# **Local Property Tax**

# **Direct Debit Guidelines**

Document last updated September 2019



The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.

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### 1. Scope

An annual self-assessed Local Property Tax (LPT), charged on the market value of all residential properties in the State, came into effect in 2013 and is administered by Revenue. This document outlines the procedures to make an application to pay LPT by <a href="SEPA Monthly Direct Debit">SEPA Monthly Direct Debit</a> and to manage existing arrangements for payment by Direct Debit.

### 2. Purpose

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

#### Overview

The Local Property Tax is collected by the Revenue Commissioners and was introduced in 2013 to replace the <a href="Household Charge">Household Charge</a>. Since 1 July 2013 any outstanding Household Charge has been added to the LPT on the property and is collected by Revenue through the LPT system. For further information on who is liable to pay the tax, please see <a href="Local Property Tax">Local Property Tax</a> on the Revenue website.

LPT is an annual self-assessed tax and the property owner can calculate the tax due based on **their own assessment of the market value of the property**. Revenue does not value properties for LPT purposes but provides guidance on how to value the property, see the attached link to the Revenue website <u>Valuing your property</u> for valuation bands and guidance. There are twenty different valuation bands in every Local Authority area. The first valuation band is for properties valued up to €100,000. All bands after a valuation of €100,000 are at intervals of €50,000. A different valuation band exists for properties valued at over one million euro. Rates of LPT may vary from one Local Authority to another. Please see attached link to the Revenue website <u>Calculating your liability</u> for more information.

If a customer wants to decrease the annual charge they must apply to Revenue to change the property value. The customer must apply in writing and attach supporting documentation to prove the decrease in the value of the property. If the customer wants to increase the annual charge they can do so online. Step by step instructions for access to LPT online are contained in <u>Appendix 7.</u>

If the return is amended by changing the valuation band in any period from 2013 to 2019 then the amended liability will apply for each of the previous years and any additional liability outstanding will have to be paid.

Customers who own a single property in the State may file and pay online or may file and select a payment method on a paper return. A customer who owns more than one property

in the State must make an LPT return and set up a payment method online. If the owner has difficulty making an online return they can authorise another person to file the LPT return. The owner can also call the LPT helpline: 01 738 36 26 (or from outside the Republic of Ireland: + 353 1 738 36 26) to file and pay over the telephone. Property and bank account details will be required. If the customer wishes to make payment by another method (e.g. Deduction at source) they must have all relevant information to hand.

#### **Payment Options**

The Revenue Commissioners offer a range of methods for paying LPT. The liable person can opt to make one single payment or phase the payments in equal instalments over the annual period. The <u>payment options</u> are:

- Deduction at source from your salary or pension
- Deduction at source from Government Departments' payments
- SEPA Monthly Direct Debit
- Annual Debit Instruction
- Debit/Credit Card
- Payment (including Debit/Credit Card) by approved payment service providers
- Cheque

These guidelines will focus on the payment of Local Property Tax by SEPA Monthly Direct Debit, hereafter referred to as Direct Debit.

Processing of a Direct Debit Instruction will create a Direct Debit Mandate with a unique mandate reference number. Payments by Direct Debit are allocated against the owner's Local Property Tax liability for the current year but it is also possible to set up a Direct Debit to pay a previous year's liability.

Using the Direct Debit payment option offers advantages to the customer. Some of the advantages to the customer include:

- Spreading payments over a twelve-month period.\*
- Avoiding a substantial one-off payment.

\*If the customer applies to pay by Direct Debit during the year then the liability due at that time is spread over the remaining months in the year e.g. if the customer applies in May, in sufficient time to commence Direct Debit in May, then the liability due is spread from May to December (eight months) to ensure that the annual liability is paid by the year end.

Applications to pay by Direct Debit can be made in three different ways:

- Online Application
- <u>Telephone Application</u>
- Paper Application

Where there is more than one owner of a property the owners must select a designated owner. The designated owner will be liable to file the LPT Return and select the payment method. If there is an outstanding liability, Revenue can collect the tax due from any of the owners.

Some properties may be exempt from LPT, please refer to the Revenue website for more information on exemptions.

