

Properties in unfinished housing estates

Part 02.09

This document should be read in conjunction with section 10 of the Finance (Local Property Tax) Act 2012 as amended

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Introduction

Residential properties that have been included in a list of unfinished housing estates published by the Department of the Environment, Community and Local Government (DECLG) are exempt from local property tax (LPT). The list that was used for the Household Charge has been revised for LPT purposes and contains far fewer properties than the original list.¹ Whether a property qualifies for this exemption depends entirely on its inclusion in the DECLG list.

Revenue has no role in the selection of the exempt properties and the compilation of the list. Queries about the list should be directed to the local authority in whose functional area the unfinished housing estate is situated.

1. Legislation

The relevant provisions are contained in section 10 of the Finance (Local Property Tax) Act 2012 as amended. Subsection (4) sets out the issues to be taken into account by DECLG when deciding whether to include a development in the list of unfinished housing estates. S.I. 91 of 2013 contains the list of exempt unfinished housing estates and is available at <http://www.irishstatutebook.ie>

2. List of unfinished housing estates

The list that was published in relation to the Household Charge contained entire housing estates. While the revised LPT list still contains some entire estates, in the case of other estates, it excludes the ‘finished’ part of the estate. Therefore, with the latter type of estates, it is necessary for a person who wishes to claim an exemption to identify those properties in a housing estate that are categorised as being in the unfinished part of the estate. The list (from S.I. 91 of 2013) contains the name and address of the housing development and the relevant local authority. However, because it only identifies exempt properties in estates that are partly exempt by means of geographic coordinates, it is not possible to identify the relevant properties directly from the list.

Each local authority has a list of unfinished housing estates in its functional area that are on the DECLG list and has identified the exempt part of those estates on maps by drawing boundary lines around them. The relevant local authority website can be consulted for details. Alternatively, the maps are available for public inspection in local authority offices. Another source of information is www.housing.ie. This website contains the list of unfinished housing estates, FAQ’s on the LPT exemption and the relevant contact person in each local authority.

¹ The Household Charge list contained approximately 43,000 properties while the current LPT list contains approximately 5,000 properties.

3. Claiming the exemption

A person who, without the exemption, would be liable to LPT on 1 May 2013 should claim the exemption on the LPT1 return form as part of the normal self-assessment process. The code “D” should be inserted in the exemption box on the return form.²

Where an exempt property is acquired after 1 May 2013, the original owner will have been responsible for submitting the return and the new owner does not have to claim the exemption or file a return for the first valuation period covering the years 2013 to 2019.

4. Duration of exemption

The usual LPT rule is that a property that is exempt from the charge to LPT on the first valuation date will not be chargeable until the next valuation date. This means that a property that was exempt on 1 May 2013 will continue to be exempt until 1 November 2019, regardless of whether the qualifying conditions cease to be satisfied in the intervening period. The duration of the first valuation period was extended by three years by the Finance (Local Property Tax)(Amendment) Act 2015 and now ends on 31 October 2019.

5. Example

Pat qualified for an exemption from the Household Charge because he lives in an estate that was included on the list of unfinished housing estates published by DECLG for the purposes of the Household Charge. However, his estate does not appear on the revised LPT list. He is very aggrieved about this as he considers that his estate is still in a bad condition. He can contact his local authority to find out why his estate has been omitted. However, because his estate is not on the list, he is not eligible for a LPT exemption and must file a LPT return form on or before 7 May 2013, or 28 May 2013 if he files his return online.

Alternatively, if part of his estate is on the list and he verifies from his local authority map that his property is situated in the unfinished part of the estate, his property is exempt for the years 2013 to 2019. He must claim the exemption by filing a LPT1 return form.

6. Compliance

The exemption should be claimed on the LPT1 return form by the person to whom Revenue sent the return form as part of the normal self-assessment process.

² The exemption types are listed on page 10 of the Revenue booklet that was issued with the LPT1 return form.

However, Revenue may decide to examine the validity of a claim as part of its normal compliance programme and to verify that the particular property is situated in a listed unfinished housing estate, or in the relevant part of such an estate.