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## Land Tax Act

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RT I 1993, 24, 428  
Entry into force 01.07.1993

Amended by the following acts

Passed	Published	Entry into force
09.02.1994	RT I 1994, 13, 231	05.03.1994
24.03.1994	RT I 1994, 28, 428	01.07.1994
14.12.1994	RT I 1994, 94, 1609	29.12.1994
01.06.1995	RT I 1995, 54, 884	01.01.1996
30.04.1996	RT I 1996, 36, 738	07.06.1996, partially 01.01.1998
consolidated text on RT paper	RT I 1996, 41, 797	
09.12.1996	RT I 1996, 89, 1589	01.01.1997
06.11.1997	RT I 1997, 82, 1398	01.01.1998
17.02.1999	RT I 1999, 27, 381	01.01.2000
08.12.1999	RT I 1999, 95, 840	01.01.2000
23.11.2000	RT I 2000, 95, 612	01.01.2001
12.12.2001	RT I 2001, 102, 666	01.01.2002
15.05.2002	RT I 2002, 44, 284	01.07.2002
22.10.2003	RT I 2003, 71, 472	01.01.2004
17.12.2003	RT I 2003, 88, 587	01.01.2004
17.12.2003	RT I 2003, 88, 589	01.01.2004
17.12.2003	RT I 2003, 88, 591	01.01.2004
23.11.2004	RT I 2004, 84, 572	01.04.2005
12.10.2005	RT I 2005, 57, 451	18.11.2005
15.11.2006	RT I 2006, 55, 406	01.01.2007
12.03.2008	RT I 2008, 14, 94	01.01.2009
10.06.2009	RT I 2009, 33, 211	02.07.2009
17.12.2009	RT I 2009, 65, 441	01.01.2010
22.04.2010	RT I 2010, 22, 108	01.01.2011, enters into force on the date which has been determined in the Decision of the Council of the European Union regarding the abrogation of the derogation established in respect of the Republic of Estonia on the basis provided for in Article 140 (2) of the Treaty on the Functioning of the European Union, Council Decision 2010/416/EU of 13.07.2010 (OJ L 196, 28.07.2010, p. 24-26).
16.06.2011	RT I, 08.07.2011, 7	01.01.2013
10.10.2012	RT I, 25.10.2012, 1	01.12.2012
07.12.2012	RT I, 22.12.2012, 1	01.01.2013, partially 01.01.2014 and 01.01.2015; entry into force partially changed to 01.01.2017 [RT I, 04.07.2014, 12]
15.05.2013	RT I, 01.06.2013, 1	01.07.2013

22.05.2013	RT I, 07.06.2013, 1	01.07.2013
11.06.2014	RT I, 04.07.2014, 12	01.01.2015, partially 01.01.2017
19.06.2014	RT I, 29.06.2014, 109	01.07.2014, the titles of ministers substituted on the basis of subsection 107 <sup>3</sup> (4) of the Government of the Republic Act in the wording in force as of 1 July 2014.
19.11.2014	RT I, 13.12.2014, 1	01.01.2016, date of entry into force changed to 01.07.2016 [RT I, 17.12.2015, 1]
25.11.2015	RT I, 17.12.2015, 1	20.12.2015
27.10.2016	RT I, 10.11.2016, 1	01.01.2017
14.06.2017	RT I, 04.07.2017, 2	01.01.2018, partially 05.07.2017

## § 1. Land tax

(1) Land tax is a tax based on the taxable value of land.

(2) The taxable value of land is determined and the procedure for contestation thereof is established pursuant to the Land Valuation Act.

(3) The Tax and Customs Board shall calculate land tax based on the underlying data submitted by a local authority through the land tax information system.  
[RT I, 04.07.2014, 12 - entry into force 01.01.2017]

(4) The land tax on land not registered in the land cadastre shall be calculated on the basis of the taxable value of land not designated for a specific purpose.  
[RT I, 04.07.2014, 12 - entry into force 01.01.2015]

## § 2. Object of taxation

Land tax is imposed on all land, except land specified in § 4 of this Act.

## § 3. Subject of tax

Land tax shall be paid by the owner of land or, in the case specified in § 10 of this Act, by the user of land.

