



17 June 2021

Circular Fin 15/2021

Chief Executive

cc. Head of Finance

Provisional Local Property Tax Allocations 2022 – South Dublin County Council

A Chara,

I am directed by the Minister for Housing, Local Government and Heritage to inform you that the provisional Local Property Tax (LPT) allocations from the Local Government Fund for 2022 have been agreed and South Dublin County Council's allocation is set out below and in **Appendix A** to this document. LPT allocations have been calculated using the Revenue Commissioners' data on net declared liabilities of €496.5m post-variation in 2021 (as set out in **Appendix B** to this document). On a pre-variation basis, the full 2021 net declared liability amounts to €493.7m and this is the estimate applied to the provisional LPT allocations process for 2022.

This approach differs from previous years given that a revaluation of LPT is expected to take place later this year, which will lead to changes in both the overall LPT yield and to the yield in each local authority area. When detailed information on the 2022 yield is available, the matter will be reviewed.

Notwithstanding that, for the purpose of the provisional/pre-variation allocation, all other elements must also be based on the 2021 figures, including the LPT baselines, the equalisation contribution, and self-funding of housing and roads from surplus LPT.

It is recognised that the financial information required to support the decision of elected members will be preliminary and estimated given the timelines that apply to the process this year.

2022 Baseline

Every local authority is entitled to receive a minimum amount of funding under the LPT allocation process, known as the Baseline. South Dublin County Council's Baseline for 2022 is **€3,856,262**.

Equalisation

The local retention mechanism will continue in 2022. 80% of all LPT receipts will be retained within the local authority area where the Tax is raised. The remaining 20% of the Tax collected nationally will be re-distributed on an equalised basis to local authorities, within the context of the annual allocations of LPT, to ensure that all authorities receive, at a minimum, an amount equivalent to their Baseline. This 20% for equalisation will be based on the total expected level of LPT in each local authority area and will not be adjusted if the basic rate of LPT is varied. Based on its surplus position when expected 2022 LPT receipts are compared to the 2022 Baseline, South Dublin County Council will not be in receipt of equalisation funding in 2022.

Self-Funding

Some local authorities will receive greater levels of funding in 2022 from the Local Government Fund as a result of local retention of LPT compared to their Baseline. Local authorities will have the surplus allocated in two ways:

- Part of the surplus up to the equivalent of 20% of total expected LPT income (or the full amount of the surplus if that is less than 20%) can be used as additional income by local authorities for the authority's own use as part of their normal budgetary process; and
- The remainder of the surplus, if any, will then be available to the local authority to fund services in the housing and/or roads areas thereby replacing Central Government funding for some of these services. Authorities are expected to continue providing such services regardless of the changed approach to funding.

Based on its surplus position when expected 2022 LPT receipts are compared to the 2022 Baseline, South Dublin County Council will be required to self-fund services in the Housing and Roads areas.

The specific detail of the level of Central Government Voted grants funding to be provided to local authorities is a matter that will be considered, as normal, as part of the Estimates process.

Provisional LPT allocation to South Dublin County Council in 2022

The LPT allocation for South Dublin County Council for 2022 (**pending any decision to locally vary the basic rate**) is **€ 25,573,647**. As a local authority that will be in receipt of 2022 LPT income in excess of the Baseline, South Dublin County Council will be entitled to retain an amount of this surplus funding equivalent to 20% of the total expected LPT yield or **€6,393,412** for its own use. South Dublin County Council will be required to use the remainder of the surplus to self-fund some specified services in the Housing and Roads areas to the value of **€15,323,973**. Details of the self-funding breakdown between Housing and Roads, capital and revenue will issue in a separate circular.

Please refer to the table in **Appendix A**, which sets out the basis for the allocation.

Variation

Every local authority has the power to vary the basic rate of LPT by up to 15%. It should be noted that if South Dublin County Council decides to vary the LPT basic rate upwards in 2022; 100% of the resultant additional income will be available for the authorities' own use. Similarly, if South Dublin County Council decides to vary the LPT basic rate downwards (by up to 15%) in 2022, the resultant loss in LPT income will be reflected in reduced LPT funding to the authority.

Local authorities are further reminded of their statutory obligations as set out in the Local Property Tax (Local Adjustment Factor) Regulations 2014 (S.I. Nos. 296 & 439/2014) and the Local Property Tax (Local Adjustment Factor)(Amendment) Regulations 2021 (S.I. No. 285 /2021) which take account of relevant provisions in the Finance (Local Property Tax) Acts. Previous guidance circular Fin 08/2014 also refers.

