

## Special Real Estate Duty

September 2011

The recent bill, enacted by Parliament, on 27.09.2011, provides for a Extraordinary Special Duty on Built Surfaces Supplied with Electricity (from here on Real Estate Duty).

In particular, it is provided that:

- The Real Estate Duty will be borne by commercial or residential real estate property, to which electricity is supplied and which, on the 17<sup>th</sup> of September of every year, will fall within the ambit of the Real Estate Duty (in favor of Local Administration) as provided by art.24 par.1 of L.2130/1993.
- Subject to the Real Estate Duty is the legal owner or the beneficial owner of the property.
- Liable to pay the Real Estate Duty is the tenant of the property. In the event that such person is a lessee (i.e. tenant for consideration), he can offset payment of the Duty against future or owed leases.
- The determination of the payable Duty will be calculated as follows: the square meter built surface of the property (as identified by the relevant Electricity bills in the context of determining the Real Estate Duty for Local Administration) will be multiplied by the applicable rate of the area where said property is located (Designated Value Zones) and further multiplied by the surcharge rate (deriving from the building age).
- Example: In the case of a property which has a built surface of 100 sq.m., it was erected during a period of 19-15 years from the date of enactment (building age rate of 1,10), in an area where the Designated Zone Value is between 2001-2.500 Euros/sq.m. (Special Real Estate Duty rate: 8), the calculation of the applicable Special Real Estate Duty for 2011 will be as follows:  $100 \times 1,10 \times 8 = 880$  Euros.
- Various exceptions from the Real Estate Duty are provided. Special mention should be made to the exceptions provided for real estate property used exclusively for agriculture and industrial purposes, communal areas of apartment blocks and hotel resorts and buildings that have been designated as preserved structures (as long as the latter are not self-used or contribute income).
- The Real Estate Duty will be collected by the Public Electricity Company (DEH) or alternative suppliers of electricity through the utility bills for electricity sent to consumers.
- In the event of non-payment of the Real Estate Duty the supplier companies of electricity will be under an obligation to issue an order for the interruption of electrical services until said Duty is paid.
- In the event of further non-payment of the Real Estate Duty, the supplier companies of electricity will be under an obligation to erase from their list the consumer liable to pay and further proceed with the notification of their action to the competent authorities of the Greek State, in order for the Debt Collection procedure, as provided by the Code of Collection of State Revenues to be initiated.

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