



# ALBANIA - October 2017

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## **ALBANIANS TO PAY NEW VALUE-BASED PROPERTY TAX AS OF JANUARY 2018 ..... 1**

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### **Albanians to pay new value-based property tax as of January 2018**

Citizens in Albania will start paying a new property tax as of Jan. 1, 2018, Albanian ministry of finance and economy (MFE) announced Wednesday.

The new tax is part of the 2018 state budget that the government submitted Wednesday to Parliament for approval, ministry said.

According to the ministry, the new property tax system will be based on the market value, different from the current fixed based tax.

Based on estimations, the tax is intended to increase at around 0.5 percent for citizens and to 0.15 percent of the property value to properties utilized for business purposes.

The ministry also informed in its press statement that government's properties, non-profit utilized property, social houses belonging to municipalities and religious-used property are exempt from the new tax system.

Meanwhile, the revenues from real estate property tax will be deposited into the budget of the local authority where the property is located.

The immovable property tax in Albania consists of three types of tax: tax on the building; agricultural land tax and land tax.

Referring to the draft law on the new property tax, it turns out the effect on the state budget revenues would be approximately 2.4 billion leks or 21.1 million U.S. dollars.