

### **TAXING TIMES**

The Residential Zoned Land Tax and the National Planning Framework



Carmel Logan
Tax Partner and
Head of Real Estate,
KPMG Ireland



**Colm Ryan**Planning Director,
MKO



Ivan Gaine

Managing Director,
Sherry FitzGerald Commercial
& New Homes





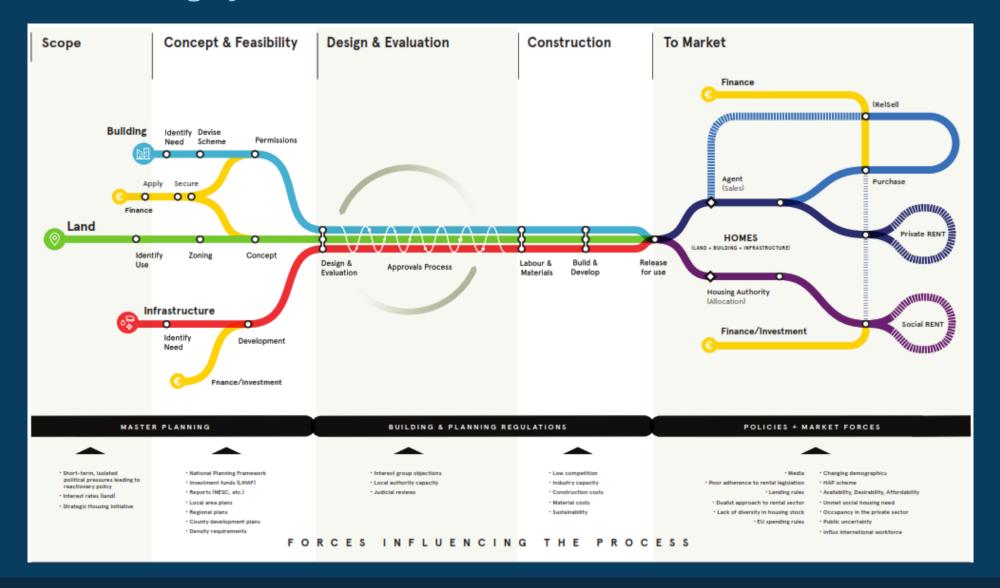


### **Agenda**

- Welcome with Ivan Gaine, Sherry FitzGerald Commercial
- Planning Matters The NPF with Colm Ryan, MKO
- Taxing Times The RZLT with Carmel Logan, KPMG Ireland
- Questions & Answers



#### **The Housing System**





#### In the Press

#### No private developers draw from criticised €750m housing fund



Chinh gene, chief cannothe und de l'Il No chieber I (LII )
chinh set. The scheme sen
'desposit for the private
sender bed disser question de l'acceptant l'accepta

#### Delivery of mega infrastructure projects will take political courage we haven't had

project will bring problems, but once here, will be a vital piece of



but of things to make the person must

persect, we don't have the clarity after

making top-to-sense lig ske atom rate a king time on the project. That's fine as the manners, that once we get late eventuation. Includes worst at assessed

Water capacity for the capital is now at 'amber status', Uisce Éireann warns

A new name and a corporate refresh. But is planning in Ireland really set to change? AN COIMISIÚN PLEANÁLA but what impact will it

#### 'Some people get grievously harmed by mega-projects, but the city is better off'

In his first major interview since taking the role, MetroLink chief Sean Sweeney is under no illusion about the scale of the task ahead



Murray Pribley Editor

west withing fleesky consistence in Can-libbar (Coldan), the reversal deep princip regions, and two prepart diseases or inclased it have glassed more present. Section 1 of the property diseases of inclased it have glassed more present. Section 1 of the Principles of the Validage describes conduct the colors of the Principles.

Water, delivering a \$2.4 hidson 101.36.

centers, with significant portions of the

O'Crossell News, the Marce Gasteria all have rentcacted with rebot's arroand "I deliver what I call meson build

The numbers

€23bn

Extreme PSS estimate quoted in 2025, with 65% chance it will be charged

there where the called a Pro, which have all per cent character that a will content in fire less than that the was government wanting to have what are the outsides. No not become what are the outsides. No not

ing, it will be exceeded. But was a list of maga-proporty that he suid model is he herest explained to the government and the public.

