

RESIDENTIAL ZONED LAND TAX

S.P.C. Meeting October 2022

Residential Zoned Land Tax (RZLT)

Initiated - Housing for All - an action to introduce a new tax to activate land for residential purposes aligned with the NPF and the NDP

Actioned - Department of Finance & Revenue Commissioners in conjunction with the Department of HLGH included for it in Section 80 of the Finance Act 2021

Objective - a new tax to activate land for residential purposes which will ultimately to replace the Vacant Site Levy where the objective is to incentivise residential development rather than generate revenue.

Focused - on land that is zoned for residential purposes or a mix of uses including residential and is serviced and includes both greenfield & brownfield sites but remains undeveloped – in City & County Development Plans; LAP's; SDZ

Associated support Publications include the Finance Act 2021 and RZLT – Guidelines for Planning Authorities published in June 2022

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- Initial Stage involves work delegated to local authorities to prepare baseline mapping of lands to be included for examination, the associated management of the public consultation process – publication of the maps and the assessment of the submissions.
- The subsequent stage is to be undertaken by the Revenue Commissioners that is the implementation and management of the tax.
- Lands defined “in scope” in such maps will have a residential zoning /mixed use zoning including both public and private lands.
- Criteria for inclusion for consideration e.g. serviced by water/wastewater, roads public lighting, not contaminated or support significant archaeological remains

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- Lands which contain existing residential development – such as estates /individual houses are deemed to be included but exempted if these are occupied residential dwellings.
- Dwellings with a curtilage of circa 1ac./ 0.4ha although not liable must register for the RZLT & provide certain information.
- Irish Water are the stakeholder who will establish what is serviced lands
- Exemptions also include -
 - *sites on the Derelict Site register where a levy is payable*
 - *Lands required for the provision of community services & infrastructure which will sustain future residential communities – the guidelines list a number*

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- *Existing uses which are currently on residential zoned lands must provide a service to existing /future population , must be authorised & a premises liable to commercial rates*

Where a mixed use zoning is included such as the city centre CC is in scope all lands are excluded unless they are “vacant or idle”. There are a range of exemptions regarding use.

It is clarified that temporary uses can be considered to be included “in scope” that is liable for tax measures.

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Local Authority Requirements –

1. Undertake the baseline mapping in a GIS format and with informed decisions on relevant lands- mammoth task
2. Lands included relate to January 2022 – for Galway City that is the 2017-22 Development Plan.
3. The liability for tax will take effect on these lands in 2024
4. Any land which may fall in to scope after Jan. 2022 are to be included in a “supplemental map” and is to be published May 2023 (Draft Plan changes)
5. Review the map annually and publish accordingly with any revisions

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- Publication is scheduled for Nov. 2022
- Opportunity for landowners and the public to make submissions on the Draft Map
- Submissions are to be restricted to establishing why land does not meet the criteria as provided for in the Finance Act, no other matters can be taken into consideration.
- Submissions can bring information on lands to be included (supplemental map)
- Provision made to request further information from relevant bodies such as IW
- Landowners may appeal to An Bord Pleanála
- In consultation on initial maps – landowners may request for a change in zoning

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An Bord Pleanála Responsibilities-

1. Accept appeals within 1 month of receipt of LA's decision where submission is unsuccessful & must state grounds of appeal
2. An BP can request further information from relevant stakeholders e.g.IW TII
3. Decide on appeals (for inclusion in final map and any supplemental map)

• Revenue Commissioner Responsibilities –

1. Administering the residential zoned land tax
2. Publish a Tax and Duty Manual for guidance – give information on tax, registration responsibilities, filing of returns & pay tax on a self assessment basis @ 3% of market valuation from 2024
3. Inform local authority if/when they become aware of any additional land that should be considered for taxation measure.