

kadaster



200625, ELRN Workshop
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PROPERTY TAXES in the EU Property Market;



AGENDA

WHY THIS QUESTIONNAIRE?

PRELIMINARY RESULTS

NOT ONLY TAXES ...

QUESTIONS & DEBATE

BUT FIRST OF ALL ...

THANK YOU!

Answers from:

Austria

Estonia

Italy (agenzia d.e.)

Malta

Portugal

Slovakia

Turkey

Belgium

Finland

Latvia

Netherlands

Romania

Spain

Croatia

Ireland

Luxembourg

Poland

Scotland

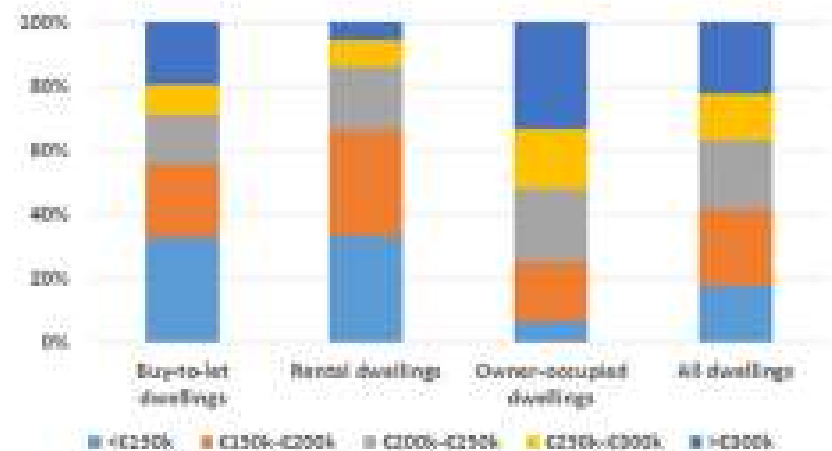
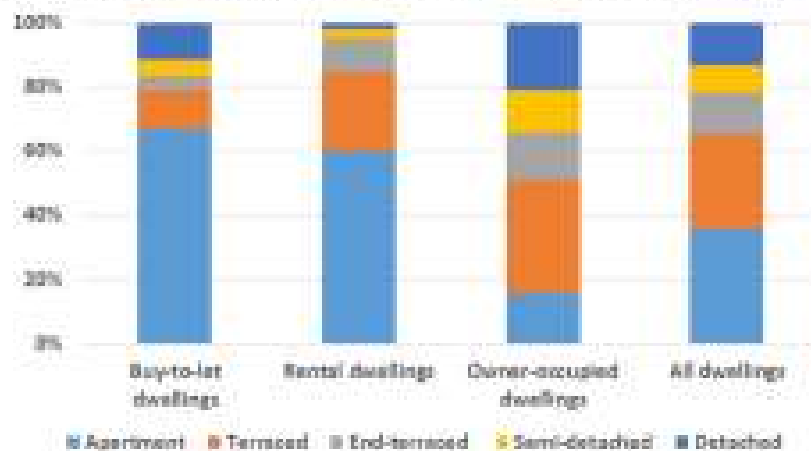
Sweden

checksum: 19

WHY THIS QUESTIONNAIRE

Dutch buy-to-let dwellings

- Relatively small & cheap apartments
- Located in an urban environment



Source: Janneke Michielsen, TUDelft 2019

WHY THIS QUESTIONNAIRE (2)

- TIGHT FIRST-BUYER MARKET
- Despite a HISTORICALLY LOW INTEREST RATE (mortgage)
- And RISING PROPERTY PRICES
- BUY-TO-LET AS AN INVESTMENT (pushes prices upwards)

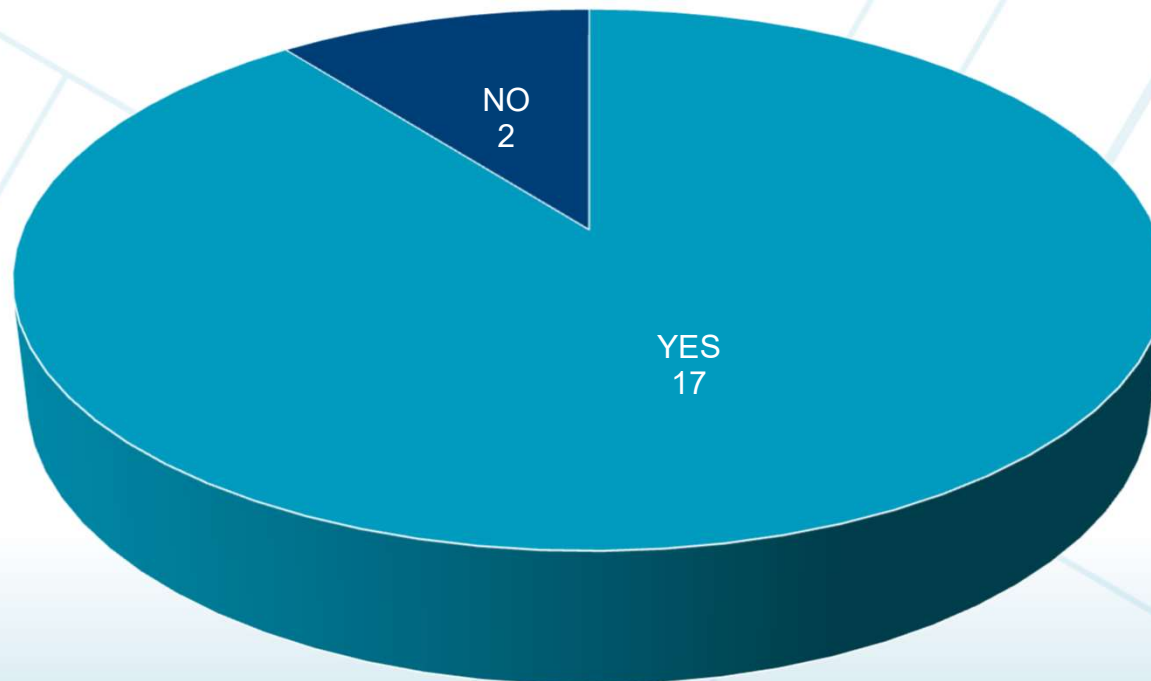
PARLIAMENT asking for MITIGATING MEASURES

