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19 September 2013 [shall come into force from 1 January 2014];  
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22 June 2017 [shall come into force from 1 August 2017].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*<sup>1</sup> has adopted and  
the President has proclaimed the following Law:

## **On Immovable Property Tax**

### **Section 1. Immovable Property Tax Object**

(1) The immovable property tax shall be imposed on tangible things which are located in the territory of the Republic of Latvia and which cannot be transferred from one place to another without being externally damaged – land, buildings, including the buildings registered in the Cadastre Information System but not transferred into exploitation, and engineering structures (hereinafter – the immovable property), except the immovable property referred to in Paragraph two of this Section.

(2) Immovable property tax shall not be imposed on:

1) the immovable property of a local government, which is used by a local government council and also by the institutions established by it, which are financed from the funds of the local government budget and are located in the administrative territory of such local government, as well as on the immovable property of a local government the possession of which is transferred or leased to other persons and which is used for the provision of medical or social care services, and the immovable property which has been created by implementing

<sup>1</sup> The Parliament of the Republic of Latvia

private and public partnership projects, and is used to ensure the performance of the functions of local government, as well as social residential houses and social apartments;

1<sup>1</sup>) [23 November 2000];

2) the immovable property owned by a foreign state, which is used for the needs of its diplomatic or consular offices, if, in accordance with the laws of the relevant foreign state, the Republic of Latvia enjoys the same rights regarding the immovable property owned by Latvia in the foreign state;

2<sup>1</sup>) up to 31 December 2006 – public traffic roads and streets, air and water navigation constructions and public waters;

3) from 1 January 2007 – public waters and land beneath public highways, roads, underground roads, tunnels, streets, railway tracks, city rail tracks, bridges and trestles;

3<sup>1</sup>) the following engineering structures in the ownership or lawful possession of the State, local governments, State or local government capital companies or capital companies that provide regulated public services:

a) railways, city rail tracks, airport runways;

b) bridges, trestles, tunnels and underground roads;

c) ports and navigable channels, berths and their quays, constructions of port aquaria;

d) dams, aqueducts, irrigation and cultivation waterworks;

e) main pipelines for supplying water;

f) trunk lines of communication;

g) trunk electricity transmission lines;

h) gas distribution systems;

i) power station structures;

j) [30 November 2015];

k) chimneys;

l) lighting structures and fences;

3<sup>2</sup>) the engineering structures belonging to natural persons, which are not being used for the performance of economic activities;

3<sup>3</sup>) motorways, streets and roads, unless a local government in accordance with Paragraph 2.<sup>1</sup> of this Section has specified in the binding regulations thereof, that these objects shall be subject to tax, water supply pipelines of local significance, sewage pipelines of local significance, electricity transmission lines and communication cables of local significance;

3<sup>4</sup>) the sports engineering structures in the ownership or lawful possession of the State, local governments, State or local government capital companies or capital companies that provide regulated public services;

4) the immovable property of religious organisations (excluding the objects and the land for the maintenance thereof referred to in Section 3, Paragraph one, Clause 2 of this Law), which is not used for economic activities. The immovable property tax shall not be imposed on the objects and the land for the maintenance thereof belonging to religious organisations and referred to in Section 3, Paragraph one, Clause 2 of this Law, if they are not being rented or leased out. Regarding the immovable property of religious organisations, its utilisation for charity and social care, as well as the activities of an educational institution for religious personnel, which is registered with the Register of Religious Organisations, and their Institutions shall also not be considered as economic activity;

4<sup>1</sup>) [23 November 2000];

5) according to the list approved by the Cabinet – land in specially protected nature territories, in which economic activity is prohibited by law, and on the existing buildings and engineering structures used for environmental protection in these territories;

5<sup>1</sup>) [25 November 1999];

6) State protected cultural monument, as well as land for its maintenance, except for residential houses and land for its maintenance, immovable property used for economic activity, as well as immovable property which is not maintained according to the requirements for the protection of cultural monuments;

7) according to the procedures determined by the Cabinet, land which is covered by renewed or cultivated forest stands (young stands);

7<sup>1</sup>) [22 November 2001];

8) national sports bases and land for the maintenance thereof;

9) the auxiliary buildings of residential houses, if the area of the auxiliary building does not exceed 25 m<sup>2</sup>, excluding garages;

9<sup>1</sup>) the auxiliary buildings of residential houses, if the area of the auxiliary building exceeds 25 m<sup>2</sup> and the local government has determined exemption from a tax with its binding regulations, excluding garages;

10) the land of the cemetery territories, buildings for funeral ceremonies, crematoria and land for the maintenance thereof;

11) the immovable property under the jurisdiction of the State and local governments, which has not been transferred for use or leased;

12) the buildings and engineering structures which are used only for the agricultural production;

13) [6 November 2013 / See Paragraph 60 of Transitional Provisions];

14) the buildings or the parts (group of premises) and engineering structures thereof in the ownership of the State, which are used for ensuring the fulfilment of the functions of the National Armed Forces, penal institutions, police, border guards and the fire-fighting and rescue service, as well as State security institutions;

14<sup>1</sup>) the land in the State border strip of the Republic of Latvia according to the information provided by the State Land Service on the area of the border strip in the particular land parcel as on 1 January of the current year;

15) the buildings or the parts (groups of premises) thereof, which are used by institutions financed from the State budget;

16) the buildings or the parts (groups of premises) thereof, which are used for educational, health, social care needs;

17) the buildings or their parts (group of premises) and engineering structures, which are used for the needs of environmental protection in accordance with the criteria and procedures stipulated by the Cabinet;

18) the buildings or engineering structures belonging to associations and foundations in accordance with criteria determined and a list approved by the Cabinet;

19) the immovable property of the *ATHENA* mechanism in the Republic of Latvia established for the financial management of the total costs of military or defence operations of the European Union;

20) the buildings (groups of premises) that are constantly being used by the accredited museums, the accredited libraries, the Latvian National Opera, the State limited liability company Riga Circus and theatres, as well as buildings that are constantly being used by concert organisations which carry out the State delegated functions in the field of culture or the professional creative organisations registered in the Ministry of Culture for the needs of art galleries;

21) the buildings (groups of premises) that are corroborated in the Land Register in the name of the Free Trade Union Confederation of Latvia and are continuously used for the implementation of the functions laid down in laws and regulations, except the buildings (groups of premises) used in economic activities and the objects referred to in Section 3, Paragraph one, Clause 2 of this Law;

22) upon buildings or the parts (groups of premises) thereof which are used by the State scientific institutes specified in Section 21.<sup>2</sup>, Paragraph six of the Law on Scientific Activity – derived public persons.

(2<sup>1</sup>) The immovable property tax shall be imposed on engineering structures – areas that are used as a pay parking areas for vehicles, if the local government has determined this in its binding regulations, which have been published until 1 November of the pre-taxation year.

(2<sup>2</sup>) Tax exemption shall not be applied to engineering structure referred to in Paragraph two, Clause 3.<sup>1</sup>, Sub-paragraph “c” of this Section, if such engineering structure is leased out to a performer of economic activity.

(3) If the immovable property referred to in Paragraph two, Clauses 4 and 9 of this Section is partly used for economic activity or leased, tax shall be imposed on the relevant part of the immovable property.

(3<sup>1</sup>) The immovable property tax shall be imposed on a State protected immovable cultural monument and land for its maintenance, if the relevant immovable property is not maintained according to the requirements for the protection of cultural monuments. A local government shall impose the tax on the State protected immovable cultural monument and land for its maintenance, as well as after elimination of the relevant deficiencies – shall exempt from imposition of the tax on the basis of a statement from the State Inspection for Heritage Protection.

(4) Within the meaning of this Law economic activity shall be the manufacture of goods, performance of works, trade, provision of services and an activity of other type for a consideration, except for the provision of payable services in conformity with the functions of budgetary institutions of the State or local government, the use of land for production of agricultural products for personal consumption, as well as subletting of a flat or individual residential house (part of a house) for living or groups of premises in the ownership of or lawful possession of natural persons, or religious organisations whose type of use is associated with living (garage, car parking space, cellar, storage and utility room), for lease to a natural person, who does not use them for economic activities. The use of a State protected immovable cultural monument for the implementation of cultural functions shall not be deemed the use thereof in economic activities, except movie theatres.

*[13 November 1997; 21 October 1998; 21 January 1999; 25 November 1999; 23 November 2000; 22 November 2001; 20 June 2003; 20 October 2005; 27 September 2007; 8 November 2007; 29 January 2009; 1 December 2009; 14 October 2010; 20 December 2010; 15 December 2011; 15 November 2012; 6 November 2013; 6 March 2014; 30 November 2015; 10 December 2015; 6 April 2017 / Clause 14.<sup>1</sup> of Paragraph two shall come into force on 1 January 2018. Paragraph 2.<sup>3</sup> shall come into force on 1 January 2020 and shall be included in the wording of the Law on 1 January 2020. See Paragraphs 67 and 69 of Transitional Provisions]*

## **Section 2. Payers of the Immovable Property Tax**

(1) The immovable property tax shall be paid by Latvian or foreign natural persons and legal persons and groups of such persons, formed on the basis of a contract or other agreement, or their representatives who have an immovable property in their ownership, legal possession or – in the cases laid down in this Law – in their use.

(2) Within the meaning of this Law, a person whose ownership rights to the immovable property have been corroborated in the Land Register or whose immovable property (buildings and engineering structures), until the renewal of legal force of the Land Register Law, has been registered with a local government or with the State Land Service shall be considered as the owner of immovable property.

(2<sup>1</sup>) Within the meaning of this Law, a superficiary shall be considered as the owner of immovable property, if a building or engineering structure is registered in the National Real

Estate Cadastre Information System on the basis of the right of superficies corroborated in the Land Register.

(3) Within the meaning of this Law, the following shall be considered as the legal possessor of immovable property:

1) a person into whose ownership, in the course of land reform, land has been transferred (granted) for payment or whose ownership rights to the land have been restored and the land has been determined (surveyed) on site, in accordance with the decision of an authority determined by law;

2) a person whose property rights to buildings or engineering structures have been restored in accordance with the procedures prescribed by law and who has assumed them;

3) a person who has come into possession of immovable property on the basis of inheritance rights or on another basis.

