IPTI Xtracts

Property Tax and Assessment News from Around the World

IRELAND – September 2019

Property tax to rise by 15 per cent in eight counties

Most councils have opted to increased tax next year due to budgetary pressures

The majority of councils around the country have decided to increase property tax levels by up to 15 per cent amid rising pressure on local budgets.

Out of 24 councils that have so far voted on property tax proposals, 14 have voted to increase the charge. Ten voted against an increase.

Eight councils, including Roscommon, Leitrim, Offaly, Clare, Sligo and Kilkenny, voted to increase the charge by the full 15 per cent.

Councillors have the power to increase or reduce the rate charged in their area by up to 15 per cent each year. Their decision holds for one year only and if no notice of change is given to the Revenue Commissioners by September 30th, the charge reverts to the standard rate.

Dublin City Councillors have voted to keep a previous cut of 15 per cent.

Earlier this month, Dún Laoghaire-Rathdown County Council and South Dublin County Council also voted to apply the maximum discount of 15 per cent to the rate charged for the coming year, while Fingal County Council voted to apply a 10 per cent discount, the same rate as it applied last year.

In Roscommon, funding from the increase in the tax is to be ringfenced for services such as hedge cutting and footpaths as well as providing funding for village renewal schemes, and to meet increases costs in providing public services.

In Leitrim, the 15 per cent increase will go towards tourism development, regeneration of town centres and community development.

Some councilors in the area expressed concerns over the increase and assurances were sought that the money raised would be ring-fenced for capital programmes.

In Cavan, acting chief executive of the council Eoin Doyle warned that in order to allow for more funding for communities and local projects an increase of 15 per cent was needed. However councillors voted to keep the charge the same.

Limerick homeowners will also see a slight change in their property tax bills after councillors voted in favour of a 15 per cent increase - which represents a 7.5 percentage point increase over 2019 levels.

Limerick Council may have to pay repay rates of €3.5m to wind farms if case is lost

Council director of finance Sean Coughlan: there was a need to lodge an objection on the principle of the matter

LIMERICK City and County Council will have to refund €3.5m in rates to the county's 10 wind farms if it loses at a hearing of the Valuation Tribunal due to take place within the next fortnight.

If the council loses, it will also face a shortfall of approximately €1m a year every year from 2020.

"We are the first local authority to bring an objection to the Valuation Tribunal," director of finance with the council, Seán Coughlan said this week. "We couldn't take the hit," he said.

But the council also felt there was a need to lodge their objection on the principle of the matter.

In 2014, the Valuation Office carried out a review of rate valuations throughout Limerick. which included the wind farms. "These were meant to be revenue neutral," Mr Coughlan said.

Under the appeals process, eight of the ten wind farms appealed to the Commissioner of Valuation in 2015 and valuations were reduced by between 10 and 15%.

This represented a loss of €299,000 every year. "We have taken that hit over the last number of years," Mr Coughlan said.

But all ten wind farms subsequently appealed that decision to the Valuation Tribunal and the Tribunal has ruled on one of the larger wind farms, reducing their rates bill by €150,000.

If the same principles were to apply across the remaining nine wind farms, it could potentially reduce the council's rates take from wind farms by a further €706,000. It is the principles in this one case which the council has decided to stand and fight.

"It is not the small wind farms," Mr Coughlan said. "This is SSE Airtricity , a big multinational and they are engaging expert valuers and a big legal team to fight it."

As things stand, the council collects approximately €3.759m from wind farms but this could drop to €2.7m or less if the council fails to overturn the ruling of the Valuation Tribunal. The council would also have to refund arrears back to 2015, leading to the potential bill of €3.5m

"If we lose, we would have to put this back on the rural pubs, on small shops and businesses. That is why we have to fight it. I make no bones about it," Mr Coughlan said.

Mr Coughlan raised the matter at Monday's meeting of Limerick City and County Council, warning councillors that it could prove to be a challenge for the out turn of the 2019 budget but could also affect the 2020 budget and future budgets.

Let's get our house in order on property tax debate

What kind of country do people want, and how do they want politicians to deliver it? The questions arise in light of some of the clown-acting this week in local authority chambers.

At issue was the basic tenet of all politics — the raising of taxes to pay for services.

This is the time of year that local authorities decide for the coming year the level of local property tax (LPT) to be paid. Since its introduction in 2013, councils have the choice of increasing or reducing it by 15% from the standard rate.

