

Finance (Local Property Tax and Other Provisions) (Amendment) Bill 2025

Bill No. 32 of 2025

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Abstract

The main purpose of the *Finance (Local Property Tax and Other Provisions) (Amendment) Bill 2025* is to provide a revised method of calculating Local Property Tax (LPT) liabilities in light of the upcoming revaluation of properties for LPT due to take place on 1 November 2025. The next valuation period will run for five years and will commence in 2026.



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Summary

- The [Finance \(Local Property Tax and Other Provisions\) \(Amendment\) Bill 2025](#) was published on 12 June 2025, together with an [Explanatory Memorandum](#).
- The Bill comprises of 13 sections (in 4 Parts).
- The Bill primarily amends the [Finance \(Local Property Tax\) Act 2012](#) and makes two distinct tax-related amendments to other Acts.
- The Bill provides for a new Local Property Tax (LPT) valuation period, which will commence in 2026 and run for five years until 2030.
- The [Explanatory Memorandum](#) for the Bill notes that the purpose of the Bill is to provide for:
 - a revised method for calculating Local Property Tax liabilities;
 - local authorities to be able to vary LPT upwards by up to 25%;
 - indexation of income thresholds for deferral of LPT, keeping pace with inflation and growth in wages since 2021; and
 - a number of administrative and technical reforms.
- Data from the CSO shows that between 2021 and 2024, property prices increased nationally by approximately 25%.
- Revenue report that in 2024, the Local Property Tax net collection figure was €573m (receipts of €579m less repayments of €6m). In 2023, this figure was €561m.
- Under the Bill, LPT valuation bands are to be widened by 20%.
 - the proposed increase in the LPT charges rise incrementally from €5 for properties valued under €240,000 up to €389 for properties valued between €1,995,001 to €2,100,000.
 - most properties valued under €1.26 million will see a percentage increase of around 6% while those above that will see an increase of somewhere between 7% to 14%. Properties valued at €2.1 million or above will be charged on their actual value.
- No Regulatory Impact Assessment (RIA) has been made publicly available in respect of the Bill. The [Explanatory Memorandum](#) does not highlight specific financial implications for the Exchequer arising from this Bill.
- The Bill was not subject to Pre-Legislative Scrutiny (PLS). The Minister for Finance sought a waiver from PLS in order to facilitate passing of the Bill before the summer recess. It has been explained that this provides the time needed for undertaking technical and administrative preparations before the valuation date of 1 November 2025.
- The L&RS has also published a [Bill Resource](#) page on this Bill [internal access only].

Glossary and abbreviations

Table 1 Glossary and abbreviations.

Term	Meaning
Act of 2012	Finance (Local Property Tax) Act 2012
CSO	Central Statistics Office
LAF	Local Adjustment Factor
LPT	Local Property Tax
RIA	Regulatory Impact Assessment

Introduction

The [*Finance \(Local Property Tax and Other Provisions\) \(Amendment\) Bill 2025*](#) was published on 12 June 2025, together with an [Explanatory Memorandum](#). The Bill comprises of 13 sections (in 4 Parts). The Bill primarily amends the [*Finance \(Local Property Tax\) Act 2012*](#). In addition, it makes two distinct tax-related amendments to other Acts.¹

The Bill provides for a new Local Property Tax (LPT) valuation period, which will commence in 2026 and run for five years.² The [Explanatory Memorandum](#) for the Bill notes that the purpose of the Bill is to provide for:

- a revised method for calculating Local Property Tax liabilities;
- local authorities to be able to vary LPT upwards by up to 25%;
- indexation of income thresholds for deferral of LPT, keeping pace with inflation and growth in wages since 2021; and
- a number of administrative and technical reforms.

The Bill also seeks to ensure that the LPT exemption applying to properties that were constructed using defective concrete blocks is up to date and continues to apply to previously eligible properties.

Announcing the publication of the [*General Scheme of Finance \(Local Property Tax\) \(Amendment\) Bill 2025*](#) on 1 April 2025, the Minister for Finance, Paschal Donohoe TD commented that:

“By asking property owners to contribute a small amount more than they do at present, LPT is projected to yield in the realm of €45 million or 8 per cent in additional funding for local authorities, which will go towards local services. The majority of property owners, being those with properties valued at €525,000 or lower on 1 November 2025, will pay between €5 and €25 extra a year.