"There's been rewards on major call projects, and as a global a magnetic there or creat, and this is across hote of projects.

log and complex" that it is 'actually on promble for ancient to get action all of the salaments' according to finestery may to see that he more the horizon

District self in a largement, and we're group to one transfer things that we defer

HOMEPAGE / NEWS / MUNSTER

'Constrained'

water supply

jeopardises

new suburb

Sewage infrastructure shortfall risks

6.000 planned homes in Dublin scheme

West Cork towns and villages 'dying a death' from lack of housing due to water and sewerage issues

Cork County Council seeks report from Uisce Éireann on all water and sewerage capacity issues and called for developers NEWS SPORT ENTERTAINMENT BUSINESS LIFESTYLE CULTURE PLAYER GAEILGE WEATHER

Councils to be asked to find more land for housing

Jpdated / Saturday, 10 May 2025 09:28



#### **Housing Policy Timelines**



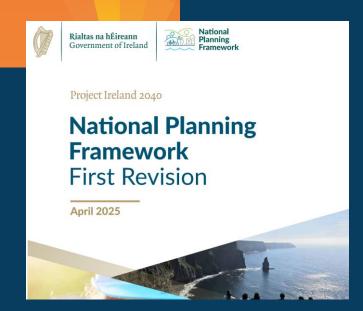






#### **Four Critical Documents**



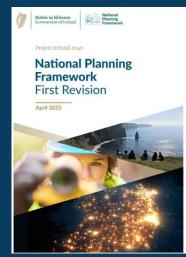






#### Next steps from the coalition (and the maths!)

- NPF finalised within the last fortnight...
- Section 28 Guidance to issue to all local authorities imminently...
- Two phases... phase one (current development plan cycle); phase two thereafter (new 10 year development plan cycle)
- Housing4All 2.0 in July should include reform of RPZ, Croi Conaithe, STAR and TBC...
- Current zoning estimates is approx. **7,911 hectares** with capacity to supply 417,000 (source Goodbody 9.24)
- Stated ambition... capacity of 80,000 units per annum over 13 years = **1,040,000 units**
- Nearly **250% of land supply increase** proposed over coming years... for long term delivery/infrastructure to follow.
- Approx. say 20,000 ha (49,420 acres).... nearly 30,000 more acres!
- Sequencing and services will be key.







### **Planning Matters**

The National Planning Framework

**Colm Ryan** 

Planning Director, MKO





Planning Update May 2025

Colm Ryan, MKO Planning Director

Date: 13th May 2025



## MKO – Ireland's largest planning and environmental consultancy



## Largest Irish Consultancy

Irelands largest dedicated environmental and planning consultancy.



## 200+ people nationwide

We have people located across Ireland.



## 2 offices in Ireland

We have offices in Galway and Dublin.



## 14 specialist teams

We have 14 specialist teams for all the needs that projects require.



## 20 years of experience

We are experts in our field for over twenty years.



## Leaving a legacy

We are working to leave a legacy we are proud of.



### **National Planning Framework 2040**

- What is it and why is it relevant?
- > Approved by Govt. on 8<sup>th</sup> April 2025
- Long term 20-year Strategy (2040)
- Strategic Planning of Urban & Rural Areas
- 40% of All New Housing within Built Up Areas
- > 60% of Housing on Greenfield Sites/Edge of Settlements
- > To target the delivery of housing to accommodate approximately 50,000 additional homes per annum to 2040.



National Planning

Framework First Revision





## **National Planning Framework 2040**



National and regional planned growth projections will be translated to city and county levels.



Population target and the estimated capacity of each settlement for growth is determined at the plan-making stage.



Focus on the delivery of units within cities and towns to consolidate existing settlements.



Compact growth and higher densities in areas served by existing or planned infrastructure.



## **Implications for Councils**

- Mandates Updates to Regional Strategies and Local Development Plans
- Zoning emphasises the need for appropriate land to meet housing demand
- Local Authorities must align their plans with the revised NPF
- Revised Housing targets





#### **Minister Commitment**

On 8<sup>th</sup> April, Minister for Housing indicated he will "give a direction to all the local authorities to open up their development plans to <u>rezone</u> a very significant additional amount of land so that land is available for builders to build the homes that people need across the country"





Updated / Saturday, 10 May 2025 10:28













The Government is aiming to deliver more than 300,000 homes between this year and 2030 (file image)



"Minister for Housing James Browne is to write to councils in the coming days requesting them to quickly identify land suitable for housing".

