

FREQUENTLY ASKED QUESTIONS

Local Property Tax (LPT) – Pyrite Exemption

Q.1 Is there an exemption from the LPT for residential properties affected by pyritic damage?

Where ‘significant pyritic damage’ has been established in respect of a residential property, a liable person may be eligible for an exemption from the LPT. The *Finance (Local Property Tax) (Pyrite Exemption) Regulations 2013* (S.I. No. 147 of 2013) sets out what is required to claim an exemption from the LPT for a residential property where ‘significant pyritic damage’ has been confirmed by way of certificate issued by a competent person in accordance with the prescribed methodology for the assessment and testing of the sub-floor hardcore material. **The exemption cannot be claimed until such time as the appropriate certificate has been issued.**

Q.2 How do I claim an exemption from the LPT?

To claim an exemption from the LPT for a residential property where significant pyritic damage has been established, a liable person must -

- (a) obtain the appropriate certificate from a competent person confirming the presence of significant pyritic damage in that property, and
- (b) submit the certificate to the Revenue Commissioners at LPT Branch, P.O. Box 1, Limerick together with a written notification confirming -
 - (i) the liable person’s name,
 - (ii) the liable person’s personal public service number,
 - (iii) the address of the residential property in respect of which the certificate was issued,
 - (iv) the unique identification number assigned by the Revenue Commissioners to the residential property in respect of which the certificate was issued, and
 - (v) where applicable (see Q.11 for information on retrospective exemption), an election for retrospective exemption in respect of 2013.

Q.3 Where do I get a certificate confirming the presence of significant pyritic damage in my property?

A certificate may only be obtained from a competent person, i.e. a person, company or partnership having sufficient theoretical and practical training, experience and knowledge appropriate to the nature of the work to be undertaken as detailed in Irish Standard 398-1:2013. A competent person may not issue a certificate in respect of a residential property for which he or she is the liable person, or where he or she is connected with the liable person. Typically, a competent person in those circumstances will be a competent and chartered Engineer, as defined by the *Institution of Civil Engineers of Ireland (Chartered Amendment) Act 1969* or an equivalent qualified competent person.

Q.4 What is meant by ‘significant pyritic damage’?

Under the regulations, significant pyritic damage” means a residential property which -

- (a) has a Damage Condition Rating of 2 or a Damage Condition Rating of 1 (with progression) established on foot of a Building Condition Assessment carried out by a competent person under and in accordance with Irish Standard 398-1:2013, and
- (b) has sub-floor hardcore material classified, by the appropriate competent person(s), as susceptible to significant or limited expansion, established on foot of testing the sub-floor hardcore material.

Q.5 What is a ‘Building Condition Assessment’?

A Building Condition Assessment is required under Irish Standard 398-1:2013 and comprises a desk study and a visual non-invasive internal and external inspection of a residential property carried out by a competent person to establish the presence or absence of visible damage that is consistent with pyritic heave and to quantify the extent and significance of such damage in that property. The results of the Building Condition Assessment will inform whether sampling and testing of the sub-floor hardcore of the residential property will be required.

Q.6 What is Irish Standard 398-1:2013?

I.S. 398 Reactive pyrite in sub-floor hardcore material – Part 1: Testing and categorisation protocol was published on 29th January 2013 by the National Standards Authority of Ireland in response to a recommendation of the independent Pyrite Panel in its report of July 2012. The standard details accurate and reliable protocols to determine whether or not a building is or may be affected by reactive pyrite in the sub-floor hardcore material.

A copy of this standard may be purchased from the National Standards Authority of Ireland by contacting their sales team on Tel: (01) 857 6730 or by email at info@standards.ie. However, while Irish Standard 398-1:2013 may be purchased by any interested party, liable persons should note that the standard is a technical document that is aimed largely at those professionals (i.e. engineers and geologists) involved in undertaking the building condition assessments, sampling and testing necessary to establish the presence of significant pyritic damage (or otherwise) in residential properties.

Q.7 What is the procedure for obtaining a certificate under Irish Standard 398-1:2013? (where sampling and testing is carried after the commencement of the *Finance (Local Property Tax) (Pyrite Exemption) Regulations 2011*)

In broad terms, the testing and categorisation process set out in Irish Standard 398-1:2013 will involve the following in respect of a residential property -

- (i) a Building Condition Assessment, and
- (ii) laboratory testing of the sub-floor hardcore material, (this will only be required where a Damage Condition Rating of 2 or a Damage Condition Rating of 1 (with progression) has been assigned to the property on foot of a Building Condition Assessment).