## § 4. Land exempt from tax

(1) Land tax is not imposed on:

1) land where economic activities are prohibited by law or pursuant to the procedure provided by law;  
[RT I 2008, 14, 94 - entry into force 01.01.2009]

1<sup>1</sup>) land of strict nature reserves and special management zones of protected areas and land of special management zones of species protection sites;  
[RT I 2008, 14, 94 - entry into force 01.01.2009]

2) land adjacent to buildings of diplomatic missions and consular representations of foreign states or parts thereof;

3) land in the use of a foreign state or international organisation on the basis of an agreement entered into between the Government of the Republic and the foreign state or international organisation;

4) [repealed – RT I, 04.07.2014, 12 - entry into force 01.01.2015]

5) land under places of worship of churches and congregations;

6) municipal land under the jurisdiction of a corresponding local authority, except in the case prescribed by § 10 of this Act;

7) land under public water bodies, water bodies for public use and public roads;  
[RT I, 04.07.2014, 12 - entry into force 01.01.2015]

8) in cases provided for in an international agreement, land in the use of international military headquarters;  
[RT I, 01.06.2013, 1 - entry into force 01.07.2013]

9) land in state ownership with intended purpose of public construction works land;  
[RT I, 22.12.2012, 1 - entry into force 01.01.2013]

10) land with intended purpose of public land.  
[RT I, 04.07.2014, 12 - entry into force 01.01.2015]

(2) Land tax in the amount of 50 per cent of the rate of land tax is paid on land of limited management zones specified in § 31, land of special conservation areas specified in Chapter 5, land of limited management zones of species protection sites established on the basis of subsection 50 (1) and land of limited management zones of individual natural objects provided for in § 68 of Nature Conservation Act.  
[RT I 2008, 14, 94 - entry into force 01.01.2009]

(3) Tax exemption specified in clauses (1) 1), 1<sup>1</sup>) and 7) and subsection (2) of this section applies as of 1 January of the year following the creation of the basis for exemption. If the basis for exemption is created on 1 January, the tax exemption shall apply as of the same date.  
[RT I 2009, 65, 441 - entry into force 01.01.2010]

## **§ 5. Tax rate**

(1) The rate of land tax shall be 0.1-2.5 per cent of the taxable value of land annually, except in the case provided for in subsection 11 (4) of this Act. The tax rate shall be established by the municipal council not later than by 31 January of the taxation year. The amended tax rate shall apply as of the beginning of the taxation year.  
[RT I, 08.07.2011, 7 - entry into force 01.01.2013]

(2) The municipal council may establish the rate of land tax as a differentiated rate according to the value zones of land and/or types of intended use of cadastral unit within the range specified in subsection (1) of this section or subsection 11 (4) of this Act.  
[RT I, 08.07.2011, 7 - entry into force 01.01.2013]

(3) If the tax rates are amended, the local authority shall enter the amended land tax rates in the land tax information system by 1 February of the taxation year. If the amended tax rates are not entered in the land tax information system by the specified date, land tax shall be calculated according to the rates which were valid during the previous year. The tax rates shall be published on the website of the Tax and Customs Board.  
[RT I, 04.07.2014, 12 - entry into force 01.01.2017]

(4) [Repealed – RT I, 04.07.2014, 12 - entry into force 01.01.2017]

(5) [Repealed – RT I, 04.07.2014, 12 - entry into force 01.01.2017]

## **§ 5<sup>1</sup>. Land tax information system**

(1) The land tax information system is a database established by the Government of the Republic, which is maintained for accounting the land tax.  
[RT I, 22.12.2012, 1 - entry into force 01.01.2017, entry into force changed [RT I, 04.07.2014, 12]]

(2) The statutes of the database shall be established by a regulation of the Government of the Republic.  
[RT I, 22.12.2012, 1 - entry into force 01.01.2017, entry into force changed [RT I, 04.07.2014, 12]]

(3) The data from other databases that are necessary for accounting land tax shall be collected in the land tax information system and an environment shall be created for the local authorities for the entry and amendment of the land tax underlying data specified in the statutes of the database.  
[RT I, 22.12.2012, 1 - entry into force 01.01.2017, entry into force changed [RT I, 04.07.2014, 12]]

(3<sup>1</sup>) A local authority shall submit to the Tax and Customs Board through the land tax information system the underlying data necessary for the calculation of land tax by 1 February of the taxation year.  
[RT I, 04.07.2014, 12 - entry into force 01.01.2017]

(3<sup>2</sup>) A local authority is required to verify the accuracy of the data in the land tax information system and, if necessary, to correct or modify the data.  
[RT I, 04.07.2014, 12 - entry into force 01.01.2017]

(4) The controller of the database shall be the Ministry of Finance and the processor shall be the Land Board.  
[RT I, 22.12.2012, 1 - entry into force 01.01.2017, entry into force changed [RT I, 04.07.2014, 12]]

## **§ 6. Receipt of tax**

Land tax is paid into the local authority budget.

## **§ 7. Payment of tax**

(1) Land tax up to 64 euros from any land located in the local authority shall be paid by 31 March. At least half of the land tax, which exceeds 64 euros, shall be paid by 31 March, but no less than 64 euros. The remaining part of the land tax shall be paid no later than by 1 October.  
[RT I 2010, 22, 108 - entry into force 01.01.2011]

(2) The Tax and Customs Board shall issue to a taxpayer a tax notice on the amount of land tax payable not later than by 15 February. Land tax notice is administrative legislation, which is governed by the provisions

specified in the Taxation Act concerning a notice of assessment, unless otherwise provided by law. A tax notice need not be signed.