### 4. SEPA Monthly Direct Debit Scheme

Since February 2014, Direct Debits are collected under the Single Euro Payment Area Directive (SEPA) – known as the SEPA Monthly Direct Debit Core Scheme (SDD). Provided both the bank of the creditor (Revenue Commissioners) and the debtor (Payer/Customer) are SEPA compliant, the scheme allows a creditor to collect funds from a debtor's account once a mandate has been provided by the debtor to the creditor and creates, for the first time, a payment instrument that can be used for **both national and cross border euro Direct Debits** throughout the SEPA area. SEPA is comprised of the existing member states of the European Union, together with Iceland, Lichtenstein, Monaco, Norway, Switzerland and San Marino. It provides a standardised Direct Debit payment service that will enable consumers to pay for goods and services in any SEPA reachable country **without** having to open a bank account in that country.

The transfer of funds (money) between the debtor's bank and the creditor's bank always takes place in Euro currency.

The complete SEPA Core Direct Debit Scheme Rulebook is available from the <u>European Payments Council website</u>.

# 5. Summary

Applications to use <u>Direct Debit</u> for payment of Local Property Tax should be made by customers or their agents on the <u>online services</u> available on the Revenue website and by selecting the Local Property Tax link. Customers will need to have their Personal Public Service Number (PPSN), Property ID and PIN available. If the customer has mislaid the Property ID or PIN they should select the Local Property Tax link on the <u>online services</u> available on the Revenue website and request re-issue of same. Step by step instructions for setting up a Direct Debit online are contained in Appendix 7.

The LPT online facility allows customers or their agents to **set up** their monthly Direct Debits **or amend** their details. If a Direct Debit payment cancels, the payment can either be replaced or the remaining liability for the period can be divided over the remaining months in the year and paid by Direct Debit. This action can be completed online or the customer can contact the LPT Direct Debit Helpline on 01 738 36 63 or from outside the Republic of Ireland on +353 1 738 36 63.

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[...]

The Direct Debit monthly payment should be sufficient to meet the Local Property Tax liability as mentioned above. The first month for commencement on the Direct Debit Scheme for LPT for an annual period is January. Direct Debit deductions are taken from the customer's bank account on **the fifteenth day** of each month (or the next working day where the fifteenth falls on a weekend or a Bank Holiday).

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[...]

Continued participation on the Direct Debit scheme is conditional on making monthly Direct Debit payments and satisfying the tax liability by year end. The Direct Debit payment method will automatically carry forward year-on-year unless the customer or Revenue cancels the arrangement.

**NOTE:** Direct Debit payments can only be deducted from a bank and bank account that is <u>SEPA</u> reachable. Direct Debit payments can be deducted from a foreign bank account but **only** if the bank and bank account are SEPA reachable.

# 6. Application to pay by Direct Debit

#### **Online Application**

While online applications are not mandatory, customers are encouraged to make online applications. The customers or their agents may log on to the Revenue website, and through the <u>online services</u> select the Local Property Tax link. The customer is required to provide PPSN, Property ID and PIN to access their LPT record. Alternatively, customers who have registered for 'MY ACCOUNT' can access their LPT record directly through that facility. To set up a Direct Debit Instruction the customer must provide bank account details, BIC and IBAN. If the customer opts to pay the liability by Direct Debit for the current year, the Direct Debit payment method will carry forward to subsequent years. If the customer experiences any difficulties in setting up a Direct Debit they should contact the Direct Debit Helpline on 01 738 36 63 (from outside the Republic of Ireland +353 1 738 36 63). Step by step instructions for setting up a Direct Debit online are contained in Appendix 7.

It is possible for the LPT liability to be paid by someone other than the owner of the property (the liable person). The PPSN, Property ID and PIN will be required to set up the Direct Debit Instruction together with the PPSN of the payer and the payer's bank account

details. The application process is the same as that for the owner except for the Payment Details screen. The payer must select "Somebody else" in the field "Who is the account holder? An additional field "PPSN/Tax Reference Number of Account Holder" is displayed. Once the bank details have been input, the customer must click "Continue" to proceed (see Payment Details screen).

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[...]

#### Telephone application

If the customer experiences difficulties in making an online application, they can call the Direct Debit Helpline on 01 738 36 63 (from outside the Republic of Ireland +353 1 738 36 63) where an agent will provide assistance. The customer will need their PPSN and Property ID together with their bank account details, BIC and IBAN.

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[...]

#### **Paper Application**

Customers who are issued with an LPT1A form may select a payment method on a paper application. The LPT1A lists the options to pay the Local Property Tax liability, one of which is Direct Debit. The Direct Debit mandate must be completed, signed and returned to Revenue. The Direct Debit payment method will automatically carry forward year-on-year unless the customer or Revenue cancels the arrangement.

