



Residential Zoned Land Tax

Meeting for IFA members
25th April 2023





Agenda

- Residential Zoned Land Tax – Summary to date
- Legal perspective – James Staines
- Open discussion



3 Take-Away Messages

1. IFA will continue to campaign to get farmed land exempt from RZLT
2. Get your submissions in, if desired, to An Bord Pleanála by May 2nd
3. Check Supplemental Maps (offices/online) from May 1st & get appeals in



Residential Zoned Land Tax – what is it?

- 3% annual market value tax (self-assessed) - coming into force in 2024
- Introduced as part of Finance Act 2021, replacing Vacant Site Levy
- Administered by Revenue Commissioners
- To be liable, lands must, on/after 1st Jan '22 be:
 - ✓ Zoned Residential, **and**;
 - ✓ Serviced, **and**;
 - ✓ Have service capacity, **and**;
 - ✓ Be non-contaminated lands or sites of archaeological importance

Some Legal /
Technical clarity
required

Residential Zoned Land Tax – Exclusions

- Existing residential property and the gardens/yards usually enjoyed with it;
- Land zoned residential, but used by a business to provide services to residents of adjacent residential areas (e.g. corner shop);
- Land zoned mixed use (incl. residential), where it is reasonable to consider the land is integral to the operation of a business carried out on or beside it;
- Land used for certain infrastructure or facilities including utilities, transport and facilities for social, community or recreational purposes;
- A derelict site subject to the Derelict Sites Levy; and,
- Land that is affected in terms of its physical condition or where historic or archaeological artifacts are present.

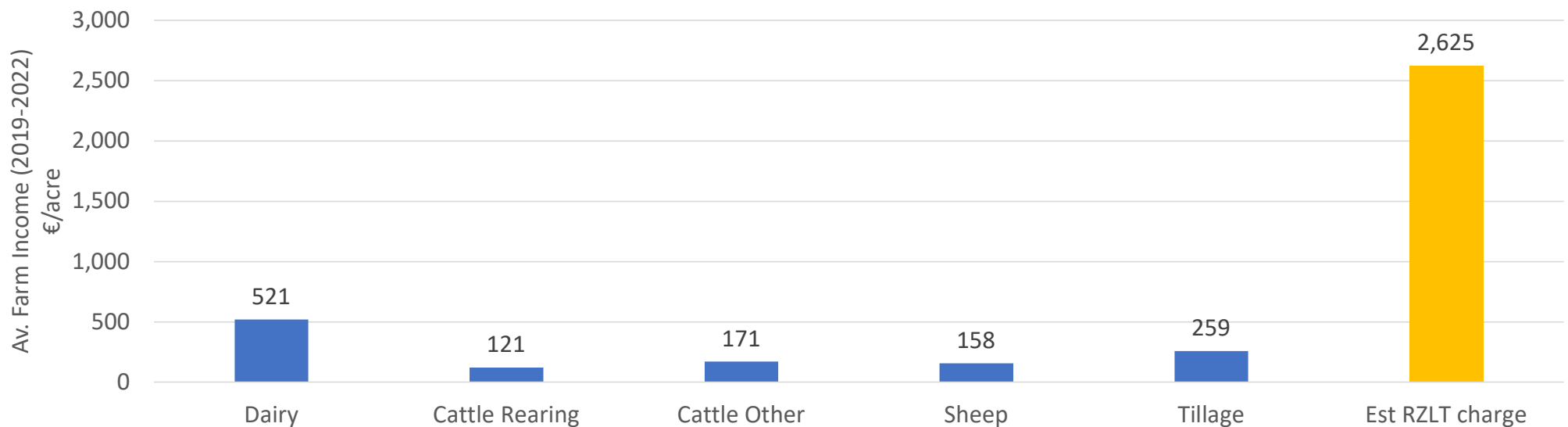
Take-away 1: IFA will continue to campaign to get farmed land exempt from RZLT

- Understand housing challenges & sentiment of RZLT, but strongly oppose inclusion of farmed land used as an integral part of the farm business
- Odds stacked against farmers as currently designed:
 - ❖ No account of purpose / intent
 - ❖ No direct engagement with landowners
 - ❖ No account of commercial demand/housing need (impact valuations?)
 - ❖ 3% market value is disproportionate to income yield potential
 - ❖ Evidence of over-zoning vs. housing need in some areas – (eg. In Tipperary: Nenagh (86ha zoned v 33ha needed); Clonmel (136ha v 64ha); Roscrea (63ha v 18ha); Thurles (48ha vs. 29.5ha)
Source: Office of the Planning Regulators submissions)
- Nothing more than a land grab & Revenue generating instrument



