

# **Properties adapted for occupation by disabled persons – reduction in chargeable value**

## **Part 04-03**

This document should be read in conjunction with section 15A Finance

(Local Property Tax) Act 2012 (as amended)

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## 1. Introduction

Where a residential property has been adapted to make it more suitable for occupation by a person with a disability and the chargeable value of the property increases as a result of the adaptation work, the chargeable value may, in certain circumstances be reduced. The purpose of adapting a property must be to increase or maintain the functional independence of a disabled person. The adaptations must help to overcome the restrictions that arise from the disability.

This relief should not be confused with the full exemption (under section 10B) for properties that are occupied by people who are permanently incapacitated to such an extent that they are unable to maintain themselves by earning an income from working and whose condition is so severe that it dictates the type of property that they can live in. See Tax and Duty Manual (TDM) [Part 02-11](#) for details.

As certain claimants may have to apply to Revenue for this relief, Revenue is required to publish guidelines in relation to the application process. These guidelines - "Guidelines on LPT relief for properties adapted for occupation by people with a disability" - are published on the Revenue website. These guidelines contain similar material to this TDM.

## 2. Legislation

The relevant provisions are contained in section 15A Finance (Local Property Tax) Act 2012 (as amended). "Chargeable value" is defined in section 2.

Section 15A was amended by the Finance (Local Property Tax)(Amendment) Act 2015 (section 9) to give effect to a Revenue practice that had been applied on an administrative basis whereby the requirement for adaptation work to have been grant-aided by a local authority was waived in certain circumstances.

Section 15A(1) provides for a fixed €50,000 reduction in a property's chargeable value which generally ensures a guaranteed one-band reduction in value. However, the need to align this reduction with the wider bands introduced by the Finance (Local Property Tax) (Amendment) Act 2021 was inadvertently overlooked. A fixed reduction of €87,500 is being allowed on an administrative basis pending the necessary legislative amendment to subsection (1).

Section 10B provides for a full exemption for properties occupied by certain severely incapacitated people.

**"disability" takes its meaning from the Disability Act 2005 (section 2) - "in relation to a person, means a substantial restriction in the capacity of the person to carry on a profession, business or occupation in the State or to participate in social or cultural life in the State by reason of an enduring physical, sensory, mental health or intellectual impairment".**

### 3. Qualifying conditions

In summary, a property qualifies for this relief where **all** the conditions set out below are met. This means that, for example, if the adaptation work does not have the effect of increasing the chargeable value of a property, the relief is not available regardless of whether or not a local authority grant was paid or the property is occupied by a disabled person.

The qualifying conditions are that:

- the property must be adapted for the purpose of making it more suitable for occupation by a disabled person
- the chargeable value of the property must increase as a result of the adaptation
- a local authority grant must be paid towards the cost of the adaptation work, **or** where such a grant is not paid, Revenue must approve the relief
- following its adaptation, the property must be occupied as a sole or main residence by a disabled person.

#### 3.1. Suitability for occupation by a disabled person

The property must be adapted for the purpose of making it more suitable for occupation by a person who has a “disability” as defined in section 2 of the Disability Act 2005. In this context, “disability”, in relation to a person, means a substantial restriction in the capacity of the person to carry on a profession, business or occupation in the State or to participate in social or cultural life in the State by reason of an enduring physical, sensory, mental health or intellectual impairment. A disability in its own right is not necessarily sufficient for eligibility for this relief as the nature and extent of the particular disability, and the associated mobility difficulties, must be taken into account in determining whether a disabled person requires an adapted property.

The purpose of adapting a property must be to increase or maintain the functional independence of a disabled person. The adaptations must help to overcome the restrictions that arise from the disability. Relief is not available for the carrying out of general improvements or maintenance works to a property or for work that is of general benefit to the household rather than specifically addressing the special needs of a disabled person. The key question for the disabled person is “would I still need the particular adaptation if I did not have a disability?”

#### 3.2. Increase in chargeable value of adapted property

The adaptation work must have the effect of increasing the chargeable value of a property. Adaptation work will not necessarily have this effect and, depending on the type of work, may actually result in a reduction in chargeable value. While the construction of, say, an extension to a property might be expected to increase the chargeable value of the property, other adaptation works such as the construction of

access ramps or the fitting of stairlifts and grab rails are unlikely to add to a property's marketability and may even reduce the chargeable value. (see [example 1](#) in [section 9.1](#) below)

### 3.3. Local authority grant for adaptation work

The adaptation work must either be grant-aided by a local authority or the reduction must be approved by Revenue as set out in [section 3.4](#) below.

