



SLOVENIA - February 2019

REAL ESTATE TAX PUT OFF AGAIN 1

Real estate tax put off again

Contrary to previous announcements, the Finance Ministry has now said it will be impossible to introduce the new real estate tax in 2020 as planned because data on some types of property remain faulty.

"Even though much has been done in recent years, not all the registries have been put in order to such an extent as to remove obstacles to the introduction of the real estate tax," the ministry told the STA.

The new tax, which is to replace the current levy for the use of building land, property tax and forest road fee, has been years in the making and put off several times because of its unpopularity.

An earlier attempt at introducing such a tax failed in 2014 after the Constitutional Court quashed the property appraisal act, which was to underpin the new system.

"The biggest obstacle to the real estate tax at the moment is that data on actual use of land for public roads and public railway infrastructure will probably not be available in time," the ministry said.

It specified that the most problematic issue was data on municipal public roads.

One problem could be if such plots were to be exempt from tax, considering that a large section of such infrastructure is still located on privately held land.

The Finance Ministry has been encouraging municipalities to do their part of the job in terms of these data, because receipts from the real estate tax would be their source of revenue.

"All obstacles to introducing the real estate tax will have been removed once these data have been put in order as well," the ministry said, adding that this was the job of the ministries of environment and infrastructure.

Earlier this month, the newspaper Dnevnik reported that compiling a census of 1,200 kilometres of rail tracks and 39,000 kilometres of state and municipal roads did not begin until recently, mainly due to delays at the Infrastructure Ministry.

The legislation for the registering of the actual use of land for public roads and railway infrastructure was adopted in February 2018 and the appertaining rules only just before the end of 2018.

The census of plots of land with state roads is to be completed by June, but the problem is said to be the 32,000 kilometres of local roads which local officials do not think will be completed in less than two to three years.

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