The measure is largely in place to give local politicians the power to raise taxes to plug shortfalls in services in their area. Yet, in the biggest local authorities the majority of politicians prefer to let people do without services rather than raise the money to provide them.

Cork City Council is a perfect example of this. Earlier this month, the Green Party made public a proposal to raise the LPT by 15% and to ringfence the money for a community investment fund to repair footpaths, create cycleways, and maintain playgrounds and community centres.

The proposal was in response to a report from the chief executive of the council, Ann Doherty, that outlined how a 15% increase would bring in an extra €3.1m, which is badly needed. Such an increase would cost three quarters of homeowners in the city €47.50 over the year, or around 90c a week.

The Greens' proposal was met with virtual silence in the weeks leading up to Thursday's meeting on the LPT. The only public response was from the Solidarity Party, which simply said it is opposed to the tax as it is an "austerity tax". The sight of a so-called hard left party opposing a tax on property would have poor Karl Marx spinning in his grave.

None of the other parties had anything to say on the proposal. There was no indication as to whether there would be support for it, or whether the thought of raising tax to pay for much-needed services was an outrageous notion.

On Thursday, the answer came weighed down with cynicism. At the meeting, Fianna Fáil lord mayor John Sheehan refused the request to debate the proposal. He said the vote would simply be taken without debate as this was the process that had been followed for the last five years since the tax was introduced. The council voted 19-8 to leave the tax as it is. The Green Party's Dan Boyle labelled the process as a "democratic outrage".

What were these politicians afraid of? Debating, persuading, making a cogent argument is supposed to be the meat and drink of politics. Were they terrified of looking like fools or cynics in a debate that would have highlighted why a very modest increase in what is a progressive tax was badly needed?

Green councillor Oliver Moran put it thus: "No matter what your position, what happened tonight was utter cowardice. The first responsibility of an elected representative is to stand up and be counted. Running away from debate has no place in politics. They should hang their heads in shame."

Unlike the city council, Cork County Council did have a debate on the matter earlier in the week. There again, the chief executive of the local authority – Tim Lucey – pointed out the need for funds to have any chance of maintaining services.

Green Party councillors proposed a 5% increase in the tax from the 2019 level. This would cost €30 annually for nearly 90% of homes in the county. That was too much for Fianna Fáil's Seamus McGrath. The property tax, he told the meeting, remains "deeply unpopular".

He didn't give any examples of what a popular tax might look like.

"While we don't believe that a decrease is appropriate, increasing it is something we are not prepared to do," said Mr McGrath. He managed to make increasing a tax sound like the most unpalatable thing he could ever be asked to do in his political career.

When the motion was put before the council by the Greens' Alan O'Connor, nobody would second it. Up stepped the Social Democrats' Holly Cairns, who said she would second it in the name of having a debate, but would be voting against it herself.

As it turned out, the motion was carried by 27 votes to 23. What is staggering is that even though the majority in the chamber were in favour of the tax increase, most of them couldn't bring themselves to second the motion because they would be associated with it. Or, if you like, they did the right thing as they saw it, but they didn't want to be seen doing it.

Similar fare was on view in the Dublin councils over the last few weeks. In Dublin city, only the Greens, Labour, and the Social Democrats voted against any increase. One might expect Fine Gael and Fianna Fáil to protect the wealthy in the city's leafy suburbs, but self-styled, left-wing parties such as Sinn Féin, People Before Profit, and Solidarity did likewise.

Earlier, South Dublin and Dún Laoghaire Rathdown voted against any increase, while the councillors in Fingal took their lives in their hands by accepting a 5% hike.

There are anomalies in the LPT that are often used to oppose it, but there is no escaping its progressive nature: The more valuable your home, the more tax you pay. Apart from that, the tax is very low by international standards, and based on 2013 property valuations, which are completely out of date.

The bigger truth is that most parties — with the exception of those on what might be called the soft left — are determined to maintain a populist stance when it comes to taxes. This dictates that the public in general — or a large cohort such as homeowners — should never be asked directly to fund services.

Taxes are to be applied only in an indirect manner and are determined not on the basis of whether they are progressive, or in the interests of social justice, but where they will receive the least resistance or controversy.

On the right, Fianna Fáil and Fine Gael are still wedded to the notion that cutting taxes is one of the main guiding principles of governance. This idea was at its most popular when the Fianna Fáil/Progressive Democat governments of 1997-2008 were driving the 'ship of State' onto the rocks. On the far left, the provision of better services is a constant refrain, but never at the political cost of asking potential voters to pay for the services.

