



An Roinn Airgeadais
Department of Finance

Oifig an Aire
Office of the Minister

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28 February 2013

Ms Emer O'Gorman
Meetings Administrator
Corporate Services Department
South Dublin County Council
County Hall
Tallaght
Dublin 24



Dear Ms O'Gorman,

The Minister for Finance, Mr Michael Noonan TD, has asked me to reply to your recent letter which was forwarded to this office from the office of his colleague, the Minister for the Environment, Community and Local Government, Mr Phil Hogan TD, concerning a motion concerning the introduction of a Property Tax.

In February 2012, the Minister for the Environment, Community and Local Government established an Inter-Departmental Group under the chairmanship of Dr. Don Thornhill (the 'Thornhill Group') to consider the structures and modalities for a full property tax. The Group's terms of reference were to consider the design of a property tax to replace the household charge. The Government accepted most of the recommendations of the Thornhill Group and has incorporated them into the Finance (Local Property Tax) Act 2012.

The Local Property Tax is designed to meet the financial requirements of the EU/IMF programme and also to provide a stable funding base for the local authority sector in the medium and longer terms. The Tax incorporates a local adjustment factor which provides that, from 1 January 2015, local authorities may vary the rate of tax by 15% above or below the central national rate, which is fixed for the lifetime of the present Government.

The Act contains a deferral provision for low income households, and for those income stressed owner occupiers paying high levels of mortgage interest.

The Minister notes the motion and has asked me to thank you and the councillors for your letter, which has been noted and will be given due consideration.

Yours sincerely

Seán Kinsella

Private Secretary to the Minister for Finance