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[...]

#### 7. Amend or Cancel a Direct Debit

#### **Amend**

If the customer amends their Direct Debit payment method or chooses an alternative payment method, the existing Direct Debit mandate becomes inactive. A customer may choose to amend an existing Direct Debit for a number of reasons; however the most frequent reasons are:

 A customer who wishes to change bank account details may do so online. Inputting new bank account details creates a new Direct Debit mandate and renders the existing Direct Debit mandate inactive, see <u>Appendix 7</u> for example.

- A customer who wishes to decrease the annual charge must apply to Revenue to change the property value. The customer must apply in writing and attach supporting documentation to prove the decrease in the value of the property. If the customer wants to increase the annual charge they can do so online. Step by step instructions for access to LPT online are contained in <u>Appendix 7</u>. Having successfully amended the annual charge, the customer must select a new payment method to ensure payment of the liability.
- If a Direct Debit payment is returned unpaid, the payment can either be replaced or the remaining liability for the period can be divided over the remaining months in the year and paid by Direct Debit. A new Direct Debit needs to be set up for this purpose and this can be completed online or the customer may contact the LPT Direct Debit Helpline on 01 738 36 63 or from outside the Republic of Ireland on +353 1 738 36 63.
- A customer who has a Direct Debit mandate covering multiple properties and
  wishes to remove one property from the mandate should cancel their mandate online and set-up the remaining properties on a new mandate or alternatively select
  another payment method for those properties. The LPT Direct Debit Helpline on
  01 738 36 63 or from outside the Republic of Ireland on +353 1 738 36 63 will be
  happy to assist.

#### Cancel

A customer who wishes to cancel a Direct Debit Instruction online must select an alternative payment method. This action will cancel the Direct Debit payment method.

## 8. Unpaids

The customer's bank may return a Direct Debit Instruction to Revenue marked "unpaid" for a number of reasons. An automated letter will issue to advise the customer of the cancelled Direct Debit payment and to seek a replacement payment.

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[...]

Customers will be removed from the Direct Debit Scheme where the unpaid reason indicates that all future Direct Debit requests will also be rejected and returned unpaid e.g. incorrect bank details/closed account. In this circumstance an automated letter will issue to

advise the customer that the Direct Debit Instruction is now cancelled and no further debits will be presented under that Instruction.

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[...]

The onus is on the customer to ensure sufficient payments are made to meet the Local **Property** Tax liabilities.

#### Replacing an "Unpaid"

The cancelled Direct Debit payment can be replaced in a number of ways:

- By a cash payment through Payment Service Providers: An Post and Omnivend. The customer will need either their Property ID or PPSN when making the payment.
- By cheque or postal order made payable to the Collector-General and quoting the Property ID on the back of the cheque or postal order.
- By Direct Debit. If a Direct Debit payment cancels, the balance remaining for the period can be divided over the remaining months in the year and paid by Direct Debit. A new Direct Debit needs to be set up for this purpose and this action can be completed online. If the customer experiences any difficulties they can contact the LPT Direct Debit Helpline on 01 738 36 63 or from outside the Republic of Ireland on +353 1 738 36 63.
- By Debit/Credit card online or by contacting the Debit/Credit card number on 01 738 36 65 or from outside the Republic of Ireland on +353 1 738 36 65.

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[...]

### APPENDIX 1 – Terms and Conditions

<u>Terms and Conditions</u> of online Local Property Tax services.

## APPENDIX 2 – SEPA Monthly Direct Debit Legal Text

**Legal text:** By signing this mandate form, you authorise (A) the Revenue Commissioners to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instruction from the Revenue Commissioners.

As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 8 weeks starting from the date on which your account was debited. Your rights are explained in a statement that you can obtain from your bank.