The results of the Building Condition Assessment in conjunction with the classification of sub-floor hardcore material will form the basis by which a competent person will issue a certificate confirming significant pyritic damage (or otherwise) in respect of the residential property.

A competent person shall complete and issue *Annex F to Irish Standard 398-1:2013 confirming Category D – significant pyritic damage* (if such is the case) where the Building Condition Assessment and testing of the sub-floor hardcore material of the residential property are completed on or after the commencement of the *Finance (Local Property Tax) (Pyrite Exemption) Regulations 2013*.

Q.8 What happens if sampling and testing took place before the commencement of the *Finance (Local Property Tax) (Pyrite Exemption) Regulations 2013*?

Where sampling and testing of the sub-floor hardcore material took place prior to the commencement of the *Finance (Local Property Tax) (Pyrite Exemption) Regulations 2013*, the results from the testing of the sub-floor hardcore material may be used to classify the hardcore material if the testing that has been carried out is equivalent to, or in accordance with, the test methods provided in Irish Standard 398-1:2013, and this has been validated as such by a competent person (i.e. a professional geologist).

In such circumstances, a competent person (e.g. a competent and chartered engineer) shall complete and issue *Schedule 1* to the *Finance (Local Property Tax) (Pyrite Exemption) Regulations 2013* (if such is the case) where the testing of the sub-floor hardcore material of the residential property was completed before the commencement of the *Finance (Local Property Tax) (Pyrite Exemption) Regulations 2013*.

Please note that a Building Condition Assessment will also be required in accordance with Irish Standard 398-1:2013 before *Schedule 1* can be completed by the competent person.

Q.9 How long does the exemption from the LPT apply?

Where a certificate confirming significant pyritic damage has issued in respect of a property and a liable person has notified the Revenue Commissioners (see Q.2 for information on notification), that property will be exempt from the LPT for a period of at least three consecutive years. Because of the interaction between the date of the certificate and the operation of the usual 3-year valuation cycle for LPT, the duration of the exemption may actually exceed three years. The usual LPT ‘rule’ is that a property that is exempt on the first liability date of a 3-year valuation period is exempt until the

first liability date of the following 3-year valuation period. This means that the duration of the exemption depends on when in the 3-year cycle the certificate is issued.

For example, a liable person who receives the certificate in October 2014 has to pay LPT for 2013 and 2014 (but see Q.11 for an exception to this) as the exemption applies from the following liability date, i.e. 1 November 2014 in respect of the year 2015. Because the exemption first applied after the beginning of the first valuation period, it will apply for more than three years, i.e. 2015, 2016, 2017, 2018 and 2019 (2017 is the first year of the second valuation period).

Q.10 I already have a certificate, can I claim an exemption now?

Yes. You should submit a written notification to the Revenue Commissioners and enclose the certificate in respect of the residential property for which the exemption is being claimed (see Q.2 for information on notification). If you have not already submitted your return form LPT1, you should enter the code “E” in the exemption box on the form.

Q.11 I expect to receive my certificate shortly. Will I still have to pay LPT for 2013?

If a certificate is issued after 1st May 2013 but on or before 31st December 2013, a liable person may elect for retrospective exemption in respect of 2013 (see Q.2 for information on notification). This election must be made to the Revenue Commissioners on or before 31st January 2014. Where a liable person makes such an election, any LPT that has already been paid in respect of 2013 will be refunded by Revenue. A refund will also be made in respect of any LPT that was paid for 2014.

Q.12 Can I claim an exemption from the LPT if my home exhibits significant pyritic damage in the future?

Where an occurrence of significant pyritic damage manifests in a residential property in the future, the liable person may claim an exemption from the LPT in accordance with the requirements of the *Finance (Local Property Tax) (Pyrite Exemption) Regulations 2013*. It will be the date of the certificate and not the date on which the claim is made to the Revenue Commissioners that will determine the timing of the exemption. Apart

from where a liable person claims a retrospective exemption for 2013 (see Q.11 for information on retrospective exemption), the exemption will apply in respect of the first liability date (i.e. 1st November) following the issue of the certificate. For example, where a certificate is issued on 1st August 2015, the relevant liability date will be 1st November 2015 and the first year of the exemption will be 2016.

Q.13 My property was affected by pyritic damage but has already been remediated.

Will I qualify for the LPT exemption?

The *Finance (Local Property Tax) (Pyrite Exemption) Regulations 2013* state that a certificate may not be issued where a property that had been affected by pyrite has been remediated prior to publication of the Regulations. Such properties cannot, therefore, qualify for the LPT exemption. However, where a property qualifies for the LPT exemption following the issue of the relevant certificate, the exemption will continue as usual even where the property is subsequently remediated before the end of the exemption period.