



GREECE – May 2019

SOME 750,00 PROPERTY OWNERS NOT TO BENEFIT FROM ENFIA CUT 1

PROPERTY RATE ADJUSTMENT TO BE PASSED ON TO THE NEXT GOV'T 1

SYRIZA’S ENFIA PROPERTY TAX CUT LEAVES OUT 750,000 PROPERTY OWNERS 2

Some 750,00 property owners not to benefit from ENFIA cut

More than 750,000 property owners, who account for 50 percent of the annual revenues stemming from the Single Property Tax (ENFIA), will see no drop in their ENFIA dues this year, which effectively leaves the middle classes out of the 2019 tax reduction.

These owners, who pay the state some 1.3 billion euros altogether as regards their real estate assets and each have total property of a taxable value (known as “objective value”) of more than 202,857 euros, will not be entitled to any reduction in their ENFIA payment this year as that value level is the threshold above which the discount of 100 euros per owner does not apply.

Data show that 3.49 million owners with properties valued at up to 60,000 euros each will benefit by 50-55 euros on average; another 1 million owners with assets worth 60,000-100,000 euros will see their ENFIA dues shrink an average of 70-80 euros compared to last year; and owners of property valued at between 100,000 and 150,000 euros will be 55 euros better off this year on average.

Moreover, fearing the reaction of thousands of property owners, the government has decided that the property levy will this year be calculated according to the zone rates applying since January 1, 2019, and not those that will be determined by end-June. This solution serves the planning of the government that would under no circumstances wish to see Greek households receive an increased ENFIA bill because of the adjusted zone rates in the middle of the summer.

For the first time, the ENFIA pay notices will be uploaded in late July on the Taxisnet online system, and payment will begin from late August for the first installment, instead of end-September as has been the case in recent years. It will also be completed by end-December in five monthly tranches.

However, should the Finance Ministry extend the deadlines for the income tax statement submission (although the system accepting the statements has opened earlier than ever this year), the first ENFIA tranche will not be due before end-September

Property rate adjustment to be passed on to the next gov't

The hot potato that is the adjustment of the property rates used for tax purposes – known as objective values – has been forwarded to the next government. The announcement of the snap poll means that this obligation to the country’s creditors will have to be postponed until the new Finance Ministry leadership emerges after the July 7 election.

International Property Tax Institute

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Finance Ministry officials note that the competent agencies have long since prepared the new zone prices that were put on ice by the ministry's political administration due to uncertainty over when the parliamentary election would take place.

Sources say the agencies have now examined last year's valuations by the special property surveyors, which in many cases would lead to greater objective value hikes than those the ministry eventually decided. In order to avoid taxpayer discontent, the government has decided to keep the objective values at the same level, passing the obligation on to the next government.

Ministry officials say there is a risk of a rise in 4,132 areas around the country where the government had decided last year to keep the values frozen. These areas have seen their market value rise, partly due to the growth of short-term holiday rentals.

SYRIZA's ENFIA Property Tax Cut Leaves Out 750,000 Property Owners

ATHENS – Prime Minister and Radical Left SYRIZA leader Alexis Tsipras' touted cut in the hated ENFIA property tax surcharge – four years after he said he would do it – won't include some 750,000 property owners, mainly the middle class.

These owners, who pay the state some 1.3 billion euros (\$1.45 billion), and whose property or homes have an objective taxable value of more than 202,857 (\$226,554) will not be entitled to any reduction in ENFIA payments, said Kathimerini.

That's because that value level is the threshold above which the discount of 100 euros (\$111.68) per owner does not apply although they are the sector that Finance Minister Euclid Tsakalotos admitted was deliberately overtaxed so that the government, sliding in surveys in an election year, could give handouts to lower-income groups.

Data show that 3.49 million owners with properties valued at up to 60,000 euros (\$67,009) each will benefit by 50-55 euros (\$55.84-\$61.42) on average; another 1 million owners with assets worth 60,000-100,000 euros (\$67,009-\$111,682) will see their ENFIA dues shrink an average of 70-80 euros (\$78.18-\$89.35) compared to last year; and owners of property valued at between 100,000-150,000 euros (\$111,682-\$167,522) will be 55 euros (\$61.42) better off this year on average, the paper said.

The government said ENFIA this year be calculated according to the zone rates applying since January 1, 2019, and not those that will be determined by end-June in an apparent bid to mitigate the effect of how many wouldn't benefit.

For the first time, the ENFIA pay notices will be uploaded in late July on the Taxisnet online system, and payment will begin from late August for the first installment, instead of end-September as has been the case in recent years. It will also be completed by end-December in five monthly tranches.

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