

Immovable property tax rates for 2016



August 19 2016 | Contributed by Andreas Neocleous & Co LLC

Real Estate, Cyprus

Immovable property tax is payable annually, calculated by reference to the market value as at January 1 1980 of immovable property owned by the taxpayer at the beginning of the calendar year. The government previously announced that it intended to rebase the tax onto existing values and carried out a revaluation for this purpose in 2014. However, for 2016 liability will continue to be calculated by reference to 1980 values, by applying the following rates to each successive tranche of the total market value of immovable property owned by the taxpayer:

| January 1 1980 value | Rate |
|------------------------|------|
| First €40,000 | 0.6% |
| Next €80,000 | 0.8% |
| Next €50,000 | 0.9% |
| Next €130,000 | 1.1% |
| Next €200,000 | 1.3% |
| Next €300,000 | 1.5% |
| Next €2,200,000 | 1.7% |
| Excess over €3 million | 1.9% |

Taxpayers who settle their 2016 immovable property tax liability by October 31 2016 are entitled to a 75% discount. If the liability is settled between November 1 and December 31 2016, the taxpayer is entitled to a discount of 72.5%. If the liability is settled after December 31 2016, it will be discounted by 69.75%. In all cases, if the total liability after the discount is less than €10, it will be waived. Owners whose total immovable property is valued at less than €12,500 are exempt from immovable property tax.

Immovable property tax will be abolished with effect from the beginning of 2017.

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