



## Recent real estate tax developments

On 6 December 2022, the new tax bill was ratified by the Greek Parliament. The new law incorporates, among others, the extension of specific tax suspensions that are expected to stimulate the Greek real estate market. Furthermore, the same bill gives the opportunity for corrections to the recent increases of objective values of real estate.

### **i. Extension of the optional VAT exemption on the sale of new buildings until 31 December 2024**

For two more years, the sale by constructors of buildings that would normally be subject to 24% VAT will be exempt from VAT, provided that the constructor/seller opts to suspend the VAT on such sales. The exemption covers both buildings that have been completed with building permits following 1.1.2006, as well as those that will be built by the end of 2024.

### **ii. Further extension of the suspension of capital gains tax on profits from real estate transactions by private individuals until 31 December 2024**

The imposition of the 15% capital gains tax on the disposal of real estate property by private individuals, that has been introduced as of 1.1.2014 and has been suspended since 1.1.2015, was once again postponed for two additional years, i.e. until 31 December 2024.

### **iii. Window for corrections to objective values until 20.01.2023 affecting areas with significant increases as of 1 January 2022**

Municipalities whose opinion was considered not to have been duly taken into account during the recent readjustment of the objective values that apply from 1 January 2022 are given the right to submit anew reasoned opinions with specific data to the Ministry of Finance by 20 January 2023. Based on these data, the Ministry of Finance may proceed with expeditious procedures to corrections of the zonal values in specific areas where zonal values are found to be higher than the market ones. Areas that may be impacted are, among others, various municipalities in Attica, Crete and Chalkidiki. Relevant corrections, if approved by the Ministry of Finance by means of ministerial decisions, are expected to result in fairer calculation of various taxes of real properties located within the objective value system, such as ENFIA, real estate transfer tax and gift tax of immovable property.

#### iv. Extension of the income tax rebate for expenses related to buildings' energy upgrade until 31 December 2024

The application of the 40% income tax rebate for the costs incurred by private individuals for the energy, functional and aesthetic upgrading of buildings is extended for two additional years. The income tax rebate reduces individuals' income tax in equal parts over a period of four years following the realisation of the upgrade costs and for a maximum amount of expenses up to 16,000 Euros.

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