



To: Mayor of Limerick
An Bord Pleanála
Directors of Services for Planning for each City and County Council

cc: Chief Executives, City and County Councils
Senior Planners, City and County Councils
Directors of Regional Assemblies
Office of Planning Regulator

Circular Letter: NRUP 03/2024

18 December 2024

A Chara,

Ministerial Planning Guidelines under Section 28 of the Planning and Development Act 2000 (as amended), Requests to change zoning of land subject to Residential Zoned land Tax (RZLT) in 2025

I am directed by Mr. Darragh O'Brien T.D., Minister for Housing, Local Government and Heritage to bring to your attention new ministerial planning guidelines issued under Section 28 of the Planning Development Act 2000 (as amended), to provide guidance to planning authorities in consideration of change of zoning requests made pursuant to section 114 of the Finance Act 2024, in respect of land identified on final RZLT maps for 2025, which will be published by local authorities by 31 January 2025. As set out in Circular NRUP 06/2021, the Residential Zoned Land Tax (RZLT) was announced in Budget 2022, introduced in the Finance Act 2021 and is provided for in Part 22A of the Taxes Consolidation Act 1997.

The principal purpose of the Residential Zoned Land Tax is to encourage the *timely* activation of zoned *and serviced* residential development land for housing, rather than solely to raise revenue. 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.

Provision was made in the Taxes Consolidation Act 1997 for consideration by local authorities of requests relating to zoning made by the owners of land identified on the draft and supplemental maps published in November 2022 and May 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 to remove them from liability to the tax.

Further to this, the first liability date of the tax was deferred from 01 February 2024 to 01 February 2025. As set out by the Minister for Finance in connection with the announcement of Budget 2024, the deferral was provided for to allow landowners to engage with the mapping process in 2024 and to make representations regarding the inclusion of their land on the RZLT maps, and to seek a change in zoning for affected land. A further opportunity for owners of land identified on the annual draft map for 2025, published by local authorities by 1 February 2024, to request a change to the zoning of such land was provided for in the Finance (No. 2) Act 2023. Details regarding the processing of these zoning requests were set out in Circulars NRUP 02/2023 and NRUP 01/2024, while certain matters for consideration by local authorities in appraising rezoning requests received in 2024 were set out in a Ministerial letter to Chief Executives on 17 January 2024.

Processing Change in Zoning Requests

Having regard to the imminent commencement of the operation of the tax on 1 February 2025, an additional opportunity is being afforded for landowners to request a change in zoning of their land, where that land is identified on the annual final maps for 2025, which are to be published by local authorities by 31 January 2025. This provision is contained in section 114(b) of the Finance Act 2024, which amends section 653I of the Taxes Consolidation Act 1997, and facilitates requests to be made to the relevant local authority between 1 February and 1 April 2025, inclusive, with a requirement for the local authority to provide written acknowledgement of the request to the landowner by 30 April 2025. The landowner can use the written acknowledgement to seek an exemption from the



requirement to pay the 2025 tax liability, which arises on 1 February 2025 for the land identified in the request, subject to certain conditions.

To ensure that this aligns with the purpose of the RZLT, the local authority must review the land area subject of submissions and identify where planning permissions or planning applications, including appeals or Strategic Housing Development applications to An Bord Pleanála, have been granted or are under consideration for housing development or a mix of uses including housing. This does not include pre-planning submissions.

Where extant planning permissions meeting the criteria of 653I(3A)(b)(i) of the Taxes Consolidation Act 1997 have been granted or applications for such development are under consideration, details of the planning permission or application as entered onto the planning register and a copy of the site location map submitted as part of the planning application shall be contained in the rezoning request acknowledgement letter to be provided to the landowner by 30 April 2025. A landowner will not be able to seek a tax exemption from the Revenue Commissioners for any area of land where the planning history of extant permissions or current planning applications demonstrates an intention to develop the land for residential purposes.

Considering Change in Zoning Requests

The legislative provision allows any landowner whose land is identified on an RZLT map published on 31 January 2025 to seek a change in the zoning of their land from the relevant local authority. The policy intention, set out on Budget Day 2025 and supported by the attached Section 28 Guidelines, is for landowners who are carrying out an ongoing economic activity to be facilitated to make requests to change the zoning of their land to allow for the economic activity to continue without being subject to the tax.

An important consideration raised in the Ministerial letter of 17 January 2024 was for local authorities to bear in mind that rezoning requests were being made by landowners who will be liable to a tax which they were not subject to before. This remains a relevant consideration.



As was set out in Circular NRUP 07/2022 and reiterated in the Ministerial letter of 17 January 2024, amendments to zonings must also consider the ability to meet housing targets as set out in the core strategy of the development plan.

Development Plan Variation

As a consequence of the amendments introduced under the Finance Act 2024 the local authority is required to notify their decision to commence or not to commence the process of variation to their development plan to the landowner by 30 June 2025. The process of considering a variation should be commenced as soon as may be to attempt to complete the process by 31 December 2025, allowing for any zoning changes to be reflected on the subsequent annual final map for 2026, which will be published on 31 January 2026. As tax deferral provisions in section 653AE of the Taxes Consolidation Act 1997 are not available to landowners whose land use zoning is being amended through the adoption or amendment of a local area plan, the development plan variation process is the prescribed route for undertaking zoning changes.

Landowners who made requests in 2022, 2023 and 2024 and whose lands remain on the final annual map for 2025 published by 31 January 2025 should be notified by the local authority that, in order to avail of the exemption from the 2025 tax liability, as set out above, they must avail of the opportunity to make another rezoning request which may be submitted up to 1 April 2025.

Any queries in relation to this letter should be addressed to ForwardPlanning@housing.gov.ie.

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Cláirín Mulhern

Acting Principal Adviser

Department of Housing, Local Government and Heritage