

Oifis an Cheannasaí Airgeadais, An Roinn Airgeadais,  
Oifigí na Cathrach, An Ché Adhmaid, Baile Átha Cliath 8, Éire

Office of the Head of Finance, Finance Department,  
Civic Offices, Wood Quay, Dublin 8, Ireland  
T. 01 222 2102/3 F. 01 222 2476 E. [finoff@dublincity.ie](mailto:finoff@dublincity.ie)

## Report to the Finance Strategic Policy Committee

### Re: Local Property Tax Framework

#### **Background**

The Local Property Tax (LPT) was introduced under the Finance (Local Property Tax) Act 2012. Liability for the tax commenced on 1<sup>st</sup> July 2013. The value of LPT liability is determined by the property valuation of liable properties on a prescribed date. The tax's payable on most residential properties with limited exceptions.

#### **Impact on Dublin City Council's Funding**

Table 1 outlines the impact of the LPT on Dublin City Council's funding in 2017 and 2018. Of the total funds collected by the Revenue Commissioners, 20% is ring fenced for redistribution through a central equalisation fund. This fund, managed by the Department of Housing, Planning and Local Government, redistributes LPT receipts to local authorities on a needs basis, aligned to available resources. Notwithstanding the needs of Dublin City both as the Capital city and having areas of high deprivation, Dublin City Council has not received funding through the LPT redistribution process. That is Dublin City Council is a net contributor as against a net recipient to the LPT redistribution arrangements.

**Table 1**

	<b>2017</b>	<b>2018</b>	<b>Movement</b>
	€M	€M	
Value of LPT Receipts estimated by Revenue Commissioners	79.5	79.8	0.30
20% to Central Equalisation Fund	15.9	16.0	0.06
80% LPT retained i.e. assigned to DCC	63.6	63.8	0.24
15% Reduction (Passed by council resolution)	11.9	12.0	0.04
<b>LPT Funding</b>	<b>51.7</b>	<b>51.9</b>	<b>0.19</b>
			-
Capital Self Funding	19.8	18.0	1.80
Revenue Self Funding	8.8	10.8	2.00
LGF/GPG (already in base)	2.7	2.7	-
Pension Related Deduction (PRD)	16.4	16.4	-
Discretionary Funding	4.0	4.0	-
	<b>51.7</b>	<b>51.9</b>	<b>0.20</b>

Since commencement, the elected members have voted to apply the maximum permitted reduction to the LPT rate of 15%.

The remaining LPT funding (€51.7m in 2017, €51.9m in 2018) is then assigned, by circular letter, to specific purposes by the Department of Housing, Planning and Local Government. In effect, this process has resulted in service areas previously grant funded (such as Housing Adaptation Grants) being now funded by LPT receipts. In summary the impact on DCC funding through the implementation of the LPT has been an annual value of €4m.

### **Review**

A comprehensive review of the LPT framework is underway by the all party Budgetary Oversight Committee. It is understood that the LPT liability being based solely on property valuations is under consideration. It is acknowledged that one third of national LPT receipts are paid from Dublin householders across the county.

**Kathy Quinn**

**Head of Finance**

**With responsibility for Information & Communications Technology**