



A MAJOR CHALLENGE: THE NEW PROPERTY TAX IS COMING!

The property tax reform in Germany poses major challenges for both companies and individuals who own property. For the new property tax rules to be applied from year 2025, around 36 million properties must be revalued as of January 1, 2022 - with different valuation methods depending on the federal state. In addition to the federal valuation model adopted in 2019, there will be different valuation models in certain federal states due to a statutory escape clause. This means, that different data must be collected depending on the federal state, which was not required for the previous declarations of unit value.

In addition, the schedule for the preparation and transmission of the property tax returns required for the revaluation is extremely tight: The electronic transmission is expected to be possible from July 1, 2022 and must take place by October 31, 2022. Changes of the actual conditions of our property that occurred after January 1, 2022 must be reported at the beginning of the following year.



WHAT SHOULD BE DONE NOW?

In order to meet the rapidly approaching declaration deadlines, it is recommended to start collecting and analyzing data now. For this purpose, Ebner Stolz will provide you with a structured data entry form, which can then be automatically processed. Alternatively, the relevant information can be recorded directly via our digital property tax solution. With a large number of properties, it is recommended to check in advance which information can be efficiently extracted from which data systems in

order to keep the manual effort as low as possible. In addition, it is imperative to identify any missing information at an early stage, as the determination of the required information is sometimes associated with a considerable effort.

Also important: A request to submit the declaration has been made by public announcement. In some cases, the tax authorities will send out data sheets with information on the respective economic unit and parcels assigned to it. The dispatch is planned from May 2022.

WHAT DATA IS REQUIRED?

To determine the tax base for the new property tax and to fulfill the declaration obligations, a large amount of data is required for each property, e.g.

- › address of the property (or of the agriculture and forestry business)
- › land register information: district, corridor and parcel
- › ownership structure
- › type of property (vacant, residential, other development)
- › area (of the property / apartment / building)
- › multicommunal property
- › type of use
- › tax benefit/exemption (e.g. housing subsidies)

Depending on the valuation model to be used (federal or state model), further information such as the gross floor area ("Bruttogrundfläche"), year of construction and other details may be required. An extensive amount of information can be found in sales contracts, cadastral maps, site plans, land register sheets, tax notices of unit value ("Einheitswertbescheide") or declarations of division.

WE ARE YOUR COMPETENT PARTNER IN MANAGING THIS MAMMOTH TASK!

Ebner Stolz will be happy to support you throughout the new property tax process. For this purpose, together with our software partner, we rely on a digital property tax solution, that makes data collection and verification as efficient and time saving as possible. If the required property-related information is not available, we will be happy to support you in requesting the relevant documents. In addition, our experts are at your disposal to help you with complex questions or the information requirements of the different valuation models, as well as to examine any need to adapt your data systems to obtain information more efficiently. We are also at your side as your advisor in correspondence with the tax authorities and in filing appeals against decisions that have been issued.

CONTACT PERSON

Your known contacts at Ebner Stolz will be happy to answer any questions you may have concerning the new property tax. If necessary, our property tax experts will be involved to provide you with the best possible support for the upcoming tasks.

Publisher

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