→ Feasibility study: differentiating Real Property Transfer Tax

PRELIMINARY RESULTS

Q1: In your country, is there a transfer tax for properties?

0 YES
0 NO



■ YES ■ NO

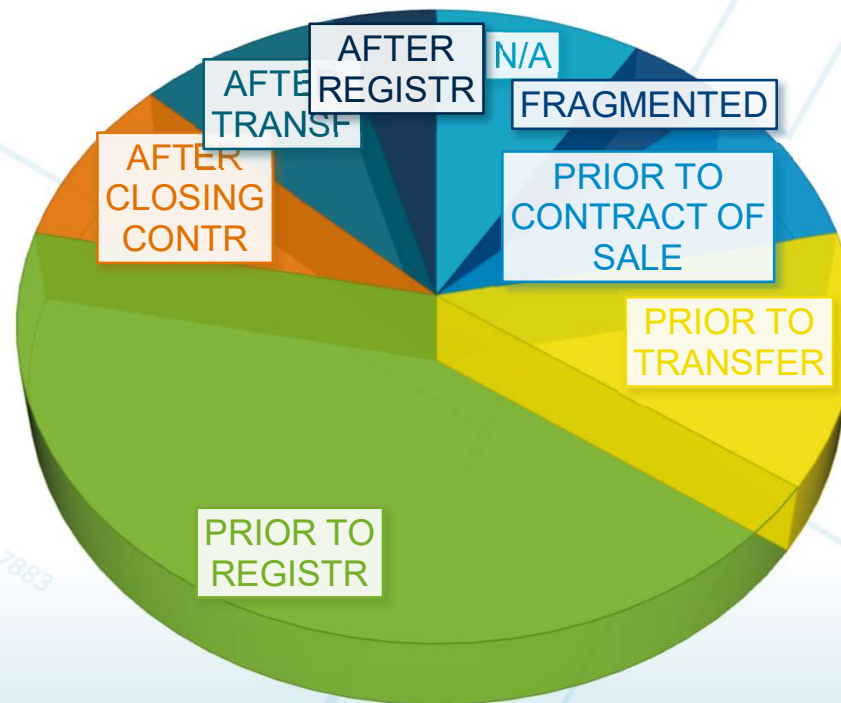
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PRELIMINARY RESULTS

Q2: At what phase of the process the transfer tax has to be paid?

