



Oifig an Runaí Aire

Office of the Minister of State

15 June 2021

Cllr. Séamas McGrattan

seamas.mcgrattan@dublincity.ie

Ref: HPLG-MoSB-00593-2021

Dear Cllr. McGrattan,

I refer to your correspondence in connection with reform of Local Property Tax (LPT), which was forwarded by Minister Darragh O'Brien.

At the outset, it is important to state that the Government remains committed to ensuring that the local government sector retains a sustainable and stable source of funding from LPT, distributed to local authorities via the Local Government Fund, to enable the delivery of essential services.

The Programme for Government 'Our Shared Future', commits to bringing about reforms in the workings of LPT. These reforms will involve bringing new homes, which are currently exempt from LPT, into the taxation system as well as providing for all money collected locally to be retained within the county. This will also be done on the basis that those counties with a lower LPT base are adjusted via an annual national equalisation fund paid from the Exchequer, as is currently the case.

To this end, The Minister for Finance, Paschal Donohoe TD, recently published the Heads of the Finance (Local Property Tax) (Amendment) Bill 2021. The Bill will give effect to a package of measures in line with the Programme for Government to address the future of the Local Property Tax. The legislation required to implement those changes falls under the remit of the Department of Finance as a tax policy matter and will be considered by the Houses of the Oireachtas in due course. Minister Donohoe also signalled the Government's intent to move to 100% local retention from 2023. Any changes to the allocation process may be considered in that context.

However, I strongly reject the assertion that self-funding obligations are discriminatory to urban authorities. Housing delivery is a key priority of Government and all self-funding monies are spent delivering important services within the local authority area. I do not anticipate any departure from this funding model.



I trust this information will be of assistance.

Yours sincerely,

A handwritten signature in blue ink, reading "Peter Burke", is positioned above a horizontal line.

Peter Burke T.D.

Minister for Planning and Local Government

Please note: I am a Designated Public Official under the Regulation of Lobbying Act, 2015