

TAX BRIEFING: Monthly Insight

Recent Developments in Tax Legislation

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Law 4621/2019:

A. Reduces the Unified Real Estate Tax and Introduces Favourable Provisions for Tax Liabilities

1. Law 4621 (Government's Gazette A 128/31-07-2019) (the **New Law**) reduces the Unified Real Estate Tax (*ENΦΙΑ*) rate payable by individuals (the reduction does not encompass legal entities or persons) on the basis of the real estate value.
2. The New Law provides specific percentage reductions in the Unified Real Estate Tax, based solely on the criterion of the total value of the real estate property.
3. The reductions, which are not progressive, follow:

Real Estate Value	Reduction
up to €60,000	30%
up to €70,000	27%
up to €80,000	25%
up to €1,000,000	20%
above €1,000,000	10%

4. The reduced rates apply as of 1 January 2019.

B. Reduces the Minimum Amount on Instalments for Tax Liabilities

1. Law 4611/2019 introduced an extended number of instalments for tax liabilities in an effort to facilitate taxpayers in the payment of their debts.
2. Individuals and non-profit entities or persons could pay off their tax liabilities to the State in up to 120 monthly instalments, while for-profit legal entities or persons could pay off their tax liabilities in up to 36 instalments.
3. The instalment payment option applies if the tax liability was assessed by the tax authorities by 31 December 2018 and the taxpayer submits an application by 28 June 2019 (unless the deadline is extended by way of a Ministerial Decision).
4. The New Law amends Law 4611/2019 and for-profit legal entities or persons may pay off their tax liabilities in up to 120 instalments (previously limited to only 36 instalments).
5. The minimum amount per instalment for individuals is reduced to €20 (previously €50).
6. The interest rate for the late payment of debts for individuals is reduced to 3% (previously 5%).
7. Under specific conditions, all surcharges may be reduced to the extent that the taxpayer proceeds to advance payment of the debt due.
8. Tax debts encompassing fiscal periods up to 31 December 2018 may benefit from the new provisions, provided the time limit for filing the income tax return for those liabilities expired before 31 December 2018.
9. The New Law provides that taxpayers who have entered into settlement programs under previous incentive laws may opt for the settlement provisions of the New Law for all remaining instalments.

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