

Property Tax Reform

On 1 January 2025, the new property tax will come into force. In order to make the reform largely cost-neutral and to allow the municipalities sufficient time to adjust their property tax assessment rates, the declarations of assessment are to be submitted as early as 2022.

The standard values will lose their validity as the previous basis for calculating the property tax.

The legislator has enacted a so-called federal model for the valuation of land, according to which the value of the land is decisive. However, only the states of Berlin, Brandenburg, Bremen, Mecklenburg-Western Pomerania, North Rhine-Westphalia, Rhineland-Palatinate, Saxony-Anhalt, Schleswig-Holstein and Thuringia have adopted this model. The other federal states have enacted their own deviating laws.

Regardless of the respective legal basis in the individual federal states, a "Declaration for the Determination of the Property Tax Value" must be submitted electronically for each property via ELSTER by 31 October 2022, at the latest.

How does the declaration work?

You can submit the declaration independently without the help of a tax consultant. To do so, you must register with ELSTER, as the submission of the declaration is only possible digitally.

If you do not wish to register with ELSTER and avoid the risk of submitting an erroneous or incorrect declaration, we will gladly help you prepare the declaration and submit it to the tax office in the correct manner.

What information is required for the declaration under the federal model?

- * Location of the land or of the agricultural and forestry enterprise
- * Address of the owner(s)
- * Ownership structure in the case of several owners (co-ownership shares)
- * Property area
- * Land register information such as parcel, land register sheet, district
- * Type of property

- * Year of construction and, if applicable, year of a structural renovation
- * standard land value

For the **income approach** ("Ertragswertverfahren"), which is used for properties used primarily for residential purposes (single-family and two-family homes, residential rental properties and condominiums), you also need the living space of the building and the number of parking spaces or garages.

For the **asset value method** ("Sachwertverfahren"; commercial properties, mixed-use properties, part-ownership and other developed land), the gross floor area of the buildings is required. The gross floor area is the sum of the usable floor areas of all plan levels of a building.

You can find more information regarding land ownership in North Rhine-Westphalia (parcel, district, standard land value) at www.grundsteuer-geodaten.nrw.de or comparable websites of other federal states.

You will find the building data for example:

- * in your purchase documents / purchase contracts
- * in your construction specifications
- * in the construction plan
- * alternatively at the building authority of the municipality

If you would like to commission us with the preparation of the declarations, please contact us. We (Anja Nohr & Mahdi Hamzei) are at your disposal.

Further information will follow shortly on our website: nhsgroup.de



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● Wirtschaftsprüfung ● Steuerberatung ● Unternehmensberatung

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