



To: Directors of Services for Planning, City and County Councils
Cc: Chief Executives, City and County Councils
Senior Planners, City and County Councils
Directors of Regional Assemblies
Office of the Planning Regulator
An Bord Pleanála

Circular Letter: NRUP 02/2023

27 October 2023

**Residential Zoned Land Tax:
Publication of a Final Map**

I am directed by Mr. Darragh O'Brien T.D., Minister for Housing, Local Government and Heritage to advise you on matters to be considered in the publication of a Final Map identifying land liable to the Residential Zoned Land Tax as required under Section 653K of the Taxes Consolidation Act 1997 (TCA).

Context

As set out in Circular NRUP 06/2021, the Residential Zoned Land Tax (RZLT) was announced in Budget 2022 and is contained in the Finance Act 2021.

The principal purpose of the Residential Zoned Land Tax is to encourage the *timely* activation of zoned *and serviced* residential development land for housing. It is intended that the Residential Zoned Land Tax will function as a significant incentive to bringing forward suitably zoned and serviced land for residential development. As referenced in Circular NRUP 02/2022 the Minister published section 28 guidelines¹ on 29 June 2022 to assist planning authorities and stakeholders in meeting their obligations under the legislation.

Mapping of the land which satisfies the relevant criteria to fall into the scope of the tax is undertaken by the local authority, while the administration of the Residential Zoned Land Tax is undertaken by the Revenue Commissioners. As announced in Budget 2024 and set out in the [Finance \(No.2\) Bill 2023](#) as published on 19 October 2023, it is now proposed that the first liability date for the tax will be deferred from 01 February 2024 to 01 February 2025.

¹ These can be accessed at the following link <https://www.gov.ie/en/publication/fbc41-residential-zoned-land-tax-guidelines-for-planning-authorities/#:~:text=The%20Residential%20Zoned%20Land%20Tax,lands%20in%20cities%20and%20towns>



The proposed deferral, which is subject to Oireachtas approval, is only to delay the liability date for the tax; it does not impact on the mapping work undertaken to date or the need to publish a final map on 1 December 2023 and to progress the annual updates to the final map in 2024 and 2025.

Maps will be updated annually by local authorities, with the revised draft maps for the 2025 year required to be published on 1 February 2024 ahead of the publication of revised final maps in January 2025.

As was set out on Budget day, the proposed deferral is intended to allow landowners to engage with the mapping process in 2024, including the opportunity to make submissions regarding the inclusion of their land on the draft map to be published on 1 February 2024 in accordance with the criteria set out under the TCA, as well as the extended opportunity to request the rezoning of land appearing on that map, as announced in Budget 2024 and provided for in the [Finance \(No.2\) Bill 2023, as initiated](#).

Progress to Date

Draft maps identifying land that satisfies the relevant criteria were published by all local authorities on 1 November 2022. Supplemental maps (as provided for in Section 653F of the TCA 1997) were published by 16 local authorities on 1 May 2023. Determinations were issued by local authorities in relation to submissions made on land identified on the draft and supplemental maps, with over 600 appeals made to An Bord Pleanála in respect of those determinations. An Bord Pleanála have made significant progress in issuing decisions on those appeals. The initial mapping process will be completed with publication of the final map on 1 December 2023, as required by legislation.

Requests for Rezoning

Provision was made in the TCA for consideration by local authorities of rezoning requests made by the owners of land identified on the draft and supplemental maps published in 2022 and 2023, who would be liable to the tax for the first time. Circular NRUP 07/2022 provided guidance on considering submissions made by landowners seeking amendment to the zoning of their land in order to remove liability for the tax. The Circular drew attention to the need, where a planning authority proposes to change the zoning of land further to a request made under the TCA, to rely on the existing provisions of Section 13 of the Act of 2000, to vary the development plan. The provisions of the TCA permit landowners to seek a deferral of payment of the tax only where the rezoning process that commenced under section 13 of the 2000 Act had not been completed one month prior to the publication of the final map on 1 December 2023. There is no provision in the TCA for a deferral to be provided to landowners whose land use zoning is being amended through the adoption or amendment of a local area plan.



The intention of the proposed deferral announced in Budget 2024 is to allow a further opportunity for landowners to engage with the mapping process in 2024 and to make representations regarding rezoning after publication of the draft map on 1 February 2024. While the overall deferral of the first liability date for the tax until 1 February 2025 will provide time for the adoption of local area plans and the removal of rezoned land prior to publication of a final map on 31 January 2025, it is important to note that where a process proposing the rezoning of land, including any additional rezoning requests received during 2024, is not completed one month before publication of the final map on 31 January 2025, the landowner will not be able to seek a deferral from the tax under section 653AE TCA 1997 unless the process being undertaken is through variation to a development plan, and the landowner will be subject to the tax for 2025, regardless of whether that process ultimately results in the land being rezoned.

