

Understanding the Local Property Tax

April 2013

What is the Local Property Tax?

- The new Local Property Tax (LPT) is payable on the market value of each Irish residential property owned on 1st May 2013.
- It comes into effect from 1st July 2013 and will operate through a system of self-assessment and self-declaration by residential property owners.

Who has to pay the Local Property Tax?

An owner of any Irish residential property on 1st May 2013, including rental properties/ holiday homes/ investment properties, is liable for the Local Property Tax.

Who does not have to pay the Local Property Tax?

A limited number of properties are exempt from the Local Property Tax:

- Newly constructed but unsold residential property;
- Where a principal private residence is unoccupied by reason of long term mental or physical infirmity;
- Mobile home, vehicle or a vessel;
- Property fully subject to commercial rates;
- Houses in certain "ghost estates" as specified by the Minister for the Environment, Community and Local Government.

Further details can be found on the Department of the Environment, Community and Local Government website <http://www.environ.ie>

- Certain new and previously unused houses that are purchased between 1 Jan 2013 and 31 Dec 2016 are exempt until end 2016;
- Second hand property purchased by a first time buyer between 1 Jan 2013 and 31 Dec 2013 will be also exempt until end 2016.

How much is the Local Property Tax?

- The rate of Local Property Tax will be 0.18% for properties up to a market value of €1m.
- There is a system of market value bands with the initial band covering €0 - €100,000 and bands of €50,000 width thereafter up to €1,000,000 in value. The tax liability is calculated by applying the tax rate to the mid-point of the band.
- Residential properties valued **over €1m** will be assessed at the actual value at **0.18%** on the first €1m in value and **0.25%** on the portion of the value above €1m (no banding will apply).
- A half year charge will apply for 2013 with the first full year charge applying from 2014 onwards.
- The market value will stay the same for 2013, 2014, 2015 and 2016 no matter what improvements are made to the property.
- The Revenue Commissioners' market value bands and resulting LPT liabilities for 2013 and 2014 can be found at www.revenue.ie/en/tax/lpt/liability.html

What are the relevant dates for the 2013 Local Property Tax?

Due Date	Action
1 st May 2013	Property Valuation and Property Ownership date
7 th May 2013	Due date for filing paper LPT returns
28 th May 2013	Due date for filing LPT returns electronically
1 st July 2013 onwards	<ul style="list-style-type: none"> • Commencement of deduction at source from Salary / Occupational Pension or certain payments from the Department of Social Protection and Department of Agriculture, Food and the Marine • Commencement of cash payments through certain payment service providers
15 th July 2013 onwards	Commencement of direct debits
21 st July 2013	Single Debit Authority Payment deducted

What is happening with the Household and NPPR (Non Principal Private Residence) Charges?

The Household Charge has been replaced by Local Property Tax. Residential property owners are not obliged to pay Household Charge in respect of their properties from 2013 onwards.

Owners of second-homes are still obliged to pay the NPPR charge in 2013. The NPPR charge is abolished with effect from 1st January 2014 and will no longer apply from 2014.

Year	Household Charge	Non-Principal Private Residence	Local Property Tax
2013	N/A	€200 annual charge	Half year charge
2014	N/A	N/A – abolished from 1 st January 2014	Full year charge

Where can I get further information?

- Visit the Local Property Tax FAQs section on our website.
- Contact Siobhán O’Hea in our Tax Department on 021 427 2900 or email sohea@crowleysdfk.ie.
- Visit Revenue.
<http://www.revenue.ie/en/tax/lpt/index.html>

Siobhán O’Hea
Tax Manager, Crowleys DFK
T: 021 4272900
E: sohea@crowleysdfk.ie.

For more information, please contact us at: marketing@crowleysdfk.ie

This publication is intended only as a general guide and should not be used as a substitute for professional advice.

www.crowleysdfk.ie



16/17 College Green
Dublin 2
Ireland

Tel +353 1 6790800
Fax +353 1 6790805

5 Lapp’s Quay
Cork
Ireland

Tel +353 21 4272900
Fax +353 21 4277621