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ESTONIA NEEDS REAL ESTATE TAX DEBATE..... 1

Estonia needs real estate tax debate

Former EU commissioner and mayor of the municipality of Viimsi, Siim Kallas, said that the funding policy of local governments should be reviewed, and the taxation of real estate also be considered.

Kallas said that at one point real estate tax was one of the arguments when developing tax policy, where it was seen as one of the components of the income base of local governments. "Nevertheless, it was decided to abandon it for political reasons then. Today, the revival of the real estate tax debate is essential," Kallas said in a press release.

"The income of people has for a long time not been only based on salaries, but there are various income sources, including dividend income, which is not paid into the income base of a local government. When in 2002 there were approximately 26,000 people, who took dividend income in Estonia, then in 2017 there are already over 70,000 people who do so," Kallas said.

"Ideally local governments should be completely self-sufficient, which means that it is more important than ever to think about how to bring in income and not only deal with the redistribution of money," the municipality mayor said.

Kallas sees the pilot project compiled based on the example of the Viimsi municipality as an opportunity to start a wider nationwide discussion for changing the funding policy of local governments. The period of time during which the project is realized is from August 1 to January 26 and is made up of three substages.

The final seminar of the pilot project for increasing the income base of the Viimsi municipality will be held at the Viimsi cinema on Monday. According to Kallas, the funding policy of local governments must be reviewed and updated.