# APPENDIX 3 - Processing of Direct Debit Unpaids

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

## APPENDIX 4 – Direct Debit by Telephone

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

## APPENDIX 5 – SEPA Monthly Direct Debit Schedule 2019

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

# APPENDIX 6 - Procedures for ITP Users

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

#### **APPENDIX 7 - Online Procedures**

> Set up or Amend a Direct Debit Instruction for a Single Property online

Go to www.revenue.ie Online services and "Sign in to LPT"

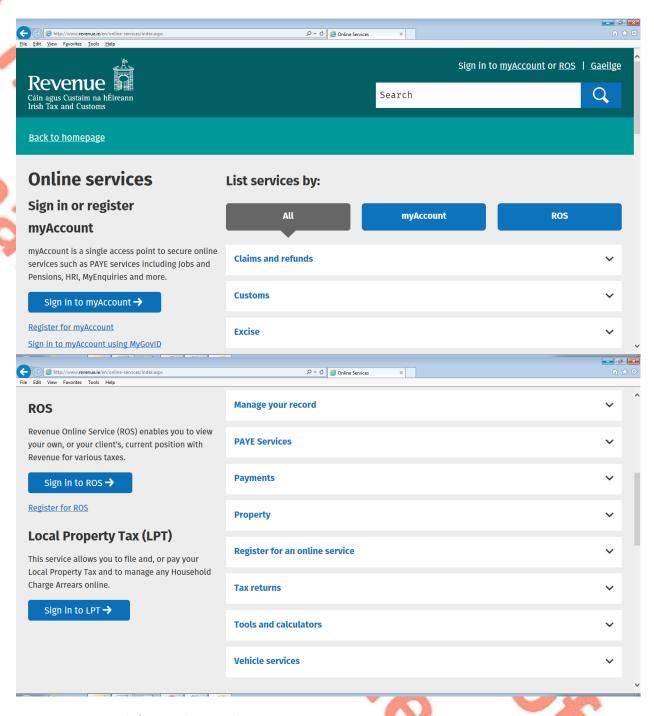


Figure 1: Online Services LPT Screen

Screen below opens

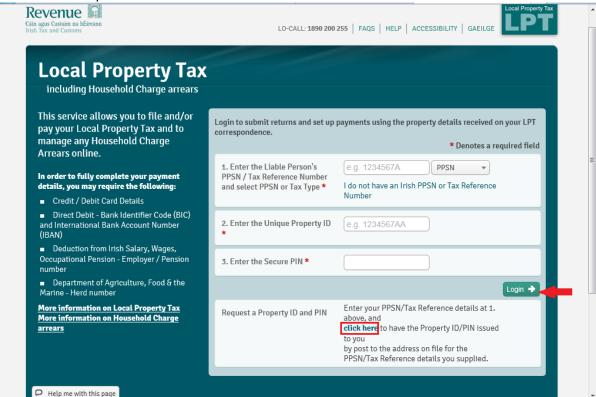


Figure 2: Online Services LPT Pay and File Screen

Enter the "PPSN", "Property ID" and "PIN" where indicated and click "Login". If the Property ID or PIN has been mislaid, click on the link where indicated to have the Property ID and PIN issued to you.

All fields marked \* are mandatory and must be completed

Local Property Tax Screen opens



Figure 3: Online Services LPT Review Screen

Click "Review your records" and select the year

Selected Year Screen opens

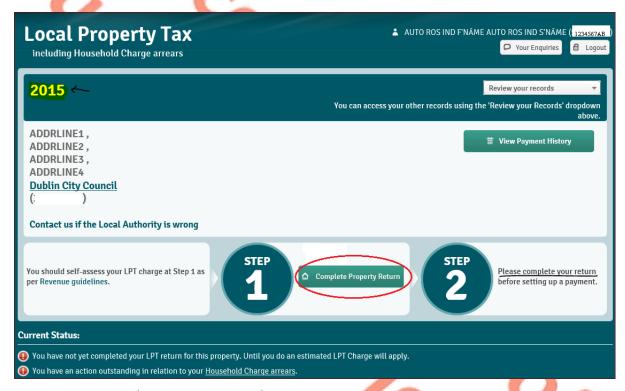


Figure 4: Online Services LPT Complete Property Return

In this example the return has not been completed and must be filed before a Direct Debit Payment Method can be set up. Click "Complete Property Return"

