

## **Frequently Asked Questions for Local Authorities**

### **Waiver of Rates for First Quarter 2021**

#### **1. Is this commercial rates waiver scheme a continuation of the commercial rates schemes in place for 2020 under circulars Fin 11 and 16 of 2020?**

No this commercial rates waiver scheme is not a continuation of the commercial rates schemes in place for 2020 under circulars Fin 11 and 16 of 2020. In terms of funding, implementation and operation, there is no overlap between the rates waiver scheme outlined in this circular and the 2020 rates waiver scheme detailed in circulars Fin 11 and 16 of 2020.

#### **2. What is the credit in lieu of rates?**

A 100% waiver, in the form of a credit in lieu of commercial rates will be applied to the rate accounts of eligible businesses in categories listed in Appendix C to Circular Fin 1/2021, for the first quarter 2021.

#### **3. Which ratepayers are entitled to the waiver?**

The three-month credit in lieu of rates will apply for the first quarter of 2021 to all ratepayers in the categories listed in Appendix C to Circular Fin 1/2021.

#### **4. What amount of credit is to be applied to eligible rate accounts?**

Local authorities should apply a 100% credit in lieu of commercial rates, for a three-month period, to eligible classes and categories of occupied rateable property. The value of the waiver is the equivalent value of 25% of the annual rate bill for 2021.

#### **5. Is an application from a ratepayer required for the waiver?**

No, there is no application required for the waiver. Local authorities should automatically apply a 100% credit in lieu of commercial rates, for a three-month period, to properties in the eligible categories listed in Appendix C.

## **6. What categories of business does the credit in lieu of rates apply to?**

The credit in lieu of rates for the first quarter of 2021 applies to the following broad categories of businesses:

### **Eligible Categories**

The broad categories of businesses the credit in lieu of rates applies to are as follows:

- Hospitality;
- Leisure;
- Miscellaneous Entertainment;
- Non Essential Retail (Shops and Warehouse);
- Airports;
- Essential Retail (excluding Large Supermarkets, greater than 500M2);
- Health;
- Service Stations;
- Personal Care; and
- Childcare.

## **7. What are the exclusions to eligibility?**

### **Excluded Categories**

The broad categories of businesses the credit in lieu of rates does not apply to are as follows:

- Public Service;\*
- Vacant Properties (all vacant property as is ordinarily understood for rates is excluded from the waiver, without exception);\*
- Global Utility Networks on the Central Valuation List;
- Properties in the "Office" Valuation Category;
- Properties in the "Industrial Uses" Valuation Category;
- Properties in the "Miscellaneous" Valuation Category;
- Properties in the "Minerals" Valuation Category;
- Properties in the "Utility" Valuation Category;
- Supermarkets greater than 500M2 (Categories Supermarket 2 and Supermarket 3);
- Properties with the valuation category of "Department Store" but which are occupied either partially or wholly by a supermarket which sells food and/or groceries;
- Banks, Building Societies and Credit Unions;
- Pharmaceutical manufacturing; and
- Premises contracted to provide services related to the COVID 19 pandemic to/on behalf of the State, where the State is already compensating for rates as part of the contract between the occupier or service provider and the State.

\* Neither application of the waiver to public service properties or vacant properties, nor appeals in respect of same, are permitted under this circular.

There are some exceptions to the broad categories in the above list. A detailed list of excluded categories is attached in Appendix D of the Circular.

#### **8. Are there any exceptions to the above criteria?**

In recognition of the fact that there may be ratepayers excluded from the waiver that were severely impacted by the pandemic, up to 7.5% of the overall allocation is included for appeals. In a similar manner to the 2020 waiver scheme, excluded ratepayers may engage with local authorities to demonstrate severe impact, on a case by case basis.

#### **9. Is a ratepayer who was forced to close their premises but who continued to operate their business from elsewhere eligible for the credit in lieu of rates?**

The three-month credit in lieu of rates will apply for the first quarter of 2021 to all ratepayers in the categories listed in Appendix C to Circular Fin 1/2021. A detailed list of excluded categories is attached in Appendix D of the Circular. In a similar manner to the 2020 waiver scheme, excluded ratepayers may engage with local authorities to demonstrate severe impact, on a case by case basis.

