

## **Local Property Tax – Setting the Local Adjustment Factor.**

The Local Property Tax (LPT) is an annual self-assessed tax charged on all residential properties in the State. In accordance with the Finance (Local Property Tax) Act 2012 (as amended) a local authority may resolve to vary the basic rate of the Local Property Tax within its functional area by a maximum of +/-15%.

The LPT is administered and collected by the Revenue Commissioners.

The local adjustment factor is the % specified in a resolution by the Council by which the basic rate of local property tax should stand varied. This means that Kerry County Council can either increase or decrease the rate of LPT in County Kerry by up to 15% of the basic rate. New regulations came into effect in 2022 that allow for a local variation decision to apply for a period of more than 1 year.

Kerry County Council would like to hear your views and opinions in relation to the consideration of setting a local adjustment factor and how any adjustment to the rate may affect you, your household, your business and your local Council services.

Below you will find the **Statutory Notice of Consideration of Setting a Local Adjustment Factor** along with a set of **Frequently Asked Questions** to provide you with more information on the setting of the Local Adjustment Factor and the public consultation process.

### **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 Kerry County Council can either increase or decrease the rate of Local Property Tax in County Kerry by up to 15% of the basic rate.

#### **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.

The Council is required to follow the processes as outlined in Regulations and Guidance i.e. full consultation with public, report prepared for elected members, resolution passed, and relevant parties notified. For example, the Council may decide to apply an upward variation of 10% for three years without having to revisit the matter again until the three years have passed.

**What if the Council, with a 10% 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, Kerry 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 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 introduced the new bands, which came into effect for the Local Property Tax 2022. The new valuation period began on 1 November 2021 which is running for 4 years and triggered an obligation on liable persons to submit returns for the year 2022 by 7 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 November 2025.

LPT is charged according to the valuation band that applies to a property. Each band has a corresponding basic rate of LPT for the valuation period 2022 to 2025.

The table below gives an indication of the rate of Local Property Tax for an average household in Kerry following a 15% decrease or increase on the basic rate. Further valuation bands and details can be found on [www.revenue.ie](http://www.revenue.ie)

<b>Band No.</b>	<b>LPT Valuation Band</b>	<b>LPT Charge Basic Rate</b>	<b>-15%</b>	<b>+15%</b>
1	€0 – 200,000	€90	€76.50	€103.50
2	€200,001 – 262,500	€225	€191.25	€258.75
3	€262,501 - 350,000	€315	€267.75	€362.25
4	€350,001 – 437,500	€405	€344.25	€465.75
5	€437,501 – 525,000	€495	€420.75	€569.25
6	€525,001 – 612,500	€585	€497.25	€672.75

For example, if your house is valued under €200,000, and the Local Property Tax rate is increased by 15% you will pay €103.50 Local Property Tax in 2025 and if this rate is decreased by 15%, you will pay €76.50 Local Property Tax in 2025.

Please note that for 2024 the basic rate of LPT was increased by 10% by Kerry County Council.

**Does the Council have to vary the rate of LPT for 2025?**

No, the Council could, having considered a range of issues, may decide not to vary the rate of LPT for 2025, then the basic rate of LPT applies. The matter must then be considered afresh the following year.

**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, street cleaning, housing services, fire services, supporting community initiatives, recreational facilities, planning services, pollution control, grants to community/voluntary groups, dealing with illegal dumping and littering, beach management, public conveniences, tourism and economic development and promotion initiatives etc.

**What will an adjustment in the Local Property Tax mean in terms of Council services?**

Kerry County Council's Local Property Tax Income for 2024 is €16,613,362 – this includes the increase of 10% of €1,336,601 variation upwards in the basic rate for 2024.

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 in 2025.

If the rate is increased, then an increased level of income available to the Council will increase the capacity to deliver services and supports in 2025.

**When will the Council make a decision on varying the rate of Local Property Tax in Kerry?**

This decision will be made at a Council meeting to be held in October 2024.

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

Yes, Kerry County Council would like to hear your views and opinions on any proposal to increase or decrease the rate of Local Property Tax in Kerry. We would like to hear your thoughts on the potential effects of varying the basic rate of the Local Property Tax on households, individuals, businesses and on Council services.

**How do I make my submission?**

Submissions must be made in writing and can be sent to:

Finance Department,  
Kerry County Council,  
Áras An Chontae,  
Tralee,  
Co. Kerry.

or emailed to: [lptcon@kerrycoco.ie](mailto:lptcon@kerrycoco.ie)

Submissions must be received by **5.00 p.m. on 6<sup>th</sup> September 2024**. There is no prescribed format for a submission.

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

The elected members of Kerry County Council will consider the feedback received from this 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:

- Estimated Income and Expenditure for the Council
- Financial Position of Kerry County Council at present
- Estimated Financial effect of the varied rate
- Feedback from the Public Consultation

The Council must notify the Revenue Commissioners and the Department of Housing, Local Government and Heritage of its decision. For 2025 LPT, this deadline is 15<sup>th</sup> October 2024.

Within 14 days of the passing of a resolution by the Elected Members to vary the Local Property Tax a notice must be placed on the Council's website and in one newspaper circulating in the Council's administrative area.