



## GREECE – September 2021

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### Single Property Tax (ENFIA) payment details published online

Payment details for the 2021 Single Property Tax (ENFIA) have been posted to an estimated 7.3 million property owners on the myAADE website.

The tax, which the government hopes will raise 2.5 billion euros, can be paid in six instalments, the first and second tranches of which are due by the end of October.

The last tranche must be paid by the end of February 2022.

A three-year exemption from the ENFIA has been issued for earthquake-affected properties in the Northern Aegean and Thessaly regions.

Most owners will be asked to pay the same tax amount as last year, although there will also be a number of taxpayers with reduced dues as their incomes were so reduced by the pandemic that they qualify for a 50% discount or a full exemption.

### ‘Luxury coefficient’ in ENFIA

The new property tax will replace the supplementary dues with hikes for high-value assets  
luxury-coefficient-in-enfia

The backbone of the new Single Property Tax (ENFIA), which will be activated next year, will be a single set of brackets and rates that will determine the dues owners will pay for each square meter of real estate in their ownership.

These rates will associate the amount of the tax with the zone rates – whereby the higher the zone rates, the larger the tax dues per sq.m. will be – and after the prime minister’s announcement about the absorption of the supplementary property tax by ENFIA, the government will examine the creation of a new “luxury coefficient” that will mostly burden high-value assets.

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After the abolition of the supplementary tax, currently imposed on owners of assets worth at least 250,000 euros in total, there will be a significant benefit for taxpayers given that this will slash dues by some €360 million in total.

To keep large ownerships paying extra, as is fair, the Finance Ministry may impose additional tax on properties of high value (e.g. worth more than €250,000-300,000 per property). That will be the major change to emerge next year, as instead of burdening those with a sum of properties valued at €250,000 at least, the extra dues will concern those owning properties that separately have a high value.

Given that as of October 1 parents' gifts to their children worth up to €800,000 will be tax-free, there was the risk of them splitting their assets across the family so that none would exceed €250,000, meaning they would be exempt from the supplementary tax.

Furthermore, the proposal for a luxury coefficient is aimed at preventing the new ENFIA from favoring large ownerships, so in practice most of those currently paying the supplementary tax will face a higher ENFIA as of 2022.

The idea of a single set of brackets and rates for calculation per asset had been the original plan for ENFIA in 2013. However, under the pressure then of deputies from the regions, the supplementary tax was introduced to avoid high taxes on land used for agricultural purposes.

## **Greece to Further Reduce Uniform Real Estate Property Tax by 8%**

The further reduction of the Uniform Real Estate Property Tax (ENFIA) by eight percentage points is still the government's intention and will be considered for 2022, Finance Minister Christos Staikouras said on Wednesday in an interview with Open TV.

He reiterated that there is the possibility of new cuts in taxes and levies from next year, although this will depend on the course of revenues. In any case, he said, there will be a clear picture in October, when the draft of the new budget will be submitted.

In particular he said that revenues seem up 2 billion euros compared to last year. The performance of industrial production and tourism was good. If this trend continued, due to the turmoil in health worldwide, there will be a better picture of the country's development in 2021.

"When we have all this data, we will weigh it and submit the draft budget for 2022 on early October. Then we will have a picture for the fiscal space of 2022, so we will have a picture - which we will obviously anticipate at the Thessaloniki International Fair (TIF) - of what possibilities we will have to proceed with further reductions of taxes and contributions," he said.

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