

# Local Property Tax (LPT)

## Introduction

An annual Local Property Tax (LPT) charged on all residential properties in the State came into effect in 2013. A half-year payment was due in 2013, with a full-year payment due in 2014. The LPT is collected by the [Revenue Commissioners](#).

If you own a residential property in the State you are liable for payment of the tax. (This includes local authorities and social housing organisations.) See 'Who is liable to pay the LPT' below.

*Residential property* is any building or structure (or part of a building) which is used as, or is suitable for use as, a dwelling and includes grounds of up to one acre. The LPT does not apply to development sites or farmland.

The tax payable is based on the market value of relevant properties. The LPT is a self-assessment tax so you calculate the tax due based on **your own assessment of the market value of the property**. Revenue does not value properties for LPT purposes but provides guidance on how to value your property – see 'Valuing your property' below.

Revenue offers a range of methods for paying the tax. You can opt to make one single payment or you can phase your payments in equal instalments. [Read about how to pay your LPT in 2014](#).

## Deadline for compliance

The Revenue Commissioners set a deadline of 2 April 2014 for people to bring their LPT affairs up to date and avoid interest or penalties. Following this deadline Revenue will be writing to people with outstanding LPT obligations to inform them that their LPT remains unpaid and that Revenue will take steps to recover the debt. You can read more about Revenue's powers to recover unpaid LPT in 'What happens if you don't pay' below.

You can log in to the [LPT On-line system](#) to view your Local Property Tax record and to pay any arrears (using your PPSN, Property ID and PIN).

## Household and Non-Principal Private Residence Charges

The Local Property Tax (LPT) replaced the Household Charge which was abolished from 1 January 2013. Household Charge arrears that were not paid by 1 July 2013 were converted into LPT and are now collected by Revenue through the LPT system. The Non-Principal Private Residence (NPPR) charge on second homes applied for 2013 and should be paid to the relevant local authority.

## Summary of LPT procedure

During March 2013 Revenue wrote to residential property owners – see ‘Who is liable to pay LPT’ below. This letter included an LPT Return form for completion, an explanatory booklet and a Revenue Estimate of LPT liability. The Revenue Estimate of LPT liability is not a valuation of a property nor should it be regarded as an accurate calculation of LPT liability. It is simply the amount that Revenue will collect from property owners if they do not submit their LPT return.

The explanatory booklet helps you to assess the value of your property – see ‘Valuing your property’ below - work out how much you will have to pay, complete the LPT Return form and decide how pay your LPT – see ‘How to apply’ below. You can read the explanatory booklet on the Revenue website (pdf) and see a sample LPT Return form (pdf).

You should have sent your completed LPT Return form back to Revenue by **7 May 2013** if submitting a paper form or by **28 May 2013** if submitting your return online through revenue.ie. The first LPT payment was due in July 2013, the exact date depends on your method of payment - see ‘Rates’ below.

## Rules

### Who is liable to pay LPT?

All owners of residential property, including rental properties, are liable to pay the tax. The following groups are also liable for LPT:

- People who have a long-term lease (20 years or more)
- People with a life interest or long-term right of residence (life or more than 20 years) in a residential property
- Local authorities or social housing organisations

- A person acting as a personal representative for a deceased owner (for example, as an executor/administrator of an estate). Trustees or beneficiaries are jointly liable where a residential property is held in trust.

**Joint owners:** If there is more than one owner they need to agree who will make the LPT return and pay the tax. If no one pays the tax Revenue can collect the Revenue Estimate of the LPT liability from any of the owners.

**Rental properties:** Where the residential property is rented on a normal short-term lease (less than 20 years), the landlord will be liable for LPT. Long-term leases (more than 20 years), life tenancies and situations where a person occupies a residential property on a rent-free basis over an extended period and without challenge to their right of occupation will be treated as if the occupant owns the property. In these circumstances, the occupant will be liable for LPT.

### **Liability date**

You are a *liable person* for the Local Property Tax if you own a residential property on the *liability (or ownership) date*. The liability date is 1 May 2013 for the year 2013 and, for following years, 1 November in the preceding year. So for **2014** the liability date was **1 November 2013**. For **2015** the liability date will be **1 November 2014**.