What kind of country do people want? Do they want honest debate in which home truths and real choices are placed before the public and debated? Or do they want to maintain the pretence that the provision of services in society should not be prioritised unless somebody else can be found to pay for them?

Dublin City Council vote to reduce property tax by 15%

Dublin City Councillors have voted to reduce the local property tax by 15% - the maximum amount allowed.

Councillors ignored the advice of city managers who say a reduction will mean €12 million less for public services.

Fine Gael, Fianna Fáil, Sinn Féin, People Before Profit and Independents voted for the reduction.

Labour, the Green Party and Social Democrats voted to keep it at its base rate.

Councillor Michael Pidgeon, from the Greens, said the cut would only really benefit the wealthy.

"It is worth considering who you are actually giving sizable tax cuts to," said Cllr Pidgeon.

"Dermot Desmond's house in Dublin 4 was worth €14m in 2013 when it was valued. "To cut his rate, you are giving him €5,100 this year.

"Other people in that part of town, if they have got a house that is worth €2m you are giving them €1,000 this year in a tax cut."

Independents 4 Change Councillor, Pat Dunne, says the council has to stand against government taking the Local Property Tax money.

"Unless we as a council - and if we want to be serious about the services we offer to our constituents and our citizens - we need to stand up as a council to central government and reject a budget this year on the basis that central government is stealing the local property tax from the people of Dublin," said Cllr Dunne.

Kerry County Council proposes 13% increase in property tax base rate

Kerry councillors are currently considering how much people in the county will pay in Local Property Tax next year.

Under legislation, councillors have the power annually to vary the base LPT rate for the following year by +/-15% or leave the rate unchanged.

Chief Executive of Kerry County Council Moira Murrell told councillors at the special meeting that she was seeking a 13% increase in the base rate for the Local Property Tax.

She said there is a lack of buoyancy in council finances due to increased payroll and pensions, operational costs and capital projects and the proposal would raise over €1.8 million for the council.

Ms Murrell said the money would be used across a range of areas including developing greenways, more enforcement on hedge cutting, improving footpaths, public lighting and tackling Japanese Knotweed.

Kerry County Council Financial Officer, Angela McAllen said the LPT is a critical source of income for all services.

Five submissions were received from members of the public pointing to stamp duty, Brexit uncertainty and a lack of local services; none supported an increase.

Several councillors are calling for more detail in how exactly the extra money would be spent.

Cllr Johnny Healy-Rae says people feel they get very little for the tax and the proposed 13% increase is savage.

The meeting comes ahead of the draft budget meeting for the council on October 25th; the council is currently facing an almost €5 million shortfall.

With Local Property Tax System Frozen in the Past, Councillors Prepare to Set this Year's Rate

The new batch of Dublin city councillors will get the chance to set local property tax rates for the first time later this month.

Each year, councillors decide whether to leave the local property tax at the base rate or vary it upwards or downwards for the year by up to 15 percent.

It’s one of the few powers the councillors have that affects how much money the council has in its budget, to provide public services.

During each of the five years of the previous council term, before the elections in May, councillors voted to vary the local property tax downwards by 15 percent – the maximum – forgoing millions of euro for the council.

In debates at the time, some called this a dereliction of duty, denying the council much-needed revenue. Others supported it, seeing the tax as unfair, and saying it redistributes money away from their constituencies.

This annual debate takes place – as previous ones have – against a wider backdrop of stasis in the central government’s local property tax policy.

Both the property values on which the tax is based, and the central government’s estimates – known as “baselines” – for how much money local councils need to provide specific services remain frozen in the past, ignoring increases in home values and the populations of local council areas.

“The concentration at this time of the year tends to be on should council increase or decrease local property tax,” says Social Democrats TD Catherine Murphy. But there’s more important issues with the tax that need to be discussed, she says.

Same Valuations

The local property tax helps fund some of the essential services the council provides, such as roads, housing, litter collection and parks.

It was introduced in 2012 and came into effect the next year, meant to provide, the argument goes, a stable and sustainable source of funding for local authorities, according to a report published by the Department of Finance earlier this year.

Local authorities get funding from other places too: from commercial rates, grants from central government, as well as from goods and services they provide.

Last year, the local property tax for the Dublin City Council area could have raised €80 million. But councillors voted to vary it downwards by 15 percent, reducing that to €68 million. Then €16 million went to the national "equalisation fund" (more on that later).

In the end, the council was left with €52 million of local property tax revenue to spend – a relatively small part of its €915.5 million budget for the year.