2021 LPT Statistics and Property Valuation Bands

2021 LPT Preliminary Statistics and Property Valuation Bands were provided to this Department by the Revenue Commissioners. This information is being provided for statistical purposes only to assist in the consideration of the local adjustment factor for 2022 LPT.

LPT statistics set out in **Appendix B** to this document outline the following:

- 2021 LPT Exempt (additional to declared liabilities)
- 2021 LPT Amounts Declared
- 2021 LPT Amounts Deferred
- 2021 Net LPT Position

The projected amounts for 2021 LPT reflect any local decision to lower/increase the basic rate by the local adjustment factor in 2021, i.e. data provided is post-variation.

This is of course subject to normal fluctuations that may be caused by transfers in property ownership and the on-going compliance campaign in operation by the Revenue Commissioners.

In accordance with section 152 of the Finance (Local Property Tax) Act 2012, the Department also requested information in relation to property valuation bands for each local authority area from the Revenue Commissioners as set out in **Appendix C** to this document.

Local Authorities will be advised of any further information once it becomes available.

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Lorraine O'Donoghue
Principal,
Local Government Finance

Appendix A

South Dublin County Council - 2022 LPT Allocation (Pending any decision to vary the basic rate)

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LPT 100%	<u>31,967,059</u>
LPT 20% towards Equalisation funding	<u>6,393,412</u>
LPT Retained Locally (80%)	25,573,647
2022 Baseline	<u>3,856,262</u>
2022 Surplus (LPT Retained Locally – 2022 Baseline)	<u>21,717,385</u>
Amount of Surplus to be retained for authority's own use (20% of basic rate of LPT income)	6,393,412
Balance of Surplus to Self-Fund Housing and Roads Services	<u>15,323,973</u>
	<u>21,717,385</u>
Total LPT Funding to be provided in 2022	<u>25,573,647</u>
Value of potential increase or decrease in 2022 LPT Allocation <u>for every 1%</u> of variation implemented	+/- <u>319,670</u>

Appendix B – 2021 LPT Preliminary Statistics, post application of the 2021 Local Adjustment Factor as provided by the Revenue Commissioners

Local Authority	LPT 2021 Exempt	LPT 2021 Declared	LPT 2021 Deferred	Net LPT 2021 Post Variation
Carlow County Council	€133,000	€4,358,000	€101,000	€4,257,000
Cavan County Council	€167,000	€5,360,000	€127,000	€5,232,000
Clare County Council	€257,000	€11,909,000	€205,000	€11,704,000
Cork City Council	€690,000	€22,992,000	€327,000	€22,665,000
Cork County Council	€919,000	€34,827,000	€521,000	€34,306,000
Donegal County Council	€301,000	€13,286,000	€333,000	€12,954,000
Dublin City Council	€2,457,000	€70,801,000	€1,060,000	€69,741,000
Dún Laoghaire-Rathdown CC	€1,693,000	€52,523,000	€604,000	€51,918,000
Fingal County Council	€1,081,000	€34,901,000	€563,000	€34,338,000
Galway City Council	€163,000	€8,431,000	€89,000	€8,342,000
Galway County Council	€381,000	€14,990,000	€253,000	€14,737,000
Kerry County Council	€401,000	€15,590,000	€226,000	€15,364,000
Kildare County Council	€601,000	€23,818,000	€407,000	€23,411,000
Kilkenny County Council	€334,000	€8,863,000	€159,000	€8,705,000
Laois County Council	€159,000	€5,698,000	€129,000	€5,569,000
Leitrim County Council	€95,000	€2,559,000	€46,000	€2,512,000
Limerick City and Co.Council	€557,000	€18,729,000	€344,000	€18,385,000
Longford County Council	€101,000	€2,652,000	€62,000	€2,590,000
Louth County Council	€258,000	€10,004,000	€269,000	€9,736,000
Mayo County Council	€246,000	€11,716,000	€209,000	€11,507,000
Meath County Council	€496,000	€17,999,000	€384,000	€17,616,000
Monaghan County Council	€104,000	€4,558,000	€107,000	€4,451,000
Offaly County Council	€134,000	€5,864,000	€149,000	€5,715,000
Roscommon County Council	€157,000	€4,763,000	€91,000	€4,673,000
Sligo County Council	€237,000	€6,261,000	€95,000	€6,167,000
South Dublin County Council	€614,000	€27,742,000	€570,000	€27,172,000
Tipperary County Council	€398,000	€13,535,000	€254,000	€13,281,000
Waterford City and Co.Council	€293,000	€11,095,000	€210,000	€10,885,000
Westmeath County Council	€188,000	€7,625,000	€158,000	€7,467,000
Wexford County Council	€361,000	€13,994,000	€338,000	€13,656,000
Wicklow County Council	€464,000	€17,717,000	€326,000	€17,391,000
Totals	€14,440,000	€505,160,000	€8,716,000	€496,447,000

