



## GREECE - October 2017

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### LARGE PROPERTY TAX BEING MULLED..... 1

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#### Large Property Tax being mulled

The government is considering getting rid of the Single Property Tax (ENFIA) and bringing back the Large Property Tax (FMAP) next year, provided that Finance Ministry committees manage to harmonize property prices used for tax purposes (known as “objective values”) with actual market rates.

According to a government official, if that difficult process is completed successfully, a bill will be tabled in Parliament for the adjustment of objective values and the replacement of ENFIA with FMAP.

The official added that the state will still expect to collect 3.2 billion euros from property taxation because that is the sum the agreement with the country’s creditors provides for. As it is the government’s responsibility to determine how the tax burden is distributed, Athens intends to slash the dues of small owners and shift the burden to big properties.

However, the same official conceded that the completion of the committees’ task by the end of the year – as is necessary for the timely change in the property taxation – appears particularly difficult.

Deputy Finance Minister Katerina Papanatsiou told a conference on Wednesday that “our aim is for ENFIA to be replaced by a tax on large properties that will be progressive.”

On the matter of bringing objective values down to market prices, the minister said the creation of second-level committees is being promoted, adding that they will be tasked with checking the findings of 75 local (or first-level) committees.

The second-level committees will aim to factor in any local distortions that have been observed in the past.

Papanatsiou argued that there are many areas where objective values are below the going rates. She also reiterated the ministry’s decision not to revise any other parameters (such as how popular an area is) for determining zone values, and the plan for the incorporation of rental rates in the online system that will provide values for every zone, especially those with little