Take-away 1: IFA will continue to campaign to get farmed land exempt from RZLT

- 3% market value tax is disproportionate to income yield potential from farming



(Note: For indicative purposes only. RZLT charge can vary significantly by location, presence/absence of planning permission etc. Assumed value of Residential Zoned Land at €87,500/acre, taken from MyHome.ie sample (n=62), excluding Dublin & single dwelling sites, on 20/04/2023, where the asking price was provided. Source: Teagasc National Farm Survey & MyHome.ie)

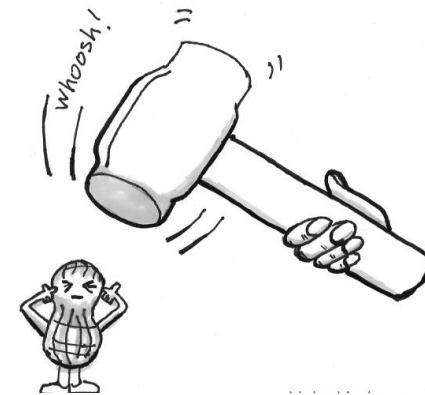
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- Real cases who have been in contact with IFA:

	Acres Impacted	3% at €87,500/acre*	Annual RZLT liability
		€	€
Killarney	45	2,625	118,125
Killarney	40	2,625	105,000
Dungarvan	11	2,625	28,875
Claremorris	19.5	2,625	51,188
Limerick	30	2,625	78,750
Leitrim	12	2,625	31,500

(*Note: For indicative purposes only. Assumed value of Residential Zoned Land at €87,500/acre, taken from MyHome.ie sample, excluding Dublin, where asking price provided on 20/04/2023)

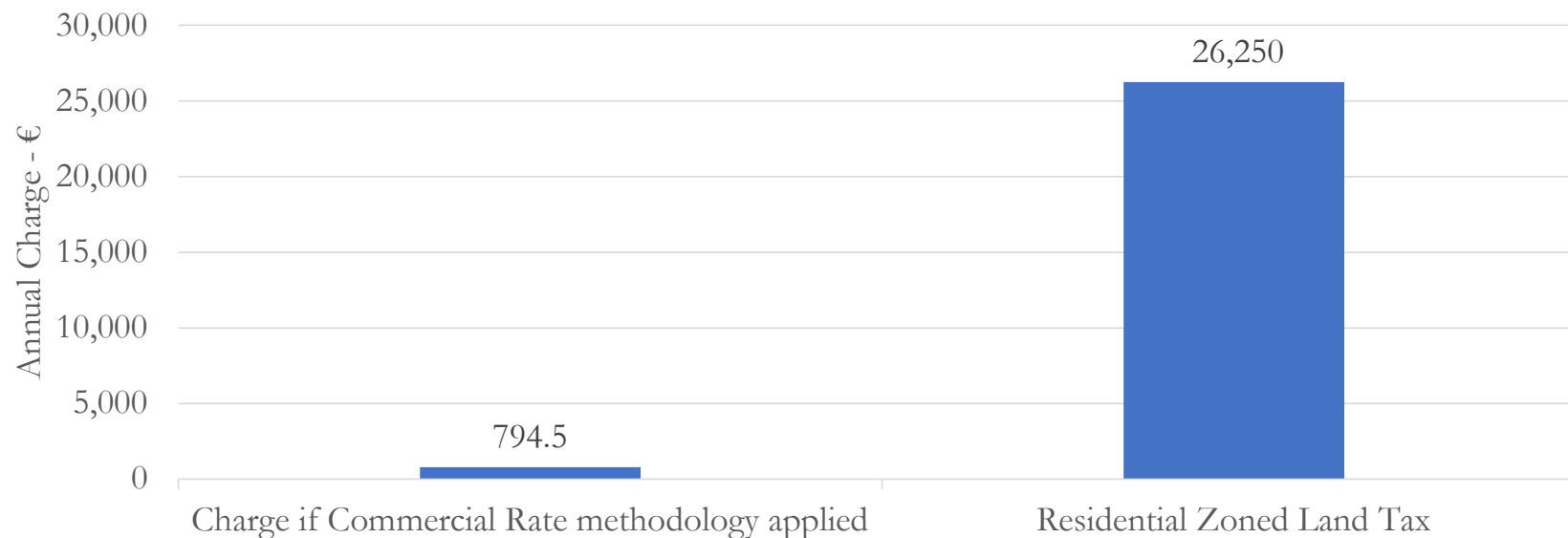
Taxation policy forcing family farms out of business ... ruin a family home for a house that may be needed (sometime) even though there is no universal housing need now!! Where is the common good in that?



