

REPUBLIC OF LITHUANIA

LAW

ON LAND TAX

1. The Object of Taxation and Taxable Entities

Article 1.

Land shall be taxed. Land shall be divided according to its use into:

- 1) land used for agricultural purposes; and
- 2) non-agricultural land.

Article 2.

Land owners and land users (natural and legal persons) using land on the territory of the Republic of Lithuania, which has been allotted to them by State bodies or which they possess by right of ownership, shall be liable to land taxation.

2. Tax Rates and the Procedure for their Establishment

Article 3.

Taxes shall be imposed on land used for agricultural purposes as follows:

- 1) for agricultural land - at the basic tax rate as prescribed by Supplement 1;
- 2) for agricultural land in zones 1 and 2 of the karst region - at a rate 2 times lower than the basic rate prescribed by Supplement 1; for agricultural land in zones 3 and 4 of the karst region - at the minimum tax rate;
- 3) for forest land - at a tax rate 5 times lower than the basic rate prescribed by Supplement 1; for all other taxable land - at a tax rate 10 times lower than the basic rate prescribed by Supplement 1.

No tax shall be imposed on precipices, karst formations, sandy land, and land under natural water bodies.

Article 4.

A tax at the basic rate, i.e. 335 roubles per hectare, shall be imposed on all non-agricultural land.

During the first three calendar years from the enforcement of this law, taxes shall be imposed on the total area of land which is allotted (or acquired) for non-agricultural purposes and which was previously used for farming, at the basic rate prescribed by Supplement 2 of this law.

Article 5.

Upon determining the minimum tax rates, the basic rates of taxes specified in Articles 3 and 4 shall be increased by applying the following coefficients:

in the cities of Vilnius and Neringa	2.5
in the cities of Kaunas and Palanga	2
in other towns under the jurisdiction of the Republic and in the town of Trakai	1.7
in towns whose population exceeds 30,000	1.5
in towns whose population is between 10,000 and 30,000	1.3
in towns whose population is under 10,000	1.2
in urban-type settlements	1.1
for land owners and users, if more than half of the total area of the allotted (or acquired) land is within 10 kilometres of the border of a town under the jurisdiction of the Republic	1.2
for land owners and users, if more than half of the total area of the allotted (or acquired) land is within 5 kilometres of a town border	1.1

The amount of tax imposed on land allotted (or acquired) beyond the boundaries of a town or urban-type settlement shall be calculated by applying either the minimum tax rate for a suburban zone, or the basic tax rate (with the exception of suburban zones).

In towns and urban-type settlements, land tax rates shall be determined by local government Boards in compliance with the procedures established by the Government of the Republic of Lithuania.

Tax rates may not exceed 40 times the minimum tax rate imposed in the locality.

3. Tax Reliefs

Article 6.

Land tax shall not be imposed on:

- 1) State reserve land;
- 2) State Forest Fund land;
- 3) cemeteries and church yards;
- 4) land allocated for environmental, educational and scientific purposes;
- 5) the grounds of archaeological, architectural, and historical monuments;
- 6) State railway and State motor transport land;
- 7) State Water Fund land;
- 8) land of towns and urban-type settlements which is commonly used;
- 9) land allotted to (or acquired by) charity organizations and institutions which are financed by local government budgets; and
- 10) forest land in towns and urban-type settlements.

Farmsteads, private farms, and land which is allotted by bodies of State Government, used for commercial activities, and located on the territories specified in paragraphs 1, 2, 4, 5, and 6 hereof, shall not be exempt from taxation.

Article 7.

Under this law, land owners and land users who qualify as Group I or Group II invalids, as well as people for whom old-age pension, tax-exempt agricultural income, and grants are the sole source of family income, shall be exempt from taxation if their respective plot of land is no more than 1 hectare in rural areas, or 0.15 hectare in urban areas.

Article 8.

The right to modify taxation or to declare individual legal and natural persons or their respective groups exempt from land tax shall belong to the Local Government Boards to whose budgets land tax payments are appropriated.

4. Procedure and Control of Tax Payment

Article 9.

Land tax shall be based on the data of the land cadastre, which shall be presented to the land users in the procedure established by the Government.

Legal persons shall calculate their own taxes according to the set form of the Ministry of Finance, and shall file a return with the town (or district) State Tax Inspectorate every year by the 1st of February.

State Tax Inspectorates shall calculate taxes for natural persons, and shall inform them of the amount due by the 1st of February.

Article 10.

New land users shall pay taxes:

- 1) for the whole year if the land is allotted or acquired by right of ownership during the first half of the year; or
- 2) beginning the following year if the land is allotted or acquired by right of ownership during the second half of the year.

The same regulations shall be applied if the boundaries of a land user's plot are changed.

Article 11.

If the tax due for a given year does not exceed 500 roubles, the taxpayers shall pay the required amount in 2 equal installments: the first installment by May 1st, and the second by November 1st; if the amount exceeds 500 roubles, it shall be

paid in four equal installments: the first installment by February 15th, the second by May 15th, the third by August 15th, and the fourth by November 15th.

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.

5. Special Conditions for the Imposition of Taxes

Article 14.

Natural and legal persons who are voluntarily using land without a due permit shall be held liable by the State Tax Inspectorate for three times the maximum tax rate for the given residential area.

Payment of the aforesaid tax shall not legalize the unsanctioned use of land.

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President
Supreme Council
Republic of Lithuania
Vilnius
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LAW ON LAND TAX OF THE REPUBLIC OF LITHUANIA SUPPLEMENT 1

Basing rate of land tax for agricultural land [of the land used for agricultural purposes] according to the assessment of its productivity.

Productivity marks of agricultural land	Rate of land tax roubles per 1 hectare per year
up to 17	6
17.1-19	12
19.1-21	18
21.1-23	24
23.1-25	30

25.1-27	36
27.1-29	42
29.1-31	48
31.1-33	54
33.1-35	60
35.1-37	66
37.1-39	72
39.1-41	78
41.1-43	84
43.1-45	90
45.1-47	96
47.1-49	102
49.1-51	108
51.1-53	114
53.1-55	120
55.1-57	126
57.1-59	132
59.1-61	138
61.1-63	144
63.1-65	150
65.1-67	156
67.1-69	162
69.1-71	168
71.1-73	174
73.1-75	180
75.1-77	186
77.1 and over	192
On the average in the Republic	85

LAW ON LAND TAX OF THE REPUBLIC OF LITHUANIA

SUPPLEMENT 2

Basing rate of land tax on agricultural land of the land used for agricultural purposes] allotted for non-agricultural purposes

Productivity marks of agricultural land	Rate of land tax roubles per 1 hectare per year
up to 17	140
17.1-19	155
19.1-21	170
21.1-23	185
23.1-25	200
25.1-27	215
27.1-29	230
29.1-31	245
31.1-33	260
33.1-35	275
35.1-37	290
37.1-39	305
39.1-41	320

41.1-43	335
43.1-45	350
45.1-47	365
47.1-49	380
49.1-51	395
51.1-53	410
53.1-55	425
55.1-57	440
57.1-59	455
59.1-61	470
61.1-63	485
63.1-65	500
65.1-67	515
67.1-69	530
69.1-71	545
71.1-73	560
73.1-75	590
77.1 and over	605