The property tax is self-assessed, supposedly based on the market value of residential properties. But those valuations were last set in 2013, so they're way out of date.

The Department of Finance review published earlier this year focused on the impact of increasing house prices on the tax and the taxpayer, said a department spokesperson.

The review recommended that residential properties be revalued for the purposes of the local property tax on 1 November 2019. It noted that "any further delays in revaluation may present risks to the long term sustainability of the tax".

Updating the property valuations it's based on could massively increase the amount of money the tax brings in. House prices have risen by 83 percent nationally since 2013.

However, according to the Department of Finance spokesperson, "the Minister decided to defer the valuation date from 1st November 2019 to 1st November 2020".

This, said the spokesperson, is to ensure that there are no dramatic increases in the tax for taxpayers.

The Baselines

It's not just valuations that are frozen. Right now, Revenue collects the property tax and then divvies it up among local authorities around the country.

Local authorities that bring in more revenue, over what are known as "baselines", have to give 20 percent of their total take to an equalisation fund, basically a pool of money shared with less well-off councils.

The baseline is the limit below which a local authority's funding can't fall, says Social Democrats TD Catherine Murphy. It is the minimum funding local authorities are thought to need to operate, she says.

But the baselines are "ridiculous", says Murphy, who made a submission last July to the Department of Housing, Planning and Local Government on how they're set.

They haven't changed since they were set in the late 1990s, back when the government was looking at how to distribute motor taxation to ensure funding for local authorities, says Murphy. "The distribution of that was done on a needs and resource model."

Consultants came in, tallied what resources local authorities had, what they needed, and how they funded services, says Murphy.

"It was kind of a static thing. If you had four swimming pools in the year 2000 then you had the funding to maintain them four swimming pools. If you had a staff of 2,000, you continued to get the funding for that," says Murphy.

But it's been more or less stuck at that. "There was no factoring in changes," she says. Population increases, say, or staffing levels.

Murphy points to Mayo and Wicklow, which are similar in geography and population. In the last census, in 2016, Mayo had a population of 130,425. Wicklow had a slightly larger population of 142,332.

Their baselines differ substantially: Mayo's is €19.8 million; Wicklow's is €8.5 million.

Mayo brings in €10.4 million in property tax, while Wicklow brings in €17 million. This means that Mayo is "topped up" by €9 million to reach its baseline figure, according to Murphy's submission.

For Dublin City Council, the baseline has been around €19 million. In the last census, the city had a population of 553,165.

There are other issues with the baselines too, says Murphy. Councils bringing in more than their baseline have discretion over 20 percent of the total funds raised to spend on whatever they wish.

But if there's funds left after that, councils have to self-fund for roads and housing – in other words, use that instead of, rather than on top of, central government funding.

"The self-fund element is a double whammy that they're excluded from some of the government grants and they have to fund services," says Murphy.

Choices for Councillors

Wider issues with the distribution of the property tax are outside the remit of local councillors, says Social Democrats Councillor Gary Gannon. "That's not what councillors are asked to vote on."

Last year, the council's chief executive, Owen Keegan, recommended that councillors vary the tax downwards for the year by 10 percent at most – rather than the 15 percent they had pushed it down in the previous years.

Keegan said going with 10 percent instead of 15 percent would bring in an extra €4 million for the council, which it could use to fund things like refurbishing footpaths, tree pruning and more sports officers.

It's unclear yet what council management will recommend that councillors do with the local property tax this year. A council spokesperson said its report for the upcoming meeting will be circulated next week.

Green Party Councillor Micheal Pidgeon says he wants to set the tax at the base rate, and not vary it downwards at all. Ten of the 63 Dublin City Councillors are members of the Green Party.

More councillors would be inclined to support this approach if they could determine how the council would spend the money this would generate, he said.

"If councillors could get together with a reasonable programme for not varying the rate and then we could discuss with management, how that would be spent, I suspect that would be something that they would be open to," says Pidgeon.

The Labour Party, which has eight councillors, also wants to set the tax at its base level, said that party group leader Councillor Dermot Lacey.

Fianna Fáil, the Green Party, Labour and the Social Democrats – the coalition leading this council – have all signed up to the Dublin Agreement, a pact of promises and goals for the next five years.

But there's nothing binding in the Dublin Agreement saying what they agree to do about setting the property tax each year. Parties can adopt whatever position they want.

"In this council we have across-the-board support for remunicipalisation of waste management," says the Social Democrats' Gannon, which would require significant funding. (Quite a few councillors did support remunicipalisation in their election campaigns earlier this year.)

