



MASARYK UNIVERSITY
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Tax on Property Transfers

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Property Transfer Taxes

- VAT (NETH, SPA - rules to avoid double taxation)
- Stamp duties
- Inheritance tax
- Gift tax
- Income taxes
- Property-value increasement taxes

- PROPERTY TRANSFER TAXES



Advantages

- Property is immovable - fixed in location
- It is impossible to hide the property
- There is always a value of the property
- Property is registered
 - Transfers are public and registered
 - Taxpayers are easily identifiable
- Is the property transfer registered before or after the payment?
- Easy to administer, low administration cost



Disadvantages

- Second tax (income tax, annual property tax, VAT)
- Unfair tax: the decision of Czech Constitutional Court argued that this is a politicum
- Benefits for taxpayer??? - Registration and protection of rights
- Other legal acts not to tax property transfers
- Undervaluation of property
- Deformed market



Movable property transfer tax

- Easy to avoid taxation
- What is to be taxed?
- What is the value?



Types of property transfer taxes in EU

- Transfer tax: AUS, CRO, GER, FIN, GRE, HUN, NETH, POL, PORT, SLO
- Registration tax: BEL, FRA, ITA, LUX
- Acquisition tax: BUL, CZE
- Capital Tax: CYP (capital gains), SPA (capital transfers)
- Stamp duty: GB (land tax), IRL, SWE
- Tax on sale: DEN
- Duty: LAT (for consolidation of ownership), MAL (property transfers)
- No transfer taxation: EST, LIT, ROM, SVK



Taxpayers

- Buyer: BEL, BUL, CRO, FIN, FRA, GRE, IRL, LAT, LUX, MALT, NETH, POL, PORT, SPA, SWE, GB
- Seller: DEN, CYP, CZE, SLO
- Both: AUT, GER, ITA
- Contract?: BUL, CZE, GER
- Surety?: BUL (in case of contract buyer), CZE (byuer)



Object of taxation

- Transfer / Acquisition of the property
- Transfer of the title to property
- Sale by public auction

Tax base

- Contract price: AUS, BEL, DEN, GB, GER, IRL, LAT, MAL, SLO, SPA, SWE
- Price vs. Market value: FIN, FRA, GRE, NETH
- Price vs. Taxable value: PORT
- Assessed value: BUL
- Market value: CRO, ITA, LUX, POL
- Re-evaluation of the cadastral income: ITA for houses purchased by private persons
- Net profit: disposal proceeds less the greater of the cost or market value as at 1st Jan. 1980 as adjusted for inflation: CYP
- Costs are often deductible from the tax base



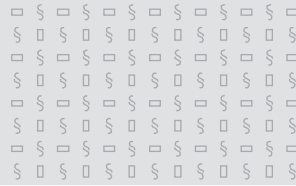
Tax base II

- Re-evaluation of the cadastral income: ITA for houses purchased by private persons
- Net profit: disposal proceeds less the greater of the cost or market value as at 1st Jan. 1980 as adjusted for inflation: CYP
- Costs are often deductible from the tax base



Tax base set by

- Central authority
- BEL(central and regional authority)



Tax rate

- PORT: 0-8 % progressive, depend on type of the property and location
- BUL: 0,1-3 %
- IRL: 1-2 %, GB 1-15 % progressive
- SWE: 1,5 % for natural persons, 4,25 % for legal persons
- POL, SLO: 2 %
- LAT: 2-6 % depends on type of the property, discounts for relatives
- GRE, ITA: 3 %
- MAL: 3-5 % degressive



Tax Rate II

- AUT, GER: 3,5 % (2 % for relatives in AUS; decision of lands in GER)
- FRA: 3,8 - 4,5 depends on departments + 1,2 % additional local tax
- CZE, FIN: 4 %
- CRO: 5 %
- BEL: 5-12,5 % depends on region
- LUC, NETH: 6 % (2% for dwellings in NETH)
- SPA: 6-7 % depends on location
- CYP: 20 %
- DEN: taxed by income taxes



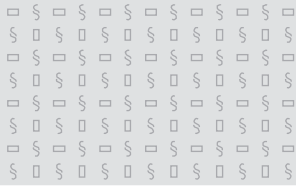
Tax rate set by

- Central authority
- BEL, SPA, PORT (central and regional authority)
- GER - regional authority
- BUL - local authority
- FRA - central, regional and local authority



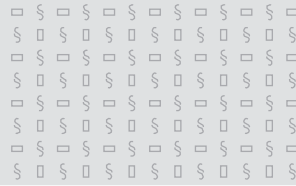
Correction components

- For relatives
- Public institutions, charities, public benefit associations, churches, Red Cross, etc.
- Protection of environment
- Low value, especially used as permanent residence
- In the act, sometimes depend on local or regional authorities



Tax reliefs set by

- Central authority
- BEL, SPA (central and regional authority)
- FRA, PORT (central, regional and local authority)



Tax administrator

- State tax offices
- Region: FRA, GER
- Local authority: BUL, SPA
- Professional intermediaries like notaries: BEL
- Land register: LAT



Beneficiary

- Central authority - generally
- Regional authority - GER, SPA
- Local authority - BUL, FRA, SLO, POL, PORT
- Shared - BEL, ITA (central and regional), AUS, CRO, GRE (central and local)



Conclusion

- Self-application
- Easy to calculate, especially the tax base



Thank you for your attention