Commercial Rates - Frequently Asked Questions

Q: Why do we pay Rates?

A: Commercial Rates are a tax payable annually by all commercial businesses to fund services provided by Local Authorities. Commercial Rates contribute to all services provided by Limerick City & County Council.

Some of the services supported are:

- Housing
- Library Service
- Fire Services
- Cemeteries
- Higher Education Grants
- Community and Voluntary Services
- Road Maintenance and Improvement
- Planning and Development
- Parks, Amenity Areas and Playgrounds
- Environmental Services

Q: I am leasing a Commercial premises. Who is liable for the Rates on the property?

A: The occupier of a property is legally liable for payment of the Rates on that property. However, if the occupier fails to pay, any arrears for the previous two years become the responsibility of the owner or subsequent occupier under the Poor Relief (Ireland) Act 1838.

Q: I am in difficulty with my Rates Bill - What should I do?

Please contact your Revenue Collector as soon as possible and your situation can be discussed in confidence.

Q: What happens if I neglect to pay my Rates?

A: If you fail to pay your Rates by the specified period then Limerick Co. Council will refer the matter to our Solicitor for appropriate legal action, followed by a Court Summons. Limerick City & County Council is legally entitled to register a judgement mortgage on property owned by the company or person being summoned, to register a judgement against the company or person summoned, or appointed a liquidator.

The Revenue Collector has the power to seize goods to the value of the Rates outstanding.

Under the Local Government Act, 2001 Limerick City & County Council can publish a list of the names of uncollected Ratepayers at year-end.

Q: I am no longer operating a business from my commercial property. Am I still liable for Rates?

A: Yes, Rates are payable on all valued commercial/industrial properties. However, if your property becomes vacant and you can supply written evidence that 1) the property was available for letting or 2) the property was being altered/repaired or renovated during a certain period, then the owner of the property can apply for a partial refund / partial write-off of Rates to Limerick City & County Council. If a premises is For Sale, the rates are due in full.

In order to qualify for a partial refund / partial write-off of rates the property must be vacant on the date of the making of the Rate and the rates bill for the year must be paid in full. Decisions on refunds / write-off for vacancy will be made by the Head of Finance at the end of each Rating year.

Q: I have just opened a new business. Am I liable for Rates immediately?

A: This depends on whether the property is a new or existing premises.

A new commercial premises will need to be valued by the Valuation Office/Commissioner of Valuation, which will involve a visit from one of their valuers. You will receive advance notification of the scheduled visit.

If you are taking over an existing commercial premises, then, unless you substantially alter the premises, you will become liable for the existing rates applicable to that property. As outlined below any material change to the property will involve a re-valuation.

Q: What are my options if I am dissatisfied with the Valuation placed on my property by the Commissioner of Valuation?

A: Following a new/revised valuation on a property, the owner/occupier and Limerick Co. Council are informed of the outcome, by the Valuation Office. The owner/occupier can appeal the decision to the Valuation Office within 28 days from the issue of notification, for a prescribed fee. The Valuation Office can be contacted at the following address: Valuation Office Ireland, Block 2, Irish Life Centre, Abbey Street Lower, Dublin 2 – Telephone 01 817 1000

A further appeal can be made to the Independent Valuation Tribunal with a further right to appeal via the High Court and ultimately the Supreme Court

It is important to note that a revision of the valuation of a property can only be sought in the event of a material change having taken place since the last valuation. The main criteria for satisfying the Material Change of Circumstances rule are as follows:

- An existing property which is divided into 2 or more separate properties
- Two or more existing properties which are amalgamated into a single property
- An existing property whose value is changed by virtue of structural alterations (including damage by fire or other physical cause). This refers to a situation where an existing property undergoes structural alterations which affect the value of the property. This usually refers to extensions or other situations where the physical size or nature of the property is significantly changed (either made larger or smaller).

Rates remain legally payable while an appeal is being considered.

Q: If the Valuation on my property is revised will I get the benefit or otherwise of the revision with immediate effect?

A: This depends on the date of notification of the revision, as any revised valuations on a property will normally take effect for rating purposes, from the 1st January following the revision.

Q: Does it affect my Rates if I carry out any structural alterations to the property?

A: Yes, any extension/demolition/alteration is regarded as a material change to the property and will result in a revision of the valuation as determined by Commissioner of Valuation.

The owner/occupier of a Rateable property should apply to the Valuation Office to take account of a material change since it was last valued. A prescribed fee payable to the Commissioner of Valuation is applicable to any request for a revision.

The main criteria for satisfying the Material Change of Circumstances rule are as follows:

1. A new property that has never been valued before
2. An existing property which is divided into 2 or more separate properties
3. Two or more existing properties which are amalgamated into a single property
4. A change in status of an existing property – this means a property which was rateable but is no longer rateable or a property which was not previously rateable but is now rateable
5. An existing property whose value is changed by virtue of structural alterations (including damage by fire or other physical cause).

No. 5 above refers to a situation where an existing property undergoes structural alterations which affect the value of the property. This usually refers to extensions or other situations where the physical size or nature of the property is significantly changed (either made larger or smaller). It is important to note this condition in its entirety – i.e. changes to the property that change its value. In other words, a minor alteration such as adding a porch to the front of a building will increase its total size, but may not affect its overall value. Also, a simple change of use is not sufficient on its own to be considered a Material Change of Circumstances, if the physical "bricks and mortar" of the property have not been altered.

Q: Where can I find further information on the present rating system?

A: [The Valuation Act, 2001] is the basis for the present Rating system. The Act gives a list of all Rateable property and property exempt from Rates.

The above information is provided for guidance purposes only and should not be taken as a legal interpretation of governing legislation.