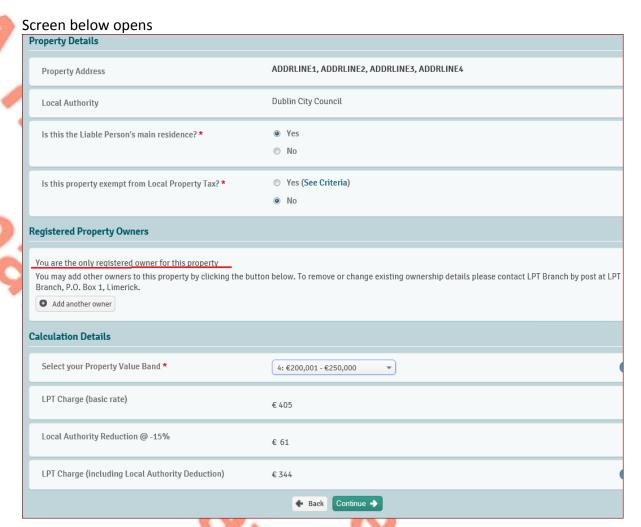


Figure 5: LPT Complete Property Return screen

All details marked \* are mandatory and must be completed. Failure to complete all mandatory fields will result in an error message restricting the user from continuing with the application. Once the property band has been selected and details confirmed for the LPT return, click "Continue"

#### Payment Details Screen opens

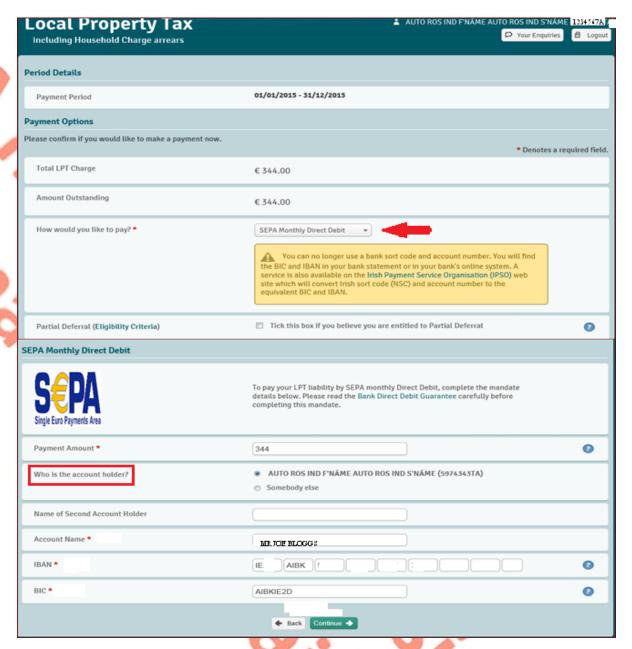


Figure 6: Payment Details Screen

All fields marked \* are mandatory and must be completed. Failure to complete all mandatory fields will result in an error message restricting the user from continuing with the application.

The payment method must be selected from the drop down menu. Select "SEPA Monthly Direct Debit". Enter the payment amount, the IBAN and BIC and click "Continue" to proceed.

Note: If the payer is someone other than the liable person, they must select "Somebody else" in the field "Who is the account holder?" An additional field "PPSN/Tax Reference Number of Account Holder" is displayed. Enter the "PPSN", "Bank details of the Payer" and click "Continue" to proceed.

Payment Summary Screen opens



Figure 7: LPT Submit details Screen

If all details are correct, click "Submit Details". If amendments are required, click "Change Details" to return to the previous page.

#### Acknowledgement Screen

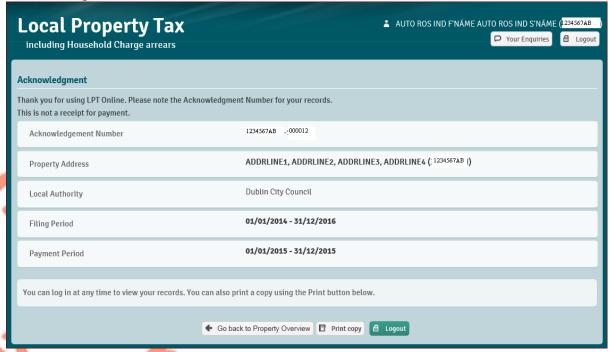


Figure 8: LPT Acknowledgement Screen

The Acknowledgement Screen offers options to "Go back to Property Overview", "Print copy" and "Logout".

The Acknowledgement Screen displays:

- 1. Acknowledgement Number
- 2. Property Address
- 3. Local Authority
- 4. Filing Period
- 5. Payment Period

Once logged out of the application it is possible to check that the payment method has been correctly set up by logging on to the LPT profile using the Property ID, PPSN and PIN. The overview screen for the selected year displays the LPT return and payment method as filed.