Take-away 1: IFA will continue to campaign to get farmed land exempt from RZLT

- Different approach vs. Commercial Rate calculations - Asset value rather than Rental value

Annual Commercial Rate charge vs. RZLT charge



NB: Not advocating any change to existing exemption provided to primary producers re Commercial Rates. Graphic purely to illustrate financial implications from methodology applied.

Note, for indicative purposes only. Commercial Rate estimation assumes an annual liability equivalent to the Rateable Valuation (i.e rental value) of the property (assumed 10 acres in Kerry at €350/acre) multiplied by Annual Rate on Valuation (0.227 per <https://www.valoff.ie/en/revaluation/rates-calculator/>). Rate per RZLT assumes annual charge equivalent to 3% of market value (€87,500).



Where we are now

Farmers that missed submission deadline can still apply to Local Authority to have zoned status of land changed. Not simple. Will need a lot of local engagement. Keep an eye on when Local Area Plan under review & input!!

2024 tax year

	Due date for publication	Due date for submissions to local authority	Due date for determinations by local authority	Due date for appeal to ABP	Due date for determination of appeal by ABP
Draft Map	1 Nov 2022	1 Jan 2023* <small>1,687 submissions (210 de-zoning)</small>	1 April 2023	1 May 2023	16 weeks from the date of the notice of appeal
Supplemental Map	1 May 2023	1 June 2023	1 Aug 2023	1 Sept 2023	8 weeks from the date of the notice of appeal
Final Map	1 Dec 2023	N/A	N/A	N/A	N/A

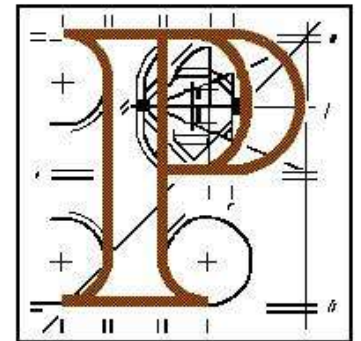
* or later in exceptional circumstances

- Elected local councillors are responsible for making / varying the development plan - made every 6yrs; reviewed after 4yrs
 - Details local planning & infrastructure investment policies for the next 6yrs.
- The Office of the Planning Regulator oversees the Irish planning system and plan-making process.
 - Review every development plan in light of national & regional requirements and who, if observations/recommendations made are not addressed, can recommend to Minister for Housing, Local Government & Heritage to change the development plan in line with their recommendations

Making an appeal to An Bord Pleanála

- Submissions in no later than 5.30pm May 1st 2023 to The Secretary, An Bord Pleanála, 64 Marlborough Street, Dublin 1, D01 V902
- Focus of ABP will be on whether the land meets the relevant criteria in Section 653B or not (i.e. zoned residential; serviced; service capacity; capable of development)
- 3 key sources of information:
 1. Your grounds of appeal;
 2. The Local Authority determination; and
 3. Any additional info on the servicing or use of the land which ABP may request from the landowner, Local Authority or other key stakeholders (requested within 21 days of appeal receipt).
- 3 possible outcomes:
 1. Confirm the Local Authority's determination;
 2. Set aside the Local Authority's determination and allow the appeal, or
 3. Partially confirm the Local Authority's determination and set aside part of the Local Authority's determination and allow the appeal in part.

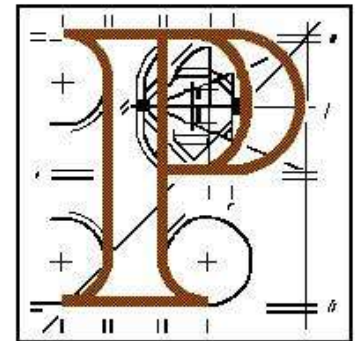
An Bord Pleanála



Making an appeal to An Bord Pleanála

- The appeal must be made in writing and should clearly outline:
 - Your grounds for appeal - start with challenging the Local Authority determination and the stated reason(s) for the determination on the letter received.
 - Be factual in your challenge - be specific, and clearly state your position and your desired outcome.
 - Include a copy of the Local Authority decision and/or submission reference, together with your name & address; land parcel ID and all supporting documentation (& input from relevant professionals) that will aid your appeal as required.
 - Ask Council for Planners Report and Prescribed Reports - will help identify how Local Authority viewed submission and nature of information that was requested from third parties

An Bord Pleanála





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