

Tax E-News

Welcome to our latest monthly tax newswire. We hope you enjoy reading this newsletter and find it useful. Contact us if you wish to discuss any issues further.

November 2021

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Are you ready for the LPT Valuation Date?

The next valuation date for the local property tax (LPT) is 1st November 2021. Taxpayers are required to self-assess the value of their own property. Revenue is contacting 1.4 million property owners on their LPT obligations and has provided an interactive valuation tool for guidance on valuing a property. The valuation determined on 1st November will apply for the four-year period from 2022 to 2025 and will serve to determine the LPT charge for taxpayers for those years. LPT returns are due by 7th November 2021.

What needs to be done for 2022?

Taxpayers must do the following three things to meet their LPT obligations for 2022:

1. Determine the market value of residential property at 1st November 2021;
2. Submit an LTP return, including the valuation determined on 1st November 2021, by 7th November 2021; and
3. Pay or make payment arrangements for the 2022 LPT charge.

Revenue is issuing letters in advance of the valuation date, which will include the taxpayer's property ID and pin for accessing LPT online.

If a taxpayer has not used the LPT online service for previous years, they will be issued with a paper Form LTP1. Taxpayers who are liable to LPT on more than one property, and those with a property valued at greater than €1.75 million, must submit their return online. Further information on submitting an LPT return is available on the Revenue website.

Even if a taxpayer is eligible for an exemption to LPT, they must still value their residential property on 1st November and submit an LPT return to claim the exemption in the return.

In its press release on the launch the 2022 LPT campaign Revenue reminds taxpayers whose properties were previously exempt that they need to register newly liable properties at www.revenue.ie and complete the same three steps process. Taxpayers with vacant properties and those claiming an LPT deferral must also submit an LPT return by 7th November 2021.

Valuing a Property

Revenue's interactive valuation tool indicates the average valuation band for properties by 'small areas'.

Small areas are compiled by the National Institute of Regional and Spatial Analysis on behalf of the Ordnance Survey Ireland. There are about 18,600 small areas in Ireland usually with 50 to 200 properties in each. Revenue in its press release, is reminding taxpayers that the tool is a guide only. Other information sources for valuing a property are also advised.

These include:

- Referring to the Residential Property Price Register, to check the price of properties sold in the same area in recent years;
- Obtaining a professional valuation of the property; and
- Referring to other information sources, such as newspapers, information from local estate agents, and commercial property sales websites.



LPT is payable on any residential property and other land, yards, or gardens, etc. up to one acre, associated with that property.

The part of land, yards, or gardens etc. that is to be included in the valuation is the part that is most suitable for enjoyment with the property. Section 5 of the Finance (Local Property Tax) (Amendment) Act 2021 provides for a revised definition of 'residential property'. It details that 'residential property' includes any building that is used, or suitable for use, as a dwelling. A residential property subject to commercial rates may be exempt from LPT.

Previous provisions which prevented Revenue from displacing self-assessment values of properties under €1 million where their valuation had been established in accordance with Revenue guidelines no longer apply. The self-assessed values for properties on 1st November 2021 will be subject to the normal compliance regimes that apply to other self-assessed taxes.

Revenue confirmed at a meeting of the Joint Committee on Housing, Local Government and Heritage on 6th July, in which the changes to LPT were discussed, that given the exceptional conditions within the housing market, in preparing its valuation guidance Revenue would not 'over-rely or rely too heavily on more recent values because..... they are not necessarily reflective of the underlying market conditions'.

Revenue accepted that it is difficult to put a value on a property when a nearby property listed for a certain price went for far above that due to a bidding war.

Revenue confirmed it would not necessarily expect to see the final sales value on an LPT return in such cases.

Determining the charge to LPT

Taxpayers can use Revenue's online LPT calculator to calculate their 2022 LPT charge. The valuation determined on 1st November 2021 establishes the valuation band and basic LPT rate for the period 1st January 2022 to 31st December 2025. Each local authority can increase or decrease the LPT basic rate by up to 15% (Local Adjustment Factor).

For properties with a market value greater than €1.75 million no banding applies, and the actual value of the property needs to be declared.

Paying LPT

A taxpayer can pay their LPT charge:

- In a single payment in full;
- In phased payments throughout 2022; or
- In phased payments by deduction at source from their salary, wages, occupational pension etc.

A taxpayer can confirm their payment option for 2022 when filing their LPT return. Payment options from 2021 will be carried forward to 2022 unless a different payment option is selected when submitting the LPT return.

Further information on paying LPT is included on the Revenue website.

KEY FILING DATES - November 2021

TAX HEAD	RETURN	PERIOD	PAYMENT & FILING DATE
Dividend Withholding Tax	DWT	October 2021	14 th November 2021
Professional Services Withholding Tax (PSWT)	F30	October 2021	14 th November 2021
Income Tax	Income Tax Return & payment filed on ROS	2020 Tax Year	17 th November 2021
PAYE/PRSI/USC/LPT	P30 Monthly Return	October 2021	23 rd November 2021
VAT	Monthly VAT 3 & Return of Trading Details	October 2021	23 rd November 2021
VAT	Bi-Monthly VAT 3 & Return of Trading Details	September - October 2021	23 rd November 2021
VAT	Annual VAT 3 & Return of Trading Details	November 2020 - October 2021	23 rd November 2021
Corporation Tax	Preliminary tax	Accounting periods ending between 1 st - 31 st December 2021	23 rd November 2021
Corporation Tax	Corporation Tax Return (Form CT1)	Accounting periods ending between 1 st - 28 th February 2021	23 rd November 2021
Relevant Contracts Tax (RCT)	RCT Monthly Return	October 2021	23 rd November 2021
Corporation Tax	Returns of Third-Party Information (Form 46G)	Accounting periods ending between 1 st - 28 th February 2021	30 th November 2021
Corporation Tax	Close companies with undistributed profits	Accounting periods ending 31 st May 2020	30 th November 2021

Please contact a member of our team if you would like to discuss any of the issues raised.
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