

## Local Property Tax Variations – 2018

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### Key Point

Seven local authorities have voted to increase the local property tax above the basic rate for 2018. Only four councils have reduced it. The net effect of these adjustments will decrease LPT revenue by €23 million next year.

### Context

The 31 local authorities had until 30 September, 2017 to inform the Revenue if they had voted to adjust the basic rate of LPT for 2018. Councillors can adjust the basic rate of LPT by +/- 15%, and this is termed the 'local adjustment factor'. The total yield from the LPT in 2018 (pre-variations by councils) was expected to be €527 million.

For 2017, 23 Councils applied the basic rate, while eight Councils applied a local adjustment factor ranging from -3% in Longford to -15% in South Dublin.

For 2018:

- 20 Councils will apply the basic rate of LPT
- 4 will have a reduced rate
- 7 will apply a rate above the basic rate.

### LPT Variations 2018

In 2018, €527m was estimated to be collected pre-variation. Table 1 shows the increase/ decrease in LPT revenue for 2018 based on the local adjustment factor voted on by local authorities. The four local authorities in Dublin have chosen to decrease their LPT rate for 2018 below the basic rate at a cost of over €28 million; Dublin City, Dún Laoghaire Rathdown, South Dublin (all -15%), and Fingal (-10%).

Table 1 – Local Adjustment Factors 2017 & 2018

Local Authority	Local Adjustment 2017	Local Adjustment 2018	Value of Decision to vary 2018 rate €
Laois County Council	Basic Rate	+10%	€492,820
Tipperary County Council	Basic Rate	+10%	€1,182,910
Wexford County Council	+5%	+10%	€1,218,517
Limerick City & County Council	+10%	+7.5%	€1,176,450
Longford County Council	-3.0%	+5%	€105,590
Kerry County Council	Basic Rate	+5%	€704,095
Waterford City & County Council	Basic Rate	+2.5%	€232,545
<b>Sub-total</b>			<b>€5,112,927</b>
Dublin City Council	-15%	-15%	-€11,968,440
Dún Laoghaire Rathdown County Council	-15%	-15%	-€7,773,675
Fingal County Council	-15%	-10%	-€3,822,080
South Dublin County Council	-15%	-15%	-€4,726,395
<b>Sub-total</b>			<b>-€28,290,599</b>
<b>Grand Total</b>			<b>-€23,177,672</b>
<b>Basic Rate:</b> Carlow, Cavan, Cork, Cork City, Clare, Donegal, Galway, Galway City, Kildare, Kilkenny, Leitrim, Louth, Mayo, Meath, Monaghan, Offaly, Roscommon, Sligo, Westmeath, & Wicklow.			

(Sources: Dep. of Housing and Local Authorities)

Table 1 shows that four Local Authorities that had applied the basic rate of LPT in 2017 have voted to increase it by between 2.5% (Waterford City & County) and 10% (Laois and Tipperary) for 2018. The additional revenue from these adjustments is over €5 million.

The decision of Fingal County Council to reduce the LPT by 10% for 2018 (it has reduced the rate by the full 15% from 2015 to 2017) was influenced by increasing demand on services. Fingal's population grew by 8.1% (22,223) between Census 2011 and 2016 – the fastest growth rate in the country. The pressures on Fingal's finances in 2018 are found in payroll cost, homelessness, provision of services, as well as the reduction in recoupments from Irish Water and associated income. Reducing the LPT by 10% instead of 15% provides €1.9 million more funding for the Council.

### Seven Councils Apply Higher LPT Rate for 2018

Seven local authorities voted to increase the LPT above the basic rate for 2018. The LPT for 2017 was the first time that Councils voted to apply a higher rate of LPT relative to the basic rate. These Councils were Galway County Council (+10%), Limerick City & County Council (+10%), and Wexford County Council (+5%).

Table 2 shows the impact on LPT funding in 2018 on the seven Councils that voted to apply an LPT rate above the basic rate.

Table 2 – Impact of Local Adjustment Factors on 2018 Local Property Tax (LPT)

Pre-Variation 2018		Post-Variation 2018*		
	Total LPT funding 2018 €m	Local Adjustment Factor %	Value of Variation €m	Total LPT funding 2018 €m
Laois County Council	8.6	+10%	0.493	9.1
Tipperary County Council	26.0	+10%	1.2	27.1
Wexford County Council	13.5	+10%	1.2	14.8
Limerick City & County Council	17.6	+7.5%	1.2	18.7
Longford County Council	8.9	+5%	0.106	9.0
Kerry County Council	13.8	+5%	0.704	14.5
Waterford City & County Council	18.7	+2.5%	0.233	18.9

(Sources: Dep. of Housing and local authorities \*Note: differences due to rounding)

Table 2 shows that Laois County Council will gain €0.493m from its decision to increase the LPT by 10%, raising LPT income from €8.6m to €9.1m. Wexford County Council will gain €1.4m, while Waterford City & County Council will gain €0.233m.

The decision of Tipperary County Council to increase the LPT by 10% was influenced by increased demands for services with an estimated cost of €1.3m. Tipperary County Council will see its revenue from LPT increase by €1.2m from €26m to €27.1m. For 93% of property owners the average weekly variation of 10% amounts to an additional €0.36 cents per week.