

Rates - General Information

The following does not purport to be a legal interpretation of the law in relation to Commercial Rates. Its sole purpose is to provide basic guidance to occupiers, landlords and immediate lessors of rated hereditaments (properties). If you require more detailed information please contact the Revenue Collection Officer for your area or the Debtors Management Section, County House, Lifford.

Rates are a local property tax, the income from which is used to part-fund the annual revenue expenditure (day-to-day expenditure) of the local authority. The payment of Commercial Rates does not constitute payment in respect of any specific service provided to any specific ratepayer. Commercial Rates income contributes to the delivery of local authority services across all service headings.

Rates are payable on commercial properties, industrial properties and other non-domestic properties, which have been described by the Commissioner of Valuations as list-rateable in the valuation lists.

What is the 'Annual Rate on Valuation' and how is it calculated?

The elected members of the council determine the 'Annual Rate on Valuation' at the Budget Meeting each year. The Annual Rate on Valuation is the product obtained when the total shortfall in Council income is divided by the cumulative total of all valuations of rateable premises in the County (known as the Net Effective Valuation). Local authority expenditure is part-funded by government grants and income from goods & services. The shortfall between expenditure and income is funded from Commercial Rates.

Annual Rate on Valuation since 2008 for Donegal County Council

| Year | Annual Rate on Valuation |
|-------------|---------------------------------|
| 2008 | 74.46 |
| 2009 | 74.46 |
| 2010 | 72.23 |

How is my Commercial Rates bill calculated?

Your rates are calculated by multiplying the annual rate on valuation, as determined by the County Council, by the rateable valuation on your property, as determined by the Commissioner of Valuations. This information is provided on your rate bill (Commercial Rate Demand). Your rates can be calculated by reference to this simple example:

Valuation of property: €100.00
Annual Rate on Valuation (2010): €72.23
Rates payable: €7,223.00 (or €100 x €72.23)

If the rated property is located within the Town Council area of Ballyshannon, your rate bill will also be subject to a town charge as detailed below. In this case the sum of the Ballyshannon Town Charge and the Annual Rate on Valuation for the county are multiplied by the rateable valuation of your property.

| Town | Town Charge 2010 |
|--------------|------------------|
| Ballyshannon | 3.57 |

Example

Valuation of property: €100
Annual Rate on Valuation (2010): €72.23
Town Charge (2010): €3.57

Rates Payable: €7,580.00 [or $(€72.23 + €3.57) \times €100$]

Who is liable to pay Commercial Rates?

The person liable for rates is the person in actual occupation at the date of 'Making of the Rate' or, upon their default, the subsequent occupier. The date of the 'Making of the Rate' for 2010 is 8th March 2010.

The subsequent occupier can be held liable for up to two years arrears of rates existing at the date of their entry into occupation.

In cases where the property is vacant at the making of the rate the liability lies with the person entitled to occupy the property at the making of the rate (i.e. the owner or immediate lessor).

What happens if I don't pay my rates?

Donegal County Council is obliged by law to levy and collect Commercial Rates. Legal enforcement will be pursued where necessary. Should legal enforcement be necessary, the local authority will pursue the payment of interest charges and the recovery of legal costs from those in default.

Are rates payable on vacant properties?

Yes, rates are payable in respect of all vacant properties, however in certain circumstances you may be entitled to a refund of monies paid. See below.

Refund of rates

In cases where the property is vacant at the making of the rate, the liability lies with the person *entitled* to occupy the property at the making of the rate (i.e. the owner or leaseholder). Rates are payable in the usual manner, however, a refund may be considered if a property is vacant at the making of the rate, due to:

- The bonafide inability of the landlord to obtain a suitable tenant at a reasonable rent

Or

- The execution of repairs or alterations (i.e. under renovation)

Any claim for a refund will require the submission of an official Refund/Declaration Form together with supporting evidence confirming the fulfillment of either of the above conditions. A refund of rates paid can be claimed for every completed calendar month during which the premises were vacant subject to the relevant conditions. This is in accordance with Section 14 of the Local Government Act 1946.

Please note: If there are rates due at the point when the refund is to be paid then the Local Authority is empowered to set-off the monies from the refund against this debt. This is in accordance with Section 58 of the Local Government Act 1941.

Write-off of rates due

In certain circumstances the County Manager (or person delegated by him) may write off rates that are due and unpaid. To avail of a write-off of rates you should detail the reasons for your request in writing and provide the following supporting documentation as required.

Documentation required from you in support of an application for a refund or write-off of rates.

1. Premises vacant and for lease

- Letter from the auctioneer confirming the period (provide dates) during which efforts were made to let the hereditament *and*
- Copy of full page from newspaper in which the advertisement for letting was contained. The advert should state the location and give a full and detailed description of the rated property *or*
- Copy of Auctioneers website containing the details of the property for letting. The website should clearly show (in the original unaltered computer printout) the web address and the date the page was printed.
- Photographic evidence that the property is vacant (photographs of the interior) and photographic evidence that an adequate notice has been placed on the exterior of the property advertising the premises as available for lease (photographs of the exterior).

2. Premises closed for alterations and repairs

Provide a letter from an Architect detailing the nature of the works being carried out and if the work will result in a material change to the property. The letter should also state the date the original survey commenced and the estimated completion date of the project.

Please note: An on-site inspection may be arranged to confirm the authenticity of applications submitted for write-off. In the event of your premises becoming vacant and for lease at any time during the calendar year you should immediately instruct your auctioneer to advertise the property for letting. The appropriate documentation should be submitted to the Revenue Collection Officer responsible for your area. Application forms for a refund or write-off of rates are available on request from the Revenue Collection Officer for your area.

