



16 August 2022

**Circular Fin 08/2022 (Revised)**

Chief Executive

cc. Head of Finance

**Provisional Local Property Tax Allocations 2023 – 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 2023 have been agreed and South Dublin County Council's revised allocation is set out below and in **Appendix A** to this document. LPT allocations have been calculated using the Revenue Commissioners' data on the estimated yield of €490m for the 2022 LPT liability year, post-variation (as set out in **Appendix B** to this document). On a pre-variation basis, the full 2022 estimated yield amounts to €499m and this is the estimate applied to the provisional LPT allocations process for 2023.

The LPT allocation model for 2023 will change from previous years in the following key areas:

- The revaluation of LPT that took place in November 2021 has led to changes to the individual yield in each local authority area; however the overall yield has only marginally increased.
- From 2023, 100% of the estimated yield will be retained locally within the local authority area where it is collected.
- Equalisation funding will now be met by the Exchequer, to ensure that all authorities receive, at a minimum, an amount equivalent to their Baseline. Previously, all local authorities contributed 20% of their yield towards equalisation funding.
- The move to 100% local retention will lead to an increased surplus for those authorities with LPT income above their baseline. These authorities shall now retain a greater proportion of that surplus for their own use, equivalent to a maximum of 22.5% of the pre-variation yield (20% in 2022). The remainder of the increased surplus will be used to self-fund housing and/or roads services expenditure in the local area. Accordingly, all LPT collected locally will be spent on the provision of services in the local authority's area.

## **2023 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 2023 is **€3,856,262**.

## **Equalisation**

In line with the commitment in the Programme for Government – *Our Shared Future*; the allocation mechanism for LPT will change in 2023 to allow for 100% of the estimated yield to be retained locally within the local authority area where it is collected. Up to now, 80% of the estimated LPT yield before variation, is retained locally and 20% is used to provide equalisation funding to those local authorities with lower property tax bases. Under the new model, all equalisation funding will be met by the Exchequer, to ensure that all authorities receive, at a minimum, an amount equivalent to their Baseline. The equalisation funding requirement 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 2023 LPT receipts are compared to the 2023 Baseline, South Dublin County Council will not be in receipt of equalisation funding in 2023.

## **Self-Funding**

As outlined above, those local authorities with a surplus LPT yield above their baseline, will have that surplus allocated in two ways:

- Part of the surplus, up to the equivalent of 22.5% of total expected LPT income (or the full amount of the surplus if that is less than 22.5%), 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.
- The self-funding requirement will be based on the total expected level of LPT in each local authority area before any application of a local variation decision and will not be adjusted if the basic rate of LPT is varied.

Based on its surplus position when expected 2023 LPT receipts are compared to the 2023 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 2023**

The LPT allocation for South Dublin County Council for 2023 (**pending any decision to locally vary the basic rate**) is **€32,263,395**. As a local authority that will be in receipt of 2023 LPT income in excess of the Baseline, South Dublin County Council will be entitled to retain an amount of this surplus funding equivalent to 22.5% of the total expected LPT yield or **€7,259,264** 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 **€21,147,869**. 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 2023; 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 2023, the resultant loss in LPT income will be reflected in reduced LPT funding to the authority.

### **Local Property Tax (Local Adjustment Factor) Regulations 2022**

Local authorities are further reminded of their statutory obligations as set out in the Local Property Tax (Local Adjustment Factor) Regulations 2022 (S.I. 358 of 2022) which take account of relevant provisions in the Finance (Local Property Tax) Acts. These regulations provide the updated requirements for local authorities who may wish to vary their local property tax rates for a specified period, in accordance with section 20 of the Act.

Previous guidance circular Fin 08/2014 and Fin 06/2022 also refers.

## **2022 LPT Statistics and Property Valuation Bands**

2022 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.

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

- 2022 LPT Exempt
- 2022 LPT Amounts Deferred
- 2022 Net estimated LPT Yield (after local variation)

**The projected amounts for 2022 LPT reflect any local decision to lower/increase the basic rate by the local adjustment factor in 2022, 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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Sinéad O'Gorman  
Principal,  
Local Government Finance

## **Appendix A**

### **South Dublin County Council - 2023 LPT Allocation (Pending any decision to vary the basic rate)**

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LPT Retained Locally 100%	32,263,395
2023 Baseline	<u>3,856,262</u>
2023 Surplus (LPT Retained Locally – 2023 Baseline)	<u>28,407,133</u>
<b>Amount of Surplus to be retained for authority's own use (22.5% of basic rate of LPT income)</b>	<b>7,259,264</b>
Balance of Surplus to Self-Fund Housing and Roads Services	<u>21,147,869</u>
	<u>28,407,133</u>
<b>Total LPT Funding to be provided in 2023</b>	<b><u>32,263,395</u></b>
Value of potential increase or decrease in 2023 LPT Allocation <b><u>for every 1%</u></b> of variation implemented	+/- 322,634