#### **10. Is a ratepayer who was forced to close their premises to the public but who continued to offer a delivery or take-away or collection service eligible for the credit in lieu of rates?**

The three-month credit in lieu of rates will apply for the first quarter of 2021 to all ratepayers in the categories listed in Appendix C to Circular Fin 1/2021. A detailed list of excluded categories is attached in Appendix D of the Circular. In a similar manner to the 2020 waiver scheme, excluded ratepayers may engage with local authorities to demonstrate severe impact, on a case by case basis.

#### **11. How can businesses in the excluded categories, that experienced severe impact from level 5 restrictions, apply for the credit in lieu of rates?**

Local authorities should provide a nominated email address or phone number for engagement with businesses in the excepted categories that were severely impacted by level 5 restrictions, along with a closing date by which contact should be made by the business with the relevant local authority. Businesses in the excepted categories are required to demonstrate severe impact to the relevant local authority. With regard to engagement by businesses in the excepted categories that were severely impacted by the pandemic, examples of supporting proofs to demonstrate impact are listed below. However, appeals and application of the waiver to public service properties and vacant properties are not permitted under this circular.

## **12. What supporting proofs are acceptable if a ratepayer from an excluded category claims eligibility?**

In line with eligibility for the CRSS, ratepayers in excluded categories should demonstrate turnover from the relevant business activity in the claim period does not exceed 25% of the average weekly turnover in 2019. (Note the changed threshold of eligibility for the CRSS compared to the TWSS).

In the event that eligibility by ratepayers in excluded categories is claimed, the local authority may seek confirmation of eligibility via documentary evidence. If a local authority is not satisfied that evidence provided by the ratepayer supports eligibility, the credit in lieu of rates may be withheld.

Proofs which may be requested in this context are listed below and are intended to be illustrative rather than exhaustive and local authorities will be open to considering other relevant evidence that reasonably demonstrates eligibility for the three-month credit in lieu of rates by those ratepayers in excluded categories.

1. Evidence that the business undertaken at the rateable property was not considered an essential retail outlet or service under S.I. 701 of 2020 or S.I. 4 of 2021, and thus was forced to close.
2. Evidence of participation in the Covid Restrictions Support Scheme operated by Revenue.

Note that eligibility for the CRSS scheme requires businesses to demonstrate that because of Covid restrictions the weekly turnover from the relevant business activity in the claim period will be no more than 25% of the average weekly turnover of the business in 2019 (or average weekly turnover in 2020 in the case of a new business).

- Evidence of employment ceasing and employees availing of the PUP.
- Copies of documentation submitted to a financial institution as part of the negotiation of relief measures with the financial institution.
- Copies of correspondence with Revenue to agree forbearance measures with regard to tax liabilities.
- Evidence of reliance on the Government Credit Guarantee Scheme or overdraft facilities or other borrowings for capital purposes.

In any assessment of ratepayer eligibility for the three-month credit in lieu of rates, local authorities should focus on the types of business records, having regard to the nature and scale of the business that would normally be readily available for such a business.

## **13. What does severely impacted mean and what level of impact should applicant businesses in the excluded categories demonstrate?**

The critical requirement of a ratepayer in an excluded category is to be able to demonstrate closure of their business or significant negative economic disruption due to public health restrictions imposed in response to COVID-19. Ratepayers in excluded categories that claim to be severely impacted by level 5 restrictions should be able to demonstrate turnover from the relevant business

activity in the claim period does not exceed 25% of the average weekly turnover in 2019 (or average weekly turnover in 2020 in the case of a new business).

**14. How should the local authority apply the credit in lieu of commercial rates to businesses in the excluded categories?**

The local authority has responsibility, within its area, for ensuring it does not allocate credit in lieu of commercial rates to businesses in the excepted categories, beyond the value of the allocation notified to it for this purpose.

**15. Is a ratepayer that is in arrears eligible?**

Yes.

**16. Can conditions be imposed on the ratepayer when applying the three-month credit in lieu of rates, such as agreement to a payment plan?**

No conditions can be imposed on a ratepayer in order to receive the three-month credit in lieu of rates, if the rate payer is eligible for the credit.