According to the Central Statistics Office, property prices have increased by a national average of 23 per cent since November 2021. In the absence of any changes to the LPT charging mechanism, approximately 70 per cent of households would go up at least one valuation band as a result of revaluation later this year. It was decided to amend the LPT charging mechanism in order to prevent a significant increase in liabilities for most households. The Programme for Government commits to ‘ensure fairness and stability in Local Property Tax payments and continue to retain revenue collected locally in the same local authority’. I believe that the measures announced today achieve that objective”.³

Given the short timeframe between publication of the Bill and Second Stage debate, this Digest provides background, policy context and, where possible, a brief analysis of selected key provisions of the Bill. A Bill Resource page is available [here](#) [internal access only].

¹ These are an amendment to the [*Value-Added Tax Consolidation Act 2010*](#) regarding the VAT rate for the supply of gas and electricity, and a technical amendment to the “outbound payment defensive measures” contained in the [*Taxes Consolidation Act 1997*](#). For the latter, readers are advised to refer to the latest guidance notes from Revenue for this Act available [here](#) and [here](#).

² LPT revaluation is to take place on 1 November 2025. The next valuation period will last for a duration of five years (2026 to 2030), with revaluation to next take place on 1 November 2030.

³ Department of Finance press release, *Minister Donohoe announces changes to Local Property Tax to ensure fairness*. Available at <https://www.gov.ie/en/department-of-finance/press-releases/minister-donohoe-announces-changes-to-local-property-tax-to-ensure-fairness/>

Cost implications

No Regulatory Impact Assessment (RIA) has been made publicly available in respect of the Bill. The [Explanatory Memorandum](#) does not highlight specific financial implications for the Exchequer arising from this Bill.

Pre-legislative scrutiny (PLS)

The [Finance \(Local Property Tax and Other Provisions\) \(Amendment\) Bill 2025](#) was not subject to Pre-Legislative Scrutiny. The Minister for Finance sought a waiver from Pre-Legislative Scrutiny to facilitate early passing of the legislation, thereby providing adequate time for bodies involved in the process to perform related functions. As explained in the press release accompanying publication of the [General Scheme of Finance \(Local Property Tax\) \(Amendment\) Bill 2025](#):

“It is the Minister’s intention to have the Bill enacted before the summer recess to enable the Revenue Commissioners to make the essential technical and administrative preparations to implement the various changes to the LPT regime in advance of the valuation date of 1 November 2025”.⁴

⁴ Department of Finance press release, *Minister Donohoe announces changes to Local Property Tax to ensure fairness*. Available at <https://www.gov.ie/en/department-of-finance/press-releases/minister-donohoe-announces-changes-to-local-property-tax-to-ensure-fairness/>

Background

In this section, an overview is provided of key statistics relating to the property market and local property tax statistics in Ireland. This section also provides some international context on the use of domestic rates in the United Kingdom and Ireland and finally it briefly outlines previous legislation relating to this Bill.