A grant must be paid towards the cost of the adaptation work in accordance with the terms of certain schemes for housing adaptations that are administered by the local authorities. For the purpose of qualifying for this relief, it is sufficient that a local authority has notified a liable person that a grant has been approved and will be paid at a later stage.

The two relevant local authority grant schemes are:

1. Housing Adaptation Grant for People with a Disability as provided for in the Housing (Adaptation Grants for Older People and People with a Disability) Regulations 2007 (S.I. No. 670/2007), and
2. Disabled Persons Grants as provided for in the Housing (Disabled Persons and Essential Repairs Grants) Regulations 2001 (S.I. No. 607/2001).

Both sets of Regulations provide for more than one type of scheme, but it is only the grants that are paid to disabled people, and not on the basis of age, that are to be taken into account for the purposes of this LPT relief.

Although the 2001 scheme is no longer in operation and was replaced by the current 2007 scheme with effect from 1 November 2007, adaptation work that was grant-aided under the 2001 scheme may nevertheless be taken into account. The 2007 Regulations were amended in 2014 (S.I. 104/2014) but the aspects of the scheme that were amended do not affect the operation of the LPT relief.

### 3.4. Application subject to Revenue approval

Where a grant is paid, the relevant local authority satisfies itself about the applicant's eligibility and the reasonableness of the cost of the adaptation work. For this reason, where a local authority grant is not paid, a liable person must apply to Revenue for approval of the relief. The form LPT6 is the specified application form. This is included in the published Revenue guidelines. The primary purpose of this form is to establish that:

- the property is occupied by a disabled person, and
- the property has been adapted for the purpose of making it more suitable for such occupation.

A disabled person's doctor is required to provide certain information on the application form in relation to the person's condition focusing primarily on:

- the nature and extent of the disabled person's mobility
- why the adaptation work that was carried out was necessary
- how the adaptation work made the property more suitable for occupation by the disabled person.

When deciding whether or not to pay a grant towards the cost of adapting a property, a local authority considers whether the proposed adaptation work is reasonably necessary for the purpose of making the property more suitable for occupation by a disabled person. Similarly, where a grant is not paid, a disabled person's doctor is required to explain why the adaptation work that was carried out was considered necessary.

### 3.5 Sole or main residence of disabled person

The person with the disability must occupy the property as his or her sole or main residence after the adaptation work is completed. However, the chargeable value of the adapted property can continue to be reduced where the disabled person ceases, at a later stage, to occupy the property as his or her sole or main residence provided that the property is not sold or is not otherwise transferred (such as by way of a gift or inheritance) to a different liable person.

## 4. How the relief operates

The relief operates differently depending on whether the adaptation work is carried out before or after the first valuation date 1 May 2013.<sup>1</sup> Also, in relation to LPT payable for the year 2017 onwards, the operation of the relief no longer depends on when the adaptation work was carried out or on the value attributable to the adaptation work. The table in [section 4.6](#) below summarises how the relief operates for the different periods.

### 4.1. Adaptation work carried out before 1 May 2013 and LPT payable for the years 2013 to 2016

The chargeable value of an adapted property in the years 2013 to 2016 could be reduced only where the adaptation work was carried out before 1 May 2013, the first valuation date on which the chargeable value of properties was to be established. However, it may have happened that the effect of having a property adapted would not have resulted in a reduced LPT liability.

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<sup>1</sup> The valuation date is the date on which the chargeable value of a property is established for all liability dates (1 November in each year) falling within the valuation period. The 1 May 2013 valuation date applied to the years 2013 to 2021.

This was because the chargeable value of an adapted property may have required a reduction of up to €50,000 to bring about a one-band reduction in the chargeable value (see [examples 2 and 3](#) in [section 9.1](#) below).

