

# Local Property Tax

- The tax applies to the owners of all residential property in Ireland, even if resident outside Ireland. This includes main homes, second/holiday homes and rental properties.
- The tax is based on the market value of the property on 1 May 2013. No deduction is given for loans secured on the property
- The tax is applied at a rate of 0.18% on the market value of properties up to EUR1m. A rate of 0.25% applies on the value in excess of EUR1m (see schedule attached)
- The tax for 2013 is 50% of the annual charge. A full annual charge will apply from 2014.
- The owner must self assess the value of their property as at the valuation date of 1 May 2013. This valuation will be used to calculate the tax for the years 2013 to 2016 inclusive. Revenue will send to property owners an estimate of the tax but this cannot be relied upon
- The household charge (EUR100) has been abolished but the final NPPR charge (EUR200) will be due on 30 June 2013 for second homes and rental properties
- The tax cannot be deducted from rental income when calculating taxable rental profits. Tax relief on a phased basis may be introduced in the future
- Filing date for property tax return for 2013 is 7 May 2013 or 28 May 2013 if filing online. Owners of more than one residential property must file online
- Tax for 2013 is due on 21 July 2013 if making a single payment, or if paying in instalments, 15 July 2013 is the due date for the first instalment payment.

## **Exemptions (there are few!)**

- (i) New or unused properties purchased from a builder/developer between 1 January 2013 and 31 October 2016 are exempt up to and including 2016
- (ii) Properties purchased by a first time buyer in 2013 and used as the buyer's sole or main residence are exempt up to and including 2016
- (iii) Property located in certain unfinished housing estates ("ghost estates")
- (iv) Property where the owner has left due to long term illness or infirmity
- (v) Property owned by certain charities and used for recreational activities of the charity
- (vi) Property subject to commercial rates and wholly used as a dwelling
- (vii) Property which is part of the trading stock of a business provided that the property has never produced any income and has never been used as a dwelling.

# Local Property tax – valuation bands

Tax rate of 0.18% applies to mid point of each valuation band	Mid point of valuation band	Tax 2013 EUR	Tax 2014 EUR
0 to EUR100,000	50,000	45	90
EUR100,001 – EUR150,000	125,000	112	225
EUR150,001 – EUR200,00	175,000	157	315
EUR200,001 – EUR250,000	225,000	202	405
EUR250,001 – EUR300,000	275,000	247	495
EUR300,001 – EUR350,000	325,000	292	585
EUR350,001 – EUR400,000	375,000	337	675
EUR400,001 – EUR450,000	425,000	382	765
EUR450,001 – EUR500,000	475,000	427	855
EUR500,001 – EUR550,000	525,000	472	945
EUR550,001 – EUR600,000	575,000	517	1,035
EUR600,001 – EUR650,000	625,000	562	1,125
EUR650,001 – EUR700,000	675,000	607	1,215
EUR700,001 – EUR750,000	725,000	652	1,305
EUR750,001 – EUR800,000	775,000	697	1,395
EUR800,001 – EUR850,000	825,000	742	1,485
EUR850,001 – EUR900,000	875,000	787	1,575
EUR900,001 – EUR950,000	925,000	832	1,665
EUR950,001 – EUR1,000,000	975,000	877	1,755
<b>Property value above Eur1m – no bands. Tax rate of 0.18% up to EUR1m and 0.25% on excess above EUR1m</b>	<b>Tax 2013 EUR</b>	<b>Tax 2014 EUR</b>	
<i>Examples</i>			
EUR1,250,000	1,212	2,425	
EUR1,500,000	1,525	3,050	
EUR2,000,000	2,150	4,300	
EUR3,000,000	3,400	6,800	