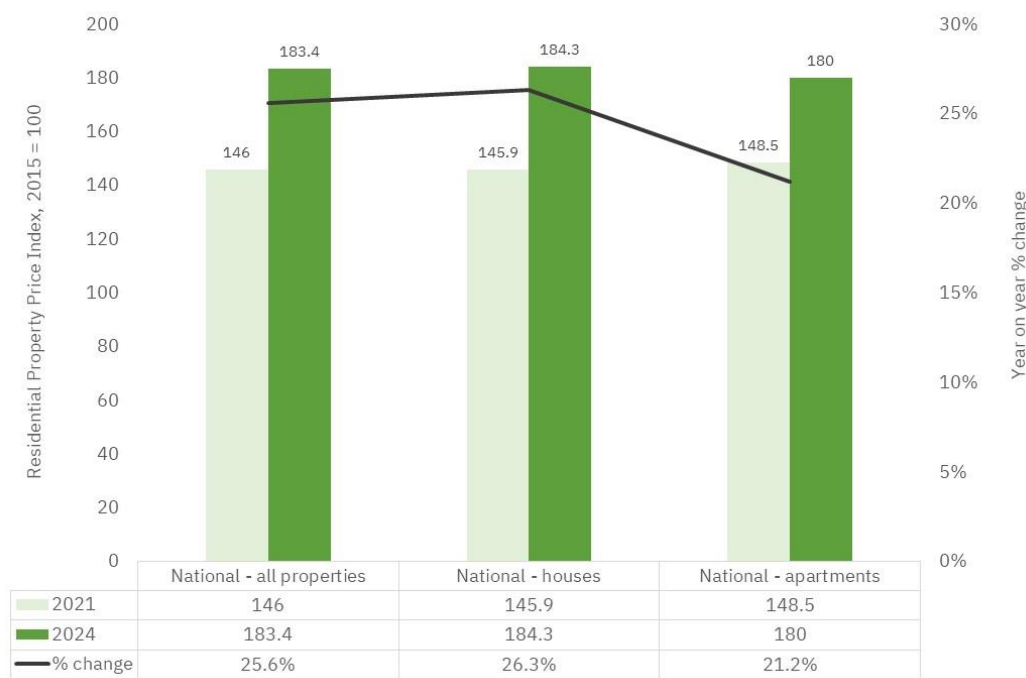
Key Statistics

This section provides a brief overview of residential property prices and local property price statistics, which should provide further context for Members in their scrutiny of the Bill.

Property market

Data from the CSO shows that residential property prices have increased nationally by around 25% between 2021 and 2024. House prices have increased by approximately 26% while apartment prices have increased by around 21% over the same period (see Figure 1).

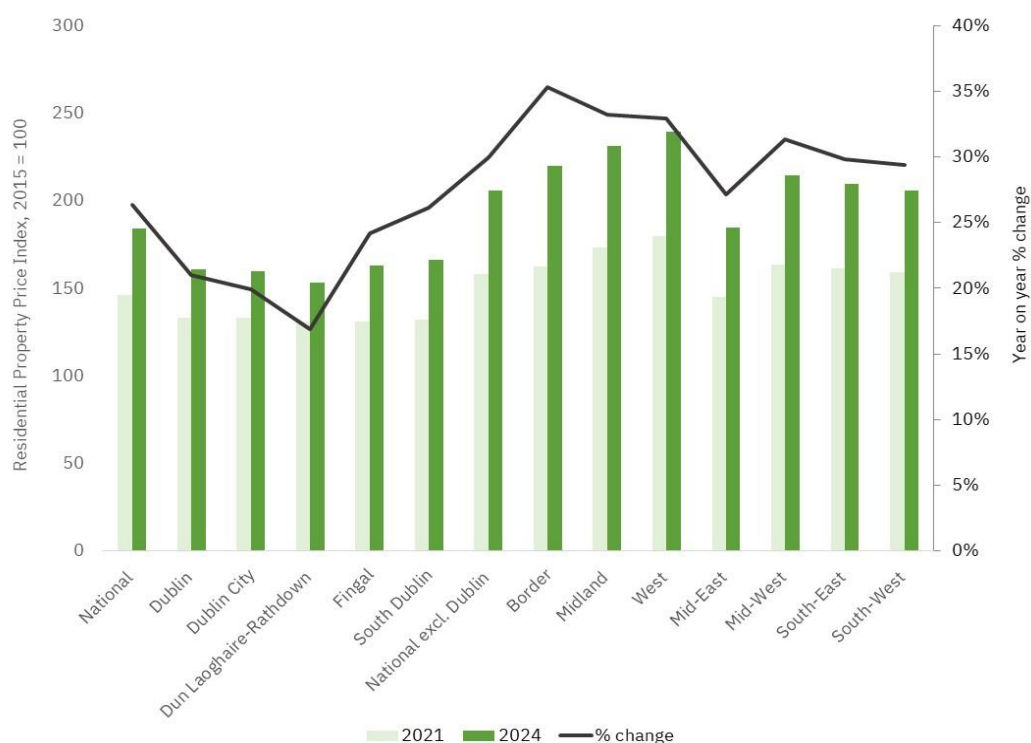
Figure 1: Property price changes between 2021 and 2024



Source: CSO, [Residential Property Price Index](#)

Since 2021, the increase in house prices has been diverse across regions (see Figure 2). The biggest change between 2021 and 2024 was observed in the Border area (Cavan, Donegal, Leitrim, Monaghan, and Sligo) with house prices increasing over 35%. This is followed by the Midlands (Laois, Longford, Offaly, and Westmeath) which saw an increase of 33%, and the West (Galway, Mayo and Roscommon) which saw an increase of 32.96%.

Alternatively, smaller house price increases were observed in three of the four Dublin administrative areas (Dún Laoghaire-Rathdown 16.88%; Dublin City 19.89%; and Fingal 24.18%).

Figure 2: Property price changes across regions (2021 and 2024)

Source: CSO, [Residential Property Price Index](#)

Figure 3 (overleaf) illustrates the mean selling price of properties across occupier type (all buyers; first time buyers; non-occupiers) and dwelling type (new build and existing dwelling) for the period 2021 and 2024.