PHASE TO PAY

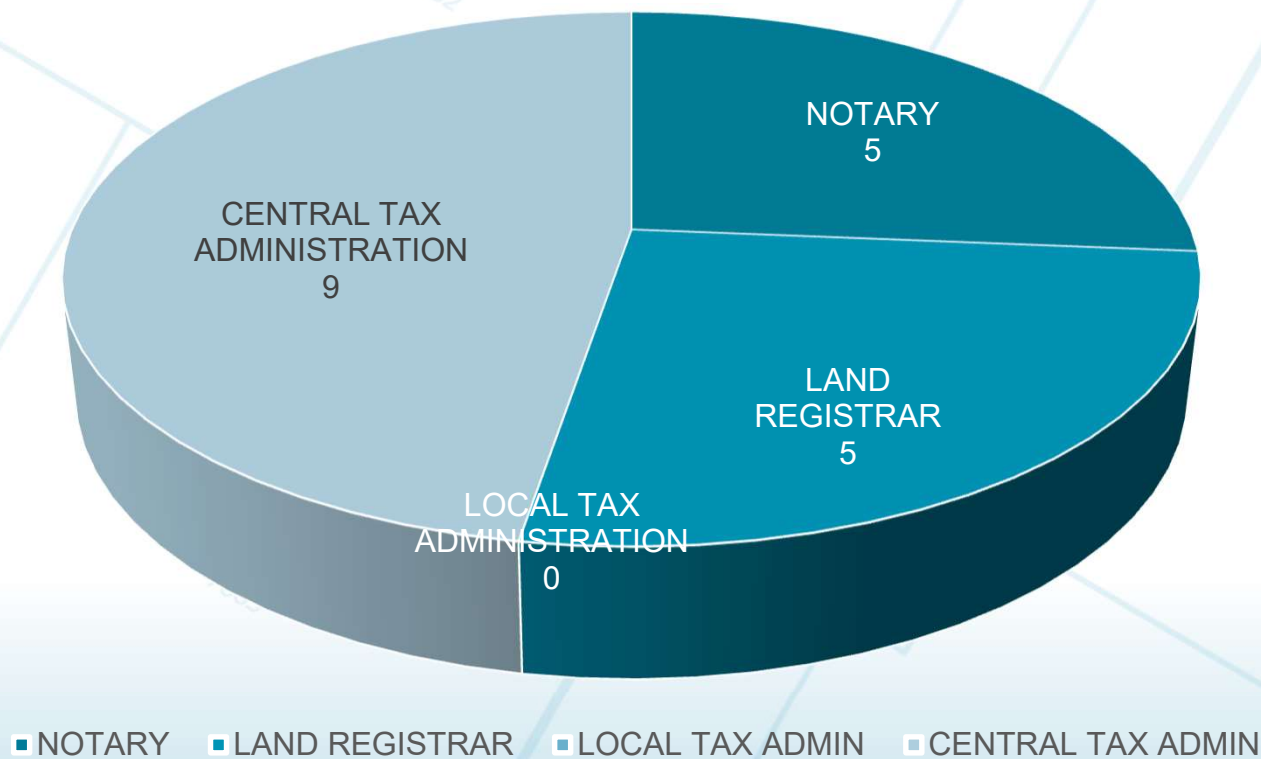


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PRELIMINARY RESULTS

Q3: To whom the transfer taxes have to be paid?

HOW TO PAY

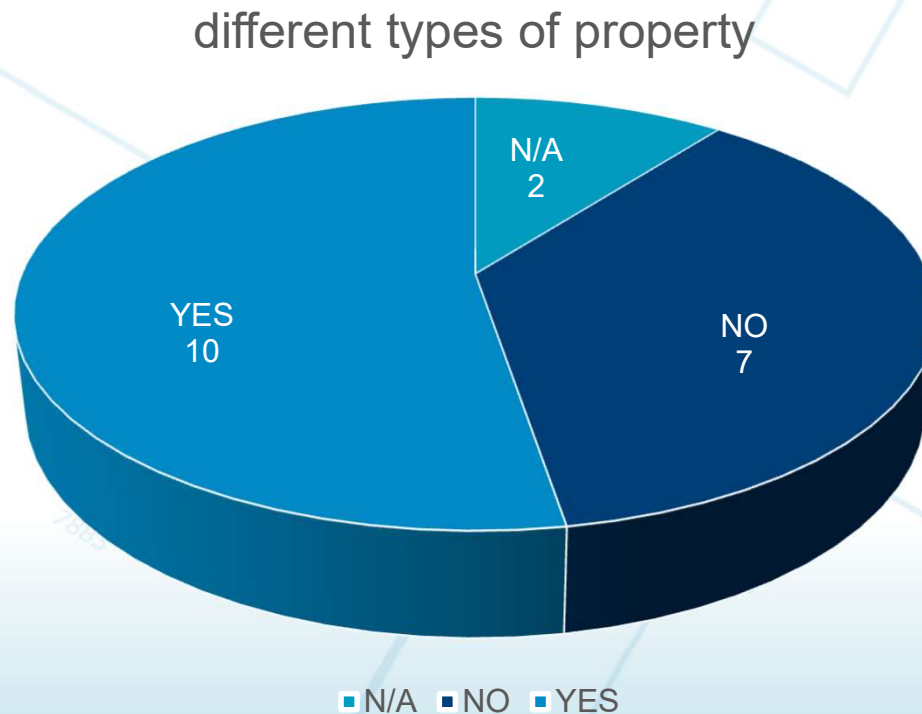


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PRELIMINARY RESULTS

Q4: Is there any differentiation in the type of properties?

