

Taxes and Incentives

The Local Tax Administration

The Sector of Local Tax Administration was formed within the City Finance Authority. In compliance with the Local Government Financing Law, this sector took over jurisdiction from the Tax Authority of the Ministry of Finance in the affairs of assessment, audits and payment of local public revenues.

This sector engages in the assessment of tax liability in individual property tax, corporate property tax, local utility taxes and voluntary taxes. As of January 1 2009 it will also engage in the assessment of the compensation for the preparation and use of construction land, first instance decisions on complaints from taxpayers, office and on-site audits, and enforced payment. Individual property tax is assessed on the basis of the location and the quality of the property.

Property Tax

Corporate property tax is assessed upon a base derived by applying a rate of 0.40% to the property value stated in the ledgers on December 31 of the year preceding the year for which tax is being assessed and paid, and in compliance with the property tax rate adopted at a meeting of the Municipal Assembly.

Tax Exemptions

Tax exemptions apply to the following:

- state owned properties used by state agencies, and by agencies and organizations of the local government, and direct and indirect beneficiaries of public funds,
- properties owned by traditional churches and religious communities dedicated to the performance of religious services
- properties declared as cultural or historic monuments
- facilities used directly in carrying out utility work (Article 12 of the Property Taxes Law)

Local Municipal Taxes

Local municipal taxes for displaying signs are assessed at various rates, depending on the type of activity, and the zone in which the building displaying the sign is located.

In compliance with the Local Government Financing Law, voluntary tax assumed the status of local public revenue. Funds collected on the basis of voluntary tax are of a strictly allocated character, and is the budget revenue of the appropriate departmental unit of the local government.