



CYPRUS - January 2017

CYPRUS PROPERTY TAXES IN 2017 1

Cyprus property taxes in 2017

There have been a number of changes to various property taxes in Cyprus in recent times and a summary of the impact of those changes for individuals with property on the island are summarised below.

RECENT changes to property taxes in Cyprus will benefit both those who have purchased property and those planning to purchase. Here is a summary of the taxes that apply as we enter 2017.

Immovable Property Tax payable to the Tax Department

Immovable Property Tax (IPT) was reduced in 2016 to approximately a quarter of that in the previous year and is abolished in 2017.

Property Tax payable to Communities and Municipalities

This 'local' property tax has not been abolished and those with property on the island will continue to pay this 'local' tax, which is calculated on the Land Registry's assessment of the 1980 value of the property.

Property Transfer Fees

The temporary reductions in Property Transfer Fees that that came into force in 2015 and applied to transfers that took place by 31 December 2016 was made permanent in July 2016.

(a) If VAT was paid on the purchase price of the property, no Property Transfer Fees are payable.

(b) If VAT was not paid on the purchase price of the property, the Property Transfer Fees are reduced by 50%.

However if the Director of the Land Registry considers that the price stated on the contract of sale does not reflect the market value of the property at its date of purchase he may, at his discretion, charge the full Property Transfer Fees based on the Land Registry's assessment of the market value of the property at its date of sale less the price stated on the contract of sale.

(The Department of Lands and Surveys has an on-line Transfer Fees Calculator .)

Capital Gains Tax

The Capital Gains Tax concession introduced in mid-2015 that exempted those who purchased property after it came into force and 31 December 2016 from paying Capital Gains Tax regardless of when the property was sold has not been extended.

As a consequence those who buy property in 2017 will be liable for Capital Gains Tax when they sell the property.

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IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.

Stamp Duty

Stamp duty is calculated on the value of the purchase agreement and remains unchanged at the rate of:

€0 to €5,000 – zero

€5,001 to €170,000 – 0.15%

Greater than €170,000 – 0.2%*

* Capped at a maximum of €20,000.

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