

14th September 2026

To: The Príomh Chomhairleoir and Each Member of Limerick City and County Council

Re: Local Property Tax – Local Adjustment Factor 2027

The authority to vary the base rate of Local Property Tax (LPT) is prescribed in the **Finance (Local Property Tax) Act, 2012 ("Act")** as amended by **Finance (Local Property Tax) (Amendment) Act, 2013**, the **Local Property Tax (Local Adjustment Factor) Regulations 2022** and the **Finance (Local Property Tax and Other Provisions) (Amendment) Act 2025**.

Section 20 of the "Act" states that:

"a local authority may pass a resolution that the basic rate should for a period specified in the resolution and with effect from the date specified in section 21(2) stands varied (either upwards or downwards) by a specified percentage in respect of relevant residential properties situated in the local authority's functional area"

The Local Property Tax (Local Adjustment Factor) Regulations 2022, allows for a local variation decision to apply for a period beyond one year. The Finance (Local Property Tax and Other Provisions) (Amendment) Bill 2025 includes a provision for a +25% rate from 2027 onwards.

The percentage specified in the resolution under section 20 as the percentage by which the basic rate should be varied is referred to as the **"local adjustment factor"**. The Local Adjustment Factor is not permitted to exceed 25% in 2027.

In addition, Local Authorities must undergo a public consultation process with the citizens in its functional area in relation to its consideration of the setting of a Local Adjustment Factor and a report summarising the submissions from the public must be prepared.

Any decision by a local authority to vary the basic rate of LPT must be taken before the 15th October 2026 in order that it can have effect from 1 November (the liability date) and therefore determine the LPT liability for taxpayers the following year.

Section 20(2) of the Act and the Local Property Tax (Local Adjustment Factor) Regulations 2022, sets out a number of factors which the members shall have regard to in making a decision of whether or not to vary the base rate of LPT. These factors are set out in more detail, and in prescribed formats in, the Local Property Tax (Local Adjustment Factor) Regulations 2014.

The Factors to be considered are:

1. Estimation of Income and Expenditure for the period during which the rate is to be varied.
2. The financial position of the Local Authority.
3. The local authority's estimation of the financial effect of the Local Property Tax varied rate on the economy of its functional area, including on those persons who will be liable to pay local property tax.
4. Report on Public Submissions.
5. Potential Impact on Service Delivery Plans of Local Authority.

1. ESTIMATION OF INCOME AND EXPENDITURE

SCHEDULE 1 - ESTIMATION OF INCOME AND EXPENDITURE OF LIMERICK CITY AND COUNTY COUNCIL

	Budget 2026 €	Draft Budget 2027 €
INCOME		
Commercial Rates	70,450,179	73,268,186
Local Property Tax	22,691,264	22,691,264
Grants and Subsidies	626,626,888	634,070,862
Other income	221,211,519	216,550,000
Total Income	940,979,850	946,580,312
EXPENDITURE		
Payroll Expenses	120,821,795	125,368,312
Loan interest and Principal repaid	6,656,390	7,406,390
Social Benefits (transfer payments to households)	33,212,000	33,212,000
Capital Grants Paid	8,437,649	8,500,000
Other Expenditure	771,852,016	772,093,610
Total Expenditure	940,979,850	946,580,312

It must be noted that the above projections for 2027 are based on preliminary estimates only. A number of areas have requested additional funds in order to maintain the existing high level of service to the citizen. Included in the above figures we have identified excess expenditure over income required for draft Budget 2027, compared to 2026. We have balanced the Budget 2027 estimation on the proviso that expenditure will have to match income and this shortfall will be addressed during the Budget review and adoption process.

2. FINANCIAL POSITION

A summary of the Financial Position of Limerick City and County Council as at 30th June 2026 is set out in the table below:

The General Revenue Reserve as at the end of December 2025 was a surplus of €995,983, and for the 6 months January to June 2026, Limerick City and County Council has estimated a revenue deficit of €365,803 resulting in a general cumulative revenue reserve surplus of €630,180(estimated) at 30th June 2026.

