

# FREQUENTLY ASKED QUESTIONS

## Local Property Tax (LPT) – Pyrite Exemption

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

Yes, a property that has been damaged by pyrite is eligible for the LPT exemption in the following circumstances:

- 1) where a certificate of damage has been completed by a competent person (see Question 2 below),
- 2) where it has been accepted into the pyrite remediation scheme operated by the [Pyrite Resolution Board](#) (see Question 3 below),
- 3) where an insurance company has remediated it or provided sufficient funds to carry out the remediation (see Question 4 below), or
- 4) where the builder who built the property has remediated it or provided sufficient funds to carry out the remediation (see Question 5 below).

More detailed information on the exemption from the local property tax due to pyrite is available on the Revenue Commissioner's website at [Guidelines on the operation of the Local Property Tax exemption for properties damaged by pyrite.](#)

The LPT exemption is intended to apply to those properties that have a significant level of pyrite damage. This means that not all properties that are affected by pyrite are eligible for the exemption. However, it is expected that the presence of pyrite, whether it has already caused structural damage to a property or has the potential to cause such damage, will have a negative effect on the market value of the property. This may result in a reduced LPT liability for the affected property, depending on the chargeable value that was declared for the property for LPT purposes on the valuation date (i.e. 1 May 2013).

## **Q.2 How do I claim an exemption from the LPT where 'significant pyritic damage' has been confirmed by way of a certificate?**

The [Finance \(Local Property Tax\) \(Pyrite Exemption\) Regulations 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. **This is the certificate required by Revenue as evidence of eligibility for the LPT exemption.**

To claim an exemption from the LPT for a residential property where significant pyritic damage has been established by way of certificate, 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, LPT Branch, P.O. Box 1, Limerick (LPT Helpline at 1890200255) 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.

### **Q.3 How do I claim an exemption from the LPT where the property has been accepted into the pyrite remediation scheme operated by the Pyrite Resolution Board?**

Where a property is accepted into the [pyrite remediation scheme](#) without testing, the certificate of pyrite damage as required under the [Finance \(Local Property Tax\) \(Pyrite Exemption\) Regulations 2013](#) will not be available. However, instead of the certificate that is completed by a competent person following the verification of pyrite damage, the Revenue Commissioners will accept confirmation that a property has been included in the pyrite remediation scheme as evidence of eligibility for the LPT exemption. (i.e. the confirmation email sent by the Pyrite Resolution Board to a property owner whose property is to be remediated). Property owners who wish to apply for the LPT exemption should submit the confirmation email to the Revenue Commissioners.

Alternatively, where a property has already been remediated under the pyrite remediation scheme (after 2 May 2013), the Revenue Commissioners will accept evidence in the form of the Certificate of Remediation that was completed by the contractor who carried out the remediation works on behalf of the Pyrite Resolution Board.

#### **Q.4 How do I claim an exemption from the LPT where an insurance company has remediated my dwelling or has provided sufficient funds to carry out the remediation?**

Where a property owner makes a successful claim under an insurance policy, the certificate of pyrite damage as required under the [\*Finance \(Local Property Tax\) \(Pyrite Exemption\) Regulations 2013\*](#) may not be available. However, the Revenue Commissioners will accept alternative evidence (in writing) of eligibility for the LPT exemption. It will require such evidence that will satisfy it that, following a claim that a property has been damaged by pyrite, an insurance company has remediated the property or has provided the property owner with sufficient funds to remediate the property. Property owners who wish to apply for the LPT exemption should submit the appropriate evidence to the Revenue Commissioners.

#### **Q.5 How do I claim an exemption from the LPT where the builder who built the property has remediated it or provided sufficient funds to carry out the remediation?**

Where a property has been remediated by the builder who built the property or the builder has provided sufficient funds to carry out the remediation, the certificate of pyrite damage as required under the [\*Finance \(Local Property Tax\) \(Pyrite Exemption\) Regulations 2013\*](#) may not be available. However, the Revenue Commissioners will accept alternative evidence in writing of eligibility for the LPT exemption. It will require such evidence that will satisfy it that, because a property has been damaged by pyrite, the builder or property developer who built the property has remediated it or has provided the property owner with sufficient funds to remediate the property. Property owners who wish to apply for the LPT exemption should submit the appropriate evidence to the Revenue Commissioners.

## **Q.6 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.7 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. Category D (i.e. red certificate).

## **Q.8 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. Damage Condition Ratings of 0, 1 or 2 can be assigned to a dwelling under this process.

## **Q.9 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 29<sup>th</sup> 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](mailto: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. 10 What is the procedure for obtaining a certificate under Irish Standard 398-1:2013? (Where sampling and testing is carried out after the commencement of the *Finance (Local Property Tax) (Pyrite Exemption) Regulations 2013*).**

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\*](#) (i.e. 2 May 2013).

### **Q.11 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\*](#) (i.e. 2 May 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*.

**Please note that a Building Condition Assessment (See Q. 8) will also be required in accordance with Irish Standard 398-1:2013 before *Schedule 1* can be completed by the competent person.**

### **Q.12 How long does the exemption from the LPT apply?**

The exemption generally applies for six years – i.e. six consecutive liability dates commencing on the 1<sup>st</sup> of November immediately following the date on which property becomes qualified for the exemption. Because of the interaction between the date that the property becomes qualified for the exemption and the date of the operation of the first six-year valuation cycle for LPT, the duration of the exemption may actually exceed six years. The usual LPT ‘rule’ is that a property that is exempt on the first liability date of the six-year valuation period is exempt until the first liability date of the next valuation period. This

means that the duration of the exemption depends on when, in the first six-year cycle, the property becomes qualified for the exemption.

For example, a liable person who receives the certificate in October 2014 has to pay LPT for 2013 and 2014. 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 six years, i.e. 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022. (2020 is the first year of the second valuation period).

### **Q.13 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 for six consecutive liability dates commencing on the 1<sup>st</sup> of November immediately following the date on which property becomes qualified for the exemption.

It will be the date on which the property becomes qualified for the exemption and not the date on which the claim is made to the Revenue Commissioners that will determine the timing of the exemption. The exemption will apply in respect of the first liability date (i.e. 1<sup>st</sup> November) following the issue of the certificate. For example, property becomes qualified for the exemption on 1<sup>st</sup> August 2016, the relevant liability date will be 1<sup>st</sup> November 2016 and the first year of the exemption will be in respect of 2017.

### **Q.14 My property was affected by pyritic damage but has already been remediated. Will I qualify for the LPT exemption?**

The exemption applies solely to residential properties that can demonstrate significant pyritic damage either on or after 2<sup>nd</sup> May 2013, which is the date that the [\*Finance \(Local Property Tax\) \(Pyrite Exemption\) Regulations 2013\*](#) came into effect. **Dwellings which were remediated prior to this date cannot avail of the 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 set out in Q.12 even where the property is subsequently remediated before the end of the exemption period.

For example, a liable person who receives the certificate in October 2014 and their property was remediated in 2016. The exemption applies until the first liability date of the next valuation period, (i.e. 1<sup>st</sup> November, 2022), despite the fact that the property was remediated before the end of the exemption period. (See Q.12 for exemption timeframes).