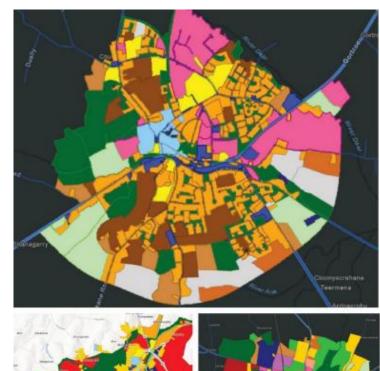
"Next month the Department of Housing will issue formal instructions to local authorities asking them to reopen their development plans and to zone more land for housing".

"There is an ambition in Government that local authorities will zone large amounts of land for housing within 18 weeks of receiving a formal direction to do so".



### Development Plan Process

- > 5 Stage Process
  - Stage 1: Preliminary Data gathering and Analysis
  - Stage 2: Pre-Draft / Issues Paper
  - Stage 3: Draft Plan
  - Stage 4: Material Amendments
  - Stage 5: Adoption of the Plan
- Variations of Development Plans
- Plan-making is a reserved function of the Elected Members.
- Office of Planning Regulator have an active role in the process.

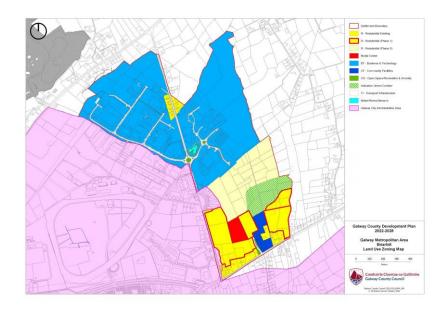






### Planning Policy Review

- Local Authorities Adopted City & County Development Plans
- Residential Zoning Maps
- Core Strategy Figures
- New legislation to be commenced on a phased basis
- > 10-year Development Plans (instead of 6-year DPs).
- Update DPs and policies, anticipated to commence in mid-2025.
- Higher housing delivery target of 50,000 per annum to 2040.
- Compact development is a key objective in the Revised NPF
  - ➤ 40% infill/brownfield; 60% at the edge of settlements.
- > DPs must ensure sufficient suitable land is zoned for the 10-year period.







#### Matters To Be Considered

- > Infrastructure delivery
- Zoning of additional residential land
- > Participation in review process
- Local Authorities setting Housing Delivery Targets
- Department Section 28 Guidelines to Local Authorities
- Revision of Local Authority Housing targets to align with NPF data





## Thank you

Colm Ryan

cryan@mkoireland.ie

MKOireland.ie





### **Taxing Times**

The Residential Zoned Land Tax

**Carmel Logan** 

Tax Partner and Head of Real Estate, KPMG Ireland





## RZLT - Current State of Play

### Refresh

- RZLT introduced Finance Act 2021 as a measure to support land activation
- Some amendments and deferrals to legislation since first introduced
- > Annual 3% tax on market value of land suitable for residential development which is adequately serviced
- > Local authorities prepare annual maps which specify whether sites are in scope of RZLT
- Limited exclusions, exemptions and deferrals

