



To: Directors of Planning Services, 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 NRUP: 01/2024**

12 January 2024

**Residential Zoned Land Tax:  
Amendments to the Taxes Consolidation Act 1997 as a consequence of the enactment of the  
Finance (No.2) Act 2023.**

I am directed by Mr. Darragh O'Brien T.D., Minister for Housing, Local Government and Heritage to advise you on amendments to the Taxes Consolidation Act 1997 as a consequence of the enactment of the Finance (No.2) Act 2023 on 18 December 2023.

**Context**

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

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 the first liability date for the tax will be deferred from 01 February 2024 to 01 February 2025. As was set out in Circular NRUP 02/2023, the deferral set out in Section 653Q(1)(a) of the TCA 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 progress the annual updates to the final map in 2024 and 2025.



Maps are to be updated annually by local authorities. In order to provide clarity and to differentiate between the first mapping process which was completed in December 2023 and the annual mapping process which will be undertaken on an ongoing basis, in this and future communication it is proposed to refer to the annual draft map and annual final map. The next mapping process will involve the annual draft maps for the 2025 liability year which are required to be published on 1 February 2024 ahead of the publication of annual final maps in January 2025.

#### **Amendment to Section 653I text – rezoning**

As was set out on Budget day, the deferral is intended to encourage landowners to engage with the mapping process in 2024. This includes the opportunity to make submissions regarding the inclusion of their land on the annual draft map to be published on 1 February 2024 in accordance with the criteria set out under the TCA, as well as a further opportunity, as identified under section 653I(1)(c) of the TCA, to make a request by 31 May 2024 in relation to the rezoning of land appearing on that draft map. The closing date for receipt of submissions challenging the criteria for inclusion on the map remains 1 April 2024.

While the requirement under section 653M(2)(h) to identify land from the final map published on 1 December 2023 which is to be retained or removed on the annual draft map remains, land which is proposed to be added to the map for the first time in February 2024 should also be clearly and distinctly identified. It should be noted that a person/landowner may make submissions under section 653D in respect of any land identified on the annual draft map, not just proposed inclusions and exclusions, as is indicated in the text contained in section 4.4.2 of the guidelines issued in June 2022. Only landowners may make rezoning requests under section 653I.

The statutory newspaper notice must also reflect the text in section 653M(2) advising landowners to make a submission on the annual draft map in support of the proposed exclusion of their land as identified on that map. Text that may be used for the statutory newspaper notice is contained in Appendix 1 to this circular.

The Finance Act (No.2) 2023 introduces a new requirement under section 653I(4) for local authorities to notify an owner who makes a rezoning request by 31 May 2024 of their decision by 31 July 2024 to either propose to make a variation to the development plan or not to progress with a change of zoning of the land. As was set out in circular NRUP 02/2023, 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 annual 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 or any process relating to the rezoning of land in a local area plan ultimately results in the land being rezoned.

#### **Amendment to Section 653K - Final Maps**

As was set out in Circular NRUP 02/2023, the text of this section as originally drafted included section 653 K (I) as follows:

*'(I) identifying the land satisfying the relevant criteria within its functional area,'*

requiring that all land which met the criteria was to be placed on the **final** map on 1 December 2023. This included land which met the criteria for the first time as a consequence of newly adopted statutory land use plans or where Uisce Éireann had identified settlements which have benefitted from completed upgrades to infrastructure and as a consequence had available capacity.

This section has been amended and now requires that the local authority, when publishing the annual final map on 31 January commencing in 2025, shall only remove land which no longer meets the criteria identified in section 653B as a consequence of the provisions of section 653K(a) – (f). Land may not be added to an RZLT map for the first time at the annual final map stage.

A consequence of the amendment referenced above is that while greater clarity is provided regarding the matters which may result in land being removed from a map at final map stage, the removal of land which was mapped in error at draft stage is not facilitated at the stage of publication of the annual final map.

A new provision is also made in section 653K(f) requiring information provided in updated Uisce Éireann capacity registers which are generally published in June of each year to be utilised to update maps where a settlement no longer has waste-water or water treatment capacity and as such does not meet the criteria set out in section 653B(b). Lands located in any settlements no longer meeting the criteria should be removed from the annual final map to be published each year on 31 January from 2025 onwards. 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.