Any landowners who made rezoning requests in 2022 and 2023 in relation to the draft and supplemental maps should be notified of the outcome of any deliberations so that there is clarity regarding the status of their request. When the next annual draft map is published in February 2024, all landowners whose land appears on that map will have another opportunity to submit rezoning requests, and those landowners who made requests in 2022 and 2023 may be notified that they may avail of the opportunity to make another submission, should their land appear on the draft map due to be published in February 2024.

Amendment to the Final Maps for December 2023

Section 653K of the Taxes Consolidation Act 1997 sets out the amendments which are required to be made to the Draft Map by local authorities in preparing and publishing the final map and include additions from the supplemental map, and amendments to remove land as a consequence of determinations and appeals which were successful in determining that land did not meet the criteria set out in Section 653B.

Furthermore, the requirement set out in in 653K(l) for a local authority to make such revisions to the draft map as it considers appropriate and publish a final map ‘identifying the land satisfying the relevant criteria within its functional area’ facilitates certain actions to be undertaken to ensure that the final map **only** identifies land satisfying the relevant criteria.

This provision facilitates the removal of land from the draft and supplemental maps which was mapped in error, such as roads, open spaces, overlapping polygons; land which may now be on the Derelict Sites Register, zonings which are not liable, or land which on further inspection may meet the criteria for exclusion as set out under Section 653B (c) (iii) (I – VII).

Where land was subject to a submission challenging the criteria for inclusion on the draft and supplement maps under Section 653B(b) and (i),(ii) and (iii), and that the determination or



appeal has set out that the land does not meet the relevant criteria, and where that factors which applied in the submission can be considered to apply to nearby land which would not meet the criteria for the same reason, then the nearby land should also be removed from the final map to be published on 1 December 2023. Provisions for mapping land subject to a phasing objective within a statutory plan are considered further below.

As the legislation is currently drafted, all land which meets the criteria is required to be placed on the final map on 1 December 2023. This will include land which may meet the criteria for the first time as a consequence of newly adopted statutory land use plans which include new zonings for residential or mixed use, including residential. Additionally, the capacity registers issued by Uisce Éireann in June 2023 identify settlements which have benefitted from completed upgrades to infrastructure and as a consequence may now have available capacity. This may have resulted in a settlement being moved from Red to Amber or Green according to the criteria used by Uisce Éireann.

Where the most recently published Uisce Éireann capacity register indicates that a settlement now has waste-water and water supply treatment capacity, where previously capacity for either one or both was not available, analysis of the appropriate zonings in the relevant settlements will need to be undertaken to identify if any additional land now meets the criteria for the tax. Similarly, if a settlement which was identified as green or amber in the 2022 capacity register is identified in the 2023 register as being red, the local authority needs to consider whether that land no longer meets the criteria and remove the settlement from the final map.

For those lands identified as green and amber in Uisce Éireann capacity registers for 2023, review of new additional zonings will need to be carried out to ensure any newly liable land is placed on the final map.

It is acknowledged that this matter will result in additional work reviewing information at a late stage in the process, however this is necessary in order to ensure that land which is in-scope is placed on the final map and land which is not is removed in compliance with legislation, based on the current provisions of the TCA.

It is also acknowledged that this may result in certain lands being included on the final maps without having been included in the draft or supplemental maps, thereby not providing the opportunity for landowners to make submissions to the local authority in respect of the criteria for inclusion or rezoning requests. As liability to the tax is now proposed to be deferred until 2025, the landowners in question will have the opportunity to make submissions to the local authority as part of the draft mapping process for the 2025 year commencing in February 2024, with the associated revised final map for 2025 being published in advance of any liability arising.



It is intended, as set out in the Finance Bill, to ensure that for revised final maps from January 2025 onwards, only the removal of land which no longer meets the criteria as a result of the publication of the annual updated Uisce Éireann capacity registers will be required and the inclusion of land which may fall into scope as a result of the updated capacity registers will be considered only as part of the subsequent annual draft map.

Phased Land

Section 653B of the TCA identifies the zoning and servicing criteria for liability to the tax, which may include land that is subject to phasing objectives in the development plan or a local area plan.

