads Maintenance, Planning & Development, Motor Taxation and Local Elections.

Do I have any input to the process?

Yes. Under Section 20 of the Finance (Local Property Tax) Act 2012 a Local Authority is required to carry out a public consultation process to canvass the public for their opinions and views. As part of this process Dublin City Council would now like for you to submit your views on the LPT.

The public consultation process will run from **Thursday 2nd July to Wednesday 5th August at 4.30pm**

The information gained in this process will be used to inform Councillors in their decision making duties. The council meeting to discuss this will be held in September.

You can submit your views/opinions

via the following methods:

1 – By Completion of this Online Survey at <https://consultation.dublincity.ie/finance/lpt-consultation-2015>

2 – By completion of this survey and emailing: lptconsultation@dublincity.ie

3 – In Writing by completion of this Survey and returning to:

LPT Consultation,
C/O Finance Dept,
Dublin City Council,
Civic Offices,
Wood Quay,
Dublin 8

Hard copies of this survey will be made available at DCC Public Libraries and the Customer Services Centre, Civic Offices, Wood Quay, Dublin 8 and local Area Offices. A pdf version of the online survey will also be available for download at <https://consultation.dublincity.ie/finance/lpt-consultation-2015> or by email request to lptconsultation@dublincity.ie

What happens if the Elected Members vary the basic rate of the LPT?

The City Council must inform both the DECLG and the Revenue Commissioners by the 30th of September 2015. A public notice informing the public of this decision will be placed within 14 days of the elected members' decision being made in local newspapers and on the Dublin City Council website www.dublincity.ie.