Across all buyer types for **new build** properties, the mean sale price increased 17% from €398,053 in 2021 to €466,589 in 2024. The biggest increase in the mean sale price is observed for non-occupiers⁵ of new builds, where the mean sale price increased from €395,613 in 2021 to €565,650 in 2024 (a 43% increase).

Across all buyer types for **existing properties**, the mean sale price increased 23.4% from €313,947 in 2021 to €387,478 in 2024. As with new build properties, the biggest increase is observed for non-occupiers of existing builds, where the mean sale price increased from €213,973 in 2021 to €276,945 in 2024 (a 29.4% increase).

⁵ The CSO report that a 'non-occupier' refers to a purchaser of a dwelling who does not intend to live in it (for example, a landlord).

Figure 3: Mean sale price across buyer type and dwelling type (2021 and 2024)

Source: CSO, [Market-based household purchases of residential dwellings](#).

Local Property Tax

In February 2025, [Revenue published](#) the provisional annual results for Local Property Tax statistics 2024. They report that there was a 97% return compliance rate and a 95.72% payment compliance rate in 2024.

Figure 4 provides the distribution of valuation bands to date for all councils⁶ including properties owned by Local Authorities and Approved Housing Bodies. Revenue note that all properties owned by Local Authorities/Approved Housing Bodies are in Band 1.

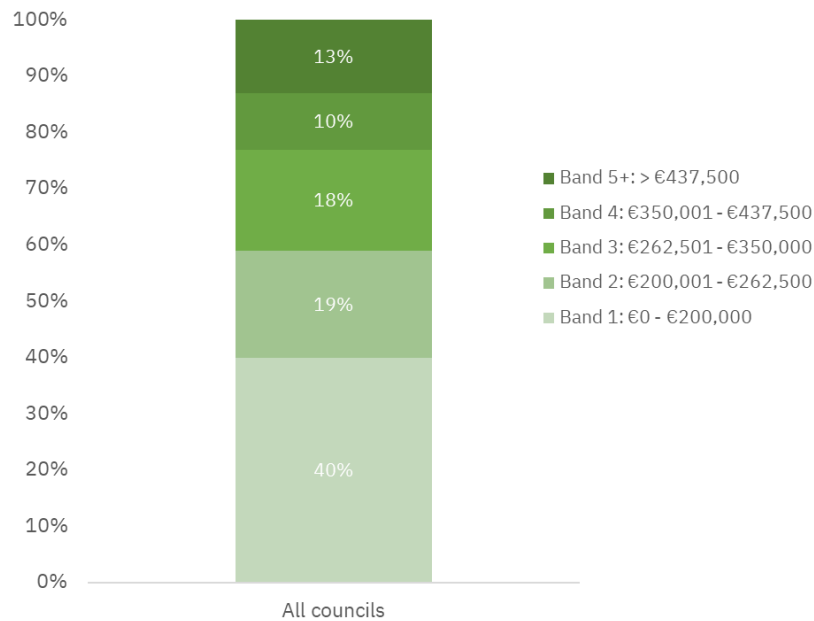
It shows that overall, 40% of properties are in Band 1 (valuation €0 - €200,000), 19% are in Band 2 (valuation €200,001 - €262,500), 18% are in Band 3 (valuation €262,501 - €350,000), 10% are in Band 4 (valuation €350,001 - €437,500), and 13% are in Band 5 and above (valuation > €437,500).

Revenue report that in 2024, the Local Property Tax [net collection figure](#) was €573m (receipts of €579m less repayments of €6m). In 2023, this figure was €561m.

Local Property Tax receipts accounted for around 0.5% of total tax revenue⁷ in 2024.

⁶ The full distribution broken down by Local Authority of the property is available on page 6 of [Property Tax Statistics published by Revenue in February 2025](#).

⁷ This is estimated using [local property tax receipts](#) for 2024, and [total exchequer returns](#) for 2024, both of which are published by Revenue.

Figure 4: Distribution of valuations to date for 2024

Source: Revenue, [Property Tax statistics](#), February 2025. Note, this includes properties owned by Local Authorities and Approved Housing Bodies.

International context

This section examines the existence of similar taxes in Northern Ireland, England, Wales, and Scotland and compares legislation in those jurisdictions to the LPT in Ireland. A recent paper published by the Northern Ireland Assembly on “[Comparative Overview: Domestic Rating Systems across the United Kingdom and Republic of Ireland](#)” sets out a comparison of the LPT in Ireland and its equivalence in Northern Ireland, England, Wales and Scotland. Table 2 overleaf provides a summary of a similar table contained in the paper and outlines some of the similarities and differences between each country.