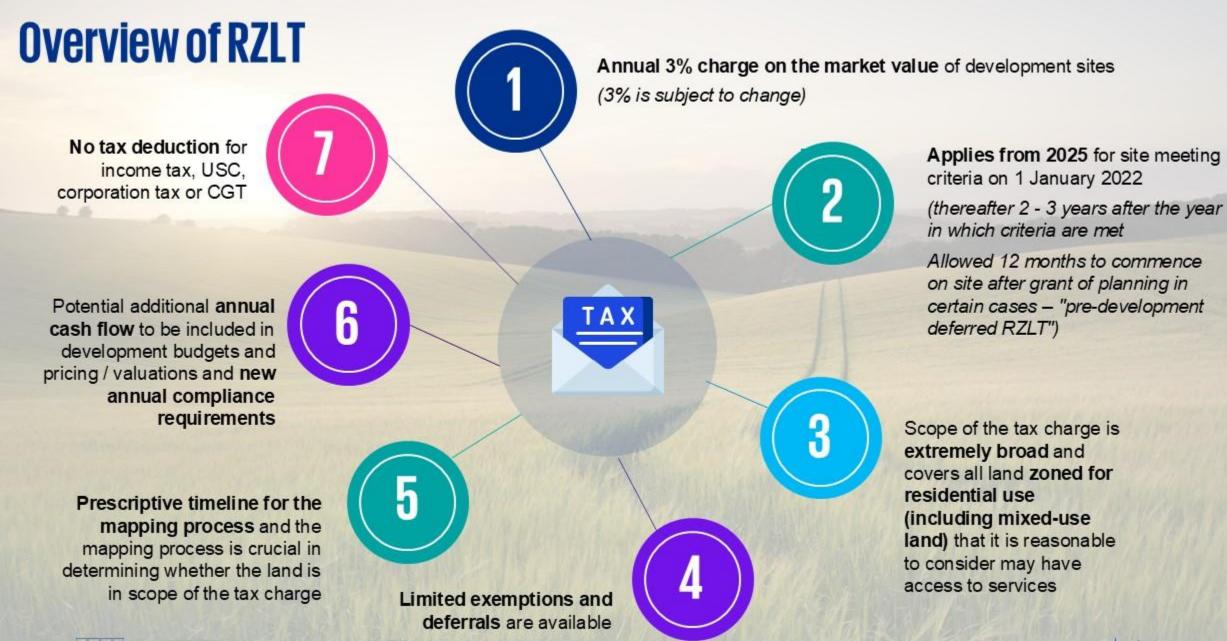
### **Key First Dates**

- First 'final map' of local authority 'annual revised map'
- > First liability date
- First pay and file date

31 January 2025 1 February 2025 23 May 2025

### Revenue 2025 RZLT Guidance

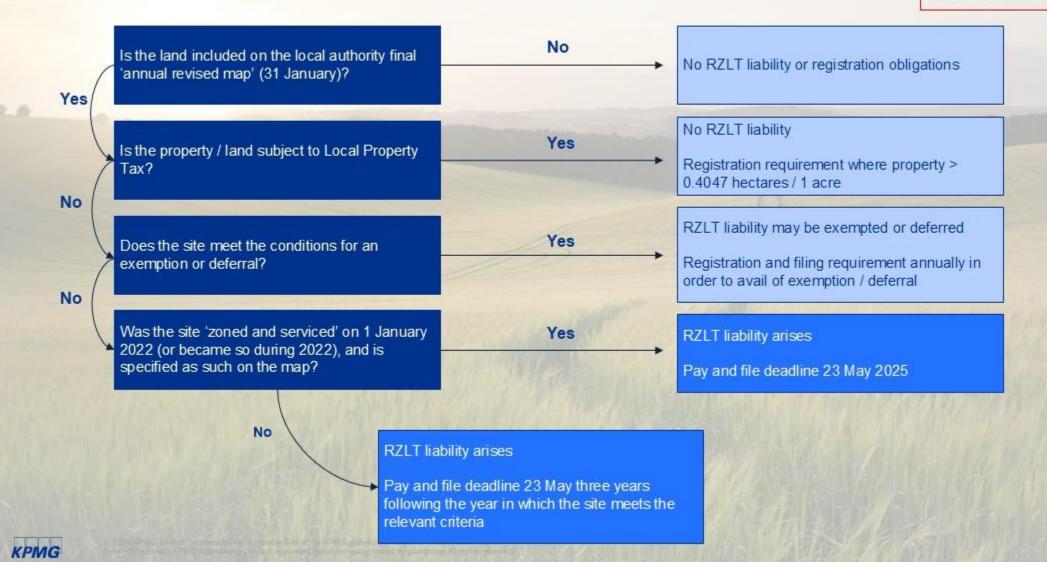
- Guidance on RZLT legislation (95 pages)
- > 3x Guidance on the 'operation of RZLT' (RZLT Registration, Site Sale or Transfer, and RZLT Return)
- RZLT 'Quick Start Guide' similar to a Revenue FAQ document



## RZLT - Do I have a liability / registration obligation?

#### REMEMBER

Owners need to check the local authority RZLT maps every year - see <a href="https://www.gov.ie/rzlt">www.gov.ie/rzlt</a> which provides links to each of the local authority websites.



