



## ESTONIA– October 2022

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### REVISED LAND TAX LEVELS IN ESTONIA TO BE MADE PUBLIC MONDAY

Large-scale land valuation across Estonia took place this year, and the Land Board (Maaamet) is set to reveal the results of the work today, Monday.

The mass evaluation of land, conducted for the first time in 21 years, is meant to provide objective and up-to-date information about the market value of land.

Regular land evaluation is a market-based estimate and brings out the approximate market value, in effect its taxable value, per cadastre.

The board also notes that it provides general statistical information.

The 2022 assessment will be used from January 1 2024, while Estonia's local municipalities are to establish new land tax rates by July 1 next year, and the maximum taxation ceiling has by law been reduced between 2.5 and 5-fold.

Other legislative changes include a growth limit for land tax of no more than 10 percent per annum.

The evaluation excluded any buildings and also forest in which trees are being grown, and was compiled solely from database-held information; no on-site assessments were conducted.

Real estate transactions, information in the land cadastre and other key data sets, and data used in real estate market analysis was surveyed.

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The Land Board conducted the assessment jointly with professional real estate appraisers.

Large-scale evaluations of this kind have been carried out in Estonia three times since the restoration of independence - in 1993, 1996 and in 2001.

Possible errors in the data are corrected and a new value is calculated.

Once the evaluation results are made public to all on Monday, any errors or other feedback can be filed, and any necessary re-calculations will then be made.

The value of each piece of land will be viewable in the updated land cadastre (link in Estonian) by searching for the cadastral unit of interest by address or cadastral code and opening "Maa väärtuse info" ("Land value info").

## **NEW LAND TAX RATES REVEALED IN OCTOBER**

The results of the land valuation undertaken over the past two decades, which will be used to determine land tax in Estonia going forward, will be made public by the end of October, daily Maaleht reports. The land tax value has climbed by 7.2 times over the past two decades to an estimated €28.2 billion.

The daily reports that all 760 000 cadastral units in Estonia would be assigned a price.

In 2024, the state will calculate the land tax based on the updated prices, whereas in 2023, the land tax will continue to be calculated using 2001 data.

The taxable value of the land was determined by the Land Registry based on recent sales in the region.

Regionally, land values have climbed the most in Tartumaa and Hiiumaa over the past two decades, by 15.9 and 13.0 times, respectively.

Veronika Iisjan, who was in charge of the land valuation project at the land office, explained that the long gap in the assessment has resulted in an unfair situation, where people whose land prices have increased less paying a higher land tax.

In the past, Estonia has undergone three routine audits, in 1993, 1996, and 2001. After that, prices began to grow faster and politicians were hesitant to conduct new valuations because

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doing so would have definitely resulted in more taxes. Every four years, valuations will be performed going forward.

Currently, the maximum land tax on residential land is 2.5 percent of its property's value, whereas the maximum tax on agricultural property is 0.5 percent. In any one year, the land tax cannot increase by more than 10 percent.

The results of the regular land valuation will be published on the Land Board's website at [www.maaamet.ee](http://www.maaamet.ee) on October 31.

Municipalities will adopt the new land tax rates no later than July 1, 2023.

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