Table 2: Comparison of domestic rating systems across the UK and Ireland: a summary.

	Northern Ireland (Domestic rates)	England & Wales (Council Tax)	Scotland (Council Tax)	Ireland (Local Property Tax)
Legislation	The Rates (Northern Ireland) Order 1977. The Rates (Regional Rates) Order (Northern Ireland) 2024 – sets the amount of rates for the year.	Local Government Finance Act 1992.	The Local Government Finance Act 1992 (Commencement No 2) Order 1992.	Finance (Local Property Tax) (Amendment) Act 2021.
Form of Tax	Recurrent and unhypothecated ⁸	Recurrent and unhypothecated	Recurrent and unhypothecated	Recurrent and unhypothecated
Current Rates	Calculated in two parts: - Capital value of property as of 01/01/2005: currently £20,000 - £400,000 - A multiplier / poundage.	<u>England:</u> 8 bands of tax, based on estimated property value, as of 1991, from A (up to £40,000) to H (over £320,000). <u>Wales:</u> 9 bands of tax, based on property value, as of 1991, from A (up to £44,000) to I (over £424,000).	8 bands of tax, based on property value, as of 2003, from A (up to £27,000) to H (over £212,000).	The valuation band that applies to the property as at 1 November 2021 and a Local Adjustment Factor. There are 20 valuation bands ranging from €0 - €200,000 to over €1.75 million.
Reliefs available	Reliefs - Housing Benefit and Rate Relief for tenants and homeowners. - Farmhouses. - Houses lived in by clergy and religious ministers. - Disabled Person's Allowance.	Reliefs -Those on low incomes. -Single person discount. -Disabled people. -Severe mental impairment. -Members of the armed forces. <u>Exemptions</u>	Reliefs - Low-income households. -Benefits recipients. -A carer to help the occupier or someone living with them at home. -Someone who lives in property is disabled and the	Reliefs - Some properties that have been adapted to accommodate a person with a disability. <u>Exemptions:</u> -Unoccupied because of illness or disability. -Built or adapted property for

⁸ Unhypothecated means the money is not ringfenced for a specific purpose but rather is left at the discretion of the local administration how it chooses to allocate the funding raised from the tax.

	Northern Ireland (Domestic rates)	England & Wales (Council Tax)	Scotland (Council Tax)	Ireland (Local Property Tax)
	- Lone Pensioner allowance.	-Properties undergoing major structural alteration/ repair Some empty properties (depending on circumstances).	property is adapted to meet their needs. <u>Exemptions</u> -Houses undergoing major structural works. -Some disabled person's households; and young people leaving care.	someone who is permanently and totally incapacitated. -Certified as having pyrite damage. -Built using defective concrete. -Owned by a charity or a public body and is used for certain purposes -Is a registered nursing home.
Average Collections	Total revenue raised from all District Rates in 2024: around £815M. Average Domestic bill: £1,180.	Total revenue raised from Council Tax 2024/25: <u>England</u> Average band D = £2,171. <u>Wales</u> Average band D Wales = £2,024.	Total revenue raised from Council Tax in 2022/23: £2,765M. Average bill, 2024/25 = £1,310.	Total revenue raised in 2023/24: €463M for 1,985,079 properties. The median bill is €945.

Source: Northern Ireland Assembly (2025), [Comparative Overview: Domestic Rating Systems across the United Kingdom and Republic of Ireland](#).

All countries aside from Northern Ireland use a banding methodology to property values which indicate the tax liability associated with the property. However, in Northern Ireland, a discreet property value is used. The base year used for valuations in each country varies significantly. For example, in England and Wales, property values used for council tax is based on 1991 valuations. However, the Welsh government announced plans in 2023 to complete a revaluation exercise in 2028 and every 5 years thereafter. The Base year for Scotland is 2003 and Northern Ireland 2005. Ireland has the most recent base year for property valuations which is 2021.

Previous legislation related to the current Bill

Finance (Local Property Tax) Act 2012

The [Finance \(Local Property Tax\) Act 2012](#) introduced the local property tax (LPT) in Ireland. Its stated aim was:

“...to provide for the imposition of an annual tax to be called "Local Property Tax" in respect of certain residential properties and for the establishment and maintenance of a register of residential properties in the State by the Revenue Commissioners and to provide for related matters⁹”

As noted by the [Report of the Interdepartmental Group \(2019\)](#), this is not the first property tax introduced in Ireland.