### **Unoccupied and uninhabitable properties**

If a residential property is suitable for use as a dwelling but is unoccupied, it is liable for LPT. However, if the property is not suitable for use as a dwelling, it is not liable for LPT and you do not need to make an LPT return. If you think that your property is not suitable for use as a dwelling, you must notify Revenue as soon as possible after receiving your LPT return. You must also include relevant supporting documentation, for example, an engineer's report. Revenue will consider your claim and make a decision using the documentation you provide.

### **Exempt properties**

If a property is a residential property on the liability date in any year (since 2013) it is a relevant residential property and is chargeable to

LPT. Certain properties are exempt from LPT. You can find out more in our document on [Local Property Tax: exemptions and deferrals](#).

Note that, even if you own an exempt property, you must still make a return to claim an exemption.

## **Valuing your property**

The tax is based on the *chargeable value* of a residential property on the *valuation date*. The chargeable value is defined as the market value that the property could reasonably be expected to fetch in sale on the open market on the valuation date. **The valuation date is 1 May 2013 for the 4-year period until 2016.** This means that the valuation of your property for LPT purposes on 1 May 2013 will stay the same for 2013, 2014, 2015 and 2016 (even if you make improvements to your property).

Valuation was by self-assessment in 2013 and these self-assessed valuations will be used until the end of 2016.

An [online guide providing indicative property values](#) is available. This guide provides average indicative values for different property types in the area. You can check the register of residential property sales, published by the Property Services Regulatory Authority (PSRA), [propertypriceregister.ie](http://propertypriceregister.ie), when considering the value of your property.

If you follow Revenue's guidance, Revenue will accept your self-assessed property valuation. Revenue's valuation guidance is intended to help property owners but each property owner must consider the specifics of their own property when working out their valuation. If Revenue has reason to believe that their valuation guidance has not been followed Revenue may query your valuation.

You do not have to include documentation when submitting your LPT Return. However you should keep copies of the information sources when valuing your property in case Revenue queries your valuation. These might include the property section of your local newspaper, information on the sales price of a similar house sold in the area, information downloaded from property websites or details taken from Revenue's valuation guidance.

The Revenue Commissioners can legally enter a residential property for the purpose of ascertaining its chargeable value. You must permit a person authorised by the Revenue Commissioners to inspect the property if they consider this necessary.

**If you did not submit a Local Property Tax return with your self-assessment of the LPT payable, the Revenue Estimate becomes due and payable.** The Revenue Estimate is automatically displaced when you submit a return with your self-assessed amount.

## **Selling your property**

You are liable for LPT if you own a property on the *liability date*. The liability date for 2013 is 1 May 2013 and the liability date for 2014 is 1 November 2013. The actual charge payable on the property is based on its value on the *valuation date* (1 May 2013 for the period until 2016) and this does not change.

For example, if you own a property on 1 November 2014 and subsequently sell it any time before 1 November 2015 you are liable to pay LPT for 2014. In general this payment should be made before the sale of the property closes.

There is one exception to this. New and previously unused properties that were purchased from a builder or developer between 1 January 2013 and 31 October 2016 will be exempt until the end of 2016 (even if sold again in this period). So if you buy a second hand house that was previously bought for the first time in this period you are not liable for LPT until 2017.

## **Rates**

The Local Property Tax (LPT) is based on market value bands. The first band covers all properties worth up to €100,000. Bands then go up in multiples of €50,000. If a property is valued at €1 million or lower, the tax is based on the mid-point of the relevant band at a rate of 0.18%. For properties valued over €1 million the tax is charged at 0.18% on the first €1 million of value and 0.25% on any balance in excess of €1 million, with no banding applied.

<b>Local Property Tax Table</b>				
<b>Valuation band, €</b>	<b>Mid-point</b>	<b>Rate</b>	<b>LPT for a full year</b>	<b>2013 LPT</b>
0 - 100,000	50,000	0.18%	90	45