Local Property Tax Overview Screen

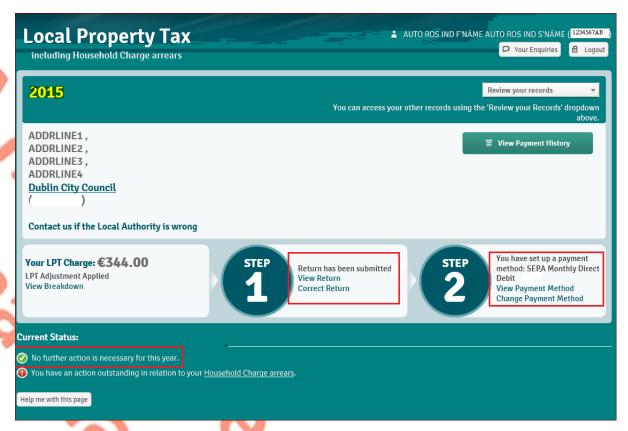


Figure 9: LPT Overview Screen

To change the payment method or to amend the bank details for the Direct Debit Instruction click "Change Payment Method" in Step 2.

The steps and screens to amend are the same as those to set up a Direct Debit Instruction

#### > Set up or Amend a Direct Debit Instruction for Multiple Properties online

The owner of multiple properties must file the LPT return and select the preferred payment method online. It is possible to set up a Direct Debit Instruction for all or a selection of properties.

Go to www.revenue.ie Online services and "Sign in to LPT"

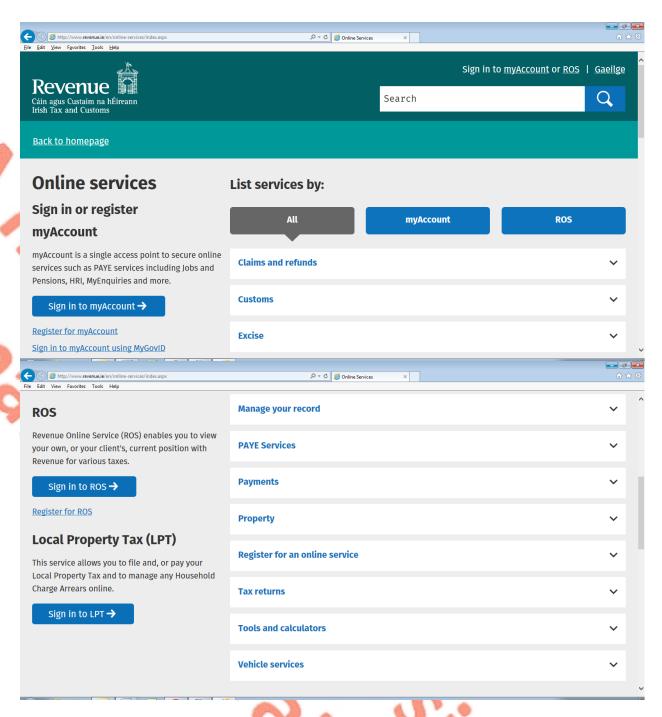


Figure 10: Online Services Sign in or Register myAccount Screen

Screen below opens

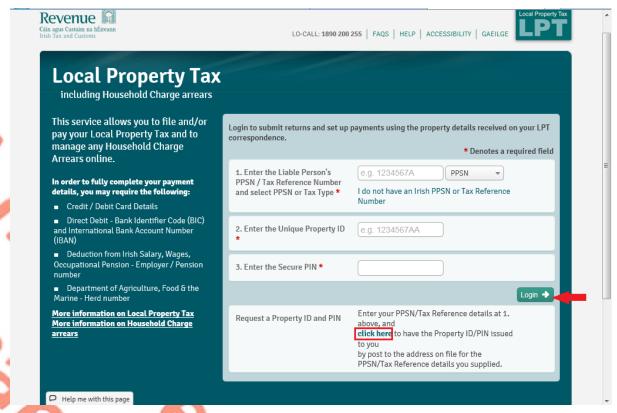


Figure 11: LPT Pay and File Login Screen

Enter the PPSN, Property ID and PIN where indicated and click "Login". If the Property ID or PIN has been mislaid, click on the link where indicated to have the Property ID and PIN issued to you.

All fields marked \* are mandatory and must be completed.

