



## LATVIA – June 2019

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### Contents

PM KARINS PROMISES TO MAKE SURE PROPERTY TAX DOES NOT CLIMB TOO STEEPLY .....	1
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### **PM Karins promises to make sure property tax does not climb too steeply**

RIGA - As the government decides on changing the cadastral values of real estate and consequently also property taxes, Prime Minister Krisjanis Karins (New Unity) is determined to make sure the rise of property taxes is not too steep.

The premier said in an interview to LNT TV channel this morning that the reform is planned in three stages. First, the cadastral value of properties would be adjusted to their market value. Then analysis will follow to figure out how the new cadastral values will affect property taxes, and then the government will consider a reduction of property tax rates to prevent the taxes from rising excessively steeply and to ensure balanced tax payments in all Latvia.

Karins said that the idea to lift property tax on one's only home was also being considered but made no promises in that respect, citing the necessity to complete detailed calculations. We are not going to make any rushed decisions, the politician said.

As reported, after a new system for calculating properties' cadastral values is passed, cadastral values of many real estate properties will increase, which is why the new rules' effect on property taxes has to be thoroughly analyzed. The reform is intended to bring properties' cadastral value in line with their market value.