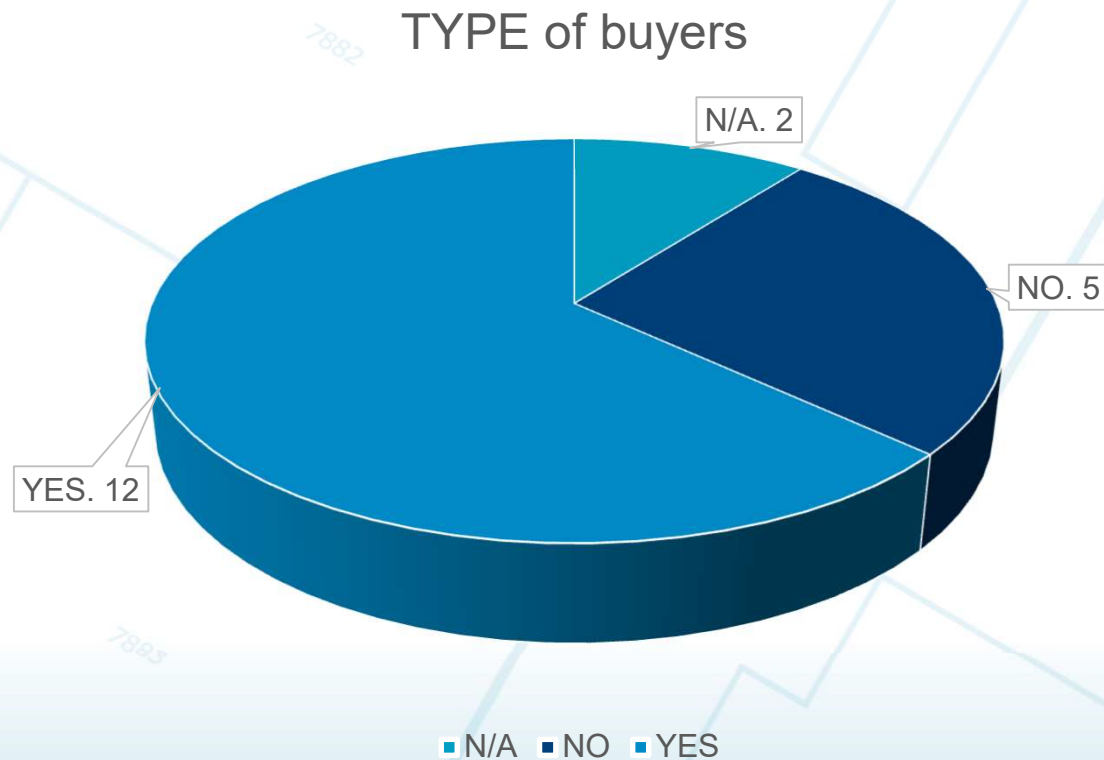
0 NO
0 YES, namely ..



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PRELIMINARY RESULTS

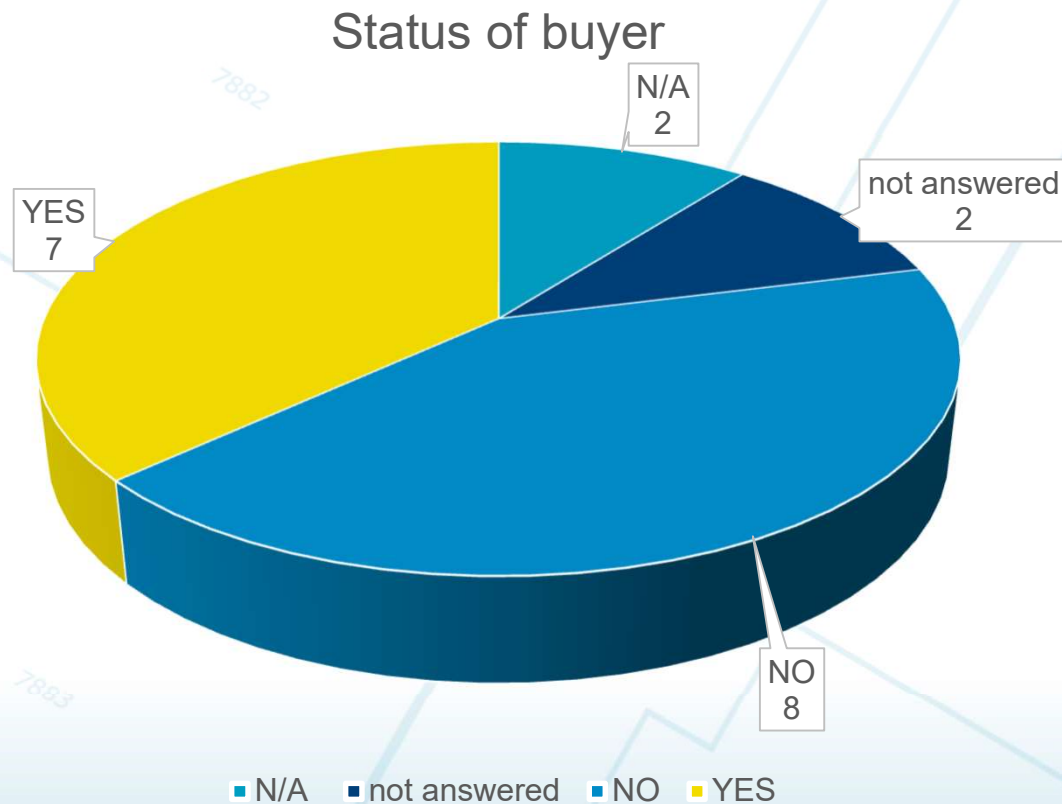
Q5 a: Is there any differentiation in *type* of buyers?



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PRELIMINARY RESULTS

Q5 b: Is there any differentiation in the *status* of the buyers?

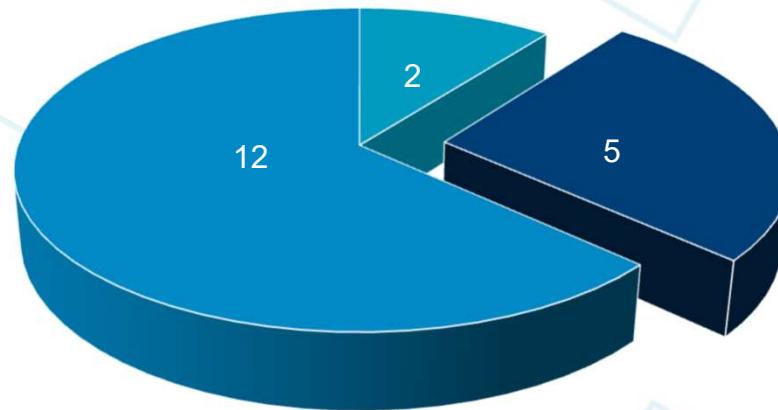


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PRELIMINARY RESULTS

Q6: Is there an official definition for a “first-time buyer”?