#### Local Property Tax My Properties Overview Screen

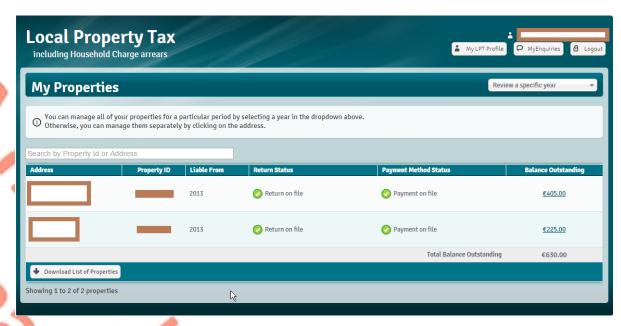


Figure 12; LPT My Properties Overview Screen

This screen is responsible for bringing overview information regarding all the years, i.e. if there is one year without a return or payment on file, this will show under its respective column.

Choose 'Review a specific year' to navigate to the screen below.

Payment Detail Screen opens

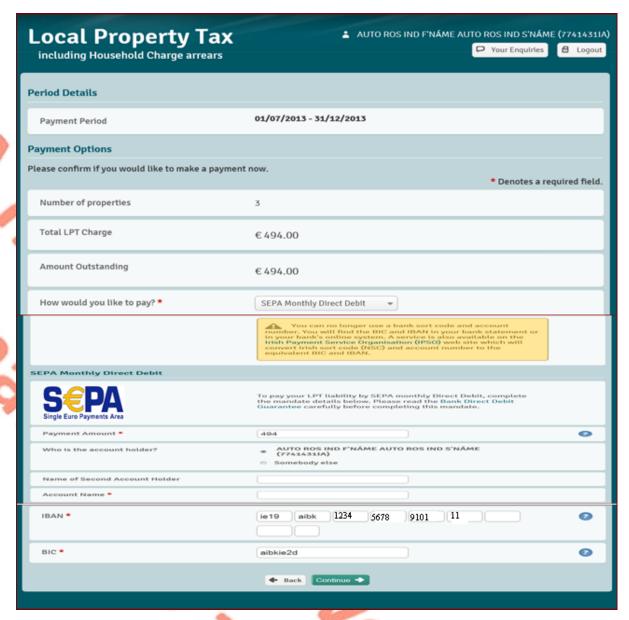
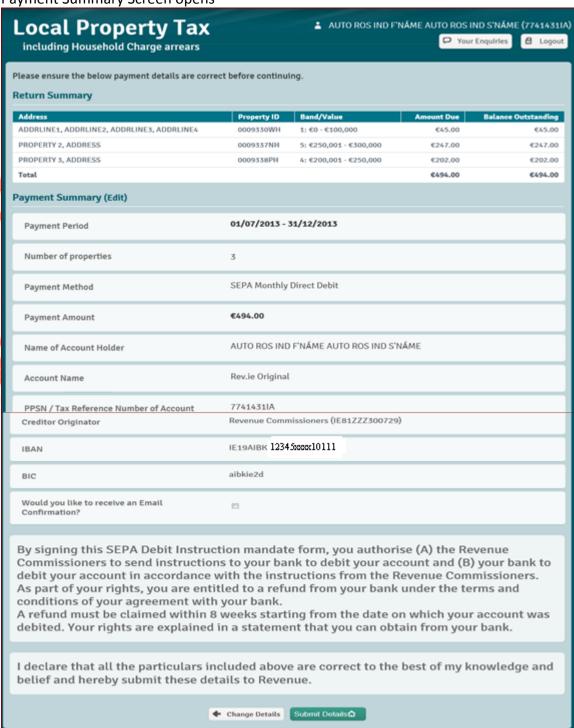


Figure 13: Payment Details Screen

All fields marked \* are mandatory and must be completed. Failure to complete all mandatory fields will result in an error message restricting the user from continuing with the application.

The payment method must be selected from the drop down menu. Select SEPA Monthly Direct Debit. Enter the payment amount, the IBAN and BIC and click "Continue" to proceed.

**Note:** If the payer is someone other than the liable person, they must select "**Somebody else**" in the field "**Who is the account holder**?" An additional field "**PPSN/Tax Reference Number of Account Holder**" is displayed. Enter the PPSN, bank details of the Payer and click "**Continue**" to proceed.



Payment Summary Screen opens

Figure 14: Payment Summary screen

If all details are correct, click "Submit Details". If amendments are required, click "Change Details" to return to the previous page.

