

## **Property Tax Reform 2022 - Declaration for Assessment of Property Tax Value on the 01 January 2022**

On 01 January 2025 the new property tax reform will come into force. Thereby the rateable value loses its validity as a basis for calculation. The majority of the German federal states, including NRW, follow the so-called "Bundesmodell" in the reform.

On basis of the reformed property tax- and valuation law, new assessment bases are to be determined for all 36 million economic units of the real estates for the purposes of the property tax from the calendar year 2025. This applies to self-used and rented objects.

The so-called "Bundesmodell" is a value-dependent model. The valuation is based on the value of the land and the buildings. The property tax value for residential estates is to be determined with the capitalised earnings method, for non-residential estates with the asset value method.

The previous procedure for the determination of the property tax remains in place (property tax value x tax rate x rate of assessment = property tax)

In a main assessment already on 01 January 2022, new property tax values are to be determined, which will be used as basis for property tax from the year 2025.

The tax authority will request the landowners to submit a declaration of assessment **by public announcement** expectedly at the end of March 2022.

The declaration of assessment is to be submitted electronically. Expectedly from 01 July 2022, it will be possible to submit the declaration via online platform ELSTER.

The submission deadline is to the current state **31 October 2022**.

In order to adjust the determined property tax values to the respective current conditions in the future, they are to be determined **every seven years** after the first main assessment on 01 January 2022.

## Action required

We are pleased to support you with the preparation of the declaration for your own real estate or real estate of your company.

For a timely submission, please inform us in the near term whether our support is required. Furthermore, please inform us the number of real estates to be assessed.

The following details are required as basis for determining property tax values:

- Location of real estate
- Local sub-district, cadastral district and cadastral unit of real estate
- Ownership structure or co-ownership share (numerator / denominator)
- Land type (undeveloped, residential property, other development)
- Size of real estate
- Type of use
- Standard land value
- Type of building
- Size of living space or gross floor area, number of garage places
- Year of construction of the building
- If architectural or historical monument (yes/no)

You will find the relevant information, for example, in purchase agreement, in cadastral map, in land register sheet, in value assessment notice, in property tax notice or in the divisional declaration.

By information exchanges, you have the choice between the digital data transfer on our platform and in paper form by post.