

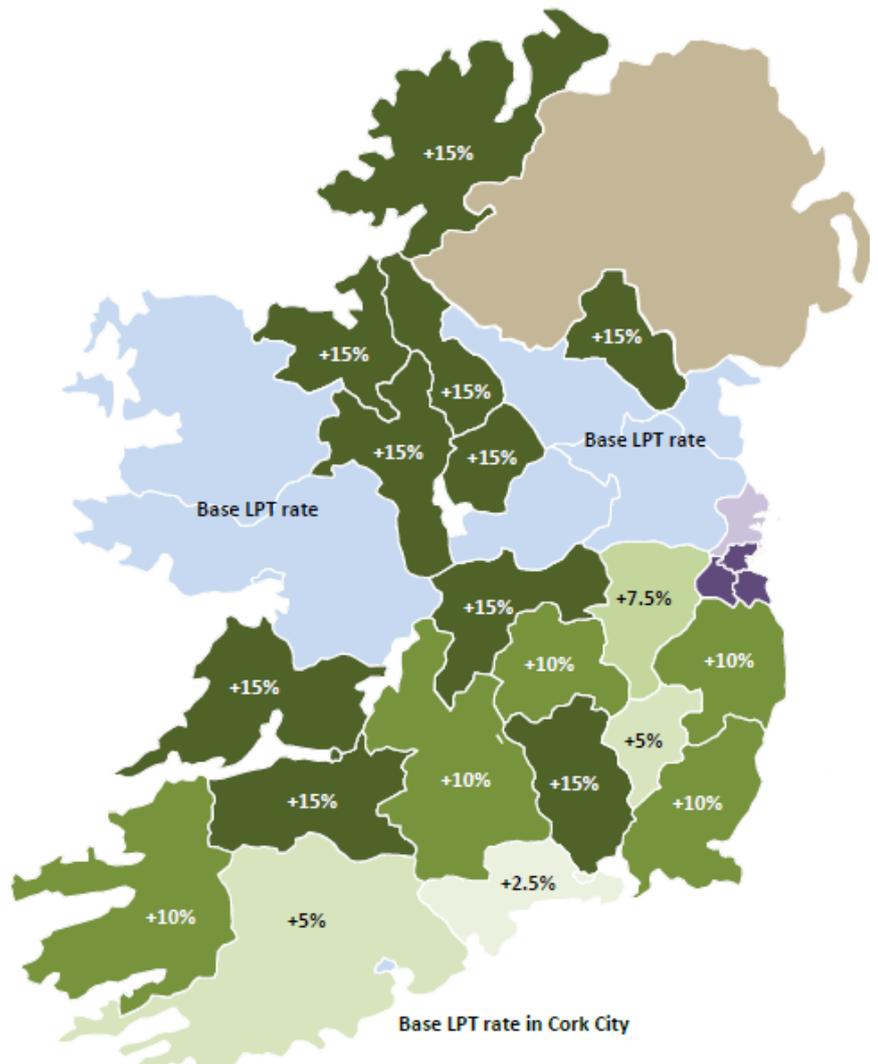
### 2020 LPT Variations

Since 2015, local authorities have had the power to vary the rates of Local Property Tax (LPT) in their areas by -15% to +15% each year. This is referred to as the 'local adjustment factor'.

The local adjustment factor subsequently reverts to the basic rate after the twelve-month period has elapsed and the matter must be considered afresh. Local authorities must notify the Revenue Commissioners and the Minister by 30 September in order to apply a varied rate in the following year.

The map and figures below, provided by the Department of Housing, Planning and Local Government outline the variations notified to Revenue for the forthcoming year. There were substantially more variations compared to previous years. In 2018, only 5 local authorities varied their rate upwards, compared to 19 this year. The four Dublin local authorities continued the trend of varying their rates downwards.

+15%	Clare, Donegal, Longford, Leitrim, Limerick City & County, Kilkenny, Monaghan, Offaly, Sligo, Roscommon
+10%	Laois, Kerry, Tipperary, Wexford, Wicklow
+7.5%	Kildare
+5%	Carlow, Cork County
+2.5%	Waterford City & County
Base LPT rate	Cavan, Cork City, Louth, Galway County, Galway City, Meath, Westmeath, Mayo
-10%	Fingal
-15%	Dublin City, South Dublin, Dún Laoghaire-Rathdown



## What do the media & the public think?

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In many local authority areas, the focus from the management side was on improving the council's financial position and ensuring services are maintained, while some councillors emphasised the impact of increased bills on property owners.

LPT variations were widely reported in both local and national newspapers. In Carlow, for example, the [Carlow Nationalist reported](#) that it was 'with a heavy heart' that councillors decided to increase the LPT by 5%. The council had previously retained the base LPT rate. While council management sought an increase of 15%, a technical group of councillors had looked for a 15% reduction.

[Owen Ryan of the Clare Champion voiced his opinion](#) that the public are to be 'clobbered as councillors back 15% increase'. The increase was voted for by 16 councillors, with 8 against. It will result in an extra €1.5 million in income for Clare County Council. Over half of all property owners in Clare will see an increase in their bills of between €33.75 and €47.25 per year.

In Cork, a proposal to increase the rate by 15% caused uproar when the Lord Mayor refused to debate the motion before voting, in line with practices from previous years. [Michael Clifford reported in the Irish Examiner](#) that there was very little discussion from political parties in the weeks leading up the vote. In the end, the council voted 19-8 to leave the tax at the base rate.

A public consultation process must be undertaken prior to the variation of LPT, in line with statutory requirements. The level of feedback from this consultation is generally quite low. In Galway, for example, where councillors have voted against an increase, the recent consultation process did not receive any submissions. Similarly in Limerick, where the rate has been increased by 15% (compared to +7.5% last year), there were just two submission to their budget consultation process.

Dublin City Council run a survey each year to gather feedback on the LPT variation. This year's survey received 1,630 responses with 77.5% indicating they wished for the LPT rate to be maintained at -15%. Just 22.5% indicated they'd support a change, with more than half of those supporting an increase above the basic rate. While the response rate is still a relatively small percentage of the overall population, it represents an 81% increase on the previous highest level of completion (899 responses in 2015).

## Conclusion

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This year, with new councils in place, the LPT was varied (upwards or downwards) in 23 out of 31 local authorities. This is the highest number of variations since the local adjustment factor was introduced, with an unprecedented 19 local authorities varying the rate upwards.

While there was strong media reaction, particularly at the local level, the public consultation process prior to the councils' votes received little attention. With property revaluations and reform of LPT on the cards, and Dublin City Council calling for 100% local retention (instead of the current 80/20 split), LPT will be one to watch over the coming year.

This new briefing series is an addition to our biannual magazine for the local authority sector, Local Authority Times, available on the [IPA website](#).

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