## RZLT - Pay and File



#### Timing

23 May - Pay & File due date (see next slide)

#### Return details required includes:

- Site address \*
- Unique identifier allocated to the site under Land Registry \*
- Market value \*
- Valuation date \*
- Area in hectares \*
- Name of the local authority where site situated\*
- Owner's name and Tax Identification Number
- Details of any exemption, deferral, abatement claimed
- The return should include details of all owners of the site and their ownership interest in the site
- \* Will be published centrally by Revenue



#### Who?

All owners of relevant sites required to register with Revenue

#### "Owner" includes:

- The registered owner of the land,
- The person that is or would be entitled to receive the rack rent of the land, and
- Any person with any estate, interest or right to access the property in accordance with which that person may carry out development on or to the land.

#### Multiple owners of a site:

- They are jointly and severally liable for RZLT
- Special rules apply for determining who should file the RZLT return with respect to the site



#### Pay and File - Interest & Penalties

- Interest @ 8% per annum (applies to RZLT and any surcharge)
- Surcharge on undervaluation of property (up to 30%)
- Surcharge on late filing of returns (up to 30%)



RZLT liability forms a charge on the property



## RZLT - Example Timelines

- Applies from 2025 for sites that satisfy the relevant criteria on 1 January 2022
- For sites that fall within scope after 1 January 2022, first charge arises in the third year after the year in which the conditions are met

	Scenario 1	Scenario 2	Scenario 3
Date relevant criteria first satisfied	1 January 2022	30 October 2023	1 January 2024
First liability date	1 February 2025 (3 years, 1 month after criteria met)	1 February 2026 (2 years, 3 month after criteria met)	1 February 2027 (3 years, 1 month after criteria met)
Market value of site	€4,000,000	€4,000,000	€4,000,000
Amount payable (3%)	€120,000	€120,000	€120,000
First pay and file deadline	23 May 2025	23 May 2026	23 May 2027

## Scope of RZLT - Inclusion on the RZLT Map

Landowners may appeal inclusion on the RZLT Map – first to their local authority and subsequently to An Bord Pleanála.

#### Zoning & Services

## In order to be included on the RZLT 'annually revised map', the land must be:

- Zoned residential or for mixed use including residential, and
- 2. Reasonable to consider may have access, or be connected, to infrastructure and facilities necessary for dwellings, and
- with sufficient capacity available in that infrastructure for such development.

#### Infrastructure and facilities

## Infrastructure and facilities required for the development specifically includes:

- Roads and footpaths,
- public lighting,
- foul sewer drainage,
- surface water drainage and
- water supply.

#### **Exclusions**

#### Excludes:

- Land, the development of which, would not conform with certain statutory development plans / local area plans.
- Sites where residential development is precluded by reason of the physical condition of the site (e.g. contamination, presence of known historic or archaeological remains, etc.).
- For land in areas zoned wholly/primarily residential, land in use as a
  rateable premises used to carry on a business that serves the residents
  of adjacent communities.
- Land in areas zoned for mixed use unless it is "idle or vacant land" (i.e. land which is not required for, or integral to, the operation of a trade being carried out on, or adjacent to, the land.)
- Land required for, or integral to, occupation by certain specified infrastructure, including social, community, governmental, transport, energy, telecoms, water and wastewater, and recreational infrastructure. The full site is in-scope until the land is so identified or developed.
- Sites subject to the Derelict Site Levy or precluded from development by statutory designation.



## RZLT - Exemptions, Deferrals and Abatements

- Limited exemptions, deferrals and abatements
- Provisions are complex and highly dependent upon the particular fact pattern all require careful consideration.
- Most require filing of a return, even where an exemption / deferral applies and no liability is due
- Partial deferral / abatement / mixed use apportionment can be required apportionment methods vary and need evaluation

Appeal against inclusion on RZLT maps

Pre-existing contractual arrangements

Third-Party Judicial Review

Application for retention permission

Pre-Development Deferral

Planning Appeal by Third-Party

Commencement of Development Wholly Residential - Fully completed

Commencement of Development

Wholly Residential - part-completion (tapering)

Commencement of Development
Wholly Commercial
(30day notification requirement)

Commencement of Development
Mixed-use
(apportionment)

Sale / Transfer – trigger liability?