(4) The immovable property tax for the immovable property belonging to several persons or is in joint possession, on the basis of joint property rights, shall be paid by each joint owner (joint possessor) proportionate to his or her share of the joint property (joint possession).

(5) The immovable property tax for immovable property belonging to the State shall be paid by the person under whose name the immovable property is corroborated in the Land Register. If a person to whom the immovable property belonging to the State is transferred for use is determined in the law, the immovable property tax shall be paid by the person to whom the the right to use the property has been granted on the basis of the law.

(6) The immovable property tax for the immovable property under State jurisdiction shall be paid by the person under whose name the immovable property should be corroborated in the Land Register. If a person in whose possession the immovable property under State jurisdiction is transferred is determined in the law, this person shall be the payer of the immovable property tax.

(6<sup>1</sup>) The immovable property tax for the immovable property, which has been recognised as criminally acquired by a court ruling in criminal proceedings and has been confiscated for the State benefit, shall be covered, in accordance with the procedures laid down in the Law on Executing Confiscation of Criminally Acquired Property, from the monetary resources obtained upon executing confiscation of the property for the time period from the subsequent month after the court decision on confiscation of criminally acquired property has entered into effect until the subsequent month after the court decision by which an auction act of immovable property, an act on keeping the immovable property after an auction that has not taken place, or an act on selling the immovable property without auction, has been approved, and shall reside in the deposit account of a sworn bailiff.

(7) Immovable property tax for the immovable property belonging to or under the jurisdiction of a local government shall be paid by a person in whose possession the immovable property has been transferred by a decision of the local government institution. If the immovable property belonging to or under the jurisdiction of a local government has not been transferred into possession, but is in use of another person on the basis of a law or on another basis, the user of the relevant immovable property (actual user) shall be the payer of the immovable property tax.

(8) Immovable property tax for an apartment residential house (its part), which is corroborated in the Land Register in the name of the State or local government, and for the land belonging to or under the jurisdiction of the State or local government, on which the house is located, shall be paid by the administrator of the apartment residential house who collects immovable property tax payments from tenants, renters of such residential house (its part) or from the persons who have acquired the ownership rights to the residential house (its part) until privatisation of the residential house, as well as from legal possessors of apartment properties (until the corroboration of the immovable property in the Land Register) in addition to the determined lease payment or rental payment, or payment for the administration of the apartment house. Regarding an apartment residential house (its part), which is corroborated in

the Land Register in the name of the local government, and land belonging to or under the jurisdiction of the local government, on which such house is located, the local government has the right to apply Paragraph 8.<sup>1</sup> of this Section.

(8<sup>1</sup>) Immovable property tax for an apartment residential house (its part), which is corroborated in the Land Register in the name of a local government, and for the land belonging to or under the jurisdiction of a local government, on which the house is located, shall be paid by the tenants and renters of the apartment residential house (its part) of the local government, who have entered into lease and rental contracts with the local government, or by the persons who have acquired the ownership rights to the residential house (its part) until the privatisation of the residential house, or by legal possessors of apartment properties (until the corroboration of the immovable property in the Land Register), or by the taxpayers specified in Paragraph seven of this Section, if the local government has stipulated such payment procedures in its binding regulations, which are published thereby until 1 November of the pre-taxation year.

(9) Immovable property tax for the immovable property belonging to or under the jurisdiction of the State or local government, which is located in the territory of free port or special economic zone and which has been transferred by the free port or the administration of the special economic zone into use of another person, shall be paid by the user of the relevant immovable property.

(10) Immovable property tax for the forest land belonging to the State and corroborated in the Land Register in the name of the State in the person of the Ministry of Agriculture and for the forest land under the State jurisdiction and to be corroborated in the name of the State in the person of the Ministry of Agriculture, as well as for the existing buildings or engineering structures on such land, for which the State stock company "Latvian State Forests" has been registered as the user in the National Real Estate Cadastre Information System, shall be paid by the State stock company "Latvian State Forests".

(11) Immovable property tax for a building or engineering structure registered in the National Real Estate Cadastre Information System and built on the basis of the right of superficies shall be paid by the superfiiciary.

*[23 November 2000; 1 December 2009; 15 December 2011; 6 November 2013; 6 March 2014; 30 November 2015; 22 December 2016; 22 June 2017]*

### **Section 3. Immovable Property Tax Rate, Taxation Period and Tax Calculation**

(1) The immovable property tax rate or rates from 0.2 to 3 per cent from the cadastral value of the immovable property shall be determined by a local government in the binding regulations thereof, which shall be published thereby until 1 November of the pre-taxation year. The immovable property tax rate exceeding 1.5 per cent from the cadastral value of the immovable property shall be determined by a local government only when the immovable property is not maintained in accordance with the procedures laid down in laws and regulations. If the local government has not published the binding regulations until the specified deadline, the immovable property tax rate shall be as follows:

1) 1.5 per cent of the cadastral value of the immovable property:

a) for land,

b) for buildings or parts thereof, excluding the immovable property tax objects referred to in Clause 2 of this Paragraph and Paragraph 1.<sup>2</sup> of this Section;

c) engineering structures;

2) for residential houses irrespective of whether they are or are not sub-divided into apartment properties, residential house sections, groups of premises in non-residential buildings whose type of use is residential, as well as groups of premises whose type of use is associated with living (for garages, car parking spaces, cellars, storage and utility rooms), if they are not being used for the performance of economic activities:

- a) 0.2 per cent of the cadastral value, that does not exceed EUR 56 915,
- b) 0.4 per cent of the cadastral share, that exceeds EUR 56 915, but does not exceed EUR 106 715,
- c) 0.6 per cent of the cadastral share, that exceeds EUR 106 715.

(1<sup>1</sup>) An additional immovable property tax in the amount of 1.5 per cent shall be imposed on agricultural land which is not being farmed, except for land, the area of which does not exceed one hectare or for which restrictions on agricultural activities have been determined by laws and regulations. The aforementioned additional rate shall also be imposed, if the local government has specified the immovable property tax rate for agricultural land which is not being farmed in the binding regulations thereof in accordance with Paragraph one of this Section.

(1<sup>2</sup>) The rates determined by Paragraph one, Clause 2 of this Section shall also be imposed on the auxiliary buildings of residential houses and garage owner co-operative societies, and garage owner associations and the garages of natural persons (excluding garages for heavy machinery and farm machinery), if they are not being used for the performance of economic activities.

(1<sup>3</sup>) The tax for engineering structures to which the immovable property tax shall be applicable in accordance with this Law, but which are not registered in the National Real Estate Cadastre Information System shall be calculated by applying the rate referred to in Paragraph one, Clause 1 of this Section to the cadastral value of the land under the jurisdiction of the engineering structure.

(1<sup>4</sup>) The immovable property tax in the amount of 3 per cent shall be imposed on an environment-degrading, collapsed building or building hazardous to personal safety, if it has been determined by a local government in the binding regulations thereof, which shall be published by the local government until 1 November of the pre-taxation year, from the largest cadastral value mentioned below:

- 1) the cadastral value of the land under the jurisdiction of the building;
- 2) the cadastral value of the building.

(1<sup>5</sup>) The rate and base specified in Paragraph 1.<sup>4</sup> of this Section shall be applied if the local government has not specified other tax rate in the binding regulations provided for in the introductory part of Paragraph one of this Section.

(1<sup>6</sup>) The immovable property tax in the amount of 3 per cent shall be imposed on a building, in construction of which the total duration of construction works laid down in laws and regulations has been exceeded, from the following month after expiry of the construction term until the month when an act regarding acceptance of the building into service is signed, if it has been determined by the local government in the binding regulations thereof, which shall be published by the local government until 1 November of the pre-taxation year, from the largest cadastral value mentioned below:

- 1) the cadastral value of the land under the jurisdiction of the building;
- 2) the cadastral value of the building.

(1<sup>7</sup>) The tax rate laid down in Paragraph one, Clause 2 of this Section shall be applicable to the objects belonging to a merchant laid down in Paragraph one, Clause 2 of this Section, if they have been rented out for living, from the following month after corroboration of the rental rights in the Land Register. The immovable property tax rate for the objects belonging to a merchant laid down in Paragraph one, Clause 2 of this Section shall be 1.5 per cent, if rental rights to such objects have not been corroborated in the Land Register, or from the following month after:

- 1) the corroboration in the Land Register regarding rental rights in such objects has been extinguished;
- 2) the term of rental rights of such objects indicated in the corroboration in the Land Register has expired, if information regarding extending the term of or extinguishing the rental rights of such objects has not been submitted to the Land Register;

3) the rental contract entered into for such objects has expired, if it has expired prior to the term of the rental rights indicated in the corroboration in the Land Register. In such case the merchant has an obligation, within one month after the expiry of the contract, to inform the local government regarding the expiry of the rental contract before term.

(1<sup>8</sup>) The immovable property tax rate shall be 1.5 per cent also if the objects laid down in Paragraph one, Clause 2 of this Section are in legal possession of the merchant.

(2) The taxation period of the immovable property tax shall be a calendar year (hereinafter – the taxation year).

(3) The immovable property tax shall be calculated from the cadastral value of the immovable property tax object according to the situation on 1 January of the taxation year. If the immovable property tax object has been registered in the National Real Estate Cadastre Information System during the taxation year, the tax shall be calculated from the cadastral value of the object at the moment of registration.

(3<sup>1</sup>) The minimum immovable property tax payment for each taxpayer in each local government shall be EUR 7, even in cases, when the immovable property tax objects of the taxpayer have had tax exemption applied and after the application thereof the total tax calculated for the taxation year in the relevant local government is less than EUR 7. If the calculated tax amount for the most deprived or low-income persons after the granting of the exemption at the rate of 90 per cent is less than EUR 7, the local government has the right to not send a payment notification to the taxpayer. In such case the calculated tax sum shall be accumulated until such time, when as a result of change or the result of the tax calculation for the next taxation year the total calculated tax sum exceeds EUR 7, and the local government shall send a total payment notification for all the tax years, for which the calculated tax has accumulated. The terms for the payment shall be determined during the taxation year, in which the payment notification has been sent, in accordance with Section 6, Paragraph three of this Law.