**Appendix B – Estimate of LPT yield in respect of the 2022 Liability Year, post application of the 2022 Local Adjustment Factor as provided by the Revenue Commissioners**

<b>Local Authority</b>	<b>LPT 2022 Exempt</b>	<b>LPT 2022 Deferred</b>	<b>Net Estimated LPT Yield 2022 (excludes Exempt and Deferred) Post Variation</b>
Carlow County Council	€33,149	€22,436	€3,867,915
Cavan County Council	€61,028	€21,704	€4,312,884
Clare County Council	€123,470	€51,619	€10,508,177
Cork City Council	€196,414	€120,273	€23,063,872
Cork County Council	€289,812	€145,217	€33,534,369
Donegal County Council	€196,157	€40,899	€9,659,972
Dublin City Council	€1,005,300	€469,312	€80,373,318
Dún Laoghaire-Rathdown CC	€236,842	€272,647	€48,685,005
Fingal County Council	€321,154	€215,897	€36,480,163
Galway City Council	€69,004	€43,322	€8,527,592
Galway County Council	€93,105	€61,043	€14,362,329
Kerry County Council	€100,674	€45,238	€13,601,125
Kildare County Council	€172,838	€124,792	€25,477,803
Kilkenny County Council	€141,281	€36,978	€8,210,891
Laois County Council	€34,028	€22,599	€5,223,089
Leitrim County Council	€13,051	€9,666	€2,043,722
Limerick City and Co. Council	€237,549	€74,324	€16,380,720
Longford County Council	€33,015	€13,119	€2,295,422
Louth County Council	€87,452	€66,218	€9,276,293
Mayo County Council	€123,348	€39,270	€9,493,020
Meath County Council	€206,003	€108,631	€18,651,237
Monaghan County Council	€56,227	€15,415	€3,481,433
Offaly County Council	€111,611	€28,350	€5,071,538
Roscommon County Council	€41,294	€19,358	€4,143,081
Sligo County Council	€41,783	€22,488	€5,161,214
South Dublin County Council	€48,192	€209,877	€27,423,886
Tipperary County Council	€136,377	€50,619	€11,381,769
Waterford City and Co. Council	€118,666	€51,770	€10,875,229
Westmeath County Council	€72,015	€26,775	€6,168,243
Wexford County Council	€82,980	€75,616	€12,647,908
Wicklow County Council	€134,334	€126,553	€19,616,783
<b>Totals</b>	<b>€4,618,153</b>	<b>€2,632,017</b>	<b>€490,000,000</b>

## Appendix C – LPT 2022 Valuation Bands provided by the Revenue Commissioners

LPT 2022 Valuation Bands	0-200,000	200,001-262,500	262,501-350,000	Over 350,000
Carlow County Council	55.3%	26.1%	13.3%	5.3%
Cavan County Council	75.3%	15.4%	7.1%	2.1%
Clare County Council	51.2%	26.9%	14.8%	7.2%
Cork City Council	33.1%	20.6%	24.3%	22.1%
Cork County Council	36.8%	23.2%	24.2%	15.8%
Donegal County Council	79.7%	12.4%	5.6%	2.3%
Dublin City Council	22.8%	13.9%	21.3%	41.9%
Dún Laoghaire-Rathdown CC	7.5%	2.3%	10.4%	79.9%
Fingal County Council	13.5%	16.1%	25.2%	45.3%
Galway City Council	28.1%	23.9%	26.8%	21.3%
Galway County Council	42.6%	29.0%	18.0%	10.4%
Kerry County Council	49.3%	27.0%	16.2%	7.5%
Kildare County Council	23.7%	17.7%	28.9%	29.8%
Kilkenny County Council	42.8%	29.3%	17.7%	10.3%
Laois County Council	55.7%	28.3%	11.5%	4.4%
Leitrim County Council	83.0%	11.8%	4.3%	1.0%
Limerick City & County Council	49.3%	25.9%	15.7%	9.2%
Longford County Council	77.8%	17.0%	4.1%	1.2%
Louth County Council	47.9%	24.0%	18.0%	10.1%
Mayo County Council	65.3%	21.4%	9.5%	3.8%
Meath County Council	24.1%	22.9%	28.9%	24.0%
Monaghan County Council	70.6%	17.4%	9.3%	2.7%
Offaly County Council	61.3%	24.1%	10.3%	4.2%
Roscommon County Council	73.2%	18.4%	6.2%	2.2%
Sligo County Council	67.1%	14.7%	11.1%	7.2%
South Dublin County Council	9.9%	16.5%	29.7%	44.0%
Tipperary County Council	61.4%	22.7%	11.0%	4.9%
Waterford City & County Council	52.2%	23.4%	14.7%	9.7%
Westmeath County Council	49.3%	28.9%	14.5%	7.2%
Wexford County Council	49.3%	27.4%	16.3%	7.1%
Wicklow County Council	22.0%	14.1%	22.8%	41.1%