#### **Amendment to Section 653B - Phased Land**

Section 653B of the TCA has been amended by insertion of paragraph (iia) which identifies an exclusion for land which is subject to phasing objectives in a development plan or a local area plan, and the development of which would not conform with those objectives.



In recognition of the fact that written and mapped phasing objectives relating to core strategy requirements regarding the managed release of land for housing in settlements may prevent the activation of land for housing, the latter being the core objective of the tax measure, the Finance (No.2) Act 2023 amended the legislation to permit lands to be excluded from scope in these circumstances.

The deferral of the liability to the RZLT until 2025 will facilitate the amendments to the legislation by way of Finance (No.2) Act 2023 to be reflected in the annual draft map to be published on 1 February 2024 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. The policy intention is that where such land is identified in the core strategy of the development plan as being subject to the phased management or delivery of land in order to ensure sequential development, or to ensure land identified is not available until preceding lands are developed, then such land would not be in-scope for the tax. Furthermore, where land is identified as being strategic residential reserve or other similar zoning description, with supporting policy objectives indicating that the land will not be developed during the lifetime of the development plan, then such land would benefit from an exclusion from the scope of the tax.

Where land is identified in a local area plan as being subject to phasing regarding the management or delivery of land which is directly related to the phasing outlined in the core strategy of the overarching development plan, then the land benefits from an exclusion and should not be placed on RZLT maps.

The text in section 653B(ia) (II) requires the local authority to consider whether the objective in the local area plan regarding phased delivery of land is consistent with the objective for phased release of land in the development plan. Where an objective in a local area plan ties delivery to certain aspects of the plan which are not directly related to core strategy objectives regarding development of phased land, for example the delivery of social infrastructure such as a park, it is unlikely that the phasing of the land is tied to the core strategy objective of phased release of development land, and it would not in such an example likely benefit from the exclusion.

As has been the case in the preparation of Residential Zoned Land Tax maps to date, in preparing the annual draft map, the final date to be used by the local authority to consider whether the land is in scope for the tax, or benefits from an exclusion including a statutory phasing exclusion, is one month prior to the date of publication of the draft annual map, i.e. on or before 1 January 2024.



### **Report by the Chief Executive on the use of funding**

Funding was provided by DHLGH to each local authority in 2022 and 2023 to assist in defraying the cost of production of the draft, supplemental and final maps identifying land subject to RZLT. Circular NRUP 02-2022 set out that the funding could be utilised to procure external expertise or to utilise existing internal expertise, or a combination of both. This was also considered to extend to the purchase of hardware or software, including licenses to assist in surveying, digitising, mapping and advertising public display and administering the process involved in management of submissions, up to the publication of the final map on 1 December 2023. Funding could not be used for delivery of new posts.

Local Authorities are requested to provide the reports as soon as possible, noting that these reports are necessary for the Department to demonstrate that funding is being utilised for the intended purpose. Where there has been an underspend of funding, it is considered appropriate to utilise any such funds for delivery of the annual draft and annual final map on 1 February 2024 and 31 January 2025, however the report requested in Circular NRUP 02-2022 and NRUP 02-2023 regarding utilisation of funding up to the delivery of the final map on 1 December 2023 should be submitted to [forwardplanning@housing.gov.ie](mailto:forwardplanning@housing.gov.ie) by 1 February 2024.

### **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 amendments within the Finance (No.2) Act 2023 will ensure that land identified in and supported by core strategies and associated policies within development plans as being necessary for strategic residential reserve and the phased management of land are not liable to the tax. Furthermore, the deferral of liability to the tax for one year will allow the opportunity for further engagement by the public and landowners with the mapping process prior to the commencement of liability in 2025.

Any enquiries relating to this Circular can be emailed to [forwardplanning@housing.gov.ie](mailto:forwardplanning@housing.gov.ie)

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**Claragh Mulhern**

Acting Principal Adviser

Department of Housing, Local Government and Heritage



## **Appendix 1. Newspaper Notice Text for Annual Draft Map**

### *Publication of Residential Zoned Land Tax Annual Draft Map'*

An annual draft map, prepared in accordance with Section 653C, as modified by Section 653M of the Taxes Consolidation Act 1997, has been published on the website maintained by the local authority and is available for inspection at its offices.

The annual draft map has been prepared for the purposes of identifying land that satisfies the relevant criteria and is to be subject to the residential zoned land tax.