(4) If the immovable property is located in the administrative territory of several local governments, the immovable property tax shall be calculated and collected by each local government proportionately to such part of the immovable property as is in its territory.

(5) If the exemption from the payment of immovable property tax provided for in Section 1, Paragraph two of this Law is applicable only to part of the immovable property, the tax for that part of the property to which the exemption is not applicable shall be calculated in accordance with the general procedures determined by this Law.

(6) If during the taxation year cadastral data changes are registered in the National Real Estate Cadastre Information System, the updated cadastral value for the calculation of tax shall be applied in the following taxation year.

(7) The Cabinet shall determine the authorities, which shall survey the unfarmed agricultural land area of the land parcel, and the procedures, by which the area of this land shall be determined, as well as the procedures, by which the determined authorities shall provide information to local governments for the calculation of the tax in accordance with the additional rate referred to in Paragraph 1.<sup>1</sup> of this Section.

(8) Within the meaning of this Law unfarmed agricultural land is all the unfarmed agricultural land area of the land parcel, if until 1 September of the current year more than 30 per cent of the agricultural land area of the relevant land parcel is not being used for producing or growing agricultural products, including crop harvesting, grazing and keeping of animals for agricultural purposes, or the referred to land area is not being maintained in a good agricultural and environmental state. The Cabinet shall determine the features, according to which it shall be recognised, that the land is not being maintained in a good agricultural and environmental state.

(9) A taxpayer has an obligation, within one month, to inform the local government, in the administrative territory of which the immovable property or part thereof is located, regarding the commencement or termination of economic activity in the immovable property tax objects

referred to in Paragraph one, Clause 2 and Paragraph 1.<sup>2</sup> of this Section, except when the type of use is changed for the immovable tax object.

(10) If as a result of changing the type of use of the immovable property object or commencing or terminating the economic activity the applicable immovable property tax rate does not conform to the conditions of the binding regulations of the local government, the local government shall perform re-calculation of the immovable property tax from the following month after occurrence of such changes.

(10<sup>1</sup>) If a taxpayer has not complied with the time period laid down in Paragraph nine of this Section for the notification of the termination of economic activity in the immovable property tax objects referred to in Paragraph one, Clause 2 and Paragraph 1.<sup>2</sup> of this Section, the local government shall perform re-calculation of the immovable property tax from the following month after the information has been submitted to the local government.

(10<sup>2</sup>) If the local government performs re-calculation of the immovable property tax in accordance with the procedures laid down in Paragraphs 10 and 10.<sup>1</sup> of this Section, the updated cadastral value of the object, if any, and the tax rate in accordance with the conditions of this Section or of the binding regulations of the local government shall be applied in the calculation of the immovable property tax.

(11) The cadastral value of an engineering structure shall be applied to the calculation of tax, beginning with the month following the registration thereof in the National Real Estate Cadastre Information System.

(12) In order to ensure commensurate increase of tax burden, land parcels (parts thereof) which are located in the administrative territories outside towns and the area of which exceeds 3 hectares, and at least one of the laid down purposes for use is from the group of purposes for use “Agricultural land”, “Forestry land and specially protected nature territories in which economic activities are prohibited by a normative act” or “Water bodies land” (hereinafter – the rural land), until taxation year 2015 the immovable property tax shall be calculated from a special value which is determined specially for tax calculation (hereinafter – the special value).

(13) The special value shall be determined on the basis of the cadastral value of rural land. The increase of the special value of rural land within the taxation year shall not exceed 10 per cent per year from the special value of rural land laid down for the previous taxation year.

(14) The special value of the taxation year shall be determined according to the situation as of 1 January by comparing the special value of pre-taxation year with the cadastral value which is determined as of 1 January of the taxation year. The special value is equal to the cadastral value, if increase of the cadastral value determined on 1 January of the taxation year does not exceed 10 per cent of the special value of the pre-taxation year. The special value is equal to the special value of the pre-taxation year, which is multiplied with a coefficient 1.1, if increase of the cadastral value laid down on 1 January of the taxation year exceeds 10 per cent of the special value of the pre-taxation year.

(15) The special value for the rural land which is registered in the National Real Estate Cadastre Information System during a taxation year shall be equal to the cadastral value on the day of the registration of the land parcel.

(16) If during the taxation year changes in data regarding the rural land are registered in the National Real Estate Cadastre Information System, a special value shall not be determined repeatedly for the taxation year.

*[21 October 1998; 21 January 1999; 25 November 1999; 22 November 2001; 20 June 2003; 20 October 2005; 8 November 2007; 1 December 2009; 17 June 2010; 14 October 2010; 20 December 2010; 15 December 2011; 15 November 2012; 19 September 2013; 6 November 2013; 30 November 2015 / See Paragraph 65 of Transitional Provisions]*

### **Section 3.<sup>1</sup> Principles for the Specification of the Immovable Property Tax Rates and Tax Exemptions in the Binding Regulations of Local Governments**

(1) In determining the immovable property tax rate or rates, a local government shall comply with the following principles:

1) the principle of objective classification, according to which taxpayers or tax objects are grouped according to objective criteria;

2) the efficiency principle, according to which a local government commensurates tax administration expenditure with tax revenue;

3) the principle of responsible budget planning, according to which a local government balances the obligations thereof with the resources necessary for their implementation;

4) the principle of predictability and stability, according to which tax rates are specified in a timely manner for a taxation period of at least two years, if the increase or reduction in the base value of the immovable property in comparison with the base values in taxation period and pre-taxation period is less than 20 per cent.

(2) In determining the immovable property tax rate or rates, a local government may apply the following principles:

1) the principle of support to entrepreneurship, according to which the local government shall use the tax rate as a means for improvement of the competitiveness of the entrepreneurs in the territory thereof or of specific types of entrepreneurship, complying with the conditions of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 88 of the Treaty on the Functioning of the European Union to *de minimis* aid (Text with EEA relevance);

2) the principle of spatial development and improvement of territory, according to which the local government shall use the tax rate for the promotion of development and arrangement of the territory thereof.

(3) In determining the immovable property tax exemptions, a local government shall comply with the principles specified in Paragraph one, Clauses 1, 2 and 3 of this Section and has the option of applying the principles specified in Paragraph two of this Section.

(4) In determining the immovable property tax exemptions in conjunction with the tax rate or rates, a local government shall comply with the principle of social responsibility, according to which it shall particularly take into account the impact of the tax on the groups of socially disadvantaged and poor inhabitants.

[15 November 2012; 30 November 2015]

### **Section 4. Provision of Data of the National Real Estate Cadastre Information System for the Needs of the Administration of the Immovable Property Tax**

(1) The cadastral value of an immovable property shall be determined by the State Land Service in compliance with the requirements of the National Real Estate Cadastre Law.

(1<sup>1</sup>) Data registered in the National Real Estate Cadastre Information System shall be utilized for the administration of the immovable property tax. Changes in the composition of the immovable property or the characteristic data of the immovable property object shall be taken into account to calculation of tax in compliance with the procedures determined by this Law, if these changes have been registered in the National Real Estate Cadastre Information System. Data that has not been registered in the National Real Estate Cadastre Information System shall be obtained by a local government for the administration of the immovable property tax in accordance with the procedures determined by this Law or from other information systems.

(1<sup>2</sup>) The State Land Service shall determine a special value outside the National Real Estate Cadastre Information System by using the cadastral value of rural land registered in the National Real Estate Cadastre Information System.

(2) If a tax is imposed on a part of a land parcel or building (group of premises) or if parts of the land parcel or building in accordance with Section 3, Paragraphs one and 1.<sup>1</sup> of this Law have different tax rates, the cadastral share of the land parcel or building shall be used for the calculation of tax proportionally to the taxable area of the land parcel or building. The Cabinet shall determine the procedures by which the cadastral share shall be calculated for tax purposes.

(3) The Cabinet shall determine the amount, procedures and terms, by which the State Land Service shall provide the National Real Estate Cadastre Information System data to local governments for the needs of the administration of the immovable property tax

(4) The State Land Service shall hand over the information regarding a special value to local governments until 10 January of the taxation year by providing at least the following information regarding each land parcel (part thereof):

- 1) the administrative territory code of the land parcel (a part of the land parcel);
- 2) the name of a local government;
- 3) the cadastre designation of the land parcel (a part of the land parcel);
- 4) the total area (in square meters) of the land parcel (a part of the land parcel);
- 5) the special value.

*[1 December 2009; 14 October 2010; 15 December 2011; 30 November 2015]*

## **Section 5. Exemptions for the Payers of the Immovable Property Tax**

(1) Exemptions shall be determined for the immovable property tax that has been calculated in accordance with the requirements of Section 3 of this Law.

(1<sup>1</sup>) A local government shall grant tax exemption to taxpayers, to which it has granted the status of the most deprived or low-income person or family – for the most deprived persons in the amount of 90 per cent of the calculated tax amount and for low-income persons – up to 90 per cent of the calculated tax amount for the period during which the taxpayer complies with the status of the most deprived or low-income person in relation with the immovable property tax objects referred to in Section 3, Paragraph one, Clause 2 and Paragraph 1.<sup>2</sup> of this Law and the land under the jurisdiction thereof.

(1<sup>2</sup>) The sum of the immovable property tax shall be reduced by 50 per cent of the calculated tax sum, but not more than by 500 euros, for the immovable property tax objects referred to in Section 3, Paragraph one, Clause 2 of this Law – residential houses regardless of whether they have been divided in apartment properties, parts of residential houses, groups of premises in non-residential houses the type of use of which is residing, and the land under the jurisdiction thereof to a person, if the person (himself or herself, or together with the spouse) or his or her spouse has three or more children under 18 years of age (also children under guardianship or children placed in a foster family) or children under 24 years of age acquiring secondary, professional or higher education as on 1 January of the taxation year and if his or her spouse has the declared place of residence in the object together with at least three of the abovementioned children. The abovementioned exemptions shall also be applied when the owner or legal possessor of immovable property is any of the children or persons referred to in Paragraph one of this Section, or an ascending first degree relative of the spouse which has a declared place of residence in this object.