What happens if I am selling or vacating my property?

The person, business or commercial entity in occupation at the date of making the rate is liable for the payment of rates due. However, in practice the solicitors acting for each party at the close of a sale or transfer of the lease of a property may apportion the outstanding debt between the parties concerned, whereby each party pays the portion of rates relative to their period of occupancy. This is entirely a private arrangement, which does not affect liability as far as the local authority is concerned.

In the event of non-payment of rates due at the close of sale or transfer of lease, either the primary or subsequent occupier, or both, can be pursued for non-payment of any portion of the rates. The following information is required in writing from the solicitors acting for all parties at the close of sale or transfer of lease of a rated property.

- Date of surrender of possession of the property by the vendor/lessor
- Date the purchaser/lessee took possession of the property
- Payment in respect of the outstanding debt
- The apportionment of the payment between vendor/lessor and purchaser/lessee.

In the absence of legal representation, the owner/immediate-lessor should provide the information as required. The information is required to facilitate the closing of the vendor's/lessor's customer account and the opening of a new account in the name of the purchaser/lessee.

You should advise the local authority of the names of the solicitors acting for each party. The local authority will maintain regular contact with the solicitors and owners/immediate-lessor and will advise them of all outstanding balances due in respect of the property, including any Non-Domestic Water/Wastewater charges that may be owing.

Please note: The onus is on the prospective new owner and/or prospective new occupier to ensure that all rates and charges (including Water Charges) owed with respect to a property have been discharged and that no outstanding balances remain on account. The Revenue Collection Officer for your area can be contacted if clarification is required in this regard.

What can I do if I am unhappy with the valuation placed on my property or if my property has reverted to domestic or agricultural use?

The valuation and rateable description of a property is determined by the:

Commissioner of Valuations
Valuation Office
Irish Life Centre
Abbey Street Lower
Dublin 1

Only the Commissioner of Valuations is entitled to amend the rateable valuation on a property. It is not within the authority of the county council to do so.

It is important to note that a revision of the valuation on a property can only be sought in the event of a material change having taken place since the last valuation. This can be as a result of renovation/extension works or whenever the property has reverted to domestic or agricultural use. A revision of valuation currently costs €250. Further details can be accessed online at www.valoff.ie

Please note: Rates remain legally payable while an appeal is being considered. For further information on revisions and valuations you may contact the Valuation Office.

Methods of payment

Rates are paid in respect of the calendar year and are payable in two moieties (installments). The first moiety is due on receipt of the Commercial Rate Bill and the second moiety is due on the 1st of July each year.

Payment can be made as follows:

1. Direct Debit - monthly
2. Donegal County Council Cash
Office in:
 - Three Rivers Centre, Lifford
 - Public Services Centre, Neil T. Blaney Road, Letterkenny
 - Public Services Centre, Dungloe
 - Public Services Centre, Donegal Town

- Public Services Centre, Milford
- Public Services Centre, Malin Rd, Carndonagh

(A Credit/Laser Card facility is available in all Cash Offices).

Cheques, Postal Orders, etc. should be made payable to Donegal County Council and crossed "A/C Payee only"

You are encouraged to consider payment by Direct Debit during the course of the year. The Direct Debit facility is an alternative to lump sum payment. Regular installments can help to alleviate the burden the Commercial Rates bill. If you wish to pay by Direct Debit please contact the Revenue Collection Officer for your area. They will make arrangements to have a Direct Debit Mandate prepared for you.

Revenue Collection Officers - Contact Details

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|---|--------------------------------|
| Toghcheantar Dhún na nGall / Donegal Electoral Area Public Services Centre, Drumlonagher, Donegal Town / Dún na nGall | (074) 9724403 (074) 9724400 |
| Toghcheantar na nGleanntach / Glenties Electoral Area Public Services Centre, Gweedore Rd., Dungloe / An Clochan Liath | (074) 9561364 (074) 9561300 |
| Toghcheantar Leitir Ceanainn/ Letterkenny Electoral Area Public Services Centre, Neil T. Blaney Rd., L'kenny / Leitir Ceanainn | (074) 9194253 (074) 9194200 |
| Toghcheantar Shrath an Urláir / Stranorlar Electoral Area County House, Lifford / Leifear | (074) 9172237 (074) 9172222 |
| Toghcheantar Inis Eoghain / Inishowen Electoral Area Public Services Centre, Malin Road, Carndonagh / Carn Domhnach | (074) 9373775 (074) 9373700 |
| Áras an Chontae / Headquarters County House, Lifford / Leifear | (074) 9172237 (074) 9172222 |

Setoff on account (contra-entry)

A situation can arise whereby a Commercial Rates customer will also be a supplier of goods or services to Donegal County Council. Should a situation arise whereby Donegal County Council owes money to a Commercial Rates customer for goods supplied or services rendered and at the same time Commercial Rates are outstanding with that customer, the local authority reserves the right to apply a setoff (contra-entry) on account. This effectively allows for the payment of rates to be funded by way of amounts owing by the local authority to the rates customer. Section 58 of the Local Government Act 1941 facilitates this action.

Property Entry Levy

What is the Property Entry Levy?

The Property Entry Levy is a once-off charge that applies to all newly constructed property pending the levying of Commercial Rates proper.

A Rates Customer will not receive a Property Entry Levy *and* a standard Commercial Rates Demand in respect of the same calendar year. The Property Entry Levy is based on the Commercial Rates bill that would otherwise have generated for the year, prorated from the date on which the property was valued. Further information is available from the Revenue Collection Officer for your area.