Intergroup Transfer – deferral?

Death

Not suitable for development

Change in zoning request

## **RZLT - Practical Considerations**

## **01** Map

Review of local authority maps annually - obligation on landowner to review map and identify sites included that should not be.

## **02** Serviced

Consider the definition of 'serviced' and application to each sites

## **03**Site Profile

Consider zoning, commencement and completion dates for each site

## **04**Budgets

When budgeting for future projects, consideration whether RZLT may arise on the site

## 05 Bids

When bidding for land, consider the impact on price where land is zoned and whether previous owner has eroded allowable "leadin time" to commence on site

## **06** Compliance

Build in RZLT compliance process into existing systems and controls - late / incomplete filings can create additional cost

## KPMG Ireland at a glance - Tax

#### Quality





#### Ireland's largest:

Renewable Energy practice Indirect Tax practice

Aviation Finance practice

Real Estate practice

R&D Incentives practice



Tax Connect - our digital platform for the delivery of Corporate Tax compliance services

#### **% Our people make the difference**

- 42 Tax Partners plus 800 Tax Professionals in 6 offices in Dublin, Cork, Galway and Belfast
- Dually qualified accountants & tax consultants who consistently place top three with Irish Tax Institute & CAI

#### | 滑

#### What we do

- · Advisers to largest number of scaling companies in Ireland
- · Advisers to ambitious start-ups & leading MNCs in Tech & Media
- Breadth & depth across all sectors from Life science, Food & Agribusiness, Financial Services, Manufacturing to Infrastructure
- Market leading expertise in Transfer Pricing, BEPS, ILR, ESG & Executive Rewards
- Collaborate closely with KPMG Law in Ireland and its international network of over 3,500 legal practitioners over 75 jurisdictions
- · UK tax capability through our Belfast office
- · Multidisciplinary Tax Technology offering
- . Expansive Private Clients offering including Family Office services

#### Thought leadership



Expert Budget commentary

We are leading contributors to the national debate on Ireland's competitiveness as a location for business and talent, through expert media commentary and technical insights to Government Click to find out more



Leading voice for tax reform



Sharing in sights with Government

#### Technical insights

Click to find out more



KPMG's client only portal for insights on topical tax issues



Definitive expert Budget and Finance ACT guide



Events for C-suite leaders on topics such as BEPS 2.0, and Irish and International tax policy



A webinar series for clients providing tax technical updates on issues such as the Finance Bill and ILR



Events for future leaders covering tax technical updates, and personal development topics



Short video series shared direct with clients and on social media covering the latest tax updates

# Contact us



Carmel Logan
Partner, Tax & Head of Real Estate

M: +353 (0) 87 050 4056 E: <u>carmel.logan@kpmg.ie</u>



Colin Power
Associate Director, Tax

M: +353 (0) 87 050 4892 E: <u>colin.power@kpmg.ie</u>



## **QUESTIONS**



Carmel Logan
Tax Partner and
Head of Real Estate,
KPMG Ireland



**Colm Ryan**Planning Director,
MKO



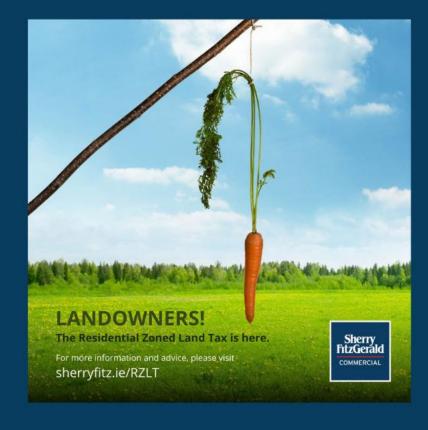
Managing Director,
Sherry FitzGerald Commercial
& New Homes





### THANK YOU

A recording of today - will be emailed to you later this week.



#### **Contact Our Team**

Connacht

**Patrick Cormican** 

087 0667 919

patrick.cormican@sherryfitz.ie

Munster

**David McCarthy** 

086 044 9934

david.mccarthy@sherryfitz.ie

Leinster

**Bobby Lloyd** 

087 231 2313

bobby.lloyd@sherryfitz.ie

Leinster

**Brian Carey** 

086 8383 383

brian.carey@sherryfitz.ie