(2) The amount of immovable property tax for politically repressed persons regarding land, as well as the immovable property tax objects referred to in Section 3, Paragraph one, Clause 2 and Paragraph 1.<sup>2</sup> of this Law, which have been in the ownership or possession of such persons, shall be reduced by 50 per cent, if the immovable property is not used for economic activity. If the immovable property is partly used for economic activity, then the tax reduction shall not be applied to this part.

(3) Local governments may issue binding regulations, which provide the exemption for separate categories of immovable property taxpayers. Such binding regulations shall come into force in accordance with the procedures determined by the law On Local Governments.

(3<sup>1</sup>) The conformity of the immovable property and person with the criteria referred to in Paragraph 1.<sup>2</sup> of this Section shall be determined with the intermediation of the State information systems integrator, on the basis of the data registered in the relevant State information systems at 24.00 hours on 1 January of the taxation year. The data necessary for the application of the exemption referred to in Paragraph 1.<sup>2</sup> of this Section shall be transferred to local governments with the intermediation of the State information systems integrator until the fourth working day of the taxation year.

(3<sup>2</sup>) The Cabinet shall determine the institution responsible for ensuring the operation of the State information systems integrator referred to in Paragraph 3.<sup>1</sup> of this Section, the procedures for combining data and the institutions, which shall ensure the provision of information for granting of the exemptions specified in Paragraph 1.<sup>2</sup> of this Section, as well as the amount of information to be provided, the procedures of circulation and processing thereof.

(4) Local governments may determine exemption for separate categories of immovable property taxpayers in the amount of 90 per cent, 70 per cent, 50 per cent or 25 per cent of the amount of the immovable property tax. Local governments may grant tax exemption as the *de minimis* aid to those taxpayer categories which are performers of economic activities in accordance with the conditions of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (Text with EEA relevance). If the amount of the *de minimis* aid laid down in Article 3(2) of the aforementioned Regulation is exceeded, the local government must receive a decision from the European Commission regarding the conformity of the individual aid project with the Treaty on the Functioning of the European Union prior to the granting of tax exemption.

(5) Such tax relief as has been granted to immovable property tax payers by a local government pursuant to the provisions of this Law shall not be taken into account when determining the forecast of immovable property tax which is used for the calculation of the local government payments into the finances equalisation fund and the payments therefrom.

(6) [25 November 1999]

[21 October 1998; 21 January 1999; 25 November 1999; 23 November 2000; 20 June 2003; 20 October 2005; 8 November 2007; 1 December 2009; 20 December 2010; 15 November 2012; 19 September 2013; 6 November 2013; 6 March 2014; 30 November 2015; 6 April 2017 / The new wording of Paragraph 1.<sup>2</sup> shall come into force on 1 January 2018. See Paragraph 70 of Transitional Provisions]

## **Section 6. Procedures for Payment of Immovable Property Tax**

(1) Local governments shall notify the taxpayer or the authorised person thereof of the amount of immovable property tax for the current taxation year by 15 February of the respective year by sending a payment notice to them or to their authorised person at the address indicated. The time period for sending out tax payment notices for unfarmed agricultural land is 15 February of the subsequent taxation year.

(1<sup>1</sup>) A payment notice regarding the immovable property tax is an administrative act. When sending the payment notice by post it is not necessary to formalise it as a registered postal item.

(1<sup>2</sup>) Contesting of the administrative act referred to in Paragraph 1.<sup>1</sup> of this Section shall not suspend the operation thereof.

(1<sup>3</sup>) The signature of an official of the tax administration shall not be required on a payment notice, if it has been prepared electronically. In such case it must bear the remark: “The payment notice is prepared electronically and is valid without a signature”.

(1<sup>4</sup>) If a taxpayer has not declared his or her place of residence in accordance with the procedures determined by law and has not notified an address where he or she may be reached to the tax administration, as well as has not informed the tax administration within the time period referred to in Paragraph two of this Section, that he or she has not received the payment notice, the payment notice shall not be sent, but the tax calculation shall enter into effect on 22 March of the current taxation year.

(1<sup>5</sup>) The payment notice which has been issued in accordance with Section 2, Paragraph 6.<sup>1</sup> of this Law, shall be notified by sending it to the sworn bailiff who executes the confiscation of the immovable property indicated in the executive document in accordance with the procedures laid down in the Law on Executing Confiscation of Criminally Acquired Property.

(1<sup>6</sup>) If a taxpayer has not declared the place of residence in accordance with the procedures laid down in the law and has not notified the tax administration of the address where he or she may be reached, the local government shall post the notification of administrative acts in relation to the immovable property tax which have been issued after 15 February of the taxation year on its website by indicating the place where the taxpayer may become acquainted with it.

(2) If the immovable property taxpayer or the authorised person thereof has not received a payment notice by 15 February of the current taxation year, they have an obligation to inform the local government that collects the tax thereof in writing within one month.

(3) Immovable property tax shall be paid once in each quarter – not later than on 31 March, 15 May, 15 August and 15 November – in the amount of one quarter of the yearly tax sum. The tax may also be paid once a year by advance payment.

(4) [6 November 2013]

(5) If the immovable property taxpayer authorises another person for making payments of immovable property tax for an immovable property belonging to or under the jurisdiction of the State, then the immovable property taxpayer shall notify the local government, in the administrative territory of which the immovable property is located, thereof by a written submission.

(6) If the immovable property taxpayer has authorised another person for making payments of immovable property tax for an immovable property belonging to or under the jurisdiction of the State and has informed the local government thereof, the local government shall inform the taxpayer in case of an emerging debt in due time (within a month since the emerging of the debt).

*[21 October 1998; 22 November 2001; 20 October 2005; 8 November 2007; 1 December 2009; 17 June 2010; 20 December 2010; 15 December 2011; 6 November 2013; 22 June 2017]*

## **Section 7. Creation and Termination of the Obligation to Pay the Immovable Property Tax**

(1) Immovable property tax shall begin to be paid in the next taxation year following the creation of property rights or possession rights, except in the following cases:

1) if the property is alienated, through insolvency procedures or directing recovery against the immovable property, the acquirer of the property rights of the immovable property shall pay the immovable property tax commencing with the following month after the coming into effect of the court ruling by which the auction of the immovable property was approved;

2) if the taxpayer – legal person is reorganised, the successor to obligations shall pay immovable property tax commencing with the subsequent month, when the entry is made in the relevant register regarding the reorganisation of the legal person;

3) if property of the State or a local government is privatised or alienated, the acquirer of the property rights shall pay the immovable property tax commencing with the subsequent month after the property rights were acquired;

4) if the property of the State or local government is transferred for use or leased, the user or lessee shall pay the immovable property tax commencing with the subsequent month after the use or rental rights were created;

5) if rights have been terminated for the immovable property tax exemption determined in Section 1, Paragraph two of this Law, immovable property tax shall be paid commencing with the following month after these rights were terminated;

6) if a new immovable property tax object is registered in the National Real Estate Cadastre Information System, the immovable property tax for such object shall be paid commencing with the following month after its registration with the National Real Estate Cadastre Information System;

7) if the right of superficies expires in the taxation year concurrently with expiry of the term of the right of superficies registered in the Land Register, the immovable property tax for a building or engineering structure built on the basis of the right of superficies shall be paid by the owner of the plot of land transferred for building, starting from the subsequent month after expiry of the term of the right of superficies;

8) if a property is alienated upon executing a court ruling regarding confiscation of criminally acquired property for the State benefit, the acquirer of the property rights shall pay the immovable property tax starting from the subsequent month after the court ruling by which an auction act of immovable property, an act on keeping the immovable property after an auction that has not taken place, or an act on selling the immovable property without auction has been approved has entered into effect;

9) if a property is alienated upon executing a court ruling on the confiscation of criminally acquired property by which it is decided to return the property according to the ownership to the owner or legal possessor, the acquirer of the property rights shall pay the immovable property tax starting from the subsequent month after a court judgment on confiscation of criminally acquired property has entered into effect.

(1<sup>1</sup>) The court shall send a true copy of the decision to approve an auction act of the immovable property for the administration needs of the immovable property tax within five days from the day of entering into effect of such decision.

(2) A taxpayer has a duty to inform a local government in writing in the following cases:

1) if the rights to the exemption from the immovable property tax determined in Section 1, Paragraph two of this Law are created or terminated – within one month from the day of creation or expiry of these rights;

2) if use or rental rights to State or local government property has been acquired – within one month from the day of acquisition of the possession rights; and

3) if legal possession of immovable property is acquired – within one month from the day of creation of the rights to legal possession.

(2<sup>1</sup>) [20 December 2010]

(2<sup>2</sup>) [20 December 2010]

(3) The duty to pay immovable property tax shall cease to be paid in the next taxation year following the termination of property rights or possession rights, except in the following cases:

1) if the immovable property is alienated or donated to the State or a local government, the obligation to pay the immovable property tax shall be terminated with the following month after the corroboration of property rights in the Land Register in the name of the State or local government;

2) if the property is alienated, through insolvency procedures or directing the recovery against the immovable property, the obligation of the previous owner to pay the immovable

property tax expires with the month following the day, when the court ruling comes into effect by which the an auction of the immovable property was approved;

3) the obligation to pay the immovable property tax expires with the subsequent month after the use or rental rights of the immovable property of the State local government have expired;

4) the obligation to pay the immovable property tax expires with the subsequent month after the rights to the to the exemption from the immovable property tax determined in Section 1, Paragraph two of this Law come into effect;

5) the obligation to pay the immovable property tax expires with the subsequent month after an entry regarding the relevant immovable property tax object is excluded from the National Real Estate Cadastre Information System;

6) the obligation to pay the immovable property tax for a superficies terminates with the subsequent month after expiry of the term of the right of superficies registered in the Land Register;

7) the obligation to pay the immovable property tax expires with the subsequent month after a court ruling on the confiscation of criminally acquired property has entered into effect.

(4) If the sports base obtains the status of a national sports base within the time period from 1 January until 30 June, the exemption from the immovable property tax shall be applied starting with the next taxation year.

(5) If the sports base obtains the status of a national sports base within the time period from 1 July until 31 December, the exemption from the immovable property tax shall be applied starting from the taxation year subsequent to the next taxation year.