Because the adaptation work was carried out before 1 May 2013, a liable person would not have been in a position to establish the chargeable value on completion of the work and would not have been expected to estimate what the position would have been at that time. Instead, on 1 May 2013, the liable person had to estimate the effect of the earlier adaptation work on the chargeable value; i.e., he or she had to ask the questions “what is the value of my house now? and what would the value be if I hadn’t carried out the adaptation work?”

Where a property that was previously adapted had further adaptation work carried out, the attributable chargeable value that was established on completion of the earlier adaptation work was then aggregated with the attributable chargeable value that was established on completion of the later adaptation work (see [example 4](#) in [section 9.1](#) below). However, any such aggregated attributable chargeable value remained subject to the upper limit on the reduction in chargeable value described in [section 4.7](#) below.

#### 4.2. Adaptation work carried out after 1 May 2013 and LPT payable for the years 2013 to 2016

Before the Finance (Local Property Tax) (Amendment) Act 2015 (section 6) changed the way in which the relief operated (see [section 4.3](#) below), the chargeable value of an adapted property in the years 2013 to 2021 couldn’t be reduced where the adaptation work was carried out after 1 May 2013. This was because the (pre-adaptation) chargeable value as established on the first valuation date 1 May 2013, in the normal course of events, would have continued to be the chargeable value until the following valuation date 1 November 2021<sup>2</sup> (see [example 9.2](#) below). Thus, any increase in the value of a property, for whatever reason, between these two valuation dates was to be disregarded. Under section 14(2), this was the situation for all properties and not just for those adapted for occupation by a disabled person. So, while the chargeable value couldn’t be reduced as a result of the adaptation work, the LPT liability didn’t increase as a result of the increase in the value of the property.

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<sup>2</sup> The original second valuation date was 1 November 2016 but this was extended on a number of occasions until it became 1 November 2021 in the Finance (Local Property Tax) (Amendment) Act 2021.

#### 4.3. Value attributable to adaptation work - LPT payable for the years 2013 to 2016

It was not the cost of the adaptation work that was to be deducted from the chargeable value but only the amount by which the chargeable value increased as a direct result of the adaptation work that was carried out; i.e., the amount of the chargeable value that was **directly attributable to** the adaptation work. Any such increase in chargeable value would almost certainly have been less than the cost of the adaptation work. Even relatively substantial adaptations such as the construction of an extension may not have had the effect of moving a property into a higher valuation band so there might not have been any net effect. However, in the case of properties with a chargeable value exceeding €1m, any increase in chargeable value attributable to adaptation work affected the LPT liability because such properties were taxed on their actual chargeable value and not on a valuation band.

#### 4.4. Adaptation work carried out at any stage and LPT payable for the years 2017 to 2021

The chargeable value of all adapted properties can be reduced from the year 2017 onwards regardless of whether the adaptation work was carried out before or after 1 May 2013. However, this is still subject to the qualifying condition that the adaptation work must have the effect of increasing a property's value (see [section 3.2](#) above). It is no longer necessary to establish the part of the chargeable value that is attributable to the adaptation work. Instead, the relief operates by allowing the chargeable value to be reduced each year by a fixed amount of €50,000<sup>3</sup>, regardless of the particular circumstances. This change came into effect from the liability date 1 November 2016, the date that determines the liability for the year 2017 (see [example 9.2](#) below). However, where the qualifying conditions for the relief are not met on or before 1 November 2016, the €50,000 reduction applies from the first liability date (i.e. 1 November) after the qualifying conditions are met.

As all but one of the valuation bands had a fixed width of €50,000, this amount generally ensured a reduction of a single valuation band and thus a reduction in the annual LPT liability of €90. A property whose chargeable value was in the first valuation band of zero to €100,000 did not benefit from this fixed €50,000 reduction as the property was already in the lowest possible band and liable to the minimum LPT charge of €90. Where this one-band reduction already applied in relation to adaptation work carried out before 1 May 2013, the fixed €50,000 reduction did not result in any additional relief as a one band reduction in the chargeable value was the maximum reduction allowed. The annual reduction in the LPT liability for a property valued at more than €1m depended on the amount by which the chargeable value exceeded €1m; at most, the reduction was €125 where the chargeable value was at least €1,050,000 (i.e., €50,000 x .25%).

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<sup>3</sup> Introduced by Finance (Local Property Tax) (Amendment) Act 2015 (section 9).

