



**An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreacht**
Department of Housing,
Local Government and Heritage

Residential Zoned Land Tax

Change in zoning of lands subject to existing economic activity

Guidelines for Planning Authorities

December 2024

Ministerial Planning Guidelines under Section 28 of the Planning and Development Act 2000 (as amended), Consideration of proposals to amend the zoning of lands subject to existing economic activity

1.0 Introduction

These Guidelines constitute Ministerial Guidelines issued under Section 28 of the Planning and Development Act 2000 (as amended). Section 28 provides that planning authorities and An Bord Pleanála, where relevant, shall have regard to Ministerial Guidelines and shall apply any specific planning policy requirements (SPPRs) of the Guidelines, within the meaning of Section 28 (1C) of the Planning and Development Act 2000 (as amended), in the performance of their functions.

2.0 Purpose of Section 28 Guidelines regarding consideration of proposals to amend the zoning of lands subject to existing economic activity

The purpose of the Guidelines is to set out policy and guidance in relation to the consideration of proposals to amend the zoning of lands which are subject to existing economic activity, made by virtue of requests to amend zoning, submitted to the relevant local authority in accordance with section 653I of the Taxes Consolidation Act 1997 (as amended).

3.0 Planning and Development Act 2000 (as amended) and the zoning of land

Section 10(2)(a) of the Planning and Development Act 2000 (as amended) requires that a **development plan** shall include objectives for:

"the zoning of land for the use solely or primarily of particular areas for particular purposes (whether residential, commercial, industrial, agricultural, recreational, as open space, or otherwise, or a mixture of these uses) and to such extent as the proper planning and sustainable development of the area, in the opinion of the planning authority, requires the uses to be indicated".

As set out in Section 6.2 of the *Development Plans Guidelines for Planning Authorities* (issued under Section 28 of the Act in 2022), the zoning of land is the primary spatial expression of the strategy of the development plan and is a key element of the plan-making process. This includes zoning for particular types of development (e.g. residential or employment), but also for other important land uses such as recreation, open space and agriculture. Land-use zoning therefore permits the identification of

land needed for particular use types, the best locations for such land-uses and the acceptability or otherwise of the various classes of land-use within any particular zoning. It also allows for the identification of areas suited to a combination of uses, which is particularly important to facilitate flexibility and mixed-use development to support compact growth and generate activity within urban centres, in line with Town Centre First policy. The provision of land-use zoning within the development plan is intended to provide a degree of certainty and clarity to the community, landowners, developers and investors regarding future development.

Section 13 of the Planning and Development Act 2000 (as amended) relates to the **variation** of the development plan and states:

(1) A planning authority may at any time, for stated reasons, decide to make a variation of a development plan which for the time being is in force.

Section 19 (2) of the Planning and Development Act 2000 (as amended) relates to **Local Area Plans** and states that:

“A local area plan shall be consistent with the objectives of the development plan, its core strategy, and any regional spatial and economic strategy that apply to the area of the plan and shall consist of a written statement and a plan or plans which may include—

(a) objectives for the zoning of land for the use solely or primarily of particular areas for particular purposes, or

(b) such other objectives in such detail as may be determined by the planning authority for the proper planning and sustainable development of the area to which it applies, including the objective of development of land on a phased basis and, detail on community facilities and amenities and on standards for the design of developments and structures.”

4.0 Residential Zoned Land Tax and requests to amend zoning objectives

The Finance Act 2021 introduced Part 22A Residential Zoned Land Tax (RZLT) into the Taxes Consolidation Act 1997. The RZLT is designed to encourage residential development by owners of land that is zoned for residential or mixed-use (including residential) purposes and that is serviced.

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, **and**
- serviced (that 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)

Prior to the enactment of Finance Act 2024, provision was made in section 653I of the Taxes Consolidation Act 1997 (as amended) for owners of land to make a request to amend the zoning of their land to the relevant local authority, where such land appeared on the draft map published by local authorities in November 2022, the supplemental map published by local authorities in May 2023 and/or the annual draft map for 2025, published by local authorities in February 2024.

