



GREECE - March 2018

GREEK PROPERTY TAX REVENUES ARE DECREASING IN 2017..... 1
BIGGER TAX BILL FOR OWNERS OF LARGE PROPERTY 1

Greek property tax revenues are decreasing in 2017

Greek property tax revenues are decreasing, as in 2017 in the Treasury entered only 3.02 billion EUR. An year ago the Single Property Tax (ENFIA) revenues were 340 million more, to 336 billion EUR. The reason for the decrease are court rulings against levies, as well as reliefs received by landowners affected by earthquakes last year.

The fears of the finance ministry are that this year revenues will be further reduced due to the forthcoming tax assessment, which will reduce rates in the most expensive regions in the country.

The expectations in Greece are that the differences will be covered by additional tax on owners, whose total value of the property exceeds 200,000 EUR. At present, 500,000 property owners in Greece are paying extra – a total of 629 million EUR last year.

This year, however, the sum raised will probably reach 1.1 billion EUR.

In June 2016 the government decided to hike the tax rate on the entire set of AEEAP assets (properties and deposits) from 0.105% to 0.75% per annum. There was also an increase in the supplementary property tax, imposed on top of the Single Property Tax (ENFIA) for the properties that AEEAP firms utilize, amounting to 0.55% from 0.25% previously. All this was expected to lead to growth in treasury revenues, but unfortunately the government failed to achieve its goals.

Bigger tax bill for owners of large property

A number of court decisions and the exemption of property owners who have suffered damage due to earthquakes resulted in a 340.6-million-euro shortfall in the revenues expected from the Single Property Tax (ENFIA) last year.

ENFIA revenues came to 3.36 billion euros in 2016, but in 2017 they dropped to 3.02 billion. This has raised serious concerns at the Finance Ministry, as this year the hole may be even larger due to the upcoming adjustment of the taxable property rates (known as “objective values”), which in the most expensive areas will likely be reduced.

In that case the ministry will need to adjust its ENFIA rates, adding to the load imposed on taxpayers. It is likely that owners of properties valued at 200,000 euros and over will have to pay more, so that the reduction of the ENFIA takings by more than half a billion euros will be offset through the supplementary property tax.

At the moment more than 500,000 property owners in Greece pay the supplementary tax, amounting to 629 million euros last year. Now, this tax, which is imposed on property owners whose total real estate assets are valued at over 200,000 euros, is expected to soar to some 1.1 billion euros.

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