

Local Property Tax

Public Consultation on Setting Local Adjustment Factor

Frequently Asked Questions

What is Local Property Tax (LPT)?

[Local Property Tax](#) (LPT) is an annual tax charged on all residential properties in the State and came into effect in 2013. The LPT is collected by the Revenue Commissioners.

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 Limerick City and County Council can either increase or decrease the rate of Local Property Tax by 15% of the “basic rate” (see **Table 1** below).

Can local authorities make a local variation decision for more than one year?

Yes, the Local Property Tax (Local Adjustment Factor) Regulations 2022, allow for a local variation decision to apply for a period beyond one year.

For example, Limerick City and County Council may decide to apply an upward variation decision of up to 15% for say two years without having to revisit the matter again until the two years have passed.

What if Limerick City and County Council, with a 15% upward variation decision for a two year period, wants to revert back to the basic rate after the first year has passed?

In order to revert to the basic rate, Limerick City and County Council must repeat the process as outlined in Regulations and Guidance i.e. full consultation with public, prepare a report for elected members and revoke the resolution in accordance with the standing orders.

What happens if Limerick City and County Council does not pass any resolution in respect of variation of the local rate?

If, having considered the matter, Limerick City and County Council does not pass any resolution to apply a local adjustment factor, then the basic rate applies by default. Revenue & Minister HLGH continue to be notified on an annual basis to confirm the ‘no variation’ position. The matter must then be considered afresh the following year.

What does this mean for the average household?

The Finance (Local Property Tax) (Amendment) Act 2021 was signed into law on 22 July 2021 and came into operation on the same date. The Act gave effect to a package of measures in line with the Programme for Government to address the future of the Local Property Tax.

The Act introduced the new bands as highlighted below in **Table 1**, which came into effect for the Local Property Tax 2022. The new valuation period began on 1 November 2021 which is running for 4 years and triggered an obligation on liable persons to submit returns for the year 2022 by 7 November 2021. Provided the LPT is paid and the liability or payment method doesn’t change, no further returns will need to be submitted to Revenue until 7 November 2025.

Section 17 of Finance (Local Property Tax) Act 2012 was amended as per the new Act providing for the **methodology for charging LPT**. This comprises the use of a formula applying the tax rate to an amount that is the mid-point of a particular valuation band. In the case of properties valued at over €1million, the actual value is used instead of valuation bands. The standard tax rate of 0.18% is applied to the amount up to €1million and a higher tax rate of 0.25% is applied to the amount over €1million. The

amendment to section 17 involves the substitution of a revised tax rate and the table containing the valuation bands with a series of wider bands. The number of bands is maintained at 20. Band 1 is expanded from €1 to €200,000 and Band 2 contains values in the range €200,001 to €262,500. The LPT charge is fixed at the current charge for Bands 1 & 2 (€90 and €225 respectively). The other bands are widened by 75% to create bands of €87,500 (increased from the current range of €50,000). For properties in bands 3-19, a mid-point rate of 0.1029% is charged. Properties in bands 12- 19 (between €1m and €1.75m) are charged a mid-point rate of 0.1029% on the first €1.05m and 0.25% on balance over €1.05m. Properties in Band 20 are charged on individual property price as before, with a higher rate of 0.3 per cent applied on the value in excess of €1.75million (0.1029 per cent on first €1.05m, 0.25 percent 12 between €1.05m and €1.75m, and 0.3 per cent on the balance

The table below gives an indication of the rate of Local Property Tax for an average household in Limerick following a 15% decrease or increase on the “basic rate”/ charge.

€200k Band 1 +75% (includes higher midpoint rates for bands 12-19)				
	Band	Charge (“Basic Rate”)	Charge: -15%	Charge: +15%
1	1 – 200,000	€90	€76.50	€103.50
2	200,001 – 262,500	€225	€191.25	€258.75
3	262,501 – 350,000	€315	€267.75	€362.25
4	350,001 – 437,500	€405	€344.25	€465.75
5	437,501 – 525,000	€495	€420.75	€569.25
6	525,001-612,500	€585	€497.25	€672.75
7	612,501 - 700,000	€675	€573.75	€776.25
8	700,001- 787,500	€765	€650.25	€879.75
9	787,501 – 875,000	€855	€726.75	€983.25
10	875,001 – 962,500	€945	€803.25	€1,086.75
11	962,501 – 1,050,000	€1,035	€879.75	€1,190.25
12	1,050,001 – 1,137,500	€1,190	€1,011.50	€1,368.50
13	1,137,501 – 1,225,000	€1,409	€1,197.65	€1,620.35
14	1,225,001 – 1,312,000	€1,627	€1,382.95	€1,871.05
15	1,312,501 – 1,400,000	€1,846	€1,569.10	€2,122.90
16	1,400,001 – 1,487,500	€2,065	€1,755.25	€2,374.75
17	1,487,501 – 1,575,000	€2,284	€1,941.40	€2,626.60
18	1,575,001 – 1,662,500	€2,502	€2,126.70	€2,877.30
19	1,662,501 – 1,750,000	€2,721	€2,312.85	€3,129.15
20	1,750,001 +	€2,830 +		
	Rate = 0.1029% (fixed charge in first and second bands)			

Table 1: Current Band Structured

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

This money contributes towards the cost of providing a range of local Council services including libraries, public lighting, road maintenance, housing services, fire services, supporting community

initiatives, economic and tourism promotion and development, dealing with illegal dumping and littering, beach/ lake management and tourism development initiatives.

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

If the rate is reduced and if funding is not available to replace this reduction, then a reduced level of income available to the Council will limit the range and extent of services and supports that can be provided.

If the rate is increased, then an increased level of income available to the Council will increase the capacity to deliver services and supports.

When will the Council make a decision on varying the rate of Local Property Tax in Limerick?

This decision will be made at a Council meeting to be held in September 2022.

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

Yes, Limerick City and County Council would like to hear your views and opinions on any proposal to increase or decrease the rate of Local Property Tax in Limerick. We would like to hear your thoughts on the potential effects of varying the “basic rate” of the Local Property Tax on households, individuals, businesses and on Council services.

Submissions must be received by end of business on 31st August 2022 via any of the following methods:

- (1) By completing an online survey at www.limerick.ie/council/local-property-tax
- (2) By emailing your submission to LPT@limerick.ie
- (3) By posting your submission to:
Local Property Tax Consultation
Limerick City and County Council
Finance Section
Barrow House 3rd Floor
Michael Street
Limerick

What will the Council do with the submissions that are received?

The elected members of Limerick City and County Council will consider the feedback received from this public consultation as part of the decision-making process. The Chief Executive will provide a summary of the written submissions received in a report to the elected members.

In making their decision on whether or not to vary the rate, the elected members will consider the following:

- Estimation of Income and Expenditure for the Council
- Financial Position of Limerick City and County Council at present
- Estimated Financial Effect of the varied rate
- Feedback from the Public Consultation