



Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government



Oifig an Aire
Office of the Minister

27 November, 2013.

Mr. Thomas O'Neill,
Meetings Administrator,
Corporate Services Department,
South Dublin County Council,
County Hall,
Tallaght,
Dublin 24.



RE: REP4046/PH/13

Dear Mr. O'Neill,

I have been asked by Mr Phil Hogan, T.D., Minister for Environment, Community and Local Government, to respond to your letter of 19th November 2013 on behalf of South Dublin County Council in relation to the Local Property Tax.

The legislation governing the Local Property Tax (LPT) is contained in the Finance (Local Property Tax) Act 2012 which was enacted on 26 December 2012. The LPT will, from 2014, go solely to fund local services and its introduction was necessary in view of the rising cost to local authorities of providing such services. Under the Finance (Local Property Tax) Act 2012, from 2014 the Minister for Finance will pay into the Local Government Fund an amount equivalent to the Local Property Tax paid into the Exchequer during that year; this revenue will be allocated to local authorities from the Fund. Along with receipts from Motor Taxation, the LPT will be the second major component of income to the Local Government Fund in 2014.

The Government has indicated an intention to move to 80% retention of all Local Property Tax receipts within the local authority area where the Tax is raised. The establishment of Irish Water presents local government with organisational and financial challenges in 2014 and, in this context, it has been necessary to defer defining a certain proportion of the proceeds of the Local Property Tax to be retained in each local authority until 2015. With local retention, 80% of the LPT raised in any year by a particular local authority would be retained by that Local Authority; the other 20% would be redistributed on an equalised basis across all authorities. Deferral of local retention until 2015 has been due to the scale of the changes which are occurring in the local government sector in 2014 and the associated financial, logistical and organisational challenges.

I hope this information is of assistance to you.

Yours sincerely,

Eddie Kiernan,
Private Secretary

