

IMMOVABLE PROPERTY TAX 2016

5 August 2016

Moore Stephens (Limassol) Limited

PRECISE. PROVEN. PERFORMANCE.

According to the Law amending The Immovable Property Tax (IPT) Laws, which was voted by the Cyprus House of Representatives on 14 July 2016 and published in the Official Gazette of the Republic on 25 July 2016, the following amendments were made:

1. In cases where a taxpayer proceeds with the settlement of his IPT liability **by 31 October 2016**, the tax payable amount will be equal to 25% of the tax due as this is calculated according to the below rates (**75% discount**).
2. In cases where the settlement of the IPT liability is carried out during the period **1 November 2016 – 31 December 2016**, the tax payable amount will be equal to 27,5% of the tax due as this is calculated according to the below rates (**72,5% discount**).
3. Taxpayers that **do not settle their IPT liability by 31 December 2016**, will be subject to an **additional charge of 10%, imposed on the 27,5% tax due**.
4. If the taxpayer's **IPT liability is less than €10**, the **tax is not collectable**.
5. The obligation for the payment of **IPT is abolished** with effect from 1 January 2017 for the tax year **2017** and for **each year thereafter**.

Rates of IPT

The IPT is imposed on an annual basis on the total market value of the immovable property (as at 1 January 1980) situated in the Republic of Cyprus, owned by each person as at 1 January of each year. The following rates are applied:

Total immovable property value – as at 1/1/1980 €	Tax rate %	Tax €	Cumulative tax €
€1 – €40.000*	0,6%	240	240
€40.001 – €120.000	0,8%	640	880
€120.001 – €170.000	0,9%	450	1.330
€170.001 – €300.000	1,1%	1.430	2.760
€300.001 – €500.000	1,3%	2.600	5.360
€500.001 – €800.000	1,5%	4.500	9.860
€800.001 – €3.000.000	1,7%	37.400	47.260
€3.000.001 and over	1,9%		

* Property owners with total property value (as at 1 January 1980) not exceeding €12.500 are exempt from IPT.

We are always at your disposal to discuss with you the above and assist you with the calculation and payment of the IPT for the year 2016.

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This publication is intended as a general guide only and its application to specific situations will depend on the particular circumstances involved. Accordingly, we recommend that readers seek appropriate professional advice regarding any particular problems that they encounter. This information should not be relied upon as a substitute for such advice.

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