(6) If the sports base loses the status of a national sports base, the obligation to pay the immovable property tax shall arise starting from the next calendar month after the losing of this status. In such case the immovable property taxpayer has the obligation to apply to the local government in whose administrative territory the immovable property or a part thereof is located within one month from the day when the sports base has lost the status of a national sports base.

*[20 October 2005; 8 November 2007; 1 December 2009; 20 December 2010; 15 December 2011; 6 November 2013; 22 December 2016; 22 June 2017]*

## **Section 8. Procedures for the Collection of the Immovable Property Tax**

(1) Immovable property tax shall be paid into the budget of the local government of the city or municipality in whose administrative territory the immovable property or part thereof is located.

(2) *[21 October 1998]*

(3) If a person has ownership or possession of more than one immovable property, immovable property tax shall be calculated and paid separately for each immovable property into the budget of the local government of the city or municipality, in whose administrative territory the immovable property or part thereof is located.

(4) The State Revenue Service shall ensure control over the appropriate application of this Law.

(5) When adopting binding regulations, a local government may, after having evaluated social situation and solvency of the taxpayer, take a decision to postpone the tax payments in respect of the object referred to in Section 3, Paragraph one, Clause 2 of this Law, where the person has declared his or her place of residence, and land adjacent thereto until transfer of property rights of the immovable property to other person.

*[13 November 1997; 21 October 1998; 8 November 2007; 29 January 2009; 15 December 2011 / Paragraph five shall come into force form 1 January 2013. See Paragraph 44 of Transitional Provisions]*

## Section 9. Liability of the Immovable Property Taxpayers

(1) An immovable property taxpayer shall be liable, in accordance with this Law, for full payment of the tax within the time determined.

(1<sup>1</sup>) An immovable property taxpayer – legal person – has an obligation to notify its electronic mail address to the local government within a month from the time of occurrence of the obligation to pay the immovable property tax for subsequent communication with the tax administration.

(2) A tax not paid within the time determined, fine and late fee shall be collected, in accordance with a decision of the local government on an uncontested basis in compliance with the law On Taxes and Duties and the compulsory execution procedures of the administrative act determined by the Administrative Procedure Law. A local government, when issuing binding regulations, has the right to determine a time period for compulsory execution of the tax payment notification, which shall not exceed seven years from the moment the tax payment term creation. Limitation period for a compulsory execution shall be suspended in the cases determined by the law On Taxes and Duties and in the case of a compulsory land lease, if the lessee has brought an action to court regarding the collection of the compensation for the immovable property tax for the time period up to the moment that the court judgment comes into effect.

(2<sup>1</sup>) A warning regarding existence of an immovable property tax debt shall discontinue the limitation period for compulsory execution.

(3) If the property is alienated or gifted, the change of the owner may be registered in the Land Register after the principal debt of the tax, fines and late fees have been paid, as well as the tax payment has been paid for the taxation year, in which the change of owners occurred, and the Land Register Office has ascertained thereto with the on-line data transmission regime.

(3<sup>1</sup>) If the right of superficies entered in the Land Register is alienated or given as a gift or the right of superficies is terminated upon mutual agreement of the owner of the plot of land transferred for building and the superfiary, the change of the superfiary in the Land Register may be registered after the principal tax debt, fine and late interest payment has been paid, as well as tax payment for the taxation year in which the right of superficies is alienated or given as a gift, or the right of superficies is terminated upon mutual agreement, has been made and the Land Registry Office has ascertained it in online data transfer mode.

(4) Paragraph three of this Section shall not be applied:

1) if the property is alienated upon carrying out insolvency proceedings or executing a court ruling on the confiscation of criminally acquired property;

2) in cases when the tax administration carries out recovery on an uncontested basis in accordance with the law On Taxes and Duties;

3) if the right of superficies terminates with the expiry of the term of the right of superficies registered in the Land Register.

(5) An amount of immovable property tax, which is payable for the period from the day of the creation of the obligation to pay the immovable property tax, and a fine in the amount of 30 per cent of the amount of tax shall be collected from a taxpayer for not notifying the local government in accordance with Section 7, Paragraph two of this Law.

[25 November 1999; 23 November 2000; 20 October 2005; 8 November 2007;  
1 December 2009; 20 December 2010; 15 December 2011; 6 November 2013;  
22 December 2016; 22 June 2017]

## **Section 9.<sup>1</sup> Warning and Decision on the Recovery of Late Immovable Property Tax Payment and Act Regarding Impossibility of Recovery**

(1) Signature of an official is not necessary on a warning regarding compulsory execution of an administrative act and a decision to recover late tax payments, if it is prepared electronically. In such case the warning regarding compulsory execution of an administrative act and the decision to recover late tax payments must contain a note “Document has been prepared electronically and is valid without signature”.

(2) Upon sending documents related to the recovery of immovable property tax (a warning regarding the compulsory execution of an administrative act and a decision to recover late tax payments) by post, they need not be processed as registered postal items.

(3) If a taxpayer has not declared his or her place of residence, the local government shall post a notification on decisions taken, which are related to recovery of immovable property tax (a warning regarding compulsory execution of an administrative act and a decision to recover late tax payments), on its website, indicating the place and time period in which the taxpayer may become acquainted with them.

(4) The local government need not to perform recovery proceedings, if the debtor does not have property or income to which recovery could be directed. In such case the local government shall draw up an act on the impossibility of recovery, indicating therein the justification due to which recovery is not possible.

*[6 November 2013]*

## **Section 10. Procedures for Contesting the Immovable Property Tax Calculation**

(1) An official of a local government who in conformity with laws and regulations, performs the functions of tax administration has a duty to review the correctness of the immovable property tax amount specified in the payment notice regarding immovable property tax upon the written request of a taxpayer. If the written request of the taxpayer or other request which is related to the immovable property tax calculated or to be calculated or recovery of a debt of the immovable property tax, has been submitted using the State administration services portal [www.latvija.lv](http://www.latvija.lv), such request shall be of legal effect also if it does not include the detail “signature”.

(2) If an error is discovered during the review of the tax calculation (or in the calculation of late charges), the official of the local government shall issue a rectified payment notice regarding the immovable property tax to the taxpayer. In case of rejection of the taxpayer’s request, a reasoned written refusal shall be issued.

(3) If a taxpayer does not agree with the result of the review of the amount of tax to be paid, the taxpayer may contest it to the Chair of the relevant local government city council.

*[25 November 1999; 8 November 2007; 29 January 2009; 1 December 2009; 22 June 2017]*

## **Section 11. Procedures for Financing the Cadastral Evaluation of Immovable Property**

*[21 October 1998]*

## **Section 12. Procedures for the Application of Individual Provisions of this Law**

In addition to the authorizations given to the Cabinet in this Law, the Cabinet shall approve the mandatory information that shall be included in the tax payment notice and shall determine the procedures for a taxable and non-taxable object, the specification of taxpayers and the submission of data to the State Land Service, as well as the procedures for the calculation and accounting of tax, tax payments and application of exemptions.

*[20 October 2005; 15 December 2011]*

## Transitional Provisions

1. [21 October 1998]

2. [21 October 1998]

3. Until the completion of land reform, immovable property tax for land which is not, in accordance with Section 2 of this Law, in the ownership or legal possession of some person, shall be paid by the user of the land, but if such does not exist – by the lessee, as well as persons to whom in the course land reform the land was transferred (granted) in ownership for payment or ownership rights were renewed to it, but has not yet been determined on site (surveyed) in conformity with the Law On the Ending of Land Reform in Rural Areas.

[20 October 2005]

3.<sup>1</sup> The immovable property tax shall be paid by the user of the building for buildings which in accordance with Section 2 of this Law is not in the ownership or lawful possession of a natural person.

[1 December 2009]

4. [23 November 2000]

5. With the coming into force of this Law, the following laws and regulations are repealed:

1) the law On Land Tax (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, 1991, No. 11/12, 21/22, 23/24; 1992, No. 13/14; 1993, No. 20/21; *Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1995, No. 24; 1997, No. 3);

2) The Republic of Latvia Supreme Council resolution On the Procedures for the Coming into Force of the Republic of Latvia Law On Land Tax (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs* 1991, No. 11/12);

3) The Republic of Latvia Supreme Council resolution On the Procedures for the Coming into Force of the 17 March 1992 Law On Amendments and Supplements to the 20 December 1992 Law On Land Tax (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, 1992, No. 15/16);

4) The Republic of Latvia Presidium of the Supreme Council resolution On the Application of Certain sections of the 20 December 1990 Republic of Latvia Law On Land Tax (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, 1992, No. 46);

5) [13 November 1997];

6) [13 November 1997];

7) [13 November 1997].

[13 November 1997]

6. The following laws and regulations are repealed as of 1 January 2000:

1) the law On Property Tax (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, 1991, No. 3/4, 35/36; 1992, No. 1; *Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1995, No. 9; 1997, No. 6);

2) the Republic of Latvia Supreme Council resolution On the Procedures for the Coming into Force of the Republic of Latvia Law On Property Tax (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, 1991, No. 3/4; 1992, No. 1);

3) the Republic of Latvia Supreme Council resolution On the Coming into Force of the Republic of Latvia Law On Amendments to the 18 December 1990 Republic of Latvia Law On Property Tax (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, 1992, No. 1).

[13 November 1997; 21 October 1998; 25 November 1999]

7. Recalculation of the immovable property tax for the year 1999, repayment of overpaid amounts of tax to taxpayers or collection of additionally calculated amounts from them for this year, collection of the debts on property tax, increase of basic debt and late charges and other functions related to debt administration, as well as review of the tax in accordance with Section 16, Clause 6 and Section 23 of the law On Taxes and Duties shall be performed by the State Revenue Service in conformity with the law On Property Tax;

*[25 November 1999]*

8. The rate for buildings and constructions up to 31 December 2006 as determined in Section 3, Paragraph one of this Law shall be applied in respect of their average annual book value or, if the taxpayer does not prepare a balance sheet, the inventory value determined by the State Land Service, as updated not earlier than 1 January 1997.