Previously, domestic rates and the Residential Property Tax were in operation before they were abolished in the [Finance Act 1997](#). Between 2009 and 2013, a charge on non-principal residences (NPPR) was in operation, and there was also a Household Charge (HHC) which was an annual charge introduced under the [Local Government \(Household Charge\) Act 2011](#) that was payable by owners of residential properties for the year 2012.

Following the enactment of the [Finance \(Local Property Tax\) Act 2012](#) and the [Finance \(Local Property Tax\) \(Amendment\) Act 2013](#), the Local Property Tax (LPT) became payable from 1 July 2013. It was a self-assessed tax charged on the market value of residential properties in the State. Liable persons must pay their LPT liabilities on an annual basis.

Over the years, changes to LPT have been proposed but have been ultimately deferred a number of times. The [Finance \(Local Property Tax\) \(Amendment\) Act 2015](#) postponed the revaluation from November 2016 to November 2019. Following a review carried out by an interdepartmental working group, it was decided that revaluation would be deferred until 1 November 2020. In September 2020, it was announced¹⁰ that it would be deferred further to 1 November 2021¹¹.

Finance (Local Property Tax) (Amendment) Act 2021

The [General Scheme of the Finance \(Local Property Tax\) \(Amendment\) Bill 2021](#) was published on 2 June 2021. On 7 July 2021, the [Bill](#) was published and Second Stage [debate](#) began on 13 July 2021. On 22 July 2021, it was [enacted](#). The valuation bands and charges in place for the 2022-2025 period are provided in Table 3 (on page 15 of this document)¹².

⁹ [Finance \(Local Property Tax\) Act 2012 – No. 52 of 2012 – Houses of the Oireachtas](#)

¹⁰ Department of Finance, Press Release, ‘Minister Donohoe announces deferral of revaluation date for Local Property Tax (LPT) to 1 November 2021. Published 16 September 2020. Available [here](#).

¹¹ Please refer to the [Library & Research Service’s Pre-Legislative Scrutiny Pre-Hearing Briefing Paper prepared for the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach and published](#) in July 2021 which details the conclusions from various reviews undertaken over the years.

¹² [Citizen’s Information](#) provides that a property may be exempt from local property tax if it is property that (1) the owner doesn’t live in because of illness or disability, (2) was bought/built/adapted for someone who is permanently and totally incapacitated, (3) has a significant level of pyrite damage, (4) was built using defective concrete, (5) is owned by a charity or a public body and is used for certain purposes, (6) is a registered nursing home, (7) is a commercial property.

Principal provisions of the Bill

This section of the Bill Digest examines the main provisions of the Bill. The Bill is 10 pages long and comprises of 4 Parts and 13 sections in total. Due to the timing of the publication of the Bill and its scheduling for Second Stage debate, this Digest focuses mainly on Part 2 of the Bill.

Part 1 – Preliminary and General

Section 1 deals with general matters. It states that this Act may be cited as the Finance (Local Property Tax and Other Provisions) (Amendment) Act 2025 and shall be commenced by Ministerial order, and different provisions may be commenced at different times.

Part 2 - Amendment of Finance (Local Property Tax) Act 2012

Part 2 of the Bill contains sections 2 to 11.

Section 2 contains definitions and short titles. In this Part, “Act of 2012” means the [*Finance \(Local Property Tax\) Act 2012*](#).

Section 3 sets out that Sections 7, 8 and 10 are to apply in respect of the year 2026 and for each subsequent year. The [Explanatory Memorandum](#) states that all other provisions are to come into effect on either the passing of the Bill or when commenced by Ministerial Order where relevant.

Section 4 amends section 10D of the Act of 2012 and focuses on the exemption from LPT that applies to properties that were constructed using defective concrete blocks. Per the [Explanatory Memorandum](#), this section seeks to ensure that the exemption is up to date and will continue to apply to previously eligible properties.

Section 4 of the Bill provides for a substitution of “competent building professional” for “competent engineer in [subsection \(2\)\(b\)\(iii\)](#) of section 10D of the Act of 2012.