**17. If a ratepayer has already paid 2021 rates, can they get refund or a credit towards next year's bill?**

If you have already paid your rates bill for 2021, a refund or a credit towards the 2022 bill will be arranged by the relevant local authority. 5

**18. Does the credit in lieu of rates apply to BID levies?**

BID contribution levies are not entitled to receive a credit in lieu of commercial rates. While the levying and collection of BID contribution levies is facilitated by local authorities through rates collection powers, BID contribution levies are not rates. The relevant business community, rather than central or local government, is the sponsoring party for BID schemes.

**19. When is the closing date?**

There is no application process for the majority of ratepayers. The closing date for applications for those ratepayers in the excluded categories, that claim to be severely impacted can be determined

by local authorities individually and communicated to the relevant ratepayers. **14<sup>th</sup> April for Dublin City Council.**

**20. Is the local authority required to write to ratepayers to inform them of the waiver?**

The waiver may be applied to businesses in the automatically eligible categories in Appendix C without prior to communicating with those rate payers. For ratepayers in the excluded categories, that claim to be severely impacted, the closing date for applications can be determined by local authorities individually and should be communicated to the relevant ratepayers

**21. Can a ratepayer in the excluded category who is unhappy with the decision to refuse an application for the credit appeal?**

Yes, a ratepayer should be allowed the opportunity to appeal an initial decision of refusal. Local authorities should, upon request, facilitate a review of a decision by a second official.

**22. Are credit unions excluded from the three-month waiver?**

Credit unions are excluded from the waiver. This is a change from the 2020 waiver when credit unions were not excluded.

**23. What qualifies as a vacant property for the purposes of exclusions to eligibility?**

All vacant property (i.e. vacant property as is ordinarily understood for rates) is, without exception, excluded from the waiver. Note that appeals and application of the waiver to vacant properties are not permitted under the circular.

**24. Is there an appeal process following consideration by the local authority of applications from businesses in the excepted categories who claim severe impact?**

There is no appeal process outside of the normal avenues a ratepayer has for querying a decision of a local authority i.e. internal appeal systems etc.

**25. Does the three-month waiver apply to the Entry Year Property Levy?**

Yes, occupiers of premises subject to the entry year property levy and the post-entry year property levy are entitled to the three-month waiver in the first quarter of 2021, if they would otherwise be entitled to the waiver.

**26. If there was a change of occupier in the first quarter should the waiver be apportioned for the relevant period to ensure both occupiers receive the portion applicable to the respective occupancy of the premises?**

Yes, each occupier should benefit from the appropriate portion of the three-month waiver.

**27. If a company is in receivership / liquidation are they entitled to the waiver?**

Yes.

**28. What is meant by 'Categories Supermarket 2 and Supermarket 3'?**

The intention is to exclude supermarkets with area greater than 500m<sup>2</sup>. There are three categories of supermarket on valuation lists post revaluation i.e. Supermarket 1 (200-500 m<sup>2</sup>), Supermarket 2 (500-2500 m<sup>2</sup>) and Supermarket 3 (over 2500m<sup>2</sup>). Supermarkets with an area greater than 500 m<sup>2</sup> are excluded from the three-month waiver.

The waiver has been structured in this way to take account of categorisation differences in the valuations lists where small supermarkets and convenience stores are concerned. If any excluded supermarkets can demonstrate severe impact, they can be assessed on that basis as per circular Fin 01/2021 and Qs 11, 12 and 13 above.

**29. In the case of a supermarket with a clothing/textile section or similar, should the waiver be applied to the entire premises or to the clothing/textile section only?**

It is unlikely there would be separate property numbers for the supermarket side of a store and the textile side of the same store. However, if there is a separate property number for the clothing/textile part then it would not be in the supermarket 2 & 3 category and would be entitled to the credit. The same goes for textile only stores. If there is a distinct property number, it is categorised as 'store' or such like and is not part of the supermarket 2 and 3, then it is entitled to the waiver.

**30. Should 'discount stores' be included with supermarkets, and for the purpose of the waiver depend on whether or not they exceed 500m<sup>2</sup>?**

Discount stores are listed as an eligible category in Appendix C of circular Fin 01/2021. They are not on the list of excluded categories in Appendix D of the same circular.