*[25 November 1999; 22 November 2001; 12 December 2002; 20 June 2003]*

9. Until 31 December 2006 in respect of buildings and constructions:

1) immovable property tax shall be imposed on buildings and constructions, except for the buildings and constructions referred to in Section 1, Paragraph two of this Law and in Sub-paragraph 2 of this Paragraph. If tax is imposed on a part of a building or construction, the value to which tax is applied shall include the value of the building or constructions proportionate to the taxable part;

1<sup>1</sup>) local governments have a right to request that the taxpayer submit a balance sheet or document in which the State Land Service determined inventory value of the building or construction is indicated;

2) in addition to the objects referred to in Section 1, Paragraph two of this Law, tax shall not be imposed on the following:

a) constructions, which are used only for agricultural production;

b) *[22 November 2001];*

c) *[20 June 2003];*

d) communications lines, local pipelines and cables;

e) *[22 November 2001];*

f) *[22 November 2001];*

g) *[20 June 2003];*

h) constructions, which are used for the needs of environmental protection;

3) every year by 1 February, a taxpayer shall submit to the local government, according to the location of buildings and constructions or parts thereof, and the territorial office of the State Revenue Service with which the taxpayer has registered as a taxpayer, a declaration in accordance with a form and procedures for completion thereof approved by the Cabinet regarding the expected value of buildings and constructions on which tax may be imposed and regarding the tax to be paid for the respective year. If the declaration has been submitted, but during the taxation period new buildings or constructions have been acquired or existing ones alienated, within a period of one month from the day of the creation or termination of ownership, possession, use or lease rights, the taxpayer shall submit an adjusted declaration;

4) a taxpayer shall calculate the value of buildings and constructions on which the tax may be imposed by adding half of the value of the buildings and constructions at the beginning of the year and half of their value on 1 January of the following year to the expected value of such buildings and constructions on 1 April, 1 July and 1 October, and dividing the resulting sum by 4;

5) depending on the expected amount of the tax, the terms within which a taxpayer shall pay the tax are as follows:

a) if the expected amount of the tax is up to 2000 lats – once every quarter pursuant to Section 6, Paragraph three of this Law,

b) if the expected amount of tax is over 2000 lats – in equal parts by the 15<sup>th</sup> of each month, except January;

6) upon a year being completed, a taxpayer shall submit, by 1 February of the following year, to the relevant local government and the territorial office of the State Revenue Service a report in accordance with a form and procedures for completion thereof approved by the Cabinet regarding the actual value of buildings and constructions on which tax may be imposed, as calculated in accordance with the procedures prescribed in the Transitional Provisions, Paragraph 9, Sub-paragraph 4 of this Law, and a tax calculation in summary form;

7) the additionally calculated amount of the tax shall be paid into the budget of the local government until 1 March of the current taxation year;

8) sums overpaid shall be repaid, pursuant to the request of the taxpayer, within 15 days from the receipt of the request, or shall be included in the payment for the current taxation year;

9) in order to ensure in local governments the registration of such payers of immovable property tax that pay the tax for buildings and constructions, the State Revenue Service shall provide to local governments the information about the payers of property tax and the objects on which property tax shall be imposed on by 1 January 2000;

10) after the reports of taxpayers for the 1999 year have been received, the State Revenue Service shall provide to each relevant local government, by 1 March 2000, the information on additional amounts of tax calculated for each taxpayer, or amounts of tax to be repaid to them, and by 1 April 2000 – the information on debts of property tax as of 1 March 2000;

11) pursuant to a written application of a local government, the State Revenue Service shall assign to the relevant local government, in accordance with the procedures prescribed by the Cabinet, the functions related to the administration of debts of property tax in respect of such taxpayers whose buildings and constructions upon which tax may be imposed are located in the territory of one local government;

12) a taxpayer who within one month from the day of the creation of ownership rights, possession rights or State immovable property use or lease rights in respect of buildings or constructions has not declared such to the local government in accordance with Section 7, Paragraph two of this Law, the liability specified in Section 32 of the Law On Taxes and Fees shall be applied.

[25 November 1999; 23 November 2000; 22 November 2001; 12 December 2002; 20 June 2003; 20 October 2005]

9.<sup>1</sup> Up to 31 December 2003 tax shall not be imposed on buildings and constructions which:

1) are maintained by State budget or local government budget funds or are permanently used for the needs of health protection, sport, education or culture, except cinemas and video libraries;

2) belong to public organisations and undertakings thereof (in accordance with a list approved by the *Saeima*);

3) are used for the needs of environmental protection.

[22 November 2001]

10. If the inventory value of the buildings and constructions which are in the ownership or legal possession of a taxpayer has been determined prior to 1 January 1997, the taxpayer shall submit the following to the local government according to the location of the buildings and constructions and to the territorial office of the State Revenue Service with which the taxpayer is registered as a taxpayer:

1) by 1 February 2000 – a declaration regarding the expected value of the buildings and constructions as tax may be imposed upon and regarding the tax to be paid, for the relevant year in which immovable property tax for the assessment year for the buildings and constructions (parts thereof) has been calculated, according to the most recent determined inventory value of the buildings and constructions;

2) by 1 February 2001 – a report on the actual value of buildings and constructions as tax may be imposed upon, as calculated in accordance with the procedures prescribed in the Transitional Provisions, Paragraph 9, Sub-paragraph 4 of this Law, and a tax calculation in summary form, in which the actual immovable property tax for the taxation year for the buildings and constructions (parts thereof) has been calculated according to the updated inventory value of the buildings and constructions.

*[25 November 1999]*

11. Taxpayers shall submit to local governments a list of objects (buildings and constructions) by 1 February 2004, but up to 1 February 2005 and 1 February 2006 –adjustments to the list if there are such, located in the territory of the relevant local government as immovable property tax may be imposed on.

*[25 November 1999; 20 June 2003; 20 October 2005]*

11.<sup>1</sup> If a taxpayer regarding buildings has not received by 15 February 2007 a tax payment notice for the tax to be paid for 2007 and has not informed the local government, according to the location of the buildings, in writing regarding this, he or she shall have calculated and for the benefit of the budget collected the amount of unpaid tax for the relevant 2007 period and a fine in the amount of 30 per cent of the amount of unpaid tax.

*[20 October 2005]*

12. *[20 June 2003]*

13. Section 1, Paragraph two, Clause 13 of this Law shall be applicable to buildings which are transferred for exploitation after 1 January 2001.

*[23 November 2000; 8 November 2007]*

14. *[20 October 2005]*

15. The Cabinet shall issue the new regulations provided for in Section 4, Paragraphs two, six and eleven of this Law. Up to the day when the regulations referred to come into force, but not later than 1 July 2001, the following Cabinet regulations shall apply (insofar as they are not in contradiction to this Law):

1) Regulation No. 214 of 9 June 1998, Regulations regarding the Cadastral Valuation of City/Town Land;

2) Regulation No. 244 of 6 June 1998, Regulations regarding the Cadastral Valuation of Rural Area Land;

3) Regulation No. 166 of 5 May 1998, Classification of Utilisation Purposes of Immovable Property; and

4) Regulation No. 193 of 25 May 1999, Procedures for Up-dating the Cadastral Values of Immovable Property.

*[23 November 2000]*

16. The Cabinet shall harmonise the regulations provided for in Section 12 of this Law with amendments to the law On Immovable Property Tax. Until the day of the coming into force of the relevant amendments made to these regulations, but not later than up to 1 April 2001, the Cabinet Regulation No. 131 of 4 April 2000, Regulations regarding the Application of the

Norms of the Law On the Immovable Property Tax, shall apply (insofar as they are not in contradiction with this Law).

*[23 November 2000]*

17. The Cabinet shall issue the regulations provided for in Section 1, Paragraph two, Clause 7 of this Law. Up to the day of the coming into force of the referred to Cabinet regulation, but not longer than up to 1 July 2002, Cabinet Regulation No. 135, Procedures for Not Imposing Immovable Property Tax on Land which is Occupied by Young Stands and Afforestations at the Age of Young Stands shall be applied insofar as it is not in contradiction to this Law.

*[22 November 2001]*

18. By the day of the coming into force of the Cabinet regulations provided for in Section 1, Paragraph two, Clause 18 of this Law, but not later than 1 July 2006, Cabinet Regulation No. 677 of 2 December 2003, Regulations regarding Public Organisations, which are Released from immovable property tax payments for Buildings and Constructions belonging to Public Organisations and the Undertakings thereof, shall be in force insofar as they are not in contradiction with this Law.

*[20 October 2005]*

19. By the day of the coming into force of the Cabinet regulations provided for in Section 12 of this Law, but not later than 1 July 2006, Cabinet Regulation No. 131 of 4 April 2000, Regulations regarding the Application of the Norms of the Law On the Immovable Property Tax, shall be in force insofar as they are not in contradiction with this Law.

*[20 October 2005]*

20. Amendments to Section 4 of this Law shall come into force simultaneously with the Immovable Property State Cadastre Law.

*[20 October 2005]*

21. By the day of the coming into force of the Cabinet Regulations provided for in the Immovable Property State Cadastre Law, but not later than 1 May 2006, the following Cabinet regulations shall be in force:

1) Cabinet Regulation No. 344 of 31 July 2004, Procedures for the Specification and Systemisation of the Purpose of Use of Immovable Property;

2) Cabinet Regulation No. 465 of 19 December 2000, Regulations for the Cadastral Evaluation of City Land;

3) Cabinet Regulation No. 184 of 30 April 2001, Regulations for the Cadastral Evaluation of Buildings;

4) Cabinet Regulation No. 341 of 31 July 2001, Regulations for the Cadastral Evaluation of Rural Land;

5) Cabinet Regulation No. 343 of 31 July 2001, Procedures for the Updating of Immovable Property Cadastral Values.

*[20 October 2005]*

22. In 2008, 2009, 2010 and 2011, after updating of the cadastral value of the immovable property, the amount of immovable property tax, if the purpose for the use of the immovable property does not change, shall not exceed the amount of the tax calculated for the previous taxation year (not taking into account the exemptions) by more than 25 per cent for each land parcel and each building separately. The limitation for increase of the amount of immovable property tax shall also be applied to such objects of the immovable property tax in a multi-unit residential house that consist of one group of premises and undivided parts of land:

1) that are created anew as a result of privatisation. In such case the limitation for increase of the immovable property tax shall be applied following the tax calculated for the previous taxation year for the undivided land parcel, which was under the jurisdiction of each separate flat or non-residential room;

2) if the type of use has not been changed in the State Cadastre Register of Immovable Property for the relevant group of premises, as well as in cases when the purpose for use of immovable property has been changed for the land.

