



20 June 2024

Circular Fin 09/2024

Chief Executive

cc. Director of Finance

Provisional Local Property Tax Allocations 2025 – 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 2025 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 based on an estimated yield (pre variation) for the 2025 LPT liability year of €552.6m, based on data regarding 2023 LPT liabilities (including deferrals) as provided by the Revenue Commissioners, adjusted for newly liable properties in 2024 and 2025 (as set out in **Appendix B** to this document).

LPT Baseline and Distribution Methodology

Under the current LPT allocation model, every local authority is entitled to receive a minimum amount of funding under the LPT allocation process, known as the Baseline. Following a review of LPT Baselines last year, Local Authority Baselines were increased overall from €353m to €428.4m for 2024 and will remain at this level again in 2025. Accordingly, South Dublin County Council's Baseline for 2025 is €8,926,059.

LPT allocations for 2025 are set in line with the methodology whereby 100% of the estimated LPT yield is retained locally within the local authority area where it is collected.

Equalisation,

As previously, 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 2025 LPT receipts are compared to the 2025 Baseline, South Dublin County Council will not be in receipt of equalisation funding in 2025.

Self-Funding

As previously, 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 2025 LPT receipts are compared to the 2025 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 2025

The LPT allocation for South Dublin County Council for 2025 (**pending any decision to locally vary the basic rate**) is **€37,049,775**. As a local authority that will be in receipt of 2025 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 **€8,336,199** 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 **€19,787,516**. Details of the self-funding breakdown between Housing (Capital and Revenue) and Roads 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 a local authority decides to vary the LPT basic rate upwards in 2025; 100% of the resultant additional income will be available for the authorities' own use. Similarly, if an authority decides to vary the LPT basic rate downwards (by up to 15%) in 2025, 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 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.

Apart from the formal notification to the Minister of the passing of a resolution in accordance with the regulations, local authorities will be requested, as a procedural matter, to confirm with the Department, the local adjustment factor (or the basic rate, as the case may be) that should apply for the 2025 LPT liability year, on or before 15 October 2024.

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

LPT Statistics and Property Valuation Bands

2024 LPT Preliminary Statistics and Property Valuation Bands are available on the Revenue Commissioners website at the following web link:

<https://www.revenue.ie/en/corporate/information-about-revenue/statistics/property-taxes/current-year-stats/index.aspx>

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

- Estimated Net LPT Liabilities for 2025 (before the application of any local adjustment factor variation). These figures (based on current 2023 liability data) include deferrals and, in addition, newly liable properties for 2024 as well as an estimate for 2025 (based on the assumption that buoyancy will remain at 2024 levels).
- Properties Newly Liable in 2024 and 2025 (before local variation). Included in the Estimated Net LPT Liabilities amount.

The projected amounts for 2025 LPT do not reflect any local decision to lower/increase the basic rate by the local adjustment factor in 2025, i.e. data provided is pre-variation.

Is mise, le meas,

A handwritten signature in black ink, appearing to read 'Sinéad O'Gorman', with a long, sweeping flourish extending to the right.

Sinéad O'Gorman,
Principal,
Local Government Finance

Appendix A

South Dublin County Council - 2025 LPT Allocation (pending any decision to vary the basic rate)

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LPT Retained Locally 100%	37,049,775
2025 Baseline	<u>8,926,059</u>
2025 Surplus (LPT Retained Locally – 2025 Baseline)	<u>28,123,716</u>

Amount of Surplus to be retained for authority's own use (22.5% of basic rate of LPT income)

	8,336,199
Balance of Surplus to Self-Fund Housing and Roads Services	<u>19,787,516</u>
2025 Surplus	<u>28,123,716</u>

Amount of LPT Allocation to be retained for authority's own use in 2025 (pending any decision to vary the basic rate)

17,262,258

Total LPT Funding to be provided in 2025

37,049,775

Value of potential increase or decrease in 2025 LPT Allocation
for every 1% of variation implemented

+/- 370,498

Appendix B – Estimate of LPT yield in respect of the 2025 Liability Year, before the application of any Local Adjustment Factor

Local Authority	Estimated Net LPT Liabilities for 2025 (before the application of any local adjustment factor variation)*	Newly Liable Properties in 2024 and 2025 (before any local variation). Included in the Net LPT Liabilities column*
Carlow County Council	€4,122,540	€56,592
Cavan County Council	€4,129,985	€32,324
Clare County Council	€9,963,939	€90,478
Cork City Council	€23,280,755	€419,943
Cork County Council	€34,699,877	€817,214
Donegal County Council	€9,333,886	€101,083
Dublin City Council	€100,900,493	€2,686,782
Dún Laoghaire-Rathdown CC	€63,013,543	€2,119,606
Fingal County Council	€45,836,328	€1,564,054
Galway City Council	€9,349,048	€283,309
Galway County Council	€15,806,419	€250,134
Kerry County Council	€13,686,697	€131,281
Kildare County Council	€27,382,910	€1,766,630
Kilkenny County Council	€7,878,456	€149,622
Laois County Council	€5,531,250	€202,307
Leitrim County Council	€1,929,751	€12,245
Limerick City and County Council	€15,676,454	€295,177
Longford County Council	€2,202,856	€17,835
Louth County Council	€10,684,712	€293,689
Mayo County Council	€9,392,210	€92,879
Meath County Council	€21,402,920	€715,033
Monaghan County Council	€3,361,696	€45,036
Offaly County Council	€4,987,624	€91,247
Roscommon County Council	€3,937,151	€32,669
Sligo County Council	€4,902,924	€53,161
South Dublin County Council	€37,049,775	€2,094,391
Tipperary County Council	€11,255,219	€73,319
Waterford City & County Council	€10,288,915	€257,451
Westmeath County Council	€6,866,930	€131,048
Wexford County Council	€12,834,389	€271,165
Wicklow County Council	€20,946,669	€823,420
Total	€552,636,318	€15,971,125

*Note: The estimated €552.6m (pre-variation) yield for the 2025 LPT liability year is based on the Revenue Commissioners' latest yield estimates of €529.7m (post-variation) for the 2023 liability year, including any deferrals. The 2025 estimated yield includes deferrals (based on 2023 liability data) and, in addition, newly liable properties for 2024 and an estimate for 2025 (based on the assumption that buoyancy will remain at 2024 levels). The effect of the application of any local adjustment factor is excluded in the table above.