At the same time, some councillors also want to vote to vary the local property tax downwards, says Gannon, whose party has five seats on the current council. “[T]here’s a major hypocrisy about it,” he says.

Lacey agrees. Proceeds from the tax would be used to fund elements of the Dublin Agreement, he says.

Fine Gael Councillor Anne Feeney says that until all of the reviews have been considered, the Fine Gael group’s nine councillors won’t be voting to increase the property tax from the rate the council set it at last year – 15 percent below the base.

“The crucial thing for us is that Dublin City would get a fair show and an appropriate consideration in relation to it,” says Feeney, of proposed changes. “We’re a capital city with growing demand and huge needs for investment in infrastructure.”

Councillors from Sinn Féin, who have eight seats on the council, have said that their party also wants to see the tax varied downwards by 15 percent again this year.

“We’re voting to reduce it by 15 percent,” says Sinn Féin Councillor Anthony Connaghan. “Our position all along has been you don’t tax a family home. You look at other ways.”

Fianna Fáil too – the largest party on the council, with 11 seats – will vote to vary the property tax downwards by 15 percent, says Fianna Fáil Councillor Deirdre Heney. “We have put down a motion asking for a 15 percent reduction,” she says.

The way the tax is distributed is fundamentally unfair, Heney says. The tax needs to be kept where it’s raised, she says. “I’m just not prepared to be blackmailed by the government telling me, ‘Well we’ll let you keep the bit you increase’,” she says.

Councillor Daryl Barron, also of Fianna Fáil, says he’d like more transparency on where the funds raised by the tax go. “There’s no chain to see how funds collected are spent locally,” he says. “We need a more fair and transparent system. We need to be able to see what we’re getting.”

That’s another recommendation in the Department of Finance’s review: that 100 percent of the tax should be kept by the local authority in which it is collected. But that isn’t being implemented yet either.

A cross-departmental group is working on another review, looking at the distribution model, says Murphy, the Social Democrats TD.

“My understanding is that they have that work done and it’s not published,” she says. “It really should have happened in advance of the local elections.”

But, says Murphy, it would no doubt show winners and losers. “Anytime you hear about winners and losers those decisions tend to happen after a general election so it doesn’t end up being a flash point for government parties,” she says.

Final rates valuation list to be published

Following a major revaluation process across the county, the finalised valuation list for businesses around Wexford is to be published today.

The topic of revaluation has caused great concern for business owners across the county, with particularly heated meetings on the topic taking place in Enniscorthy and New Ross in recent times.

While in Enniscorthy in particular, there were cases recorded that saw major increases in commercial rates, at a presentation to Wexford County Council, Commissioner of Valuation John O'Sullivan said that some 57% of businesses in Wexford experienced reduced rates. He added that only some 15-20% of ratepayers have engaged with the Valuation Office to query their rates following revaluation.

Following today's publication of the final valuation list, ratepayers have 28 days to lodge an appeal with the Valuation Tribunal.

Enniscorthy councillor Jackser Owens said that rates was having a detrimental effect on business in his hometown.

'A lot of people are saying that rates are killing Enniscorthy,' he said.

'Some people's rates have doubled, some trebled. One woman opted to move her business out to Bunclody. Enniscorthy is not doing great, there's no point in lying about it. I know that people were very annoyed about the rates situation when I attended a meeting on it organised by the Chamber.'
Gorey Cllr Diarmuid Devereux had an altogether different point of view.

'I think the revaluation has been very fair and transparent,' he said.

'After this, we won't have another one for seven to ten years. It's good to see that around 60% of people are seeing reduced rates. I haven't seen anywhere where rates have doubled or trebled. The county council have facilitated numerous walk-in clinics; there's been door to door explanations at businesses. My experience is that this is well rolled out and transparent.'

He pointed out that perhaps the only businesses experiencing a major hike in rates, were premises that hadn't been valued for some ten years or more.

Cllr Fionntán Ó'Súilleabháin questioned whether rates should be based on profitability. 'One business could be thriving, while the one next door could be hanging on by a thread. It could be the difference in a shop closing,' he said.

Mr O'Sullivan replied that rateable value was calculated on bricks and mortar and that two identical shop buildings would be looking at the same rates.

'Our absolute priority is to make sure everyone is well informed and understands,' Mr O'Sullivan concluded.