*[8 November 2007; 17 June 2010]*

22.<sup>1</sup> The limitation for the increase of the amount of tax determined in Paragraph 22 of these Transitional Provisions shall not be applied, if the calculated tax is less than 5 lats.

*[1 December 2009]*

22.<sup>2</sup> The limitation for the increase of the amount of tax determined in Paragraph 22 of these Transitional Provisions shall not apply to a tax calculation regarding unfarmed agricultural land.

*[1 December 2009]*

22.<sup>3</sup> Paragraph 22 of these Transitional Provisions shall not be applied to the immovable property object determined in Section 3, Paragraph one, Clause 2 of this Law, as well as to cases, when the usage type of groups of premises is changed from residential to non-residential or economic activity has commenced in the immovable property tax object determined in Section 3, Paragraph one, Clause 2 of this Law.

*[20 December 2010]*

23. If the area the immovable property tax object has been changed in 2008, 2009, 2010 and 2011 in comparison with the area for which immovable property tax was calculated in the previous taxation year, the immovable property tax shall be calculated following the amount of immovable property tax for one square metre calculated in the previous taxation year.

*[8 November 2007; 20 December 2010]*

24. In 2008, local governments shall notify a payer or supervisor of the multi-apartment house regarding the amount of the immovable property tax for the taxation (calendar) year until 1 March 2008 by sending a payment notification to him or her or to his or her authorised representative.

*[8 November 2007]*

24.<sup>1</sup> The time period for sending out tax payment notifications for 2010 shall not be later than 15 September.

*[1 December 2009]*

25. If an immovable property taxpayer or a supervisor of the multi-apartment house has not received a payment notification until 1 March 2008, his or her obligation shall be to inform, within one month, the local government charging the tax in writing thereon.

*[8 November 2007]*

26. In 2008, the first time period for the payment of tax shall be 15 April.

*[8 November 2007]*

26.<sup>1</sup> In 2010 the time periods for payment of the tax shall be determined in accordance with Section 6, Paragraph three of this Law – provided that the first time period for the payment shall be determined to be not earlier than one month after the payment notification was sent.

*[1 December 2009]*

27. Amendments to Section 1, Paragraph two, Clause 8, as well as to Section 7, Paragraphs four, five and six of this Law shall come into force simultaneously with the law on the status of a national sports base.

*[8 November 2007]*

28. Until the day of coming into force of Cabinet Regulation provided for in Section 4, Paragraph three of this Law, but not later than by 1 July 2010, the Cabinet Regulation No. 97 of 6 February 2007, Procedures for Requesting and Issuance of the State Cadastre Immovable Property Information, shall be in force insofar as it is not in contradiction with this Law.

*[1 December 2009]*

29. Amendments to Section 9, Paragraph three of this Law regarding the competence of the Land Register Office to ascertain within the on-line data transmission regime whether the relevant payments have been made, shall come into force on 1 July 2010.

*[1 December 2009]*

30. If a local government has not ensured an opportunity for the Land Register Office to ascertain within the on-line data transmission regime the making of payments referred to in Section 9, Paragraph 3 of this Law after 1 July 2010, the change of ownership in the Land Register shall be registered without ascertaining if this payment has been made.

*[1 December 2009]*

31. The obligation to pay tax in relation to those tax objects, which have been built until 1 January 2010 and have not been registered in the Cadastre Register Information System, irrespective of the time of registration shall come into force on 1 January 2010.

*[1 December 2009]*

32. Until 1 July 2010 each local government shall be provided with a software for the calculation of the cadastral value of an immovable property tax object in compliance with the amendments to Section 4 of this Law, as well as the calculation of tax for objects, for which the application with an immovable property tax was commenced from 1 January 2010.

*[1 December 2009]*

33. The State Land Service shall, until the provision of the software referred to in Paragraph 32 of these Transitional Provisions, but not later than by 1 July 2010, provide local governments with the Immovable Property State Cadastre Register information regarding immovable property taxpayers and taxable objects in accordance with the procedures determined in Cabinet Regulation No. 97 of 6 February 2007 Procedures for Requesting and Issuance of the State Cadastre Immovable Property Information, only in relation to those objects, which are subject to immovable property tax in accordance with revision of Section 1 of this Law, which shall be in force on 31 December 2009, and the cadastral value of the tax object, which has been determined in compliance with the revision of this Law, which shall be in force on 31 December 2009, shall be applied to the calculation of tax.

*[1 December 2009]*

34. In 2010 the immovable property tax for land in specially protected nature territories, excluding neutral zones and nature monuments shall not exceed the amount determined for 2009.

*[1 December 2009]*

35. The time periods determined by Section 7, Paragraph 2.<sup>1</sup> of this Law shall be 1 February and 1 July 2010.

*[1 December 2009]*

36. Amendments to Section 1, Paragraph two, Clause 9, Section 1, Paragraph four and Section 3, Paragraph one, Clause 2 of this Law shall be applied to tax calculation, commencing from 1 January 2010.

*[14 October 2010]*

37. If the 2011 cadastral value has been updated as a result of changes to the purposes of use of the immovable property and the updated cadastral value for one square metre of the immovable property is less than the cadastral value for one square metre on 1 January of the taxation year, the updated cadastral value for the tax calculation for 2011 shall be applied from the following month after the cadastral value was updated.

*[14 October 2010]*

38. The deletion of Section 1, Clause 9 of this Law, and amendments to Section 1, Paragraph three and Section 3, Paragraph one, Sub-clause b), the new revision of Section 3, Paragraph 1.<sup>2</sup>, as well as the amendments to Section 3, Paragraph nine and Section 5, Paragraphs 1.<sup>1</sup> and two of this Law shall come into force on 1 January 2012.

*[20 December 2010]*

39. The term “insolvency proceedings” used in Section 7, Paragraph one, Clause 1, Paragraph three, Clause 2 and Section 9, Paragraph four of this Law shall also mean bankruptcy proceedings, which have been commenced in conformity with the laws and regulations which were in force until 31 October 2010.

*[20 December 2010]*

40. Until the day, when the tax payment notification is prepared for 2012, local governments, when issuing binding regulations, which are adopted in accordance with the procedures provided for in Section 46 of the law On Local Governments, have the right to apply limitations for the increase of the amount of tax for land or retain the tax amount for land at the 2011 level, as well as determine the limitation of such increase and the conditions for the application thereof in 2012.

*[15 December 2011]*

40.<sup>1</sup> In the year 2013 a local government has the right to apply a limitation for the increase of the amount of tax for land or retain the tax amount for land at the level of the preceding year, as well as to specify the amount of the limitation of such increase and the conditions for the application thereof, if binding regulations have been issued in accordance with the procedures specified in Section 46 of the law On Local Governments until the day when a notification on payment of the tax for the year 2013 has been prepared.

*[15 November 2012]*

40.<sup>2</sup> Upon issuing binding regulations to be published until 1 November of the pre-taxation year, in 2014 a local government has the right to apply a limitation for the increase of the amount of tax for land or retain the tax amount for land at the level of the preceding year, as well as to specify the amount of the limitation of such increase and the conditions for the application thereof.

*[15 November 2012]*

41. The rights granted for local governments in Section 1, Paragraph two, Clause 9.<sup>1</sup> and Paragraph 2.<sup>1</sup>, Section 3, Paragraph 1.<sup>4</sup> and Section 9, Paragraph two, Sentences one and two of this Law regarding 2012 shall be exercised, if until the day, when the tax payment notification is prepared for 2012, binding regulations are issued, which are adopted in accordance with the procedures provided for in Section 46 of the law On Local Governments. The local government shall determine the time period in these binding regulations by which in 2012 the cadastral subject has the obligation to initiate determining of the engineering structures referred to in Section 1, Paragraph 2.<sup>1</sup> as immovable property objects.  
*[15 December 2011]*

42. In 2012 the time period for sending a tax payment notification of objects referred to in Section 1, Paragraph 2.<sup>1</sup> of this Law, shall not be later than 1 August.  
*[15 December 2011]*

43. Section 3, Paragraph 1.<sup>3</sup> of this Law shall come into force on 1 July 2012.  
*[15 December 2011]*

44. Amendments to the introductory part of Section 3, Paragraph one of this Law (regarding the right of local governments to determine the immovable property tax rate) and Section 8, Paragraph five of this Law shall come into force on 1 January 2013.  
*[15 December 2011]*

45. The Cabinet shall, until 1 June 2012, draft and submit to the *Saeima* amendments to this Law, by proposing principles which local governments shall observe when issuing the binding regulations provided for in Section 3, Paragraph one of this Law.  
*[15 December 2011]*

46. Religious organizations shall, until 1 February 2010, provide local governments the following information in compliance with the situation on 1 January 2012 regarding the objects referred to in Section 1, Paragraph two, Clause 4 of this Law:

- 1) the cadastral number of the immovable property;
- 2) the designation of the cadastre assigned to the immovable property object;
- 3) the address of the immovable property object;
- 4) the immovable property object (land, building, engineering structure, apartment property, group of premises or parts thereof);
- 5) basis for the exemption.

*[15 December 2011]*

47. The rights granted for local governments in Section 1, Paragraph two, Clause 9.<sup>1</sup> and Paragraph 2.<sup>1</sup>, the introductory part of Section 3, Paragraph one and Section 3, Paragraph 1.<sup>4</sup>, Section 8, Paragraph five and the second and third sentence of Section 9, Paragraph two of this Law, if the application thereof commences from the year 2013, shall be enforced, if binding regulations have been issued in accordance with the procedures specified in Section 46 of the law On Local Governments until the day when a notification on payment of the tax for the year 2013 has been prepared.  
*[15 November 2012]*

48. Amendments to the introductory part of Section 3, Paragraph one of this Law (on the right of a local government to specify the immovable property tax rate), Paragraphs 1.<sup>1</sup> and 1.<sup>4</sup>, as well as Paragraph 1.<sup>5</sup> and amendment to Section 5, Paragraph 1.<sup>1</sup> shall come into force on 1 January 2013.  
*[15 November 2012]*

49. Amendment to Section 3, Paragraph eight of this Law in relation to substitution of the number “70” with the number “30” shall come into force on 1 January 2013 and shall be applied to the tax calculation for the taxation year 2013 and subsequent taxation years.