Definition "First-time buyer"

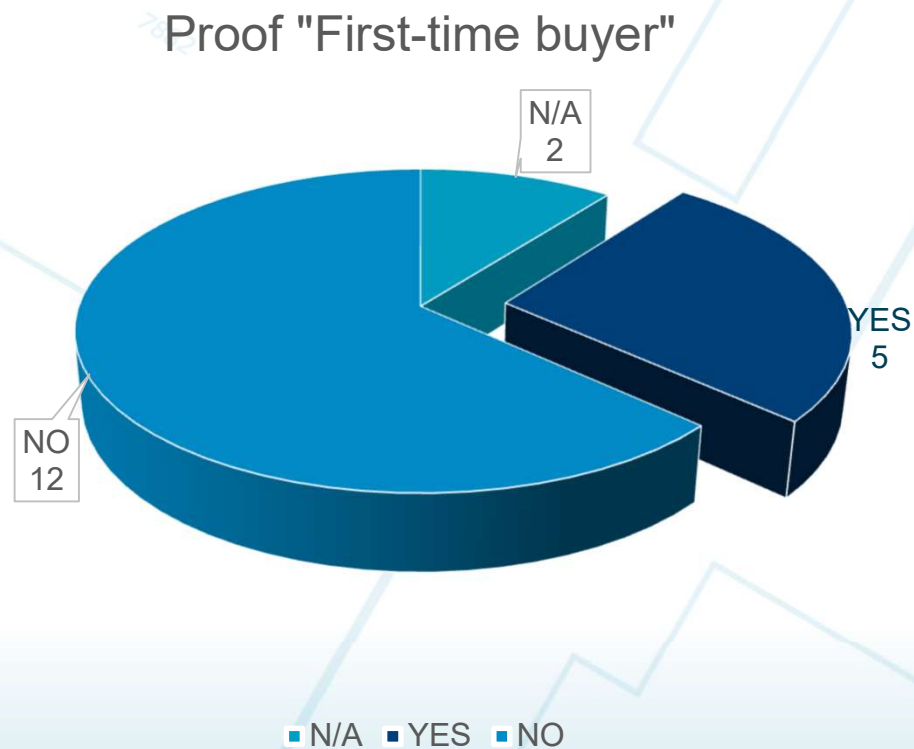


■ N/A ■ YES ■ NO

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PRELIMINARY RESULTS

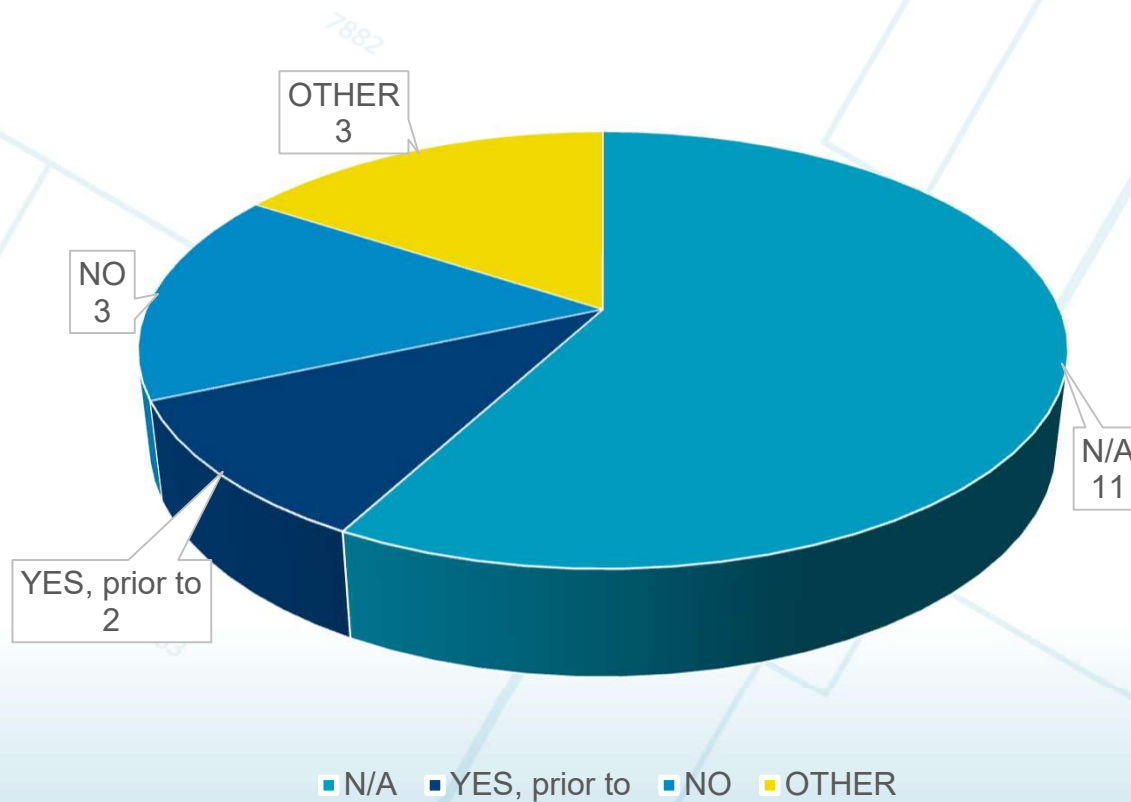
Q7: How to ascertain or proof to be a “first-time buyer”?



