

Dublin City Council

Local Property Tax 2022 – FAQ

What is the Local Property Tax (LPT)?

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

What is a 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 and social housing organisations
- A person acting as a personal representative for a deceased owner (for example, as an executor/administrator of an estate). Trustees and 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.

What was the valuation date?

The valuation date of your property is the 1st of November 2021.

What is the basic rate of the LPT?

The basic rate of the LPT in 2021 was 0.18%. Under the proposed legislation to go before the Oireachtas the basic rate of the LPT in 2022 will be 0.1029%

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

The effective rate of the LPT in Dublin City Council in 2021 was 0.153%.

Why is the Dublin City Council 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 21st September 2020 to reduce the LPT in the Dublin City Council area by 15% for 2021.

How much did the reduction in the LPT cost Dublin City Council in 2021?

The reduction in the LPT represents funding foregone for Dublin City Council in 2021 of €12m.

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 2020 to vary the rate, it was for the 2021 liability only. In order to vary the LPT liability for 2022, our elected members must pass a resolution by 31st August 2021 and the Revenue Commissioners must be notified by the 31st of August 2021.

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 is based on market value bands. The first band covers all properties worth up to €200,000. The table below indicates what charge you will be paying in 2022 based on your valuation band as at 1st November 2021;

LPT Valuation Band	Annual Property Tax
	€
1 - 200,000	90
200,000 - 262,500	225
262,501 - 350,000	315
350,001 - 437,500	405
437,501 - 525,000	495
525,001 - 612,500	585
612,501 - 700,000	675
700,001 - 787,500	765
787,501 - 875,000	855
875,001 - 962,500	945
962,501 - 1,050,000	1,035
1,050,001 - 1,137,500	1,190
1,137,501 - 1,225,000	1,409
1,225,001 - 1,312,000	1,627
1,312,001 - 1,400,000	1,846
1,400,001 - 1,487,500	2,065
1,487,501 - 1,575,000	2,284
1,575,001 - 1,662,500	2,502
1,662,501 - 1,750,000	2,721
Over 1,750,000	2,830+

What is the allocated LPT funding for 2021?

The value of declared LPT funding for Dublin City Council in 2021 has been estimated by the Department of Housing, Planning and Local Government (DHP&LG) at €81.65m. After the transfer to the national equalisation fund (€16.33m), our elected members passing the 15% reduction (€12.24m); the available funding is €53.08m. The funding is calculated as follows, see Table 1;

Table 1

Calculation of LPT Funding for Dublin City Council	
	<i>€m</i>
Declared Y2021 LPT Funding for DCC	81.65
Equalisation Funding	16.33
15% Reduction	12.24
Available LPT Funding for Y2021	53.08

How will Dublin City Council use this money?

Dublin City Council was directed by Circular Fin 15/2020 to self-fund the following grants in Y2021 i.e. the LPT will fund grants that were previously funded by Government. In 2021 the LPT accounted for €4.11m of additional funding to Dublin City Council, the balance of LPT funding replaced previous Government grants. See Table 2 below;

Table 2

Allocation of Y2021 LPT Funding	
Housing Capital	19.11
PRD Compensation	16.42
Roads Revenue	5.78
Housing Revenue	5.00
Previous CPG Allocation	2.66
Total of LPT Funding to replace existing streams	48.97
Additonal Funding	4.11
Total LPT Funding	53.08

Did Dublin City Council only receive €4m additional funding from the LPT in Y2021?

Yes. The declared LPT funding for Dublin City Council is €81.65m and of this amount only €4.11m (or 5%) represents additional funding for the City (see Table 2 above). It should be noted that this funding is not new funding; it represents the continuation of additional funding from the LPT in 2015 which supports current service provision. In 2015 & 2016 the discretionary funding was €4.1m, in 2017 – 2020 this had decreased to €4m.

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 2021 would be less than their historical Local Government Fund allocation in 2021 base figure. Twenty Local Authorities are set to benefit from the equalisation fund in 2021. The total value of this funding for 2021 is €133.5m. Dublin City Council receives no funding from the Equalisation Fund.

Under the draft legislation it is proposed that Local Authorities will retain 100% of the LPT collected in their area however this will not commence until Budget 2023. For 2022 20% of the LPT collected in Dublin City will be transferred to the national equalisation fund.

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.

What decision has Dublin City Council reached in previous years?

This is the 8th year of the LPT consultation process. In the previous seven years the LPT has, by council resolution, been reduced by the maximum amount of 15%.

What would happen if the rate of the LPT was reduced by a lesser amount?

If the City Council reduced the LPT by a lesser amount it would retain 100% of the resultant additional income.

How much additional income would this generate?

In Budget 2021, adjusting the base rate downwards by 15% cost DCC €12m. Each 1% lesser variation in the LPT Local Adjustment Factor would generate an additional €803k for Dublin City Council.

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 **Friday 25th June until Friday 9th July.**

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 on **Monday 19th July 2021 at 6.15pm**

You can submit your views/opinions by completing the online survey at;

<https://consultation.dublincity.ie/>

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

The City Council must inform both the DoHP&LG and the Revenue Commissioners by the 31st of August 2021. 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.