**Residential properties, notwithstanding that they may be included on the annual draft map, shall not be chargeable to the residential zoned land tax.**

Land which satisfies the relevant criteria is a reference to land that—

(a) is included in a development plan, in accordance with section 10(2) (a) of the Act of 2000, or local area plan, in accordance with section 19(2)(a) of the Act of 2000, zoned—

- (i) solely or primarily for residential use, or
- (ii) for a mixture of uses, including residential use,

(b) it is reasonable to consider may have access, or be connected, to public infrastructure and facilities, including roads and footpaths, public lighting, foul sewer drainage, surface water drainage and water supply, necessary for dwellings to be developed and with sufficient service capacity available for such development, and

(c) it is reasonable to consider is not affected, in terms of its physical condition, by matters to a sufficient extent to preclude the provision of dwellings, including contamination or the presence of known archaeological or historic remains,

but which is not land—

(i) that is referred to in paragraph (a)(i) and, having regard only to development (within the meaning of the Act of 2000) which is not unauthorised development (within the meaning of the Act of 2000), is in use as premises, in which a trade or profession is being carried on, that is liable to commercial rates, that it is reasonable to consider is being used to provides services to residents of adjacent residential areas,

(ii) that is referred to in paragraph (a)(ii), unless it is reasonable to consider that the land is vacant or idle,

(iia) the development of which would not conform with—

- (I) in a case in which the land is zoned in a development plan, the phased basis in accordance with which development of land is to take place under the plan, as detailed in the core strategy included in that plan in accordance with section 10(2A)(d) of the Act of 2000, or



(II) in a case in which the land is zoned in a local area plan, the objective, consistent with the objectives and core strategy of the development plan for the area in respect of which the local area plan is prepared, of development of land on a phased basis, included in the local area plan in accordance with section 19(2) of the Act of 2000, on the date on which satisfaction of the criteria in this section is being assessed,

(iii) that it is reasonable to consider is required for, or is integral to, occupation by—

- (I) social, community or governmental infrastructure and facilities, including infrastructure and facilities used for the purposes of public administration or the provision of education or healthcare,
- (II) transport facilities and infrastructure,
- (III) energy infrastructure and facilities,
- (IV) telecommunications infrastructure and facilities,
- (V) water and wastewater infrastructure and facilities,
- (VI) waste management and disposal infrastructure, or
- (VII) recreational infrastructure, including sports facilities and playgrounds,

(iv) that is subject to a statutory designation that may preclude development, or

(v) on which the derelict sites levy is payable in accordance with the Derelict Sites Act 1990.

Submissions on the annual draft map may be made in writing to the local authority concerned not later than 1 April 2024, regarding—

- (I) either the inclusion in or exclusion from the final map of specific sites, or
- (II) the date on which a site first satisfied the relevant criteria.

Submissions should include a name and address, reasons for inclusion or exclusion of lands, along with a map of scale 1:1,000 (urban area) or 1:2,500 (rural area) where the submission is made by a landowner, clearly identifying the area of land subject of the submission.

Any such written submissions received by 1 April 2024 other than such elements of a submission which may constitute personal data, shall be published on the website maintained by the local authority concerned not later than 11 April 2024.

The proposed inclusions and proposed exclusions on the annual draft map are subject to submissions received. Any landowners who supports the exclusion of their land should make a submission in support of such exclusion.

Where land is identified on the annual draft map as being subject to the residential zoned land tax and where the land identified on the draft map is included in a development plan or local area plan in accordance with section 10(2)(a) or 19(2)(a) of the Act of 2000 zoned—

- (i) solely or primarily for residential use, or
- (ii) for a mixture of uses, including residential use,

a person may on or before 31 May 2024, in respect of aforementioned land that such a person owns, make a submission to the local authority requesting a variation of the zoning of that



land. Any such submission should include evidence of ownership, detailed reasons for any rezoning request, along with a map to a scale of 1:1,000 (urban) or 1:2,500 (rural) clearly identifying the relevant plot of land.

Any such written rezoning requests received by 31 May 2024 other than such elements of a submission which may constitute personal data, shall be published on the website maintained by the local authority concerned not later than 10 June 2024.

All rezoning requests made will be considered by the Local Authority having regard to the proper planning and sustainable development of the area.