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PRELIMINARY RESULTS

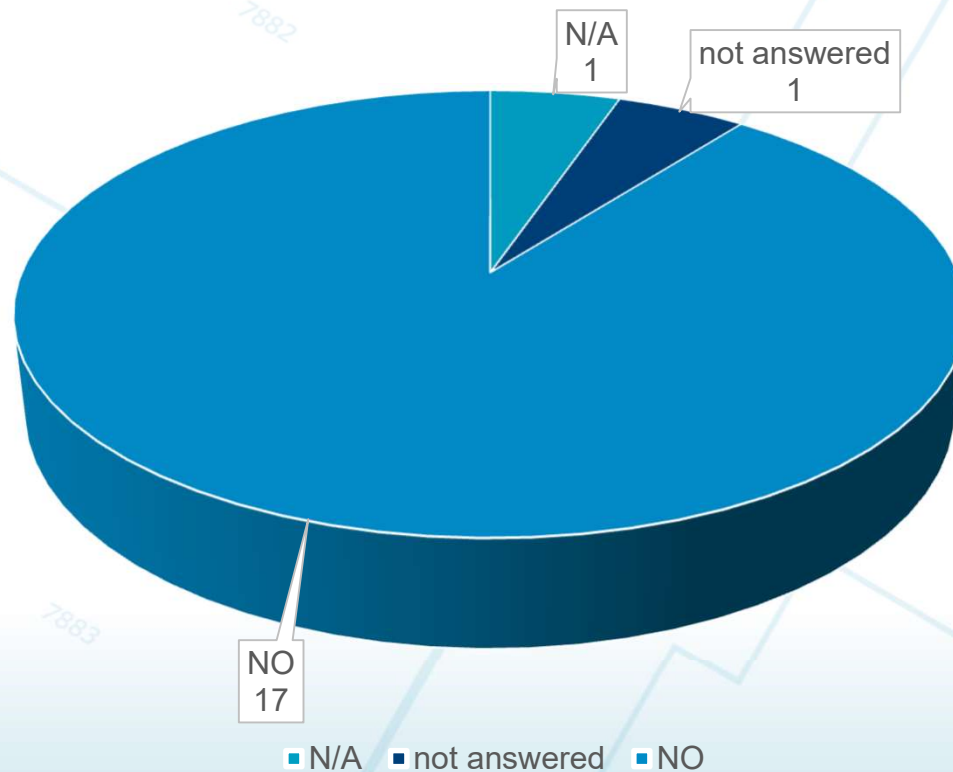
Q8: Does the “first-time buyer” need to apply for a discount or a tax return?



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PRELIMINARY RESULTS

Q9: Is there any tax-related differentiation regarding foreigner buyers?



- Austria
- Belgium
- Croatia
- Estonia
- Finland
- Ireland
- Italy (agenzia
- Latvia
- Luxembourg
- Malta
- Netherlands
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NOT ONLY TAXES

The Telegraph

EU pilot scheme guarantees legal certainty when buying property cross-border

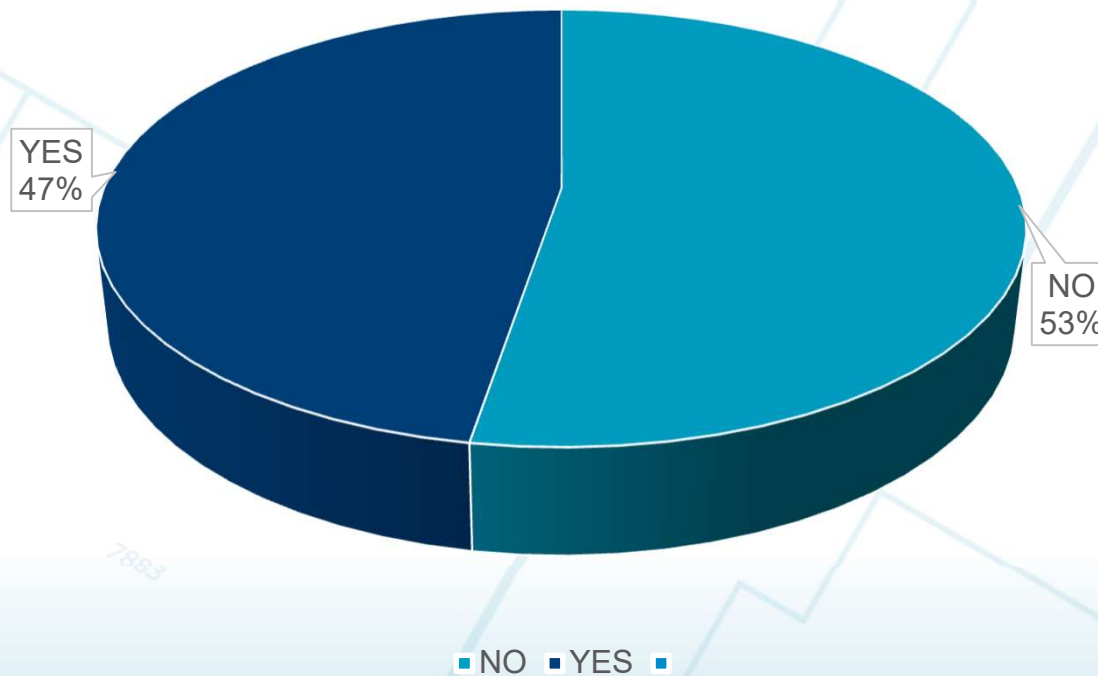
EU parliament vice president Diana Wallis MEP has commended a pilot scheme that promises to end the problems experienced by expats when buying property in Spain and other EU countries.