In recognition of the fact that written and mapped phasing objectives relating to core strategy requirements may prevent the activation of land for housing, the latter being the core objective of the tax measure, the Finance (No.2) Bill 2023 sets out a proposed amendment of the legislation to permit lands to be excluded from scope in these circumstances. The proposed deferral of the liability to the RZLT until 2025 will facilitate the proposed amendments to the legislation to take effect in the 2025 revised mapping process to allow for the removal of land subject to a strategic residential reserve zoning, or phasing designation in a development plan or local area plan from the scope of the tax. This deferral will facilitate the removal of such land from the draft map, and therefore it will not appear on the revised final map published prior to the revised liability date of 1 February 2025. Any such legislative amendments will be subject to Oireachtas approval of the Finance (No.2) Bill 2023 in mid-December.

Vacant Site Levy

The RZLT is intended as a replacement for the Vacant Site Levy. Where land is on the Vacant Site Register and has not been developed, it should have been included in the draft map and reflected in the final map. Any monies owing to the local authority in relation to the levy will remain as a charge on the land. As liability to the RZLT is now proposed to be deferred for one year, it is considered appropriate to maintain provisions in legislation for the management and continued charging of the vacant site levy in respect of land which is identified on the register. This will continue to facilitate imminent placements on the register, conclusion of appeals and to facilitate the issuing of demands in relation to the levy for the period to the end of 2024. This will ensure that the use of the levy as an active land management measure will continue until the RZLT is in effect.

Finally, funding issued to local authorities during 2022 and 2023 to assist in the production of draft, supplemental and final maps was subject to certain requirements, one of which was the submission of a report on implementation certified by the Chief Executive by 31 December 2023. Circular NRUP 02-2022 sets out the requirements in respect of the report, receipt of which is necessary for the Department of Housing, Local Government and Heritage to meet auditing



requirements. All local authorities are reminded of this requirement and requested to make prompt returns in this regard.

Conclusion

It is intended that the Residential Zoned Land Tax will function as a significant incentive to bringing forward suitably zoned and serviced land for residential development. The significant work undertaken to date by all local authorities and An Bord Pleanála in undertaking the mapping process and considering submissions and appeals is acknowledged. The proposed legislative provisions for RZLT set out in Finance (No.2) Bill 2023 will allow all landowners the opportunity to engage with the mapping process before liability to the tax commences, facilitating requests from landowners with land in scope as identified on the draft maps published in February 2024 to seek a rezoning of their land in addition to being able to make a submission challenging the placement of their land on the draft map.

Any enquiries relating to this Circular can be emailed to ForwardPlanning@housing.gov.ie

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A rectangular box containing a handwritten signature in black ink, which appears to be 'Claragh Mulhern'.

Claragh Mulhern

Acting Principal Adviser

Department of Housing, Local Government and Heritage



Appendix 1.

Final Map Publication Checklist.

Combine

- RZLT Draft map as published on 01 November 2022
- RZLT Supplemental map sites as published on 01 May 2023 (if published)

Remove

- Land in relation to which landowner submissions challenging the local authority decision that the land satisfied the relevant criteria were successful, including nearby sites with the same characteristics.
- Land subject to local authority determinations that were appealed and where the determination of the local authority was not upheld by An Bord Pleanála.
- Land subject to mapping errors such as incorrect zoning, open space, roads, mapped infrastructure as set out in S.653B of the TCA or other identified mapping errors contained in submissions which were inadvertently included in the draft or supplemental maps.
- Land subject to any changes to zoning which have occurred since 1 October 2022 as a consequence of the adoption of new development plans or variations, or where a local area plan forms the basis for land use zonings, the adoption or amendment of an LAP, such that the land no longer meets the criteria for inclusion.
- Land within settlements where the Uisce Éireann capacity registers published in June 2023 have identified a change in status since 2022 from green or amber to red for waste-water or water supply treatment such that the settlements or lands would no longer meet the criteria.

Additions for the final map in 2023

- Relevant land within settlements where the Uisce Éireann capacity registers published in June 2023 have identified a change in status since 2022 from red to amber or green such that both waste-water and water supply treatment is available and that appropriate zonings in the settlement would now meet the criteria.
- Land subject to any changes to zoning which have occurred since 1 October 2022 as a consequence of the adoption of new development plans or variations, or where a local area plan forms the basis for land use zonings, the adoption or amendment of an LAP, such that the lands zoned now meet the criteria for inclusion. .

Note:

- All land removed from or added to the final map database should contain an attribute stating the reason for removal / addition, for archiving purposes and to assist in answering queries from 3rd parties such as landowners, members of the public, the Revenue Commissioners.

