



**Mr. Shane Wallace**  
**Irish Taxation Institute**  
**South Block**  
**Longboat Quay**  
**Grand Canal Harbour**  
**Dublin 2**

18 October 2010

Re: **NPPR charge**

My Ref: 10MC

Dear Mr. Wallace,

I refer to yours of 23 September 2010.

Section 97 (1)(c) Taxes Consolidation Act 1997 provides that *“the amount of the surplus or deficiency in respect of each rent or in respect of the total receipts from easements shall be computed by making the deductions authorised by subsection (2) from the rent or total receipts from easements, as the case may be, to which the person chargeable becomes entitled in any year.”*

The deductions authorised by subsection (2) include *“any sums borne by the person chargeable—*

*(i) in the case of a rent under a lease, in accordance with the conditions of the lease, and*

*(ii) in any other case, relating to and constituting an expense of the transaction or transactions under which the rents or receipts were received,*

*in respect of any rate levied by a local authority, whether such sums are by law chargeable on such person or on some other person”.*

This provision applies to *“any rate levied by a local authority”*. Without forming an opinion on whether the charge provided for by the Local Government (Charges) Act 2009 is a rate (though there does seem to be a number of differences), it seems to me that, while the NPPR charge may be administered by the local authorities, it is clearly levied by that Act and not by a local authority, as is required by section 97.



In the circumstances, I am unable to agree that a deduction for the NPPR charge is due under section 97 TCA 1997, nor am I in a position to agree that a deduction should be available outside of the legislation.

If you consider that a legislative amendment is required to provide for such a deduction, then I suggest you write to the Department of Finance as soon as possible, making the case for the change you are seeking in the context of the Finance Bill 2011.

I will make arrangements to issue a Tax Briefing on this matter in the near future.

Yours Faithfully,