Local Property Tax – 2014

- 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 for years 2014, 2015 and 2016 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 owner must self assess the value of their property as at the valuation date of 1 May 2013
- The household charge (EUR100) and NPPR charge (EUR200) have been abolished and do not apply in 2014
- 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
- Tax for 2014 is due on 1 January 2014. If making a single payment by bank transfer the tax is due on 21 March 2014. It is also possible to pay by monthly direct debit.

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 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.

Kennelly Tax Advisers
January 2014

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TAX ADVISERS