

Update German property tax reform: it started on July 1, 2022!

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July 1, 2022 marks the starting date for the revaluation of land for property tax purposes.

You may also have already received a request from your tax office to submit a tax return for property tax purposes. But even if you have not (yet) received a request, the deadline started to run from July 1, 2022. This is because on March 30, 2022, both the German Federal Ministry of Finance and, among others, the Baden-Württemberg Ministry of Finance issued a ruling requesting that you prepare the declaration for January 1, 2022.

The declaration for determining the value for property tax B (residential and commercial properties) must be submitted electronically to your tax office by October 31, 2022.

As a result of the ruling, it should be noted that - at least in Baden-Württemberg - a separate request for non-natural persons is not expected. Therefore, partnerships and corporations with property ownership are required to fulfill this obligation on their own responsibility in due time.

The following documents are essentially required for determining the property tax value in Baden-Württemberg: the previous notice of assessed value, the purchase contract, an excerpt from the land register, the standard land value, and information on whether the property is predominantly used for residential purposes.

Please do not hesitate to contact us if you have any questions regarding the property tax reform. We will support you in implementing the legal requirements.

Background

The current reform of the valuation for property tax purposes has become necessary due to the decision of the federal constitutional court 1 BvL 11/14 of April 10, 2018, which declared the previously applicable system of valuation for property tax purposes unconstitutional. As a result, the federal law was amended and the federal states were granted their own legislative authority. Baden-Württemberg has made use of this option. Other federal states that have used this option are Bavaria, Hamburg, Hesse, Lower Saxony, Saarland and Saxony.

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