**31. Are properties with the valuation category of “Department Store” but which are occupied either partially or wholly by a supermarket which sells food and/or groceries excluded from the waiver?**

Yes. Properties with the valuation category of “Department Store” but which are occupied either partially or wholly by a supermarket which sells food and/or groceries are excluded from the waiver. Note that the position here has changed with respect to the nine-month 2020 waiver which was implemented based on the valuation categorisation.

**32. Are local authority occupied properties excluded from the waiver?**

Local authority occupied properties, where services are provided directly by the local authority, are excluded from the three-month rate waiver on the basis of being a public service. Properties where services are provided by subsidiary or ancillary companies, or outsourced to a separate management company or external contractor are not excluded.

**33. What is meant by “Premises contracted to provide services related to the COVID 19 pandemic to/on behalf of the State, where the State is already compensating for rates as part of the contract between the occupier or service provider and the State”?**

This exclusion only applies to the use of hotels and private medical facilities (or similar) contracted by the state for reasons associated with the pandemic e.g. to facilitate isolation, treatment, or additional capacity, and where the value of rates form part of the contract.

**34. If a property was vacant prior to the waiver but a business was to take a lease on the property during the waiver period, are they entitled to a partial waiver for the relevant period under the scheme?**

The waiver should be treated in the same manner as the rates bill. If this rate payer would receive a rates demand for the period of occupation, then a waiver would apply.

**35. Are tolls (roads, bridges and tunnels) excluded from the waiver?**

Yes tolls are excluded from the three-month rates waiver. In the nine month waiver in 2020 all tolls except the M3 Clonee-Kells toll and the N18 Limerick Tunnel toll were included in the waiver. For this standalone three month waiver all tolls are excluded.



**36. Do embassy accounts (currently charged a beneficial rate) qualify for the waiver?**

Embassies are entitled to the credit to the extent of their beneficial rate.

**37. What does Public Service mean in terms of the exclusion from the rates waiver?**

Bodies that deliver public services to the people of Ireland. In general, the public service refers to the civil service of Government; the civil service of the State; the provision of services by the state in the areas of health, education and justice; local authorities and; state agencies. The Standards in Public Offices Commission provides a list which is useful but not exhaustive, of public service bodies that are considered public service bodies for the purposes of the Regulation of Lobbying Act 2015 <https://www.lobbying.ie/help-resources/information-for-public-bodies/list-of-public-service-bodies/>. As the list is not exhaustive local authorities may direct queries about bodies not on this list to Local Government Finance section in the Department. Properties where services are provided by subsidiary or ancillary companies, or outsourced to a separate management company or external contractor are not excluded from the waiver.

Note that appeals and application of the waiver to public service properties are not permitted under the circular.

**38. Are bus shelters and advertising stations excluded from the waiver?**

Bus shelters and advertising stations are on the list of excluded categories in Appendix D to circular Fin 01/2021. Note that the position here has changed with respect to the nine-month 2020 waiver.

**39. Are airports excluded from the waiver?**

Airports listed as an eligible category in Appendix C of circular Fin 01/2021. However, as all Industrial Use categories are in the list of excluded categories in Appendix D, there may be industrial premises on airport campuses and environs which would be excluded. Such premises are entitled to make an application for the waiver if they can demonstrate significant impact, as per circular Fin 01/2021 and Qs 11, 12 and 13 above. 8

**40. Are transport related companies Dublin Bus, Bus Éireann, Iarnród Éireann, Transport Infrastructure Ireland and Dublin Port Company excluded from the waiver?**

Ports are on the list of excluded categories in Appendix D to circular Fin 01/2021. Such properties are entitled to make an application for the waiver if they can demonstrate significant impact, as per circular Fin 01/2021 and Qs 11, 12 and 13 above.

All transport including Bus Éireann, Dublin Bus, Luas and Iarnród Éireann are excluded from the three-month rates waiver. Such properties are entitled to make an application for the waiver if they can demonstrate significant impact, as per circular Fin 01/2021 and Qs 11, 12 and 13 above.

Note that the position here has changed with respect to the nine-month 2020 waiver.