*[15 November 2012]*

50. Section 5, Paragraph 1.<sup>2</sup> of this Law shall come into force on 1 January 2013. A taxpayer who in 2013 has the right to the exemption specified in Section 5, Paragraph 1.<sup>2</sup> of this Law shall submit a written submission to the local government during the year 2013, to which documents certifying the right of the taxpayer to the application of such exemption is attached. If the submission has been submitted until the date of preparation of a tax payment notification, the local government shall apply the exemption by performing tax calculation for the year 2013. If the submission has been submitted until the date of preparation of a tax payment notification, the local government shall perform recalculation of the calculated tax and send a new tax payment notification to the submitter.

*[15 November 2012]*

51. Regarding the year 2014 the data necessary for the application of the exemption specified in Section 5, Paragraph 1.<sup>2</sup> of this Law shall be transferred to local governments with the intermediation of the State information systems' integrator until 15 January 2014.

*[15 November 2012]*

52. The State Inspection for Heritage Protection shall, by 10 January 2014, submit to the local government in the administrative territory of which the State protected cultural monument is located the first-time information on such State protected cultural monuments that are not maintained in accordance with the requirements for the protection of cultural monuments.

*[6 November 2013]*

53. A legal person who has become an immovable property taxpayer until 1 January 2014 shall fulfil the obligation laid down in Section 9, Paragraph 1.<sup>1</sup> of this Law by 1 July 2014.

*[6 November 2013]*

54. The administrators of apartment residential houses referred to in Section 2, Paragraph eight of this Law have an obligation to apply to the local government as the immovable property taxpayers by 1 February 2014.

*[6 November 2013]*

55. By 10 January 2014 the Free Trade Union Confederation of Latvia shall submit the following information to the local government regarding each building (group of premises) corroborated in the Land Register in the name of the Free Trade Union Confederation of Latvia, which it permanently uses for carrying out the functions laid down in laws and regulations:

- 1) the cadastre number of the immovable property;
- 2) the designation of the cadastre assigned to the immovable property object;
- 3) the address of the immovable property object;
- 4) the immovable property object (building, group of premises or their parts, indicating the area);
- 5) justification for non-taxation.

*[6 November 2013]*

56. The holder of the State Unified Computerised Land Register shall, not later than until 10 January 2014, submit to the local government data on the performed and valid

corroborations of rental rights in merchant properties. The data shall be provided in a structured or mutually co-ordinated way and in the form of text, if corroboration of rental rights has not been performed in a structured way so that information regarding cadastre designation, address and area of the rental object, date of the rental contract, term of operation of the rental contract, given name, surname of the tenant, date of corroborating the rental rights is mandatorily provided. Until the time when the relevant amendments to the Land Register Law come into force, the holder of the State Unified Computerised Land Register shall, starting from 1 January 2014, provide data on each corroboration of rental rights to local governments in the form of a structured data field, by indicating cadastre designation, address and area of the rental object, date of the rental contract, term of operation of the rental contract, given name, surname of the tenant, date of corroborating the rental rights, exclusion of rental rights and date of exclusion of rental rights, as well as changes to the rental rights (which concern the abovementioned data) and date of their corroboration.

*[6 November 2013]*

57. The immovable property tax rate laid down in Section 3, Paragraph one, Clause 2 of this Law shall also be applied in the case referred to in Section 3, Paragraph 1.<sup>7</sup> of this Law if by 1 July 2014 the merchant has corroborated the rental rights which arise from rental contracts that have been entered into until the day of coming into force of Section 3, Paragraph 1.<sup>7</sup> of this Law in the Land Register. In such case the local government shall perform re-calculation of the calculated tax and send a new notification of tax payment to the submitter.

*[6 November 2013]*

58. For the buildings, for the construction of which a construction permit has been issued prior to 1 July 2013, but its term of validity has expired until 31 December 2013 and the buildings have not been put into service, and construction permits have not been renewed until 31 December 2014, the taxation procedures laid down in Section 3, Paragraph 1.<sup>6</sup> of this Law shall be applied from 1 January 2015 until the building is put into service.

*[6 November 2013]*

59. For the buildings, for the construction of which a construction permit has been issued prior to 1 July 2013, but its term of validity has expired after 31 December 2013 and the buildings have not been put into service within 12 months after the expiry of the term of validity of the permit, or construction permits have been renewed, the taxation procedures laid down in Section 3, Paragraph 1.<sup>6</sup> of this Law shall be applied from the 13th month after the expiry of the term of validity of the permit until the building is put into service.

*[6 November 2013]*

60. The deletion of Section 1, Paragraph two, Clause 13 of this Law shall come into force on 1 January 2015.

*[6 November 2013]*

61. The Cabinet shall, by 1 October 2014, issue the regulations referred to in Section 1, Paragraph two, Clause 17 of this Law to be applicable starting from the taxation year 2015.

*[6 March 2014]*

62. In relation to the taxation year 2014 Section 1, Paragraph two, Clause 17 of this Law shall be applicable to:

1) the immovable property objects referred to in Cabinet Regulation No. 75 of 4 February 2014, Regulations Regarding Immovable Properties Necessary for the Needs of Environmental Protection and Individual Natural Territories not Taxable with the Immovable Property Tax;

2) the engineering structures to be used for the needs of environmental protection, as well as such buildings or parts thereof (groups of premises), if equipment for the collection and purification of air pollutants, air and water monitoring stations and buildings which are directly involved in the processes referred to in this Paragraph, as well as buildings which are directly involved in the process of purification of wastewater, storage of household and hazardous waste (also radioactive) and storage and incineration of household and hazardous waste.

*[6 March 2014]*

63. A local government shall implement the amendment to Section 2, Paragraph eight and Section 2, Paragraph 8.<sup>1</sup> of this Law regarding the right of the local government to stipulate the procedures for the payment of the immovable property tax for 2014 by issuing binding regulations, which shall be adopted in accordance with the procedures laid down in Section 46 of the law On Local Governments and which shall be applicable from the taxation year 2014.

*[6 March 2014]*

64. The State Land Service shall determine the special value according to the situation as of 1 January 2016 by comparing with the cadastral value as of 31 December 2015 and the cadastral value which was determined on 1 January 2016. The special value is equal to the cadastral value, if the increase of cadastral value determined on 1 January 2016 does not exceed 10 per cent of the cadastral value as of 31 December 2015. The special value is equal to the cadastral value as of 31 December 2015, to which a coefficient 1.1 is applied, if the increase of cadastral determined on 1 January 2016 exceeds 10 per cent of the cadastral value as of 31 December 2015.

*[30 November 2015]*

65. If in accordance with Sections 3 and 5 of this Law a local government has issued binding regulations regarding the application of immovable property tax rate or exemption for the taxation year of 2016, but amendments are to be made therein in relation to the application of a special value to tax calculation for rural land, the local government may make such amendments until 15 February 2016, by taking them in accordance with the procedures laid down in Section 46 in the law On Local Governments and applying from the taxation year 2016.

*[30 November 2015]*

66. Local governments which apply Paragraph 65 of Transitional Provisions shall send to a taxpayer a notification of tax payment for the taxation year 2016 by 1 March.

*[30 November 2015]*

67. Section 1, Paragraph two, Clause 14.<sup>1</sup> of this Law shall come into force on 1 January 2018.

*[6 April 2017]*

68. To commence the application of Section 1, Paragraph two, Clause 14.<sup>1</sup> of this Law from 1 January 2018, the State Land Service shall, by 1 July 2017, provide information to local governments regarding area of the border strip in the particular land parcel.

*[6 April 2017]*

69. Section 1, Paragraph 2.<sup>3</sup> of this Law shall come into force on 1 January 2020.

*[6 April 2017 / The abovementioned amendment shall be included in the wording of the Law on 1 January 2020]*

70. Amendment to Section 5, Paragraph 1.<sup>2</sup> of this Law in relation to its rewording shall come into force on 1 January 2018.

[6 April 2017]

71. To ensure that the amendment to Section 5, Paragraph 1.<sup>2</sup> of this Law in relation to its rewording is applied from 1 January 2018, the Cabinet shall, by 1 August 2017, make the necessary amendments to the Cabinet regulations issued in accordance with Section 5, Paragraph 3.<sup>2</sup> of this Law.

[6 April 2017]

72. To ensure that the amendment to Section 5, Paragraph 1.<sup>2</sup> of this Law in relation to its rewording is applied from 1 January 2018, the Ministry of Education and Science shall, not later than by 3 January 2018, electronically send to the State information systems' integrator data on all persons under 24 years of age who on 1 January 2018 are acquiring general, vocational or higher education by indicating the given name, surname, personal identity number of the person – educatee – and by reaching a mutual agreement on the form of the transfer of information.

[6 April 2017]

73. With the use of the State information systems' integrator the data transfer to local governments for the application of the new wording of Section 5, Paragraph 1.<sup>2</sup> of this Law from 1 January 2018 shall be ensured not later than until 5 January 2018.

[6 April 2017]

74. To forecast the impact of the tax exemptions related to the new wording of Section 5, Paragraph 1.<sup>2</sup> of this Law on the revenue of local governments from the immovable property tax in 2018, the forecast of the revenue of a local government shall include the sum of exemptions increased by 30 per cent in comparison to the sum of the tax exemptions which have been granted in accordance with Section 5, Paragraph 1.<sup>2</sup> of this Law (in the wording in force on 31 December 2017).

[6 April 2017]

75. The Cabinet shall make the relevant amendments to the laws and regulations until 1 July 2017, if necessary, by submitting also the relevant amendments to the law to the *Saeima* in order to ensure that data on all persons under 24 years of age who acquire general, vocational or higher education is automatically transferred to the State information systems' integrator.

[6 April 2017]

This Law shall come into force on 1 January 1998.

This Law has been adopted by the *Saeima* on 4 June 1997.

Acting for the President,  
Chairperson of the *Saeima*

A. Čepānis

Rīga, 17 June 1997