This section also provides for the substitution of the following subsection 6 for [subsection \(6\)](#) of section 10D of the Act of 2012:

“(6) In this section:

‘Act of 2022’ means the [*Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022*](#);

‘certificate of remediation’ has the meaning assigned to it by the Act of 2022;

‘competent building professional’ has the meaning assigned to it by Part 2 of the Act of 2022;

‘confirmation of eligibility’ has the meaning assigned to it by the [*Dwellings Damaged by the Use of Defective Concrete Blocks in Construction \(Remediation\) \(Financial Assistance\) Regulations 2020 \(S.I. No. 25 of 2020\)*](#) as those Regulations stood before the coming into operation of section 55 of the Act of 2022;

‘defective concrete blocks’ has the meaning assigned to it by the Act of 2022.”

Section 5 amends the Act of 2012 by the insertion of a new section 10E. This states that a residential property that has been damaged as a result of the use of defective concrete blocks in its construction shall not, for the purposes of the LPT charge, be regarded as a relevant

residential property where a determination is made under section [15\(1\)\(a\)](#) of the [Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022](#) that the residential property meets the damage threshold and a notification has issued accordingly under section [15\(5\)](#) of that Act.

The exemption of such properties from the LPT charge is to be for a period of six (6) consecutive years commencing with the first liability date on or before which, the notification referred to above has been issued, where that first liability date falls on or after the date of the making of the [Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Regulations 2023 \(S.I. No. 347 of 2023\)](#).

The Explanatory Memorandum notes that this amendment is:¹³

“...to ensure properties eligible under the new Defective Concrete Blocks Grant Scheme are also able to claim the 6-year exemption from LPT. This amendment is necessary due to a change in the process by which people apply for the scheme. Under the new scheme, the relevant local authority issues a notification whether a “damage threshold” was met in order to become eligible. Previously, the homeowner was issued with a confirmation of eligibility.”

Section 6 amends [Section 13](#) of the Act of 2012 to provide that the valuation period for LPT as set out under this new legislation will apply for the years 2026-2030¹⁴ and for the next revaluation date of the LPT to occur on 1 November 2030. According to the Department of Finance, this amendment seeks to provide certainty to property owners on their base LPT charges, while ensuring that properties continue to be revalued on a frequent basis.¹⁵

Section 7 sets out the new valuation bands and LPT charges for the period 2026-2030, with all valuation bands to be widened by 20%. It has been referenced by the Department of Finance that an estimated 96% of properties in the State will remain in their existing band.¹⁶ A comparison of the existing LPT charges with the new proposed charges is shown in Table 3 overleaf.

The proposed increase in the LPT charges rise incrementally from €5 for properties valued under €240,000 up to €389 for properties valued between €1,995,001 to €2,100,000. Most properties valued under €1.26 million will see a percentage increase of around 6% while those above that will see an increase of somewhere between 7% to 14%. Properties valued at €2.1 million or above will be charged on their actual value.¹⁷

¹³ See page 2 of Explanatory Memorandum. Available [here](#).

¹⁴ The current Section 13 of the 2012 Act provides for a valuation period of 4 years rather than 5 years as proposed in this bill.

¹⁵ Department of Finance press release, *Minister Donohoe announces changes to Local Property Tax to ensure fairness*. Available at <https://www.gov.ie/en/department-of-finance/press-releases/minister-donohoe-announces-changes-to-local-property-tax-to-ensure-fairness/>

¹⁶ Ibid.

¹⁷ Ibid.

Table 3: New Local Property Tax band charges compared to existing rates

Band	Valuation bands and charges 2022-2025		Valuation bands and charges 2026-2030		Difference in LPT charge	
	Band €	Charge	Band €	Charge	Absolute change in LPT charge	% change in LPT charge
1	0-200,000	€90	1-240,000	€95	€5	5.6%
2	200,001-262,500	€225	240,001-315,000	€235	€10	4.4%
3	262,501-350,000	€315	315,001-420,000	€333	€18	5.7%
4	350,001-437,500	€405	420,001-525,000	€428	€23	5.7%
5	437,501-525,000	€495	525,001-630,000	€523	€28	5.7%
6	525,001-612,500	€585	630,001-735,000	€618	€33	5.6%
7	612,501-700,000	€675	735,001-840,000	€713	€38	5.6%
8	700,001-787,500	€765	840,001-945,000	€808	€43	5.6%
9	787,501-875,000	€855	945,001-1,050,000	€903	€48	5.6%
10	875,001-962,500	€945	1,050,001-1,155,000	€998	€53	5.6%
11	962,501-1,050,000	€1,035	1,115,001-1,260,001	€1,094	€59	5.7%
12	1,050,001-1,137,500	€1,189	1,260,001-1,365,001	€1,272	€83	7.0%
13	1,137,501-1,225,000	€1,408	1,365,001-1,470,001	€1,535	€127	9.0%
14	1,225,001-1,312,500	€1,627	1,470,001-1,575,001	€1,797	€170	10.4%
15	1,312,501-1,400,000	€1,846	1,575,001-1,680,001	€2,060	€214	11.6%