**41. Are Údaras na Gaeltachta companies excluded from the three-month rate waiver?**

Údaras na Gaeltachta is considered public service and therefore properties where it provides services directly are excluded from the waiver. Properties where services are provided by subsidiary or ancillary companies, or outsourced to a separate management company or external contractor are not excluded.

**42. Are post offices eligible for the credit in lieu of rates?**

Post offices are listed as an eligible category in Appendix C of circular Fin 01/2021. They are not on the list of excluded categories in Appendix D of the same circular.

**43. How should masts/antennas which are not included in the Central Valuation List be dealt with?**

With regard to properties valued as masts/antennas, on the list of excluded categories in Appendix D to circular Fin 01/2021. Such properties are entitled to make an application for the waiver if they can demonstrate significant impact, as per circular Fin 01/2021 and Qs 11, 12 and 13 above.

Note that the position here has changed with respect to the nine-month 2020 waiver.

**44. Are sports clubs excluded from the three-month rate waiver?**

Sports clubs are not excluded.

**Amendment and Addendum to Circular Fin 1 / 2021**

**17 February 2021**

**1. What is the approach to take with a business which occupies multiple properties associated with the main business activity, where one or more property is in a valuation category eligible for the waiver (Appendix C of the circular) and one or more property is in a valuation category excluded from the waiver (Appendix D)?**

This scenario may arise in situations such as the following examples:

Example A: A nightclub with an associated and adjacent office (Office Category) and store room (Industrial Uses Category) valued as separate properties.

Example B: A pharmacy with an adjacent store room (Industrial Uses Category) valued as a separate property.

Example C: A boutique with an associated and adjacent office (Office Category) and store room (Industrial Uses Category) valued as separate properties.

Example D: A retail business premises or other premises which is eligible under Appendix C, which uses offsite storage in a property deemed excluded in Appendix D, such as an industrial estate for example.

Local authorities are advised to implement the waiver in a way which takes account of the main activity/use undertaken by businesses in occupation of properties ancillary to and in close proximity to the main business property.

If a business's main categorisation is eligible in Appendix C and there are additional properties which are understood to be part of the enterprise and which are ancillary to and in close proximity to the main business property (but which if viewed as standalone would be excluded in Appendix D), then the local authority should grant the waiver to those additional properties also.

However, if a business's main categorisation is eligible in Appendix C and there are additional properties associated with business which are offsite and not ancillary, nor in close proximity to the main business property, and which are excluded under Appendix D, then the additional properties remain excluded under Appendix D.

In the case of Examples A-C above, nightclubs, pharmacies and boutiques are all eligible property categories and the associated properties, though valued separately and with different valuation categories, are core to the operation of the business and are ancillary to and in close proximity to the main business property. These associated properties would be eligible for the waiver. In the case of Example D above, the associated property category is in Appendix D, is offsite and not ancillary nor in close proximity to the main business property. In this example the associated property is not eligible for the waiver.

**2. What is the approach to take where the valuation certificate of an individual property identifies multiple categories/uses from both Appendix C (eligible) and Appendix D (excluded)?**

Local authorities are advised not to apportion the waiver or split valuations under an individual property number. For the purposes of identifying properties in eligible and

excluded categories, the category of the main activity/use undertaken at the premises shall be deemed to be the category of the entire premises.

It is accepted there will be instances where a single property/property number will contain valuations from both Appendix C (entitled) and Appendix D (excluded). An example would be an industrial manufacturing premises with sub-uses of office, showroom, store or car park. The main activity/use of the property is manufacturing and the valuation certificate classifies it as Industrial; eligibility should be determined on that basis.

### **3. What if the category or use of a property on its valuation certificate is not accurate to the services/activity of the occupying business?**

Because of the complete exclusion of the industrial and office categories, there will likely emerge a number of properties where the usage or occupancy purpose is different to the use outlined on the valuation certificate. These are properties that would be excluded on the basis of the property usage on the valuation record but that may be eligible for the waiver based on actual usage/occupancy purpose if known or made known to the local authority. An example would be a gym operating from a property classified as Industrial on the valuation certificate. If the local authority is satisfied that the property usage is as a gym even though it is categorised industrial then the property should be included in the waiver.

