



Tax News

Changes to Annual Real Estate Ownership Tax (ENFIA) Approved

On 22 May, the Greek parliament approved Law 4389/2016 (published on 27/5/2016 in the Government Gazette), which amends the 2013 law introducing the annual real estate ownership tax (ENFIA). The ENFIA, which is comprised of a main tax and a supplementary tax, is levied on real estate owned by legal entities and individuals. The following changes apply retroactively as from 1 January 2016:

Plots of land

The tax rate depends on the tax zone in which a plot is located, which is determined based on the unit value of the plot. The new law increases the tax rate per unit value, as depicted in the following table:

Unit value (EUR/m ²)	Tax zone	Previous tax rate (EUR/m ²)	New tax rate (EUR/m ²)	Rate of increase (%)
0.01 – 2	1	0.003	0.0037	23.33%
2.01 – 4	2	0.006	0.0075	25%
4.01 – 6	3	0.01	0.0125	25%
6.01 – 10	4	0.015	0.0185	23.33%
10.01 – 14	5	0.023	0.0285	23.91%
14.01 – 20	6	0.03	0.0375	25%
20.01 – 50	7	0.06	0.075	25%
50.01 – 75	8	0.12	0.149	24.17%
75.01 – 100	9	0.15	0.185	23.33%
100.01 – 150	10	0.2	0.247	23.5%
150.01 – 200	11	0.3	0.37	23.33%
200.01 – 300	12	0.45	0.555	23.33%
300.01 – 400	13	0.6	0.74	23.33%
400.01 – 500	14	0.8	0.99	23.75%
500.01 – 600	15	1	1.25	25%
600.01 – 700	16	1.3	1.6	23.08%
700.01 – 800	17	1.5	1.85	23.33%
800.01 – 900	18	1.7	2.095	23.24%
900.01 – 1,000	19	1.9	2.35	23.68%

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1,000.01 – 1,500	20	2.5	3.1	24%
1,500.01 – 2,000	21	3	3.7	23.33%
2,000.01 – 3,000	22	4	4.95	23.75%
3,000.01 – 4,000	23	6	7.4	23.33%
4,000.01 – 5,000	24	7.5	9.5	23.33%
5,000.01 and over	25	9	11.25	25%

Supplementary tax

Individuals

The tax brackets and rates for individuals are amended with respect to the computation of the supplementary tax. The following table sets out the tax rates before and after the new law:

Class (EUR)	Previous rate (%)	New rate (%)	Rate of increase (%)
0.01 – 200,000	0%	0%	0
200,000.01 – 250,000	0%	0.1%	Previously nontaxable
250,000.01 – 300,000	0%	0.15%	Previously nontaxable
300,000.01 – 400,000	0.10%	0.3%	200%
400,000.01 – 500,000	0.20%	0.5%	150%
500,000.01 – 600,000	0.30%	0.6%	100%
600,000.01 – 700,000	0.60%	0.8%	33.33%
700,000.01 – 800,000	0.70%	0.9%	28.57%
800,000.01 – 900,000	0.80%	1%	25%
900,000.01 – 1 million	0.90%	1.05%	16.67%

1,000,000.01 – 2 million	1%	1.1%	10%
Over 2 million	1%	1.15%	15%

Legal Entities

The supplementary tax imposed and calculated on the total value of a legal entity's actual rights in real property is increased from 5% to 5.5% (**10% increase**).

Buildings and plots used by a legal entity for its business activities, regardless of the scope of work, no longer are exempt from the supplementary tax, which is imposed at a rate of 1% as from 1 January 2016.

The supplementary tax imposed on buildings and plots not used for the business activities of nonprofit legal entities and real estate investment companies is 3.5% (2.5% for 2015, a **40% increase**).

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