



LATVIA – January 2022

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In spite of the fact that the Latvian government decided to freeze existing cadastral value until 2025, the value portion of certain agricultural land from which real estate tax is calculated may be changed, as reported by Latvian State Land Service (VZD).

This increase would apply to 7% of all units of agricultural land applied with special value. This is due to the fact that in 2016 the government introduced a special cadastral value system for agricultural land bigger than 3 ha. Special value was set to remain until 2025. The increase is not allowed to exceed 10% of the previous taxation year's special value.

VZD points out that the current property cadastral value can be changed in cases if data related to the real estate property was updated in the Cadastral Information System in 2021. For example, if as a result of the land's cadastral value evaluation complications were found, or if restrictions on the economic activity of forest land were set during the forest inventory.

The value of buildings may have changed if the form of their use is changed – living space made into office space or vice versa, if the state of the building is confirmed, if the building's capacity index is changed, which results of the building's general area.

Property cadastral value was preserved unchanged last year mainly because in 2021 the Saeima passed amendments to the State Immovable Property Cadastre Law, freezing cadastral value until 2025.

VZD Director General Vita Narnicka says that since the passing of this decision of the Saeima the institution together with partners have worked intensely to create the best possible new cadastral value calculation model from 2025 onward.

"It is important to make sure the new model serves as an agreement between the state, municipalities and involved sectors and so that it is sustainable and aimed at development of the national economy," stresses Narnicka.

International Property Tax Institute

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