### **4. In relation to demonstration of impact from businesses occupying properties in excluded categories in Appendix D, can further guidance be provided?**

Due to the exclusion of office and industrial categories from the Q1 2021 waiver scheme, a high level of appeals from businesses occupying properties in these categories may be likely. In order to streamline the administration and process appeals in a timely and effective manner the following is suggested:

(i) If the applicant can provide evidence that they are receiving support under the CRSS then the waiver will be granted (subject to confirmation from DHLGH that funding is in place).

If the applicant cannot demonstrate (i) the next step would be to be assess them under (ii).

(ii) The applicant will be asked to provide evidence that turnover from the relevant business activity in the claim period does not exceed 25% of the average weekly turnover in 2019 (or 2020 for new business).

With regards to evidence provided under (ii), it is acknowledged that local authorities may not be in a position to individually verify figures and accounts (such as reviewing invoices, bank statements, financial systems etc.) and will be relying on the ratepayer to make an honest submission in this regard.

If a local authority is not satisfied that evidence provided supports eligibility, the waiver may be withheld or removed.

**5. For businesses in the Office category that aren't listed in either Appendix C or Appendix D, can a local authority make a judgment call as to what is the most similar category to a business in either Appendix as an aid to determining eligibility?**

The difficulty in this area is acknowledged as the categories listed in Appendix C and D refer to the property usage as determined by the Valuation Office. Specific business activities do not always match to a directly equivalent property use, particularly in the property category of Office which is necessarily broad. However, even in recognition of that situation, it is intended that properties in the Office category be excluded from the waiver, unless covered by one of the scenarios identified in the FAQs or unless the occupying business can demonstrate the required level of impact.

**6. Are health care professionals entitled to the waiver?**

Appendix C includes all health categories on the valuation lists. Accordingly any health professional working from properties in those categories are automatically exempt. If a local authority is aware of properties, occupied by health professional providing health related services, then the waiver should be applied to those properties also; even if the use or category on the valuation record is not health related (e.g. Office).

**7. Are professional services such as accountants, solicitors, architects that have a valuation category of "Office" or indeed any valuation category entitled to the waiver? The category 'Auctioneer' is included in Appendix C.**

If the valuation certificate categorisation for the property occupied by the professional service is Office, or another category in Appendix D, it should be excluded from the waiver. However, if the categorisation is Retail (Shop) then the occupier is eligible for the waiver, it being the case that the Retail (Shop) category is necessarily broad and involving properties and business activities that are customer facing and/or which open to the street.

**8. Which types of business are intended to fall under the 'garage' category in Appendix D?**

It was intended that mechanics, crash repairs, tyre retailers, puncture repair traders etc. would be excluded from the waiver i.e. being in the garage category or industrial uses, workshop.

**9. Can the hardware/DIY, Retail (Warehouse) hardware and DIY Superstore categorisation be clarified please?**

As noted at the start of this document, in the list of eligible categories in Appendix C, HARDWARE (under Retail Warehouse) is removed and inserted on page 15, in the list of excluded categories in Appendix D. This means that properties with the use HARDWARE (under Retail Warehouse) are excluded from the waiver. Please note the status of properties with the use HARDWARE/DIY (under Non Essential Retail (Shops)) remains unchanged and eligible.

**10. Are office car parks entitled to the waiver?**

Properties categorised as Office are excluded from the waiver. For the purposes of identifying properties in eligible and excluded categories, the category of the main activity/use undertaken at the premises shall be deemed to be the category of the entire premises. If the main activity/use of a property is Office, it is excluded from the waiver.

**11. Are private language schools, private colleges and computer colleges occupying properties categorised as Office excluded?**

Yes colleges and schools both under colleges and schools in Appendix D and under the office category are excluded. Ratepayers may engage with local authorities to demonstrate severe impact and qualify for the waiver, on a case by case basis.

**12. The 2020 waiver was applied to contract operated post offices, should the 2021 be applied in this manner?**

Yes, post offices are included in the waiver in the same manner as applied to the 2020 waiver.

**13. Are veterinary practices included in the waiver?**

Generally properties occupied by veterinary practices are categorised as Industrial Uses or Office on valuation certificates. Veterinary practices occupying properties in categories in Appendix D are excluded from the waiver.