100,001 - 150,000	125,000	0.18%	225	112
150,001 - 200,000	175,000	0.18%	315	157
200,001 - 250,000	225,000	0.18%	405	202
250,001 - 300,000	275,000	0.18%	495	247
300,001 - 350,000	325,000	0.18%	585	292
350,001 - 400,000	375,000	0.18%	675	337
400,001 - 450,000	425,000	0.18%	765	382
450,001 - 500,000	475,000	0.18%	855	427
500,001 - 550,000	525,000	0.18%	945	472
550,001 - 600,000	575,000	0.18%	1,035	517
600,001 - 650,000	625,000	0.18%	1,125	562
650,001 - 700,000	675,000	0.18%	1,215	607
700,001 - 750,000	725,000	0.18%	1,305	652
750,001 - 800,000	775,000	0.18%	1,395	697
800,001 - 850,000	825,000	0.18%	1,485	742
850,001 - 900,000	875,000	0.18%	1,575	787
900,001 - 950,000	925,000	0.18%	1,665	832
950,001 - 1,000,000	975,000	0.18%	1,755	877

Properties worth more than €1 million will be assessed on the actual value at 0.18% on the first €1 million and 0.25% on the portion above €1 million.

Revenue has developed an on-line calculator that you can use to work out how much Local Property Tax is payable on your property based on your self-assessed valuation.

## Examples

### Example 1: Property valued under €1 million

If the market value of my residential property is €230,000, how much tax will I have to pay in 2013?

**Market value:** €230,000

**Value band:** €200,000 to €250,000

**Mid-point of value band:** €225,000

**Calculation:** €225,000 x 0.18% = €405 for a full year.

Divide €405 by 2 = €202 (rounded down).

**Answer:** €202 is the amount you pay in 2013. You will pay €404 for each subsequent year up until 2016. In 2017 a new valuation will apply.

**Example 2: Property valued over €1 million**

If the market value of my residential property is €1,340,000 how much tax will I have to pay in 2013?

**Market value:** €1,340,000

**First €1 million:** €1,000,000 x 0.18% = €1,800

Remaining €340,000 x 0.25% = €850

**Calculation:** €1,800 + €850 = €2,650 for a full year.

Divide €2,650 by 2 = €1,325

**Answer:** €1,325 is the amount you pay in 2013. You will pay €2,650 for each subsequent year up until 2016. In 2017 a new valuation will apply.

**Voluntary deferrals**

There is a system of deferral arrangements for owner-occupiers. To be eligible for a deferral you must occupy the property as your sole or main residence. You can read more about deferrals in our document, [Local Property Tax: exemptions and deferrals](#).

**How to apply****Making a return**

During March 2013, Revenue sent notices to all liable persons. This notice advised you of your property tax obligations and explained how to complete your property tax return.

If you owned or had a long-term lease on a property on 1 May 2013, you were a liable person and should have submitted your return to Revenue on or before 7 May 2013 (see section 'Who is liable to pay LPT' above for further details). If you submitted your return online through the Revenue website you had until 28 May 2013.

If you own more than one residential property or you are obliged to make your tax returns online you **must** make your return online. (Note that if you have problems making an online return you can get help in your local Revenue office, where computers are available and a Revenue official will assist you. Alternatively, you may authorise another person to file your LPT return on your behalf. You can also call 1890 200 255 to pay and file online over the telephone. You will

need your property details and details of your bank account or other source from which you want the payment deducted.)

People who own exempt properties must make a return to claim an exemption. Note that if you have bought a new property since 1 January 2013 or if you are a first-time buyer who purchased a property as your main residence during 2013 an exemption from LPT applies until 2016. However you must still make a return.

In your return, you include your assessment of the valuation of your property by selecting the relevant market value band and choose a payment method. You can also claim a deferral of payment if you are eligible to do so – see 'Voluntary deferrals' above.

You can see a [sample LPT Return form \(pdf\)](#).

**After submitting your return in 2013 you do not have to submit another one until 7 November 2016.** You pay the LPT every year at the same rate.

### **Revenue Online Service (ROS) customers**

If you are a ROS customer who is a designated owner of a property(s) and you have a business digital certificate for authentication purposes you receive notification about your LPT obligations via your ROS inbox and via the email account associated with your ROS account.

You can access your residential property details and your LPT Return directly from your "My Services" page in ROS, without having to input a Property ID or PIN.

### **Paying the LPT**

Revenue offer a range of methods for paying the tax. You can opt to make one single payment or you can phase your payments in equal instalments. You can read about how to pay the LPT in our document '[Paying the Local Property Tax](#)'.

### **Key LPT dates**

If you opt for payment by instalment, such as direct debit or deduction at source, payment will be spread evenly over the rest of the year.