#### Acknowledgement Screen

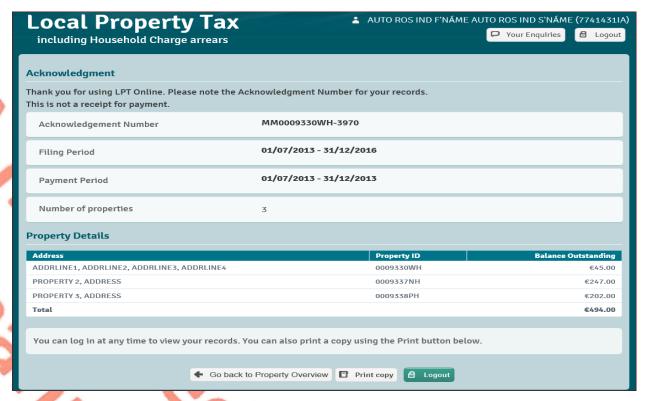


Figure 15: LPT Acknowledgement Screen

The Acknowledgement Screen offers options to "Go back to Property Overview", "Print copy" and "Logout".

The Acknowledgement Screen displays:

- 1. Acknowledgement Number
- 2. Filing Period
- 3. Payment Period
- 4. Number of Properties
- 5. Address and Property ID of all Properties
- 6. Balance Outstanding on all Properties

Once logged out of the application it is possible to check that the payment method has been set up correctly by logging on to the LPT profile using the Property ID, PPSN and PIN. The overview screen for the selected year displays the LPT return and payment method as filed.

#### Local Property Tax Overview Screen

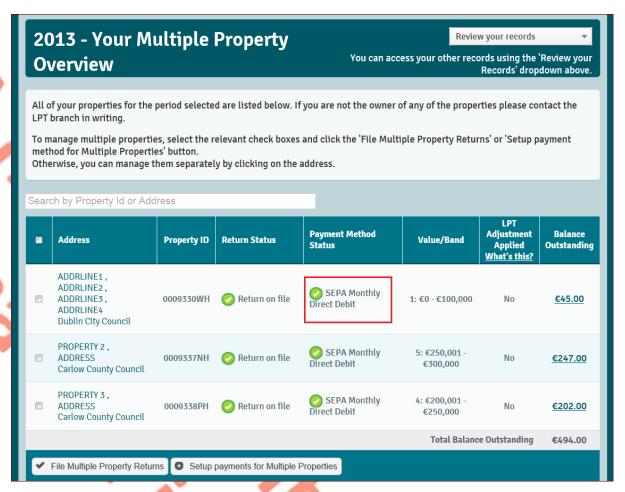


Figure 16: LPT Overview Screen

In this example, please note the green arrow beside SEPA Monthly Direct Debit under Payment Method Status.

If the owner wishes to remove one property from the Direct Debit mandate they must cancel the existing mandate instruction and set up a new Direct Debit for the remaining properties.

To make an amendment to a multiple property Direct Debit mandate select the relevant check boxes and click "File Multiple Property Returns" or "Setup payment method for Multiple Properties" buttons. Otherwise properties can be managed separately by clicking on the address.

Multiple Property Overview

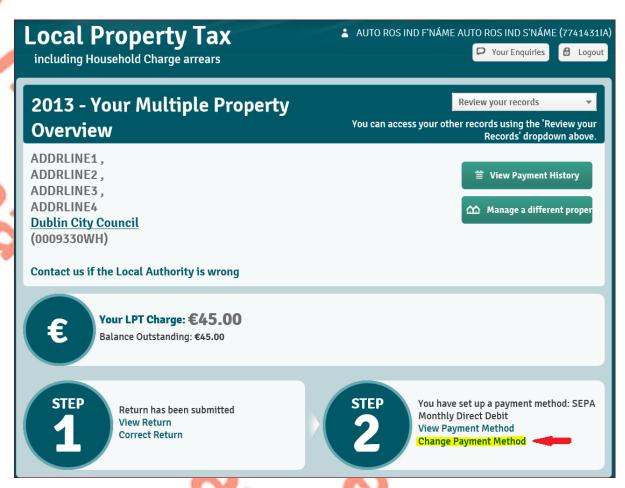


Figure 17: LPT Multiple Property Screen

To change the payment method or to amend the bank details for the Direct Debit Instruction click "Change Payment Method" in Step 2.

The steps and screens to amend are the same as those to set up a Direct Debit Instruction.