Telegraph.co.uk, Sean O'Hare (15 June 2011)

NOT ONLY TAXES (2)

Q10: Is there any legal restriction/ condition regarding foreign buyers?



- Austria
- Belgium
- Croatia**
- Estonia**
- Finland**
- Ireland
- Italy (agenzia)
- Latvia**
- Luxembourg
- Malta**
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NOT ONLY TAXES (3)

Judgment **C-206/19** (6th Chamber, 11-06-2020)

Request for a preliminary ruling from the Administratīvā rajona tiesa

SIA „KOB” v Madonas novada pašvaldības Administratīvo aktu strīdu komisija

SIA “KOB” is a legal person, established in Latvia, that grows cereals & seeds.

KOB`s Ultimate beneficial owners are VP and ZT, both German citizens.

KOB concluded a contract for the purchase of 8.10 ha of agricultural land and applied to the competent national authorities to approve that acquisition, which the competent

Commission refuses.

NOT ONLY TAXES (4)

Judgment C-206/19 (6th Chamber, 11-06-2020)

Request for a preliminary ruling from the Administratīvā rajona tiesa

National legislation prescribes that

- buyer certifies in writing that the land will be used for agricultural activity within one year (or, depending on the payment: within 3 years) after its purchase and they will ensure that such use is continuous thereafter

And prescribes submitting

- a certificate of registration of members or representatives of a legal person as residents of that Member State and
- a document demonstrating that those members/representatives have a knowledge of the official language of that Member State corresponding to a level which enables them to at least converse on everyday subjects and on professional matters.

NOT ONLY TAXES (5)

- “(...) Thus, although that provision does not call into question **the Member States’ right to establish a system for the acquisition of immovable property** which lays down specific measures applying to transactions concerning agricultural and forestry land, **such a system remains subject** inter alia to the principle of non-discrimination, and to the rules relating **to freedom of establishment and free movement of capital** (see, to that effect, judgment of 6 March 2018, *SEGRO and Horváth*, C-52/16 and C-113/16, EU:C:2018:157, paragraph 51 and the case-law cited).”

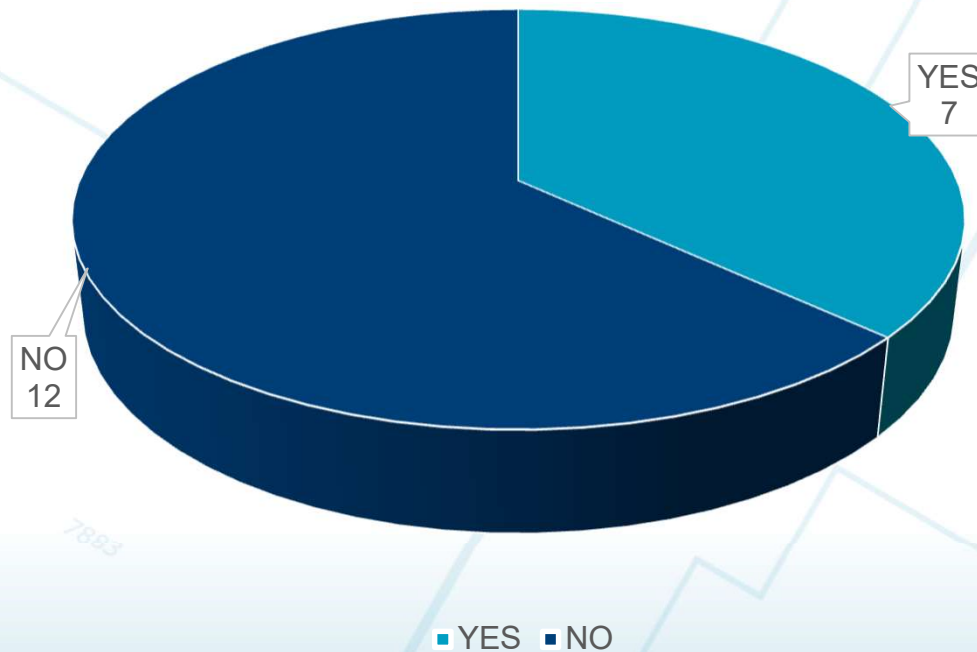
NOT ONLY TAXES (6)

