



INFORMATION SHEET 4

Subject:	Immovable Property Tax		
Authored:	September 2014	Updated:	-----
Company:	Costas Tsielepis & Co Ltd		
Reference:	Immovable Property Tax Law (I. 24/1980)		

In General

The immovable Property Tax Law (I. 24/1980) came into force on 16 May 1980 in order to impose tax on the market value of immovable property (as at 1.1.1980), situated in the Cyprus Republic.

Since 1980 several changes have been made to the law both to improve the original legislation as well as the tax rates.

The immovable property tax (tax) is calculated on the immovable property owned by the taxpayer on 1 January of each year.

Physical and legal persons are both liable to immovable property tax on all property in their possession that is located in the Cyprus Republic.

Exemptions

The following are not subject to Immovable Property Tax:

- Property under Turkish Occupation
- Agricultural land used for agriculture or animal husbandry by a farmer or stock breeder residing on site or near the site
- Buildings under a Preservation Order
- Churches and other religious buildings, public hospitals and schools
- Immovable property owned by the Republic
- Buildings of charitable organizations
- Common use and public places
- Foreign embassies and consulates

In case where the total value of the immovable property (as at 1.1.1980), situated in the Republic does not exceed the amount of € 12.500 then no tax is imposed.

Imposition of tax

The tax is levied on each owner for the whole of the property in its possession and not to each property separately.

The value of immovable property for tax purposes is its market value at 1.1.1980, as determined by the assessment made by the Department of Lands and Surveys. This value appears on the title deed of the property.

Every owner who owns immovable property in the Republic is required every year to submit by 30 September, statement in a prescribed form with changes in immovable property, held in the previous year, such as the purchase or sale of immovable property as well as the construction of new buildings.

In case an immovable property has been developed and sold but the corresponding title deeds have not yet issued or if they were issued, the transfer of ownership to the purchaser has not yet been affected, the existing owner may submit to the Director of Tax, a statement listing such properties.

For the purposes of the above provision of the law, the Department of Taxation has prepared a special form (Form T.Φ.317/2014). The form should be completed and submitted electronically. Where the owner completes and submits the abovementioned form the payment obligation of the immovable property tax with respect to such properties will be transferred to the respective purchaser and the Director of Tax should issue the relevant immovable property tax assessment in the name of the purchaser.

The above provisions of the Law shall not apply in cases where the issue of the title deed was willfully delayed by the owner.

In case where the taxpayer is in disagreement with the assessment received by the Department of Taxation, has the right to file an objection stating the exact reasons in a clear form. Any objections can be raised on or before 30 September 2014.

In case the tax assessment received by the Department of Taxation does not include all of the taxpayer immovable property, then the taxpayer is obligated to prepare and submit a Supplementary Statement and pay the correct amount of tax. Where the estimate of the owner on the value of the immovable property is less than 75% of the final assessment of the Director of Tax, then an additional 10% tax is imposed on the difference between the final tax payable and the amount of tax paid according to the owner's return.

Tax Rates

The property tax is levied on the total market value as at 1.1.1980 based on the following rates:

Tax rates for 2014

Euro	1	to	40.000	6 ‰
	40.001	to	120.000	8 ‰
	120.001	to	170.000	9 ‰
	170.001	to	300.000	11 ‰
	300.001	to	500.000	13 ‰
	500.001	to	800.000	15 ‰
	800.001	to	3.000.000	17 ‰
	3.000.001	over		19 ‰

The immovable property tax for tax year 2014 is payable on or before 30 November 2014. Every person who settles its tax liability on or before 31 October 2014 will benefit from a 15% discount on the tax due.

However, every person who settles its tax liability after 30 November 2014 will be subject to an additional charge of 10%, plus interest and penalties.

The tax can be paid to the District Offices of the Tax Collection Department, through the website www.jccsmart.com, and Cyprus banks.

Tax rates for the years 1980 - 2013

The table below shows the rates applied to all years from 1980 to 2013:

Years 1980 – 1983	From £ 1		1,5‰
Years 1984 – 1989	From £ 1	To £ 35.000	1,5‰
	From £ 35.001	To £ 100.000	2,5‰
	From £ 100.001	To £ 200.000	3,0‰
	From £ 200.001		3,5‰

Physical persons are entitled to an exemption of £37,50 for the year 1980 and £52, 50 for the years from 1981 to 1989.

Years 1989 – 2002	From £ 1	To £ 100.000	0‰
	From £ 100.001	To £ 250.000	2,0‰
	From £ 250.001	To £ 500.000	3,0‰
	From £ 500.001		3,5‰
Years 2003 – 2007	From £ 1	To £ 100.000	0‰
	From £ 100.001	To £ 250.000	2,5‰
	From £ 250.001	To £ 500.000	3,5‰
	From £ 500.001		4,0‰
Years 2008 – 2011	From € 1	To € 170.860	0‰
	From € 170.861	To € 427.150	2,5‰
	From € 427.151	To € 854.300	3,5‰
	From € 854.301		4,0‰
Year 2012	From € 1	To € 120.000	0‰
	From € 120.001	To € 170.000	4,0‰
	From € 170.001	To € 300.000	5,0‰
	From € 300.001	To € 500.000	6,0‰
	From € 500.001	To € 800.000	7,0‰
	From € 800.001		8,0‰
Year 2013	From € 1	To € 40.000	6,0‰
	From € 40.001	To € 120.000	8,0‰
	From € 120.001	To € 170.000	9,0‰
	From € 170.001	To € 300.000	11,0‰
	From € 300.001	To € 500.000	13,0‰
	From € 500.001	To € 800.000	15,0‰
	From € 800.001	To € 3.000.000	17,0‰
	From € 3.000.001		19,0‰

Proposed changes in the legislation

After the completion of the general valuation from the Department of Lands and Surveys and the determination of the value of immovable property as at 1.1.2013, the Cyprus government originally proposed that immovable property tax would be based on the updated property values. Also, to exempt property valued at up to €200.000 and to tax all other properties valued in excess of €200.000 at 1‰.

However, the Parliament rejected the proposal and renewed the current legislation with minor amendments.

It is expected that the Cyprus Government will re-submit the new legislation in the year 2015.

Note

The information in this document is intended as a guide only and every reasonable effort was made to ensure the accuracy and timeliness of the information. In no circumstances shall we be legally bound by any information contained in this document, and shall accept no liability in respect of loss caused by reliance on such information.

Our own in-house consultants and our network of associates in Cyprus and worldwide are at your disposal to assist you with the above.