



## **Local Property Tax**

### **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, Wexford 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 Wexford 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, Wexford 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 Wexford County Council does not pass any resolution in respect of variation of the local rate?**

If, having considered the matter, Wexford 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<sup>st</sup> November 2021 which is running for 4 years and triggered an obligation on liable persons to submit returns for the year 2022 by 7<sup>th</sup> 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<sup>th</sup> November 2025.

**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 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 Wexford?**

This decision must be made at a meeting of the Council before the 15<sup>th</sup> October in any year where a decision is required (or by 31<sup>st</sup> August in the year of a Revaluation).

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

Yes, The Local Property Tax legislation provides for a 30 day public consultation period in advance of the Council's decision. The public consultation process in Wexford is facilitated by an online public Consultation portal but submissions can also be sent to the County Secretary, Wexford Co Council, Carricklawn, Wexford. Advertisements of the Public Consultation period will be placed in the local papers weekly during the public consultation period and will be posted on the Council's website and social media platforms

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

The elected members of Wexford County Council will consider the feedback received from the 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