

Residential Zoned Land Tax Update to Planning SPC May 2023

The Government's *Housing For All – A New Housing Plan for Ireland* proposed a new tax to activate vacant land for residential purposes as a part of the Pathway to Increasing New Housing Supply.

The **Residential Zoned Land Tax (RZLT)** was introduced in the *Finance Act 2021*. The process to identify land to which the tax applies is now underway and the tax will be payable from 2024.

The objective of the tax is to activate land that is serviced and zoned for residential use or mixed use, including residential use, in order to increase housing supply and to ensure regeneration of vacant and idle lands in urban locations. These locations have been identified within statutory land use plans as being appropriate locations for housing and they have benefitted from investment in the key services to support the delivery of housing.

The RZLT process has two parts:

1. Identification and mapping of the land in scope for the tax. This is undertaken by local authorities through the publication of draft and supplemental maps – see below.
2. Administration of the tax, which is to be undertaken by the Revenue Commissioners from 2024 onwards.

Existing residential property may appear on local authority maps prepared for the purposes of RZLT. Nonetheless, where such **property is liable to LPT it is excluded from the scope of the tax**, although owners may be required to register where the gardens/yards of such properties exceed 0.4047 hectares (1 acre).

The Residential Zoned Land Tax is intended to replace the Vacant Site Levy, which will remain operational until the new tax measure comes into effect.

The RZLT is an annual tax, which will be first due in May 2024 in respect of land which met the relevant criteria on or before 1 January 2022 and which is reflected on the final map to be published by local authorities on 1 December 2023.

The tax is administered on a self-assessment basis. Residential Zoned Land Tax will apply annually at a rate of 3% of the market value of the land. The land will be required to be revalued every three years from the initial valuation date. As the tax is administered on a self-assessment basis, the taxpayer determines the market value. Surcharges may apply if the land is later found to be undervalued.

The tax applies to land that is:

- zoned suitable for residential development whether it be solely or primarily for residential use, or for a mixture of uses, including residential use,
- serviced ('Serviced' means being connected or able to be connected to the necessary public infrastructure and facilities including road and footpath access, public lighting, foul sewer drainage, surface water drainage and water

supply necessary for dwellings to be developed and for which there is service capacity available sufficient to enable housing to be developed) and not affected in physical condition by considerations which may impact the ability to provide housing on the land.

Residential Zoned Land Tax is payable by the owner of the land and will be administered by Revenue Commissioners.

Draft Map- 1st November 2022

Galway City Council published a draft map on 1 November 2022. Landowners whose land was included on the draft map could make a submission regarding the inclusion of their land on the map in writing on or before 1 January 2023. Third parties were also invited to make submissions regarding land that was or should be on the map. GCC received 13 no submissions. These were assessed and determinations made with regard to inclusion/exclusion of lands from the RZLT. Notification of the determinations were issued to all by 1st April 2023. Four of the determinations were to exclude lands and two determinations included exclusion of part of the lands. Six no. of the determinations have been appealed to ABP and we are awaiting the outcome of the appeals.

Supplemental Map- 1st May 2023

Galway City Council published a Supplemental map on 1 May 2023. This map shows additional sites which are subject to the RZLT taking account of changes in zoning since the preparation of the draft map and other lands now in scope not included in draft map.

Submissions in respect of land identified on the supplemental map only must be made by 1st June 2023.

Submissions can be made by

- Using the online submission portal following registration at consult.galwaycity.ie
- By email to rzlt@galwaycity.ie and
- By post to Senior Planner, Planning Department, City Hall, College Road, Galway, H91 X4K8.

Submissions received in relation to the supplemental map will be published on our website by 11th June 2023

Where a landowner requests the exclusion of their site from the supplemental map on the basis that it does not meet the criteria for being in scope or challenges the date from which land on the map met this criteria, Galway City Council must notify the owner of its decision not later than 1st August 2023.

Where a landowner wishes to appeal a decision by Galway City Council to keep land on the Supplemental Map to An Bord Pleanála they must do so by 1st September 2023.

Final map – 1st December 2023

Galway City Council must prepare and publish a final map by 1st December 2023.

Land appearing on both the draft and supplemental maps will, subject to the outcome of submissions made in respect of both maps, be included on the Final map. The Final map will identify all of the land considered to be in scope for the tax in the local authority area and shall provide for the overall area in hectares.

This land will be subject to the tax unless it is exempt as a residential property, as outlined above, or falls within any other exemption provided for in legislation.

The final map must reflect the outcome of any appeals to An Bord Pleanála, any additions or exclusions to maps on foot of determinations made by the local authority in response to submissions made or changes in zoning. Where a landowner has requested a change to the zoning of their land, the Local Authority shall evaluate the submission and consider whether to propose the making of a variation. An initiation of the variation process will only take place after evaluation of any requests for change of zoning made in relation to the draft **and** supplemental maps in order to allow all requests for changes to zoning to be considered together.

The final map will be reviewed and revised annually from 2025 onwards.

Laurena Mitchell
Senior Executive Officer
Planning Section

16th May 2023.

