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Property Tax and Assessment News from Around the World

Greece – June 2019

Greek property tax among the highest in Europe

Washington-based think tank, the Tax Foundation, found that over-taxation was growing in Greece following a study of data from the Organisation for Economic Development (OECD).

The Tax Foundation examined the tax burden on ownership and its ratio to tax revenues of properties in Greece and found that Greek property owners were among Europe's most heavily burdened by taxes. The study found that most countries both in Europe and globally have a particularly low ratio of property ownership taxes to total tax revenues averaging at 4.6 per cent of all tax takings in the EU. In Greece, the figure was at 8.1 per cent. At the other end of the spectrum, Estonia collects just 0.7 per cent of its tax takings from property, followed by Austria, Lithania, Slovakia and the Czech Republic where the number ranges between 1.3 and 1.4 per cent.

Greek property taxes had particularly risen following 2007, when the rate of Greece stood at 5.3 per cent against the OECD member average of 5.5 per cent. Since then, the Greek ratio has risen to reach 8.9 per cent in 2013 with the imposition of EETIDE, the property tax collected through power bills. The single property ENFIA tax has also meant an 68 per cent increase in the ratio of property taxes in Greece within just six years. The ENFIA load was somewhat eased up during the government of Antonis Samaras when it was reduced to 8 per cent, however it had grown to 8.4 per cent under the government of Alexis Tsipras in 2004 despite his pre-election promises of eradicating ENFIA, which was initially introduced as a one-off tax burden.

In a new promise made prior to the July 7 Greek government elections, the SYRIZA government has pledged an average ENFIA reduction of 10 per cent for this year.

Property tax a heavy burden for Greeks

Greek property owners are among Europe's most heavily burdened by taxes, according to a study by Washington-based think tank the Tax Foundation that examines the tax burden on ownership and its ratio to all tax revenues.

A few weeks before the general election, and while the discussion on overtaxation is growing, the Tax Foundation study, which is based on data from the Organization for Economic Cooperation and Development (OECD), illustrates that most countries both in Europe and globally have a particularly low ratio of property ownership taxes to total tax revenues.

Data analysis shows that property taxation in Europe averages at 4.6 percent of all tax takings. However, in four European Union states, including Greece, the situation is very different.

In the United Kingdom taxes on realty come to 12.6 percent of tax revenues, followed by Luxembourg with 9.6 percent, France with 9.5 percent and Greece with 8.1 percent. At the other end of the chart, Estonia collects just 0.7 percent of its tax takings from property, while in Austria, Lithuania, Slovakia and the Czech Republic the figure ranges between 1.3 and 1.4 percent.

The study also showed Greece has always been at a higher level than, or at least on a par with the European average. After 2007, when the rate in Greece stood at 5.3 percent against an OECD member average of 5.5 percent, the Greek ratio kept rising, to reach 8.9 percent in 2013, originally with the imposition of EETIDE – the property tax collected through power bills – then ETAK, and then ENFIA with its supplementary tax on asset ownership over 250,000 euros. This has meant an increase of 68 percent in the ratio of property taxes within just six years.

The lightening of the ENFIA load in 2014 by the government of Antonis Samaras reduced the ratio to 8 percent, before it rose to 8.4 percent under Alexis Tsipras' administration in 2015 and eased to 8.1 percent in 2017 due to the increase in other taxes. The government has promised an average ENFIA reduction of 10 percent for this year.