#### 4.5. Adaptation work carried out at any stage and LPT payable for the years 2022 to 2025

Subject to the qualifying condition that the adaptation work must have the effect of increasing a property's value (see [section 3.2](#) above) when the adaptation work is carried out, the chargeable value of adapted properties can be reduced each year by a fixed amount of €87,500, regardless of when the adaptation work is carried out (see [example 9.3](#) below).

As all but one of the valuation bands have a fixed width of €87,500 or less<sup>4</sup>, this amount ensures a reduction of a single valuation band and thus a reduction in the annual LPT liability of €90. A property whose chargeable value is in the first valuation band of zero to €200,000 does not benefit from this fixed €87,500 reduction as the property is already in the lowest possible band and liable to the minimum LPT charge of €90.

The annual reduction in the LPT liability for a property valued at more than €1.75m depends on the amount by which the chargeable value exceeds €1.75m; at most, the reduction will be €263 where the chargeable value is at least €1,837,500 (i.e., €87,500 x .30%).

The reduction in the chargeable value applies from the liability date (1 November in each year) after the qualifying conditions are met. For example, a property that meets the qualifying conditions in August 2022 benefits from a reduced chargeable value on 1 November 2022 in respect of the LPT liability for the year 2023 (see [example 9.4](#) below).

#### 4.6. Summary of operation of relief

| LPT payable for the years 2013 to 2016  |  | LPT payable for the year 2017 onwards   |
|---|--|---|
| Adaptation work before 1 May 2013   | Adaptation work after 1 May 2013   | Adaptation work at any stage  |
| Reduction in chargeable value established at 1 May 2013 where increase in chargeable value attributable to adaptation work is sufficient to move property into a higher valuation band. | No reduction in chargeable value established at 1 May 2013 as increase in chargeable value following adaptation work is disregarded. | Where adaptation work increases value of property, reduction in chargeable value established at:<br>1. 1 May 2013: €50,000, and<br>2. 1 November 2021: €87,500. |

<sup>4</sup> The second band of €200,000 to €262,500 has a band width of €62,500.

## 4.7. Upper limit on reduction in chargeable value

There is an upper limit on the amount by which the chargeable value of an adapted property can be reduced. This limit was a variable amount for the years 2013 to 2016, which was the lower of the chargeable value attributable to the adaptation work carried out on the property or the maximum grant payable under the relevant local authority scheme. Details of the operation of this upper limit are set out in the [Appendix](#) to this TDM.

For the years after 2017, the reduction in chargeable value is a fixed amount so there is no need to carry out comparisons with the maximum local authority grants that are currently payable. These fixed amounts are:

- €50,000 for the years 2017 to 2021, and
- €87,500 for the years 2022 to 2025.

## 5. Claiming the relief

### 5.1. Local authority grant paid

Where a relevant local authority grant was paid (and the other qualifying conditions for the relief are met), the liable person should enter the reduced chargeable value on the LPT1 return form to be submitted to Revenue. The return form does not seek details of this relief. While Revenue approval is not specifically required for this relief, liable persons are required to notify Revenue of the amount of the chargeable value that is attributable to the adaptation work. This can be done online using MyEnquiries, ROS or the LPT online service or by writing to LPT Branch, PO Box 100, Ennis, Co. Clare. Relevant supporting documentation, including relating to the payment of the grant, should also be submitted.

### 5.2. Local authority grant not paid

Where a grant towards the cost of the adaptation work was not paid, a liable person must submit the specified application form (LPT6) to Revenue for approval of the reduced chargeable value for the property. Where Revenue approves the application and the liable person has already paid LPT based on the higher chargeable value, Revenue will refund the additional LPT (assuming, of course, that the liable person has no other outstanding tax liabilities (see [example 5](#) in [section 9.1](#) below).

## 6. Duration of the relief

Where all the qualifying conditions are met, the relief continues to apply even where a disabled person subsequently ceases to occupy the property as his or her sole or main residence unless the property is sold or is otherwise transferred, such as by way of a gift or an inheritance, to a different liable person.

The relief also continues notwithstanding a sale or a transfer of the property provided that the disabled person continues to live there.

Where the relief is to cease on the sale or transfer of a property, the relief applies for the remainder of the year in which the sale or transfer takes place (see [example 9.5](#) below).

