



Tax treatment of the uncollected rental income (L. 4346/2015, Pol. 1024/12.2.2016)

Conditions for tax exemption of uncollected rental income

Uncollected rental income earned after 1 January 2015 is not subject to tax in the hands of the lessor if, by the date the annual income tax return is due, one of the following actions has been undertaken against the tenant:

- ✓ A court warrant for payment or an order to return the premises to the owner has been issued;
- ✓ A court judgment ordering eviction of the tenant or payment of the rent has been issued; or
- ✓ An action for eviction or payment of the rent has been instituted.

The lessor must present to the competent tax office before the personal income tax return is filed copies of the

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orders or judgments that have been issued or lawsuits that have been filed in order for the rental income is reported as uncollected.

Uncollected rental income is taxed in the year it is actually received, is declared at the form E2 "DETAILED STATEMENT FOR THE INCOME FROM REAL PROPERTY" and it will be transferred to a special code of the E1 form of the relevant income tax return.

Comments

The aforementioned provisions have been enacted by virtue of article 9 of Law 4346/2015 which amended article 39 of the Greek Income Tax Code and annuls the previous tax regime of rent recovery, which was applicable for the years up to 2014.

Affected lessors should conclude the above mentioned required actions by the filing deadline which is the 30th of April 2016, in order to ensure that any uncollected rental income is not subject to income tax.

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