

Neapolis University

HEPHAESTUS Repository

<http://hephaestus.nup.ac.cy>

Department of Real Estate

MSc in Real Estate

2015

Attributes of EU property taxation policies: lessons for Greece and Cyprus

Vertsoni, Anastasia

Real Estate Program, School of Architecture, Land and Environmental Sciences, Neapolis University Pafos

<http://hdl.handle.net/11728/7045>

Downloaded from HEPHAESTUS Repository, Neapolis University institutional repository



ATTRIBUTES OF EU PROPERTY TAXATION POLICIES.
LESSONS FOR GREECE AND CYPRUS.

by

VERTSONI ANASTASIA

MSc in Real Estate

Neapolis University Pafos

Pafos, Cyprus

2015

Submitted to the Faculty of School of Architecture, Land and Environmental
Sciences

in partial fulfillment

of the requirements

for the Degree of

MASTER OF SCIENCE

7 D E O H R I & R Q W H Q W V

Acknowledgements	3
Abbreviations	4
Summary	5
1. Introduction	9
2. Literature Review	10
2.1. Attributes of Real Property Tax	10
2.1.1. Classifications of property tax	11
2.1.2. The Advantages and Disadvantages of the Real Property Tax	11
2.1.3. The necessity for the appropriate legal framework in property taxation	12
2.1.4. Indicators for successful tax legislation framework	13
2.1.5. The rationale of the differences among EU countries property taxation systems	15
2.2. Overview of property tax regimes in European Union	15
2.2.1. Property taxes data	16
2.2.2. Determination of the tax base	24
2.2.3. Frequency of reassessment	27
2.2.4. Vertical & Horizontal Equity	28
2.2.5. Tax rate	29
2.2.6. The resulting tax revenue	30
2.2.7. Tax reliefs	31
2.3. Greece property tax regime	31
2.3.1. Overview of property taxes	31
2.3.2. Deeping in Real property tax	32
2.3.3. Tax base	33
2.3.4. Property Valuation	34
2.3.5. Tax revenue received-Exceptions-Reliefs	34
2.3.6. Problems about the property tax system in Greece	35
2.4. Cyprus property tax regime	38
2.4.1. Overview of property taxes	38
2.4.2. Immovable Property Tax bands & Transfer fees	39
2.4.3. Property valuation	41

2.4.4. Exemptions-Reliefs	42
2.4.5. Problems about the property tax system in Cyprus	43
3. Methodology	44
4. Analysis of information collected and examined	45
5. Limitations.....	48
6. Conclusions and recommendations	48
7. References	51
8. Appendix.....	54
8.1. Austria	54
8.2. Belgium	55
8.3. Bulgaria	56
8.4. Croatia.....	57
8.5. Czech Republic	58
8.6. Denmark.....	59
8.7. Estonia	59
8.8. Finland	60
8.9. France	61
8.10. Germany.....	62
8.11. Hungary.....	62
8.12. Ireland	63
8.13. Italy.....	64
8.14. Latvia.....	65
8.15. Lithuania.....	66
8.16. Luxembourg	67
8.17. Malta	68
8.18. Netherlands	70
8.19. Poland	71
8.20. Portugal.....	72
8.21. Romania	73
8.22. Slovakia.....	74
8.23. Slovenia.....	74
8.24. Spain	75

8.25. Sweden	76
8.26. United Kingdom.....	77
8.27. Property tax graphs	79

/ L V W R I 7 D E O H V

Table 1. Indicators for successful tax legislation.....	14
Table 2. Benchmarks Used to Classify Use of Taxes on Property in Europe.	17
Table 3. Base and Basis of Taxes on Immovable Property in Europe.	22
Table 4. GDP per capita in 28 EU countries.	22
Table 5. Composition of property taxes as percentage of GDP in 2012. Emphasis on the total across series for each category.....	24
Table 6. EU countries map demonstrating the ad valorem and area based tax systems.....	27
Table 7. The tax bands of Cyprus Immovable Property.	39
Table 8. Graphically demonstrated the tax bands of Cyprus Immovable Property.	40
Table 9. Graphically demonstrated the transfer tax bands of Cyprus Immovable Property.....	41
Table 10. Taxes on property as percentage of total taxation.	79
Table 11. Recurrent property taxes as percentage of total taxation.....	80
Table 12. Taxes on immovable property as percentage of GDP.....	81
Table 13. Recurrent property taxes as percentage of GDP.	82
Table 14. Real GDP growth (annual rate).....	83