Band	Valuation bands and charges 2022-2025		Valuation bands and charges 2026-2030		Difference in LPT charge	
16	1,400,001-1,487,500	€2,064	1,680,001-1,785,001	€2,322	€258	12.5%
17	1,487,501-1,575,000	€2,283	1,785,001-1,890,001	€2,585	€302	13.2%
18	1,575,001-1,662,500	€2,502	1,890,001-1,995,001	€2,847	€345	13.8%
19	1,662,501-1,750,000	€2,721	1,995,001-2,100,000	€3,110	€389	14.3%

Source: L&RS based on data from [Department of Finance](#)

Illustrative Examples*

House in Cork (South-West Region)

Valued at €370,000 in 2021. Current estimated value €470,000.

Increase in value approximately 27%.

Remains in Band 4.

Liability increase from €405 to €428 (+€23).

House in Kildare (Mid-East Region)

Valued at €450,000 in 2021. Current estimated value €553,000.

Increase in value approximately 23%.

Remains in Band 5.

Liability increases from €495 to €523 (+€28).

Source: [Department of Finance](#)

*Does not take account of the Local Adjustment Factor as decided by local authorities.

Section 8 amends [Section 20](#) of the Act of 2012 by adjusting the [Local Adjustment Factor](#) (LAF). The LAF allows local authorities to adjust the LPT collected in their areas on a percentage basis. From 2026 onwards, it is proposed that local authorities will have the option to vary LPT upwards by a maximum of 25% (currently the local adjustment factor is limited to 15%). The maximum rate at which they may opt to decrease LPT will be 15%.

Section 9 amends [Section 39](#) of the Act of 2012 to allow Eircodes to become a mandatory field in LPT returns. The [Explanatory Memorandum](#) notes that a data protection impact assessment has been carried out in respect of this amendment and the Data Protection Commissioner has returned nil observations.

Section 10 amends [Section 132](#) of the Act of 2012 which covers the annual income thresholds below which a liable person is eligible for a deferral of local property tax. These amendments are

being made in order to keep pace with inflation, and growth in wages and State payments since 2021. The following changes are proposed:

- The income threshold for a full deferral for a single person will be increased from €18,000 to €25,000;
- The income threshold for a full deferral for a couple, will be increased from €30,000 to €40,000;
- The income threshold for a partial deferral¹⁸ for a single person will be increased from €30,000 to €40,000; and
- The income threshold for a partial deferral for a couple, will be increased from €42,000 to €55,000.

The 2019 Interdepartmental Review of LPT recommended that income thresholds for LPT deferrals be reviewed regularly with reference to the Consumer Price Index, wage growth in the economy and changes in fixed income payments by the State.¹⁹

Section 11 provides for a number of consequential amendments to the Act of 2012 relating to the LPT exemption from properties affected by defective concrete blocks.

Part 3 - Amendment of Taxes Consolidation Act 1997

According to the [Explanatory Memorandum](#), **Section 12** introduces a technical amendment to the “outbound payment defensive measures” contained in Chapter 5 of Part 33 of the [Taxes Consolidation Act, 1997](#).²⁰ The proposed amendment expands the criteria for determining which entities are considered associated for the purposes of the outbound payment defensive measures, to prevent potential avoidance opportunities. The defensive measures, which were introduced in [Finance \(No.2\) Act 2023](#) to prevent double non-taxation, apply to outbound payments of interest, royalties and distributions, including dividends, to associated entities situated in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes, and no-tax and zero-tax jurisdictions.

Part 4 - Amendment of Value-Added Tax Consolidation Act 2010

Section 13 amends [Section 46 of the Value-Added Tax Consolidation Act 2010](#), to provide for the extension of the 9% rate of VAT for the supply of gas and electricity until 31 October 2025 adopted via [Financial Resolution](#) on 2 April 2025.

¹⁸ A partial referral in Section 132 of the Act of 2012 is currently defined as 50% of the local property tax that would otherwise be payable in respect of the liability date falling in that year.

¹⁹ Department of Finance, [‘Review of Local Property Tax - The report of the Interdepartmental Group’](#) pg. 13, March 2019.

²⁰ See Revenue, [‘Tax and Duty Manual - Outbound payments defensive measures’](#) for further detail on this topic.

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