On those grounds, the Court (Sixth Chamber) hereby rules:

Articles 9, 10 and 14 of **Directive 2006/123/EC** of the European Parliament and of the Council of 12 December 2006 on services in the internal market **must be interpreted as precluding legislation of a Member State which makes the right for a legal person to acquire agricultural land** located in the territory of that Member State — in cases where the member or members who together represent more than half of the voting rights in the company, and all persons who are entitled to represent that company, are nationals of other Member States — **conditional upon,**
first,
submitting a certificate of registration of those members or representatives **as residents of that Member State**
and, second,
a document demonstrating that they have a **knowledge of the official language** of that Member State corresponding **to a level** which enables them to at least converse on everyday subjects and on professional matters.

PRELIMINARY RESULTS

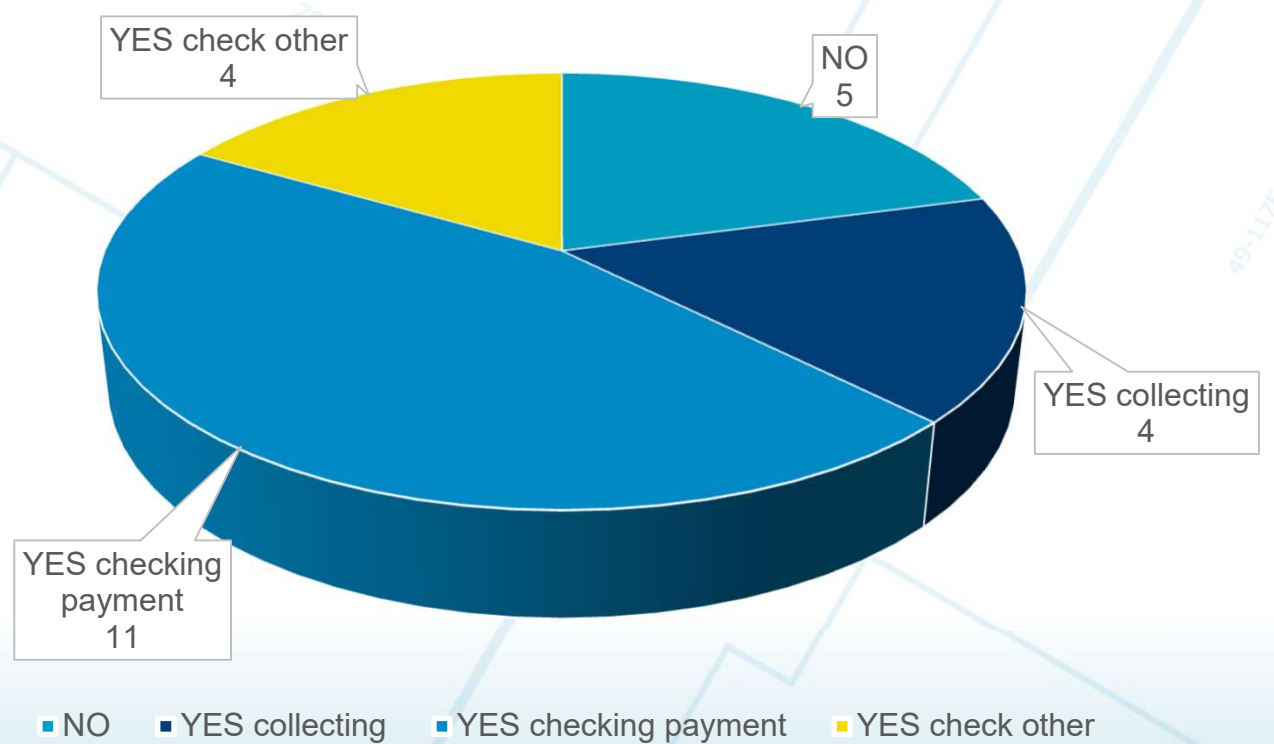
Q11: Is the LR involved in determination/ differentiation and/or restrictions & conditions with regard to the transfer of property?



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PRELIMINARY RESULTS

Q12: Is the LR involved in collecting the taxes and/or checking fulfilment of payments et cetera?



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QUESTIONS & DEBATE

Looking at the variety of answer, concerning the differentiation in property tax, type and status of (first-time) buyers, would you **prefer another role or responsibility in determining or collecting** the tax amount?

- o For members who **have** a specific role in determining or collecting transfer (or other) taxes:
what are the obstacles or thresholds to be dealt with?
Would you like to change your position in this specific role and, if yes, why?
- o For members who **do not have** such a specific role:
why would you prefer this other role and what is needed to change it, in terms of education or responsibilities?

In case you **do not** have a **'first-time buyer differentiation'**:

- Do you think it would be useful to introduce this in your country, in order to encourage this group of prospect buyers to buy a house?
- Would it be possible to extract the information needed from your Land Register systems?



MANY THANKS !

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