Note 1: This analysis is preliminary; there is a small element of estimation in regard to the distribution of amounts by Local Authority.

Note 2: The LPT Declared amount includes declared amounts from returns filed to date, deferred amounts and amounts due on foot of instructions sent to employers and pension providers to collect LPT by way of mandatory deduction at source.

Note 3: The figures include LPT amounts for properties owned by Local Authorities and Approved Housing Bodies.

Note 4: The exemption amounts set out above are based on claims made and will be subject to certain verification checks. In addition, the full effects of exemptions are not reflected in the statistics as where an exemption was claimed, the property owner was not always required to value their property.

Appendix C – LPT Valuation Bands provided by the Revenue Commissioners

LPT 2021 Valuation Bands	0-100,000	100,001-150,000	150,001-200,000	200,001-250,000	250,001-300,000	Over 300,000
Carlow County Council	40.3%	37.2%	17.3%	3.2%	1.0%	1.0%
Cavan County Council	53.8%	37.2%	6.7%	1.4%	0.4%	0.4%
Clare County Council	39.4%	35.1%	17.6%	4.9%	1.7%	1.3%
Cork City Council	22.6%	28.9%	25.8%	12.8%	4.7%	5.3%
Cork County Council	29.5%	27.0%	26.7%	10.1%	3.3%	3.3%
Donegal County Council	51.5%	39.0%	6.6%	1.8%	0.6%	0.5%
Dublin City Council	14.1%	19.7%	20.3%	15.9%	8.7%	21.3%
Dún Laoghaire-Rathdown CC	6.6%	2.9%	10.2%	13.4%	11.8%	55.1%
Fingal County Council	14.5%	17.3%	24.1%	15.8%	10.0%	18.2%
Galway City Council	20.8%	31.9%	26.6%	10.8%	4.2%	5.7%
Galway County Council	37.7%	31.3%	22.0%	5.1%	1.9%	2.0%
Kerry County Council	32.8%	32.4%	26.4%	5.1%	1.8%	1.5%
Kildare County Council	21.8%	22.6%	28.0%	16.1%	5.7%	5.8%
Kilkenny County Council	31.7%	35.7%	23.1%	5.6%	1.7%	2.2%
Laois County Council	43.7%	41.7%	10.3%	2.6%	0.9%	0.9%
Leitrim County Council	61.1%	33.8%	3.8%	0.9%	0.2%	0.2%
Limerick City & County Council	37.0%	31.7%	20.9%	6.0%	2.4%	2.0%
Longford County Council	62.6%	31.9%	4.2%	0.8%	0.3%	0.2%
Louth County Council	37.8%	31.5%	20.9%	5.9%	2.0%	1.8%
Mayo County Council	44.9%	37.8%	13.2%	2.4%	0.8%	0.9%
Meath County Council	23.8%	27.7%	26.8%	12.3%	4.9%	4.6%
Monaghan County Council	43.7%	41.6%	11.4%	2.2%	0.7%	0.5%
Offaly County Council	41.0%	37.6%	16.9%	2.6%	0.9%	1.0%
Roscommon County Council	57.7%	34.5%	5.6%	1.3%	0.4%	0.5%
Sligo County Council	45.1%	32.5%	15.8%	3.9%	1.3%	1.4%
South Dublin County Council	17.4%	17.0%	24.9%	16.6%	8.6%	15.6%
Tipperary County Council	39.5%	35.6%	18.5%	4.0%	1.4%	1.1%
Waterford City & County Council	41.1%	30.3%	19.6%	5.0%	2.1%	2.0%
Westmeath County Council	41.4%	36.2%	16.4%	3.5%	1.3%	1.2%
Wexford County Council	35.5%	36.5%	21.5%	3.8%	1.4%	1.3%
Wicklow County Council	16.2%	18.4%	26.1%	18.3%	8.3%	12.7%