



## LITHUANIA - January 2022

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### LITHUANIA NEEDS EUROPEAN REAL ESTATE TAX ..... 1

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#### Lithuania needs European real estate tax

Lithuanian Prime Minister Ingrida Simonyte welcomes the proposal of the country's finance minister to introduce a universal real estate tax from next year and says that Lithuania needs a European real estate tax while its application could be left to local authorities.

"The proposal could provide for a possibility to introduce a normal European real estate tax in Lithuania. Its rate, its objects and so on and so forth. The law would outline a framework but that would fully be a municipal tax," she told reporters on Friday.

The existing regulation did not match the purpose of a real estate tax, Simonyte said.

"Now there is a so-called luxury tax ... and its existing thresholds are disputable, to say the least, as it does not have much to do with a real estate tax because it is more related to luxury or the way it is seen," she stated adding that the application of the future real estate tax and its exemptions could be left to local governments.

The public broadcaster LRT reported on Thursday that Finance Minister Gintare Skaiste had proposed to introduce a universal real estate tax from 2022. The tax rate would be largely symbolic, of 10-12 euros per year, she said.

Currently the persons subject to the real estate tax are limited to the owners of luxurious properties or numerous properties worth more than 150,000 euros in total.