In relation to the valuation period 2022 to 2025, where a property did not meet the qualifying conditions for the relief on the valuation date for this period (i.e., on 1 November 2021), the property could subsequently become eligible for the reduction in the chargeable value where the qualifying conditions are met at a later stage but only with effect from the first liability date (i.e. 1 November in a year) on which the qualifying conditions are met (see [example 9.4](#) below).

## 7. Self-assessment and compliance

Where a relevant local authority grant is paid towards the cost of adaptation work, the reduced chargeable value of a property is to be entered on the LPT1 return form by a liable person as part of the normal self-assessment process. However, Revenue may decide to examine the validity of the reduction at a later stage as part of its ongoing compliance programme. This may involve the liable person being required to provide evidence and supporting documentation to back up the reduction in chargeable value. Supporting documentation would include, for example, evidence of:

- receipt of local authority grant or approval for grant;
- scheme under which grant received/approved;
- carrying out of adaptation work;
- details of work carried out;
- cost of adaptation work; and
- the nature and extent of the disability in the context of the adaptation work.

Before approving a grant, the relevant local authority would have made decisions about whether the proposed adaptation work was reasonably necessary for the purpose of making a property more suitable for occupation by a disabled person. However, the local authority would not have been concerned about whether or not the adaptation work would increase the chargeable value of a property. This means that Revenue will be required to determine if the chargeable value has increased as a result of the adaptation work.

Where a local authority grant is not paid towards the cost of the adaptation work, there would not have been any independent assessment about whether the adaptation work was necessary for the purpose of making a property more suitable for occupation by a disabled person. For this reason, a liable person is required to apply to Revenue for approval of the reduction in chargeable value. This means that Revenue must examine the validity of the application for relief at this stage and will be required to determine if the chargeable value has increased as a result of the adaptation work.

The application involves an assessment by the disabled person's doctor of the nature and extent of the disability and of whether the adaptation work was necessary.

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

[...]

## 8. Appeals against Revenue's refusal of a claim for relief

Where a local authority grant is not paid towards the cost of the adaptation work, the reduction in a property's chargeable value does not apply unless Revenue approves the reduction following an application from the liable person. Revenue may determine that the qualifying conditions for the reduction were not met. Following the notification to the liable person of such a determination, the liable person then has 30 days to appeal against the determination to the independent Tax Appeals Commission (TAC). However, the TAC can decide to allow appeals made outside this timeframe in certain circumstances. See TDM [Part 09-01](#) for information on the LPT appeals procedures.

## 9. Examples illustrating the operation of the relief

### 9.1. Property adapted before 1 May 2013

#### 1. Adaptation work did not increase chargeable value

Before the introduction of LPT, Joe converted the sitting room in his house into a bathroom suitable for use by his disabled wife at a cost of €15,000. He received a grant from his local authority under the 2007 scheme. He estimated that the market value of his house would have been €160,000 before the conversion, i.e. in the valuation band €150,001 to €200,000. For LPT purposes, he estimates that the market value of his house would have fallen to €150,000 as a result of the conversion which would have moved it into a lower valuation band, i.e. €100,001 to €150,000.

As the adaptation work did not increase the chargeable value of his property, he was not eligible for the relief and no further reduction in the chargeable value could be claimed. He was not required to do anything other than submit the usual LPT return in respect of the first valuation date 1 May 2013 declaring a valuation band of €100,001 to €150,000.

In 2017, Joe is not eligible for the fixed reduction of €50,000 in the chargeable value of his house as the adaptation work did not result in an increase in its chargeable value which is one of the qualifying conditions for the relief.

#### 2. Adaptation work increases chargeable value but not by enough to change valuation bands

In 2012 Janet extended her house at a cost of €50,000 to facilitate her elderly mother who is wheelchair-bound. She received the maximum available grant of €30,000 under the 2007 scheme towards the cost of the work from her local authority. Before the extension was built, she estimated the market value of her house at €110,000; i.e., in the valuation band €100,001 to €150,000. On completion of the work she estimated that the market value had increased to €130,000. However, as this increased value remained within the same valuation band of €100,001 to €150,000, Janet cannot benefit from the relief and was not required to do anything other than submit the usual LPT return declaring a valuation band of €100,001 to €150,000.