<b>LPT dates</b>	<b>2013</b>	<b>2014</b>
Liability date	<b>1 May 2013</b>	<b>1 November 2013</b>
Valuation date	<b>1 May 2013</b>	<b>Continues to be 1 May 2013</b>
Date by which you must make a paper return	<b>7 May 2013</b>	<b>Returns made in 2013 remain in force except in some very limited circumstances</b>
Date by which you must make <u>an online return</u>	<b>28 May 2013</b>	
Date on which you start to pay if you are paying by deduction at source from salary/pension/certain Government payments or making regular payments to a payment service provider	<b>1 July 2013</b>	<b>1 January 2014</b>
Date on which you start to pay if you are paying in instalments by direct debit	<b>15 July 2013</b>	<b>15 January 2014</b>
Date on which a bank single debit authority will be debited	<b>21 July 2013</b>	<b>21 March 2014</b>

## **Amending your return**

If you wish to amend your submitted return, you can contact Revenue to amend your valuation. You must submit any valuation amendments to Revenue in writing. Any amendment must be supported by evidence to explain or prove the need to decrease the value. Appropriate evidence can be in the form of recent sales or advertised house prices in the area, professional valuations or house price surveys for the area.

## **What happens if you don't pay?**

Each return sent out by Revenue includes a notice of the Revenue Estimate of the tax due. If you are a liable person and you do not submit a return, the Revenue Estimate will become payable by default and Revenue will collect the amount due. Revenue can use a range of collection options including:

- Mandatory deduction from your salary or wages, occupational pension or certain Government payments (including social welfare payments)
- Attachment of your bank account (this means taking money without your consent using an attachment order)
- Referral of the debt to a sheriff or a solicitor for collection
- The withholding of refunds of other tax as payment against LPT due

The Revenue Estimate will automatically be displaced when you submit a return with your self-assessment of the amount of LPT due.

**Self-employed people:** If you are self-employed and do not make your LPT Return with a self-assessment of your LPT liability, the amount set out in the Revenue Estimate will be collected using normal collection and enforcement options (for example, sheriff, court action or attachment orders). If you fail to pay your LPT, Revenue will not issue you with a tax clearance certificate. In addition, a self-employed person who fails to submit his or her LPT return on time may incur a surcharge for the late submission of his or her income tax return, regardless of whether the income tax return is submitted on time.

If Revenue does not collect the amount of LPT due, for whatever reason, then a charge will be put on your property. You will not be able to sell it without paying the tax together with interest and, where appropriate, penalties.

You can get more information on [failure to meet LPT obligations in Revenue's Frequently Asked Questions \(FAQs\)](#).

## **Complaints**

You can contact the [Office of the Ombudsman](#) if you are unhappy about the way in which Revenue has handled any aspect of your tax affairs. The Ombudsman's staff examine complaints about the administrative actions of government departments and offices, including Revenue.

## **Appeals**

In general, because LPT is a self-assessed tax, formal appeals only arise in a small number of situations.

If you do not agree with a Revenue Estimate you can dispute it by submitting a return with your own self-assessment.

Since Revenue has compiled a register of residential properties from various sources there may be errors about ownership of some properties. If you got a LPT Return form and you do not consider yourself a liable person for that property you should notify Revenue in writing within 30 days of receiving the letter. You should include an explanation of why you do not consider yourself a liable person, the details of the person you think is the liable person (name, address and PPS Number) and supporting documentation. It is very important that you contact Revenue since if the error is not corrected you are liable to pay the tax. Revenue will use the information you supply to make a determination on whether you are a liable person. If you do not agree you can appeal this determination to the Appeal Commissioners.

If you disagree with Revenue on other matters (for example, whether the property is residential, the valuation or whether you can defer payment) and the matter cannot be resolved, Revenue will issue a formal Notice of Assessment or a formal decision on the matter to you. Your right to appeal to the Appeal Commissioners will be set out clearly on the notices. However you must make a return and pay any tax due before you can appeal the Notice of assessment or any other Revenue decision.

## **Where to apply**

### **The Revenue Commissioners**

Local Property Tax (LPT) Branch  
P.O. Box 1  
Limerick  
Ireland

**Tel:**+353 (0) 1 702 3049 (for calls from outside ROI only)

**Local:**1890 200 255

**Homepage:** <http://www.revenue.ie/en/tax/lpt/index.html>