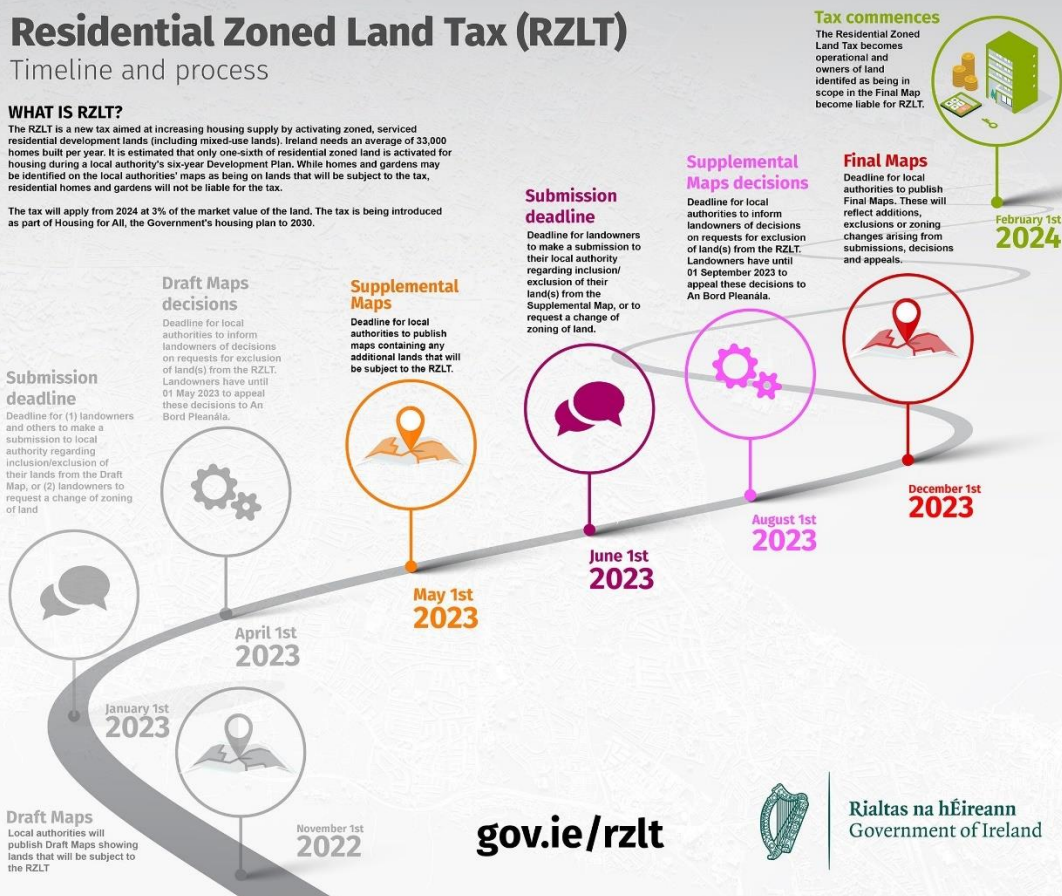
Residential Zoned Land Tax (RZLT)

Timeline and process

WHAT IS RZLT?

The RZLT is a new tax aimed at increasing housing supply by activating zoned, serviced residential development lands (including mixed-use lands). Ireland needs an average of 33,000 homes built per year. It is estimated that only one-sixth of residential zoned land is activated for housing during a local authority's six-year Development Plan. While homes and gardens may be identified on the local authorities' maps as being on lands that will be subject to the tax, residential homes and gardens will not be liable for the tax.

The tax will apply from 2024 at 3% of the market value of the land. The tax is being introduced as part of Housing for All, the Government's housing plan to 2030.



Key Dates for RZLT implementation:

01 November 2022	Publication of draft map by the Planning Authority showing lands in scope.
01 January 2023	Final date for submissions from landowners and members of the public. Submissions regarding removal of land from maps if considered to be outside scope or requesting change in zoning. Submissions may also be made recommending land for inclusion on the maps.
11 January 2023	Publication of submissions received on the draft maps by Local Authorities. (13 no submissions received by GCC)
01 April 2023	Date by which determinations are to be made by Planning Authority on submissions, Local Authorities notify the landowner of retention or removal of land from maps. Landowners can appeal decision to An Bord Pleanála on or before 1 May 2023 if they disagree with the decision.

	An Bord Pleanála have 16 weeks to determine appeals.
01 May 2023	Publication of a supplemental Map by Planning Authorities of any other lands identified as being in scope during the first consultation process.
01 June 2023	Final date for submissions regarding removal of land from supplemental map by landowners.
11 June 2023	Publication of submissions received on the supplemental maps by Local Authorities.
01 August 2023	Date by which determinations are to be made by Planning Authorities on supplemental map submissions, Local Authorities notify the landowner of retention or removal from maps. Landowners can appeal to An Bord Pleanála on or before 1 September if they disagree with the decision. An Bord Pleanála have 8 weeks to determine appeals.
01 December 2023	Final Map to be published by the Planning Authority.
01 February 2024	Residential Zoned Land Tax becomes operational – first liability and valuation date for the tax.
23 May 2024	First payment date for land identified on maps as being zoned for residential use and serviced on 1 Jan 2022.