SCHEDULE 2 FINANCIAL POSITION OF LIMERICK CITY AND COUNTY COUNCIL

	As at 30 June 2026
ASSETS	€
Current assets (including cash and investments)	212,104,272
General revenue reserve (if surplus)	630,180
Loans Receivable	134,362,243
	347,096,695
LIABILITIES	
Current liabilities (including overdraft)	127,958,832
General revenue reserve (if deficit)	
Loans payable:	
Voluntary housing/Mortgage Loans/L2030	111,868,937
Non Mortgage loans	93,390,752
	333,218,511
INDICATORS	
Ratio of loans payable to revenue income	22%
Ratio of current assets to current liabilities	1.66

3. FINANCIAL EFFECT ON LOCAL ECONOMY

The table below gives an indication of the rate of Local Property Tax for an average household in Limerick following a 15% and 20% or 25% increase on the “basic rate”/ charge.

	Band	Charge ("Basic Rate")	Charge: +15%	Charge +20%	Charge +25%
1	1 – 240,000	€95	€109.25	€114.00	€118.75
2	240,001 – 315,000	€235	€270.25	€282.00	€293.75
3	315,001 – 420,000	€333	€382.95	€399.60	€416.25
4	420,001 – 525,000	€428	€492.20	€513.60	€535.00
5	525,001 – 630,000	€523	€601.45	€627.60	€653.75
6	630,001 – 735,000	€618	€710.70	€741.60	€772.50
7	735,001 – 840,000	€713	€819.95	€855.60	€891.25
8	840,001 – 945,000	€808	€929.20	€969.60	€1,010.00
9	945,001 – 1,050,000	€903	€1,038.45	€1,083.60	€1,128.75
10	1,050,001 +		€1,147.70 - €3,576.50	€1,197.60 - €3,732.00	€1,247.50 - €3,887.50

The effect of varying the base rate by 1% would result in a change of €0.95 for the lowest valuation band and €31.10 for the highest band. Circular Fin 09/2026 and details on the Revenue website, provided information in relation to property valuation bands for each local authority area. **88.7%** of Limerick properties are in the first 3 bands a decrease of **2.1%** from **90.8%** in 2025.

Valuation Bands	0 - 240,000	240,001 – 315,000	315,001 – 420,000	Over 420,001
Limerick City and County Council	45.1%	25.0%	18.6%	6.6%

Every local authority has the power, from 2027 onwards , to vary the basic rate of LPT by up to 25%. It should be noted that if Limerick City & County Council decides to vary the LPT basic rate upwards (by up to 25%), it will retain 100% of the resultant additional income collected in the local authority area. Similarly, if Limerick City and County Council decides to vary the LPT basic rate downwards (by up to 15%), the resultant loss in LPT income will be reflected in reduced LPT funding to the authority. No additional funding from the equalisation fund will be provided.

The 2027 allocation from the Local Property Tax and the basis of this allocation is set out in the table below:

Limerick City & County Council 2027 LPT Allocation

(pending any decision to vary the basic rate)

LPT 100%	€16,911,976
Distribution of Equalisation Fund	€3,242,488
LPT Allocation 2027	€20,154,464

*Note: The 2027 LPT allocation has been calculated based on an estimated yield (pre variation) on a no change basis from 2026.

Any 1% increase or decrease in 2027 LPT allocation is valued at €169,120

The value of a potential increase or decrease in 2027 LPT allocation if maximum variation of 25% implemented by Limerick City and County Council is €4,228,000. A 15% increase on the base (no change from 2026) would be €2,536,800.

4. REPORT ON PUBLIC SUBMISSIONS

Following a public consultation process 5 submissions were received as follows:

No. of valid submissions received:	5
No. of submissions requesting a decrease:	4
No. of submissions requesting an increase:	0
No. of submissions requesting no change from the Base Rate:	1

5. POTENTIAL IMPACT ON SERVICE DELIVERY PLANS OF LOCAL AUTHORITY

Based on Preliminary projections for draft Budget 2027, the Council has additional unfunded demands which include the following.

- Construction Related Inflation
- Additional Homeless Budget
- Increased Roads Own Resources Budget
- Increased Housing Maintenance Budget
- Reduced Regeneration Funding

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.

Recommendation:

The Council is therefore requested to consider whether to pass a resolution to vary the basic rate of Local Property Tax for the **year ending 31st December 2027 to 31st December 2029 (both inclusive)** in accordance with Section 20 of the Finance (Local Property Tax) Act, 2012.

John Moran

Mayor