



February 2013

# Local Property Tax: What you need to know

Are you prepared for the LPT? Unfortunately, whether you are or aren't, this cannot be ignored. Below we've put together on what you need to know and the timeline of events.



In March, you will receive a letter from Revenue outlining your Local Property Tax (LPT) liability. Two months later you will have filed your return. And a few short weeks after that you will have paid the Local Property Tax - whether you like it or not.

For many people around the country, including a vast army of PAYE workers, the local Property Tax will be the first time they have filed a tax return.

**The good news** is that it will be reasonably straightforward. The bad news is that there is no escaping its reach ...

**From 11 March**, households around the country will begin receiving the first direct communication from Revenue in respect of the LPT. This letter will contain the following three documents:



- 1** A Local Property Tax Return Form
- 2** Official Revenue Guidelines for valuation of properties
- 3** A Notice of Estimate



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1

**The tax return form**, which you can see a sample of [here](#), is quite straightforward. Taxpayers will confirm their name, address, PPS number, address of property return is in respect of and valuation of property. Little to no other information will be required. Other sections outline the many payment methods available, from salary deduction to credit card payments to deferrals.

**Form LPT1 - Return for Local Property Tax**  
for the valuation date 1 May 2013

Please read the LPT Booklet prior to completion. Complete in BLOCK CAPITALS using black ink. \* Denotes a mandatory field.

**A. LIABLE PERSON & PROPERTY DETAILS**

Name: 4 WALL STREET, RALPH TOWN, DUBLIN 2, IRELAND. Property ID: 123456789

File on-line at [www.revenue.ie/using/PPSN](http://www.revenue.ie/using/PPSN)  
AB34CD56

If the Liable Person differs from above please enter Name and PPSN (for exemption of Liable Person refer to LPT Booklet)

Liable Person's Name: \_\_\_\_\_ PPSN: \_\_\_\_\_

If this property is EXEMPT insert exemption type in this box and go to Section C. If this property is NOT your Principal Private Residence insert X in this box. If Non-Resident for Income Tax purposes insert X in this box.

**B. LIABILITY** - Refer to LPT Booklet for LPT Rate and Band Numbers

Band Number: \_\_\_\_\_ Valuation of Property only if greater than €1m (Round down to nearest whole Euro) \_\_\_\_\_

\*Local Property Tax Due € \_\_\_\_\_

**C. DECLARATION which MUST be signed**

I declare that all the particulars on this form are correct to the best of my knowledge and belief.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Relationship to Liable Person: \_\_\_\_\_

Phone No: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

**D. PAYMENT OPTIONS** - SELECT ONE PAYMENT OPTION FROM OPTIONS 1 TO 6  
Option 1 Pay and File On-line

2

**The second** document is **the official guidelines** for valuing your property. Revenue has confirmed that once a taxpayer complies with these guidelines, their valuation will not be challenged. Revenue has, of course left itself the option to declare that the valuation deviates from the guidelines, should it disagree with your assessment but it would appear that the intention is encourage compliance rather than threaten confrontation.

3

**The third** document is the somewhat controversial “Notice of Estimate” which has been the subject of much speculation in the press. Revenue was very clear that this estimate is not to be taken as an official valuation of the property and should not be relied upon as such.

**“The intention is to encourage compliance rather than threaten confrontation.”**



February 2013

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Revenue does not consider itself to be a valuation expert. The document is intended as “default payment amount” that clarifies the charge that Revenue will seek in the event that they not receive any further information from the liable person.

In essence it is akin to an ESB estimated bill which a household may receive - it doesn't necessarily reflect your actual liability and you do have the option to ring in with the “meter reading” to give a more accurate figure. Similarly the Notice of Estimate advises the amount which Revenue will

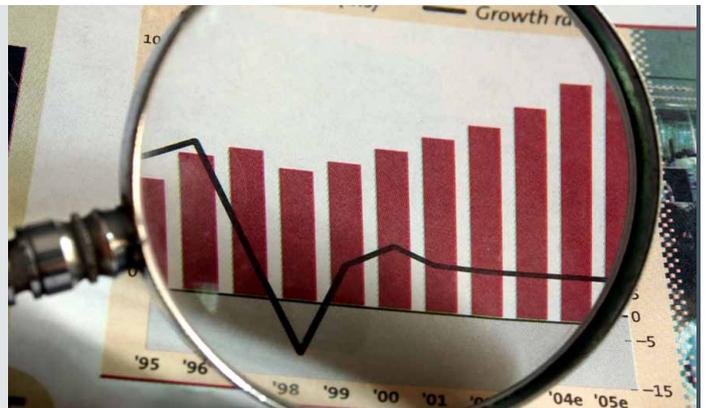
apply should they not hear from you. And just like the ESB bill, the taxpayer has the option to provide further information which contradicts (either upwards or downwards) the estimate received. The return itself constitutes further information, so simply filing the return will suffice. There is no need for a separate communication outlining the basis of your valuation and no need to provide separate valuation from a professional. Revenue will assume that your valuation will be in line with the guidelines issued and if so, they will not seek to challenge it.

### When is the return due?

Paper returns are due by 07 May while the final date for filing online is 28 May. The payment date is 28 July so depending on the payment method selected, collection of the liability will take place at this point.

### What if I decide not to pay?

Revenue was badly burned by the level of non-compliance with the household charge and is determined not to allow any such recurrence. Immediately following the filing deadline of 28 May, Revenue will begin to reconcile the returns received with their master list. The first letters to the employers of non-compliers will issue in early June.



**“Revenue was badly burned by the household charge.”**



February 2013

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**These letters** will outline the amounts to be deducted from an employee's salary each month.

**Revenue** has made it very clear that employers will not be given an option on whether or not to apply the deduction from an employee's wages, and will be expected to comply with each such instruction received. While unusually aggressive, this is a completely legal collection mechanism.

**“Employers will not be given an option on whether or not to apply the deduction.”**

In addition, these instructions will not be distinguishable from the voluntary election by the taxpayer to pay by salary deduction, so employers will never know if the instruction originated from the taxpayer or the Revenue.

The message from Revenue is clear – not paying is not an option.

Using your tax refund to pay your Local Property Tax Bill.

If you're worried about the added expense of paying your LPT bill, one way to manage the cost is to pay it out of your PAYE tax refund.

The average Irish tax refund is €880 which could well be enough to pay your property tax and have some money left over to spend on something you actually want! Talk to our team in Kilkenny about getting a free tax refund estimation today.