However, from 2017 to 2021, Janet was entitled to a fixed annual reduction of €50,000 in the chargeable value of €110,000 that she declared in respect of the first valuation date 1 May 2013. This has the effect of moving her house into the lowest valuation band of zero to €100,000 and reducing her annual LPT liability by €135.

### **3. Adaptation work increases chargeable value to extent that it moves into a higher valuation band**

In 2012 Gerry built an extension to his house for use as a bedroom by his severely disabled daughter. The house was not eligible for an exemption under section 10B. The cost of the extension, including fitting out, was €75,000 and Gerry received the maximum available grant of €30,000 under the 2007 local authority scheme. Before the extension was built, he estimated the market value of his house at €240,000; i.e., in the valuation band €200,001 to €250,000. On completion of the work he estimated that the market value had increased to €275,000, which put the chargeable value into the next higher valuation band €250,001 to €300,000. He was eligible for the relief as the increase was directly attributable to the adaptation work.

However, the reduction in the chargeable value was restricted to the lower of the cost of the adaptation work or the maximum grant payable by the local authority. The cost of the work, €75,000, exceeded €30,000, the maximum grant payable. The reduced chargeable value was therefore €245,000 (i.e. €275,000 less €30,000). The reduced chargeable value was therefore in the same valuation band as the pre-adaptation chargeable value.

Gerry has already benefited from a reduction in chargeable value and does not benefit from any additional relief from 2017 to 2021 as the new fixed reduction of €50,000 would have resulted in a chargeable value of €225,000 (i.e. €275,000 less €50,000), which would have been in the same valuation band as already applied; i.e., €200,001 to €250,000.

#### **4. Adaptation work carried out in stages**

Because of her disability, Mary had some adaptation work carried out on her house in 2003 for which she received a grant of €15,000 under the 2001 local authority scheme. She had some further adaptation work carried out in 2010 and received a grant of €20,000 under the 2007 scheme. She estimated the chargeable value of her house to be €210,000 at 1 May 2013, €10,000 and €5,000 of which she attributed to the adaptation work carried out in 2003 and 2010, respectively. She was entitled to deduct the full amount of €15,000, from the chargeable value of the house; €10,000 is less than 90% of the approved cost of the work (the maximum grant payable under the 2001 scheme) and €5,000 is less than the maximum grant of €30,000 payable under the 2007 scheme. The aggregate €15,000 reduction moved the house into the lower valuation band €150,001 to €200,000.

As Mary had already benefited from a reduction in chargeable value, she did not benefit from any additional relief in 2017 with the revised €50,000 fixed deduction. This would have resulted in a chargeable value of €160,000 (i.e., €210,000 less €50,000), which is in the same valuation band that applied already; i.e., €150,001 to €200,000.

#### **5. Local authority grant not paid towards cost of adaptation work**

Because of her disability, Sarah carried out adaptation work to her house before the introduction of LPT. The value that she attributed to the adaptation work had the effect of moving the chargeable value of her house into the next higher valuation band. She did not qualify for a local authority grant towards the cost of the work as her income exceeded the allowable limit for the grant scheme. When she became aware in June 2015 that this requirement for the payment of a local authority grant was being waived, she submitted the relevant application form to Revenue with information provided by her doctor about the nature of her disability and why he considered the adaptation work to have been necessary. Revenue approved her application and refunded €270 (i.e. €90 x 3). This was the additional LPT that was paid for the years 2013, 2014 and 2015 that was attributable to the house having moved into the next higher valuation band.

As Sarah had already qualified for the maximum amount of relief, the introduction of the fixed €50,000 reduction in the declared chargeable value of her house from the year 2017 did not change her situation.

## 9.2. Property adapted after 1 May 2013 and LPT chargeable for the years 2013 to 2021

John successfully applied to his local authority for a grant towards the cost of adaptation work under the 2007 scheme. He carried out the adaptation work during 2014. He valued his property on 1 May 2013 at €310,000; i.e., in the valuation band €300,001 to €350,000. On completion of the adaptation work, John estimated that the work had caused the value of his house to increase to the extent that it would then fall into the valuation band €400,001 to €450,000. However, he continued to have the same LPT liability for the years 2015 and 2016 as any increase in the chargeable value of a property after 1 May 2013 was disregarded until the following valuation date 1 November 2021.

