



## IRELAND – January 2022

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### **MORE THAN 90 PER CENT OF HOUSEHOLDERS HAVE PAID 2022 PROPERTY TAX**

The overall compliance rate for updated valuations on Local Property Tax (LPT) is now at just 81 per cent, according to latest figures.

However, according to Revenue, the proportion of people registered to pay, or who have already paid the tax, is significantly higher, at 91 per cent - many of whom have simply carried over annual payments without reassessing their property's worth.

In total, about 186,000 who have paid or put payment arrangements in place have yet to file an updated return.

The data comes ahead of Wednesday's deadline for those wishing to pay in full by cash, cheque, debit or credit card but the process of filing updated returns, which were required for the first time in 2021, remains ongoing.

About 1.4 million property owners are due to file estimates on approximately 2 million properties, with the total tax take expected to be in the region of €550 million, based on 2021 totals.

To date for this year, €124 million of €400 million in payment arrangements has been paid and a further €45 million is secured through rollover annual payments, many of which are due in March.

A spokeswoman said the discrepancy in compliance rates between returns filed and payment levels is explained by multiple scenarios.

In some cases people have carried forward existing payment methods without realising they are obliged to update their returns.

"They may mistakenly think that they have fully met their LPT obligations for 2022," she said. "Similarly, we issued paper forms to some property owners who had not previously engaged with us online, of whom 15,000 have paid their LPT in full at the Post Office but haven't yet sent in their LPT return and so have not submitted their property valuation to Revenue.

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“Again these property owners likely think they have met their LPT requirements for 2022. We will work with these property owners to get their LPT returns filed in as soon as possible.”

Despite Wednesday’s deadline for lump sum payments, a wide range of options remain available. Phased payments will begin for deductions at source and regular cash payments this month, while monthly direct debits begin on January 15th. As usual, the Annual Debit Instruction (ADI) payment will be due in March.

“For property owners who haven’t already paid or made arrangements to pay their LPT for 2022, or perhaps who haven’t yet filed their LPT return, Revenue’s advice is that they should do so now,” the spokeswoman said.

Those who missed the deadline for new LPT returns covering 2022 to 2025 can still file and pay on time if they select the ADI option.

Since the process of revaluing properties for LPT commenced last September, Revenue has received 85,700 individual items of correspondence and over 380,000 phone calls to the LPT Helpline. On Monday alone, about 5,000 people called the helpline.

For those who have neither filed a return nor addressed payment, Revenue has made an estimate of liabilities which is legally due.

“Revenue is very conscious that we are still in the midst of a global pandemic,” the spokeswoman said. “We know that a significant cohort of people have suffered in many ways, including financially.”

While it has suspended enforcement activity, she said, this will be reviewed when the situation regarding Covid “begins to look more positive”.

## **IF SINN FÉIN WANTS TO HIT THE RICH, IT SHOULD EMBRACE PROPERTY TAXES**

Sinn Féin was quick out of the blocks on Monday to call for a wealth tax on Ireland’s richest citizens, after an Oxfam report based on Forbes figures suggested that Ireland’s nine billionaires have added more than €18 billion to their wealth during Covid, bringing the total to just shy of €50 billion.

The charity called for a tax on “extreme wealth” to help pay for the recovery from the pandemic. Meanwhile, Sinn Féin criticised the “obscene wealth” of the super-rich, and suggested their gains were made “on the backs of workers”.

Instead of leeching off the toil of employees, it is more likely that the recent gains enjoyed by Ireland’s wealthiest came on the back of the European Central Bank’s bond-buying programme. It has propped up capital markets and asset values, while a pandemic tech boom also eased things along for Irish billionaires, such as the Collison brothers, John and Patrick, who founded Stripe.

### **Retained wealth**

Most of the Irish ultra-rich are based abroad and of the wealth they retain here, much of it is tied up in property, such as John Collison’s new €20 million country estate in Laois, or Denis O’Brien’s in Dublin 4. How ironic, then, that Sinn Féin says it wants a wealth tax yet remains implacably opposed to the highly efficient wealth tax that is already on the statute books, the local property tax.

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Sinn Féin says it wants the LPT abolished in favour of other taxes on the wealthiest, even though several reports from the Central Bank of Ireland have shown that as much as 90 per cent of Irish wealth comes from property ownership. Surely that is where any wealth tax should be focused.

Well-designed property taxes are viewed as progressive by left-wing parties elsewhere in Europe. As Sinn Féin nudges closer to the levers of power, and also responsibility for balancing the books, it will be interesting to see if its views evolve, or if it maintains its current contradictory position as a vote winner.

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