



## New law reduces annual real estate ownership tax rates and modifies installment payment rules

Law 4621/2019, which was approved by the Greek parliament on 31/07/2019, significantly reduces the Annual Real Estate Ownership Tax (ENFIA) paid by individuals. The ENFIA, which is comprised of a main tax and a supplementary tax, is levied on real estate located in Greece, owned by legal entities and individuals. The new legislation also makes improvements to the installment payment option for tax liabilities that was introduced in May 2019 (L.4611/2019).

Specifically, the law provides, effective from 1.1.2019, certain percentage reductions in the total amount of ENFIA due depending on the total value of the real property, as follows:

- Value up to EUR 60,000: 30% reduction;
- Value up to EUR 70,000: 27% reduction;
- Value up to EUR 80,000: 25% reduction;

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- Value up to EUR 1 million: 20% reduction; and
- Value above EUR 1 million: 10% reduction.

The following changes are made to the rules on the installment payment option for tax liabilities:

- Not-for-profit entities may pay their tax liabilities in up to 120 installments (previously 36 installments) if their total tax liability is EUR 1 million or less;
- The minimum monthly installment is reduced to EUR 20 (from EUR 30);
- The annual interest rate imposed on installment payments until the tax liabilities are paid in full is 3% (reduced from 5%);
- Interest and surcharges are further reduced if the taxpayer makes an advance payment that equals at least twice the amount of the monthly installment and the payment is made when the taxpayer files an application to benefit from the installment regime. The benefit will be equal to the amount of the advance payment made by the taxpayer;
- Tax liabilities that are certified at the time the taxpayer elects the installment payment option and that relate to fiscal periods up to 31 December 2018 may benefit from the new provisions provided the deadline for filing the return for those liabilities expired before 31 December 2018; and
- Taxpayers may elect to apply the new provisions to tax liabilities that already were subject to the previous rules (i.e. L.4611/2019).



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