



## TAX AMENDMENTS AIMING AT ECONOMIC DEVELOPMENT & GROWTH IN GREECE

*By Ioannis Valmas*

An ambitious draft bill due for August 2019 aims at creating a tax-friendly and stable economic environment for individuals, businesses, investors, companies and property owners in Greece. The aim of the Government is to strengthen the investment potential of the rebounding Greek economy.

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# TAX AMENDMENTS AIMING AT ECONOMIC DEVELOPMENT AND GROWTH IN GREECE

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## Abstract

The new Greek government is due to pass a draft bill by mid-August 2019, aiming at further increasing the potential for growth of the Hellenic Economy with some measures targeting at strengthening real estate ownership and development of real estate properties, as well as reducing taxation and creating a more solid, stable and tax friendly environment for private & business persons and companies.

## Priorities of the Hellenic Ministry of Finance on the forthcoming Bill due in August 2019 include:

- Decrease of tax rate in businesses from 28% to 20% within the next two years. In 2020 income tax will drop to 24% whereas in 2021 it will further drop to 20%
- Decrease of tax on dividends from 10% to 5% in 2020.
- Decrease/universal decrease on the uniform property ownership tax (ENFIA) by 30%
- Tax reduction equal to 40-50% of the expenditure for the energy related, operational or aesthetic upgrade of buildings.
- Further suspension of the Betterment Tax for Sellers (tax on the profits from the sale of immovable property) for an additional term of 3 years and a revision of the law 4172/2013 with a view to being drafted a new basis after the fourth year (2023 or 2024)
- Suspension of VAT tax on real estate developers/building activities (affecting sales of newly developed properties).
- Enactment of an introductory tax coefficient on private persons from 22% today to 9% for income up to 10,000 EUR annually, without a reduction on the non-taxable income coefficient and the creation of a progressive tax scale with lower tax rates up to the highest incomes. Also, a gradual abolishment of the solidarity levy is being discussed.
- Decrease of VAT rates from 13% to 11% and from 24% to 22% within the next 4 years.
- Progress on the staffing of the Independent Authority of Public Revenues (AADE) with 12,500 employees
- Fully digitized and electronic processes/services from the Independent Authority of Public Revenues (AADE)

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