Section 653I (4) of the Taxes Consolidation Act 1997, as amended by Finance Act 2024, states:-

“(4) Where a submission is made in accordance with subsection (1), the local authority shall—

(a) evaluate the submission,

(b) consider whether to propose to make a variation under section 13 of the Act of 2000 or to reject the request for a change to the zoning of the lands, and

(c) in a case in which a submission is made under subsection (1)(c), not later than 31 July 2024, or, in a case in which a submission is made under subsection (1)(d), not later than 30 June 2025, notify the owner concerned of its decision to—

(i) reject the request for a change to the zoning of lands, or

(ii) propose to make a variation to a development plan under section 13 of the Act of 2000.”

5.0 Policy approach relating to lands zoned for the purposes of residential development where there is an existing economic activity being carried out on the lands

These guidelines are issued under Section 28 of the Planning and Development Act 2000 (as amended) to set out policy and guidance which planning authorities must have regard to in their consideration of requests to amend zoning objectives relating to land included on the annual final map for 2025, received further to Section 653I of the Taxes Consolidation Act 1997 (as amended).

During the lifetime of a development plan, planning authorities may wish to amend the objectives and policies of the plan in order to take account of different circumstances or issues unforeseen at the time of the making of the development plan. For these reasons, Section 13 of the Planning and Development Act provides for the making of a variation to the development plan. Any proposed variation will be subject to a statutory requirement for Strategic Environmental Assessment and Appropriate Assessment screening. The decision to initiate the statutory process of varying a development plan is an executive function.

Under the Planning and Development Act 2000 (as amended), in considering whether to zone land for particular purposes, the planning authority is required to take into account the proper planning and sustainable development of the area, the statutory obligations of any local authority in the area, and any relevant policies or objectives for the time being of the Government or of any Minister of the Government. This obligation includes the need to have regard to any Section 28 Guidelines issued under the Act, and to apply any specific planning policy requirements included in such guidelines.

Where the making or variation of a development plan is concerned, planning authorities are required to have regard to the Section 28 *Development Plans Guidelines for Planning Authorities*.

In making decisions in relation to residential zonings at particular locations and for individual sites and parcels of land, the Guidelines state that there must be a clear rationale that relates directly to the core strategy of the development plan, the need for the zoning in the particular location, based on analysis to identify sites with realistic capacity for development during the plan period, including infrastructural requirements and housing yield potential.

Furthermore, there is an acknowledged need, set out in the policy and objective of the Development Plans Guidelines to adopt a sequential approach to the zoning of land which reflects the compact growth, utilisation of existing infrastructure and town regeneration national policy objectives of the National Planning Framework.

Notwithstanding the provisions of the *Development Plans Guidelines for Planning Authorities*, and in particular Section 6 of those Guidelines, it is recognised that there may be specific circumstances where lands currently subject to an existing bona fide economic activity are zoned for the purposes of providing residential development, however the owner of the land in question does not wish to develop the land for that purpose.

Economic uses, especially those which have been operated over generations, will have benefitted from investment, provide employment in the local area and are part of a balanced approach to ensuring a variety of uses in support of sustainable communities.

Having regard to the aforementioned:

Policy and Objective 1(a)

Subject to Policy and Objective 1(b), it is a policy and objective of these Guidelines, that where an owner of land which is:-

- subject to an existing bona fide economic activity other than to serve the purposes of residential development;
- zoned for the purposes of residential development in a development plan or local area plan;

submits a request to a local authority under Section 653I of the Taxes Consolidation Act 1997 (as amended) seeking an alternative zoning of their land, stating that they wish the economic activity to continue for the duration of the life of the development plan, such a request should be facilitated by the planning authority under the provisions of Section 13 of the Planning and Development Act 2000 (as amended).

Policy and Objective 1(b)

Having regard to the objective of the Residential Zoned Land Tax to activate land which has benefitted from planning permission for development, including housing development, it is reasonable for a planning authority, when considering whether to commence the process of considering a variation to the development plan under section 13 of the Planning and Development Act 2000 (as amended) as a consequence of a request to change a zoning objective relating to land received under Section 653I of the Taxes Consolidation Act 1997 (as amended) to have regard to the planning history of the land in question.

Where there is an extant planning permission in place for a development other than related to the continuation of the existing economic activity, or where there is a planning application or appeal under consideration for a development which seeks to develop the land for other purposes which do not relate to maintaining the existing economic use, Policy and Objective 1(a) shall not apply.

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