



# GREECE - August 2017

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**SYRIZA ORDERS PROPERTY SEIZURES IF ENFIA TAX UNPAID ..... 1**

**FEDERATION OF PROPERTY OWNERS ATTACK ENFIA PROPERTY TAX ..... 2**

**ENFIA PROPERTY TAX HITTING HOME AGAIN ..... 2**

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## **SYRIZA Orders Property Seizures if ENFIA Tax Unpaid**

Already buried under an avalanche of tax hikes imposed by the ruling Radical Left SYRIZA-led coalition – which promised tax cuts – Greek property owners were hit with another 3.15 billion euros (\$3.79 billion) in the ENFIA property tax surcharge the government swore to end.

Any of the 7.4 million property owners who are not able to meet the charge face the prospect of confiscation, the newspaper Kathimerini said. SYRIZA’s coalition, which includes the pro-austerity, marginal, jingoistic Independent Greeks (ANEL) also allowed banks to foreclose on homes of people who can’t pay mortgages because of big pay cuts, tax hikes, slashed pensions and worker firings, renegeing on another pledge.

Making it even worse, the ENFIA bills were based on valuations for properties far higher than they are, the newspaper said, in a bid to maximize revenues even from buildings that have little value or can’t be rented.

The bills were sent electronically through taxpayers accounts. Greece requires all tax filings be done online.

The tax extends all the way down to those who are required to pay because of income standards, which means one million people will receive bills under 50 euros (\$60.20) although 66,000 taxpayers are exempt and another 1.2 million will receive a 50 percent discount for similar reasons.

The tax can be paid in five monthly installments, starting in September.

The major rival New Democracy lashed out at the ENFIA bills that Prime Minister Alexis Tsipras said he would cease, but kept going on orders of the country’s international creditors to whom he surrendered.

“Our fellow citizens, who are already exhausted from paying taxes, now have to pay another 3.1 billion euros for ENFIA,” said New Democracy spokesman Vassilis Kikilias, pointing out Tsipras’ promise two years ago to scrap the tax and after that fell through, to reduce it.

Conservative leader Kyriakos Mitsotakis, who has taken big leads in polls, has pledged to reduce ENFIA by 30 percent during his first two years in power although SYRIZA noted the tax was first imposed under a New Democracy-led coalition.

The government also argued that it had reduced charges for those on lower incomes and accused New Democracy of “lacking the political courage” to admit that it was wrong to vote against it.

## **International Property Tax Institute**

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### Federation of property owners attack ENFIA property tax

The Panhellenic Federation of Property Owners (POMIDA) has voiced its opposition to the ENFIA property tax and the way it is calculated, pointing out the discrepancies between the market and taxable values of real estate in the country.

“It is immoral and outrageous that ENFIA and the other property taxes continue to be calculated on the basis of virtual values which have no relation to reality,” POMIDA said in a statement.

Leftist SYRIZA had promised to scrap the deeply unpopular tax, first introduced in 2011 as an emergency measure. POMIDA criticized the levy on private property as a “ransom payment.”

The federation said that ENFIA must be gradually reduced every year “until there is reasonable hope that it will be abolished.”

The amounts due in ENFIA were posted on taxpayers’ Taxisnet accounts on Monday.

The total bill comes to 3.15 billion euros, although the administration only expects to collect 2.65 billion euros of that.

Any of the 7.4 million property owners who are not able to meet the charge face the prospect of confiscation.

### ENFIA property tax hitting home again

The amounts due in property tax (ENFIA) were posted on taxpayers’ Taxisnet accounts on Monday, as the discrepancies between the market and taxable values of real estate in Greece continue.

The total bill comes to 3.15 billion euros, although the government only expects to collect 2.65 billion euros of that. Any of the 7.4 million property owners who are not able to meet the charge face the prospect of confiscation.

Around half a million homeowners have to pay extra tax, totaling 630 million euros. Meanwhile, just over 1 million owners will pay less than 50 euros each in ENFIA. More than 66,000 taxpayers are exempt from having to pay the levy at all because of a lack of income. Another 1.2 million will receive a 50 percent discount for similar reasons.

The tax can be paid in five monthly installments, starting in September.

However, there is still a large gap between the so-called “objective” values of properties used by tax authorities to calculate the levy on each building or plot of land and their market value. There have been cases of properties being sold for 70 percent below the market value.

The gradual publication online of taxpayers’ ENFIA statements also sparked a political clash between the government and the opposition on Monday. “Our fellow citizens, who are already exhausted from paying taxes, now have to pay another 3.1 billion euros for ENFIA,” said New Democracy spokesman Vassilis Kikilias. He highlighted that Prime Minister Alexis Tsipras had promised to scrap the tax two years ago and to reduce the charges last year. Conservative leader Kyriakos Mitsotakis has pledged to reduce ENFIA by 30 percent during his first two years in power.

The government responded by dismissing New Democracy’s comments as “cheap” and pointed out that the tax had been brought in by a coalition led by the conservatives. The government also argued that it had reduced charges for those on lower incomes and accused New Democracy of “lacking the political courage” to admit that it was wrong to vote against this reduction.

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