

Cork County Council Meeting 24th September, 2018

Notice of Motion: Councillors Marcia D'Alton, Seamus McGrath and Michael Murphy

“That this Council would agree to draft a scheme providing for the waiver of a portion of the rates due to Cork County Council when ratepayers in a town centre can demonstrate a reduction in turnover of 30% or more due to an extended period of road closures granted by Cork County Council. That approval for this waiver scheme would be sought from the Minister in accordance with the requirements of Section 2 of the Local Government (Rates) Act 1970.”

Response

Rate is a property tax whereby liability is calculated by multiplying the ‘Rateable Valuation’ (RV) of a property as determined by the Commissioner of Valuation, by the ‘Annual Rate on Valuation’ (ARV) set by the Elected Members at the Budget Meeting.

Rate is not a tax on turnover or linked to activity or profitability but is incurred solely because the property exists and is liable to be taxed.

The environment or circumstances in which ratepayers operate may be impacted upon by a variety of events or activities. These may be local, national or indeed global in nature and can impact on ratepayer/s in any given location, urban or otherwise, or within a particular sector. However any such impact does not temper the onus or liability of the ratepayer to pay rates as levied.

Infrastructural project work is regularly undertaken by or on behalf of the Council at various locations throughout the county. Such projects include a range of capital works and Initiatives to improve infrastructure, services, amenities and the public realm generally. Such works are invariably carried out following consultation with the communities affected and may involve road closures.

The use of a waiver scheme to assist ratepayers who are encountering trading difficulty during such a period of road closure would be inappropriate in the context of rates being a property tax rather than a tax on turnover or trading activity.

Such a scheme would also, inter alia;

- Discriminate against the bulk of ratepayers who are not in a ‘town centre’.
- Be unfair on the remaining ratepayers, many of whom would be based in more peripheral or less favourable locations.
- Would impose an additional burden on remaining ratepayers to fund such a waiver scheme and may, in many instances, result in ratepayers subsidising competitors.
- Be extremely challenging to administer on the basis of fairness and equity. Considerations in this regard include determining “loss of turnover” as a direct consequence of a road closure, as distinct from other potential factors; definition of a “town centre” etc.

The Council is always cognizant of the disruption caused by road closures, for whatever purpose, to the business community and community generally.

With particular regard to ratepayers, it is important to emphasise that the Council continues to take a proactive approach to engagement with those who wish to address their liability but may be experiencing challenges in doing so.

Any such ratepayer facing difficulties is encouraged to contact the Rate Collection Office at an early date to discuss and agree acceptable payment solutions.

Lorraine Lynch

Head of Finance

21st September 2018
