

REPUBLIC OF LITHUANIA

LAW

ON LAND TAX

1. The Object of Taxation and Taxable Entities

Article 1. The object of land tax shall be private land.

Article 2. Owners of private land shall be liable to landtaxation.

2. Rate of Tax

Article 3. The annual rate of land tax shall be 1.5 percent of the cost of the land (in the case of forest land -- not including the value of trees).

3. Tax Reliefs

Article 4. Exempt from land tax shall be:

- 1) commonly used roads; and
- 2) plots of land belonging by the right of ownership to diplomatic and consular missions of foreign states (on parity basis).

Article 5. Tax reliefs for land under protective forest belts and under natural monuments, as well as for land used for the purposes of nature protection, shall be established by the Government of the Republic of Lithuania in coordination with the Department of Environmental Protection.

Tax reliefs for land under historical and cultural monuments shall be established by the Government of the Republic of Lithuania in coordination with the Inspectorate of Cultural Heritage.

Article 6. Exempt from land tax shall be land owners who are group I and group II invalids, old-age pensioners and minors, provided that at the beginning of the taxation period, there are no persons capable of work in the families of said land owners, and provided that the size of the land plot owned by them does not exceed the tax exempt area of land established by city and district local government councils.

When granting tax reliefs, fulltime pupils and students of educational institutions shall not be regarded as persons capable of work.

Article 7. Local government councils shall have the right to reduce the amount of land tax or to grant exemption from the payment of land tax compensating the sums from their respective budgets.

4. Computation of Taxes and the Procedure of Payment

Article 8. The amount of land tax shall be computed according to the procedure established by the Government of the Republic of Lithuania.

Article 9. New land owners shall pay taxes:

- 1) for the whole year if the land is acquired during the first half of the year; and
- 2) beginning the following calendar year if the land was acquired during the second half of the year.

Article 10. No tax shall be imposed on land:

- 1) for the same year if the land is transferred during the first half of the year; and
- 2) beginning with the next year if the land is transferred during the second half of the year.

Article 11. The term of the computation and payment of land tax shall be established by city and district boards.

Article 12. Persons who are not taxed by the established date shall be required to pay no more than the amount of the previous two years. Inaccurately assessed tax revisions, tax reimbursements, and recoveries of debt shall also not exceed the amount of the previous two years.

Article 13. Taxpayers who fail to pay their taxes by the required date shall be liable for a daily interest of 0.5 percent until the tax is paid.

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