It has been stressed that while an individual occupier's rates liability may increase or decrease, the revaluation will not increase the overall commercial rates income of the local authority. The commercial rates income of each local authority is capped in the year following a revaluation.

If a ratepayer accepts that the valuation set out in the Valuation Certificate is correct, they do not need to do anything further. If a ratepayer is dissatisfied, he or she can appeal to the independent Valuation Tribunal on or before October 14.

The Valuation Office will hold two Walk-in Clinics in Wexford for those with queries.

These will take place at County Hall in Wexford and Gorey Municipal District Offices on Monday, September 23, from 10 a.m. to 4 p.m.

The Irish Times view on property tax: In need of proper reform

If left alone system will fail to generate enough revenue and may even be struck down by courts

The decision of three local authorities in Dublin to continue applying reduced property tax rates to homeowners in their areas highlights the need for action to reform and update the system introduced in 2013. Councillors in Dún Laoghaire-Rathdown were told that continuing the maximum 15 per cent reduction this year would cost the council €7.9 million and lead to poorer services. But they ignored the warning.

The ability of councils to vary the level of property tax by up to 15 per cent is just one of the weaknesses in the system which was designed to broaden the tax base so that the State would never again suffer a collapse in revenues on the scale of the financial crisis of 2008 to 2010. At that stage it was the decline in stamp duty receipts from property and a drop in income tax that caused the problem. Now economists are warning that corporation tax receipts could drop significantly in the years ahead. Widening the tax net would reduce the dependency on often unpredictable tax categories. But the Government has run scared and is confronted now by the uncertainties of Brexit.

Property tax rates have not risen since the system was introduced in 2013 despite a big increase in property prices since then. A report commissioned by the Government earlier this year recommended that an overhaul of the system with an updated valuation system should be introduced on November 1st. However, the Government kicked the decision down the road for another year.

There is an obvious need for a revaluation of property since the recessionary days of 2013 as current valuations are out of date. There are other anomalies such as the continuing exemption from the tax for those buying new homes.

The review group examined five options to ensure a significant revenue stream from the tax. One of those was that councils should no longer have the power to reduce the rate by 15 per cent but only to increase it by that amount.

There is a real danger that unless the system is properly reformed it will fail to generate enough revenue and may even be struck down by the courts because of the anomalies within it.

Property tax bills unchanged in three Dublin local authority areas next year

Councils in South Dublin, Dun Laoghaire Rathdown and Fingal voted on issue on Monday

Homeowners in three of the four Dublin local authority areas will not see any changes to their local property tax (LPT) bill next year, as councillors voted to keep the current rate for 2020.

South Dublin County Council and Dun Laoghaire Rathdown (DLR) County Council voted on Monday night to apply the maximum discount of 15 per cent to the rate charged for the coming year.

Meanwhile Fingal County Council voted to apply a 10 per cent discount, meaning homeowners in that constituency will pay a higher rate of tax than those in the other two council areas. This is the same rate as was applied last year in the area.

Dublin City Council will vote on the issue later this month.

The amount of tax paid is based on the value of the property on May 1st, 2013. At the standard rate, a house then valued at €325,000 would have a property tax liability of €585. A house valued at €675,000 would have a charge of €1,215.

However, councillors in each local authority area have the power to decide to increase or decrease the rate charged in their area by up to 15 per cent each year.

Their decision holds for one year only and if no notice of change is given to Revenue by September 30th, the charge reverts to the standard rate.

New and previously unused properties purchased from a builder or developer between 1 January 2013 and 31 October 2019 are exempt from LPT until the end of 2019.

At its monthly council meeting on Monday night, DLR county council was told that the 15 per cent reduction costs the council €7.9 million per year.

Philomena Poole, chief executive of DLR County Council, called for the council to accept a 10 per cent reduction, instead of 15 per cent.

The management team said that retaining the lowest 15 per cent rate would have a negative impact on the authorities ability to carry out services due to the loss of revenue.

However, the motion for a 15 per cent reduction was carried after councillors voted in favour by 21 votes to 13.

At the same meeting, two People Before Profit councillors put forward a motion calling on the Government to abolish the LPT and replace it with a graduated landlord tax that depends on the number of properties the landlord owns.

“The LPT is a regressive tax that takes absolutely no consideration of income or personal wealth and has resulted in less funds being available to fund local services,” Cllr Hugh Lewis, who proposed the motion, said.

“We cannot continue as public representatives to tax low income families whilst simultaneously accepting less funding for the operations of our councils.”

The motion was voted on and defeated, with three councillors in favour and 31 against.