From 2017 on, John could reduce his chargeable value of €310,000 by €50,000. This put his property into the next lower valuation band €250,001 to €300,000 and reduced his LPT liability by €90.

## 9.3. Property adapted before 1 November 2021 and LPT chargeable for the years 2022 to 2025

Eithne, who is a wheelchair-user, adapted her house in July 2018 to make it wheelchair-assessable and to convert a utility room into a ground floor bathroom. The chargeable value of her house increased as a result. As she didn't qualify for a local authority grant towards the cost of the adaptation, she applied to Revenue for the relief and received the approval notification in February 2019. She received a refund of the additional LPT already paid for the year 2019 and then paid the lower LPT charge for the years 2020 and 2021. She was required to submit a new LPT1 return form in respect of the second valuation date 1 November 2021, on which she entered the chargeable value for her house as at that date reduced by €87,500. She estimated the market value of her house at about €500,000 (value band €437,501 to €525,000). A reduction of €87,500 moves the house into the next lower band €350,000 to €437,500 in relation to the years 2022 to 2025.

## 9.4. Property adapted after 1 November 2021 and LPT chargeable for the years 2022 to 2025

Cillian adapts his house to make it suitable for occupation by his disabled wife. The adaptation work is an extension to their house. It is completed in December 2023 and increases the chargeable value of the house. Cillian submits his claim for relief to Revenue (form LPT6) and this is approved. He had self-assessed the chargeable value of the house in the band €350,001 to €437,500 in his LPT1 return form for the valuation date 1 November 2021. The €87,500 reduction puts the chargeable value of the house in the next lower band €262,501 to €350,000 and reduces the annual LPT liability by €90. The reduced liability will apply from the following liability date (1 November 2024) for the year 2025 and subsequent years.

## 9.5. Property ceasing to qualify for relief

Darragh has qualified for the relief since 2019 in respect of his adapted property. When he is no longer capable of independent living, he decides to sell his house and move into sheltered accommodation. He sells his house in March 2023. He continues to be the liable person in relation to his house for the year 2023 and the reduced chargeable value continues to apply for the remainder of 2023.

## APPENDIX

### Upper limit on reduction in chargeable value for the years 2013 to 2016

For the years 2013 to 2016, the upper limit on the amount that could be deducted from the chargeable value was the lower of the chargeable value attributable to the adaptation work carried out on the property and the maximum grant payable under the relevant local authority scheme (see [example 3](#) in [section 9.1](#) above). For the current 2007 scheme, the maximum grant payable was €30,000 where a property was more than 12 months old and €14,500 where a property was less than 12 months old.

The LPT valuation bands increased progressively by fixed amounts of €50,000 and the maximum grant payable under the local authority schemes was €30,000. Therefore, at most, it was only possible for adaptation work to reduce the chargeable value of the adapted property by a single valuation band. A move from one band to the next lower band equated to an annual LPT reduction of €90. A property that was valued at the upper end of a particular band, before the adaptation work was taken into account, might have moved to the lower end of that band but would still have incurred the same LPT liability as before the adaptation. In the case of properties valued at more than €1m, the maximum possible annual LPT reduction was €75 (i.e. €30,000 @ .25%).

For the 2001 local authority scheme, the upper limit was a percentage of the approved cost of the work that was determined by when the work was started and was:

- 67% – work started between 1 March 1993 and 1 December 1998
- 75% – work started between 2 December 1998 and 30 November 1999
- 90% – work started after 30 November 1999 (where application for grant aid received by the local authority before 1 November 2007)

The approved cost of the work was the lesser of the cost estimated by the local authority to be the reasonable cost of carrying out the work or the actual cost of carrying it out. Therefore, in relation to grants paid under the 2001 scheme, information about the maximum grant payable had to be verified by the liable person or by the relevant local authority.

However, in the absence of a local authority grant, there was no approved cost for the adaptation work so the upper limits specified in S.I. No. 607/2001 for the 2001 scheme could not be applied. Instead, where Revenue approval was required, the maximum grant payable under the scheme was to be used as the upper limit for comparison with the chargeable value that was attributable to the work. This upper limit was €12,700 where a property was less than 12 months old and €20,320 where a property was more than 12 months old.