



# Greece – November 2019

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## **NEW ENFIA PROPERTY TAX CUTS EXPECTED IN GREECE NEXT MAY ..... 1**

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The number of additional revenues the government projects it will collect from the inclusion of new areas in the objective values system will determine the size of the new Single Property Tax (ENFIA) reductions planned for 2020, ekathimerini.com reports.

The Finance Ministry’s plans in this second ENFIA cut in as many years chiefly concern small and medium-sized properties, mostly situated in areas where objective values – the property rates used for tax purposes – are low compared to market prices.

ENFIA was 22 percent lower on average this year than in 2018: Small properties with an objective value of up to 60,000 euros enjoyed a 30 percent ENFIA drop, while larger ones (over 1 million euros) saw a 10 percent reduction.

Other properties were subject to a reduction varying from 20 to 26 percent.

Finance Minister Christos Staikouras noted on Wednesday that the further reduction of ENFIA in 2020 will depend on whether the inclusion of new areas in the objective values system creates the fiscal leeway. The answer to this question is expected next May.

“It is possible that there will be some additional leeway for households that pay a high amount in taxation in May,” the minister noted, adding that the reductions will not come to more than 10 percent, in addition to this year’s cuts.

It is calculated that an additional 400-500 million euros of revenues will enter the state coffers next year due to the inclusion of some 7,000 additional areas in the system, as well as the adjustment of the existing values of all properties in an attempt to bring them closer to market rates.

Part of that is seen leading to the easing of the supplementary property tax that concerns large properties, which fits in with Staikouras’ comment about “households that pay a high amount in taxation.”

The Finance Ministry is also considering reducing the taxation on inheritances and parental concessions, by raising the tax-free threshold that currently stands at 150,000 euros.

### **International Property Tax Institute**

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