[RT I 2009, 65, 441 - entry into force 01.01.2010]

(2<sup>1</sup>) The minister responsible for the area may, by authorisation of the Government of the Republic, enter into a contract with a legal person in private law on performance of duties related to delivery of tax notices pursuant to the Administrative Co-operation Act. The aforementioned legal person in private law is deemed to be an processor of the register of taxable persons within the limits of the administrative duties of the person and the provisions of the Personal Data Protection Act apply to such person.

(2<sup>2</sup>) If a taxpayer owns several plots of land or he or she uses several plots of land located within the administrative territory of one local authority, the tax amounts payable for the plots of land shall be summed, without taking into account the provisions of subsection (3) of this section.

[RT I, 04.07.2017, 2 - entry into force 05.07.2017]

(3) Land tax shall not be imposed and a tax notice shall not be issued if the amount of tax is less than 5 euros.

[RT I 2010, 22, 108 - entry into force 01.01.2011]

(4) A taxpayer who has not received a land tax notice of the taxation year by 25 February is required to notify the Tax and Customs Board thereof within thirty days.

[RT I, 25.10.2012, 1 - entry into force 01.12.2012]

(5) If a taxpayer has received no land tax notices as of the entry into force of this Act, the taxpayer is required to notify the rural municipality government or city government of the location of the land in writing or electronically of the size and intended use of the land in the ownership or use of the taxpayer.

(6) [Repealed - RT I, 07.06.2013, 1 - entry into force 01.07.2013]

(7) The procedure for calculation and payment of land tax shall be established by a regulation of the minister responsible for the area.

[RT I, 04.07.2014, 12 - entry into force 01.01.2015]

### **§ 7<sup>1</sup>. Electronic delivery of land tax notices**

The provisions of subsections 54 (1)–C0#3F(3) and clause 54 (4) 1) of the Taxation Act, as well as of a regulation of the minister responsible for the area issued on the basis of § 45<sup>1</sup> of the Taxation Act apply to the electronic delivery of land tax notices.

[RT I, 07.06.2013, 1 - entry into force 01.07.2013]

### **§ 8. Creation of tax liability**

(1) Land tax liability is created on 1 January of the current year, and tax notice shall be issued to a person who as at 1 January is the owner, superficiary or usufructuary of the immovable based on the data in the land register.

(2) Provisions of subsection (1) of this section shall apply to the right of use specified in § 10 of this Act not recorded in the land register, taking into account the validity of the agreement on the right of use as at 1 January of the taxation year.

[RT I 2009, 65, 441 - entry into force 01.01.2010]

### **§ 9. Supervision of payment of tax**

Payment of land tax is supervised by the Tax and Customs Board.

[RT I 2003, 88, 591 - entry into force 01.01.2004]

### **§ 10. Tax liability of user of land**

(1) Unless land use is re-registered pursuant to the procedure prescribed by the Land Reform Act, the land use shall be paid by users of land.

[RT I 2006, 55, 406 - entry into force 01.01.2007]

(2) Upon the encumbrance of land with a right of superficies or a usufruct, land tax shall be paid by the superficiary or usufructuary.

(3) If an immovable in state or municipal ownership is granted for the extraction of mineral reserves, land tax shall be paid by the person who obtains the right to use land.

[RT I, 10.11.2016, 1 - entry into force 01.01.2017]

### **§ 11. Tax incentives**

(1) Land owners or land users specified in § 10 of this Act shall be exempt from the obligation to pay land tax on residential land or profit-yielding land in the ownership or use of such persons for the land use type of

yard land to the extent of 0.15 hectares in cities as settlement units, towns, small towns and areas designated densely populated areas by a comprehensive plan by a local authority or a county plan, in the absence of a valid comprehensive plan, and to the extent of 2.0 hectares elsewhere if the person's residence is in the building located on this land pursuant to the residence data entered in the population register.  
[RT I, 04.07.2017, 2 - entry into force 05.07.2017]

(2) The residential land of a building association shall be exempt from the obligation to pay land tax taking into account the proportional part of the contribution of such members of the building association who are natural persons and whose residence pursuant to the residence data entered in the population register is in the building located on this land to the extent of 0.15 hectares in cities as settlement units, towns, small towns and areas designated densely populated areas by a comprehensive plan by a local authority or a county plan, in the absence of a valid comprehensive plan, and to the extent of 2.0 hectares elsewhere per each member of the building association compliant with the above characteristics.  
[RT I, 04.07.2017, 2 - entry into force 05.07.2017]

(3) If the land is part of joint or common ownership, the joint owners or co-owners shall be exempt from the obligation to pay land tax on the terms and conditions specified in subsection (1) of this section on residential land or profit-yielding land for the land use type of yard land to the extent of 0.15 hectares in cities as settlement units, towns, small towns and areas designated densely populated areas by a comprehensive plan by a local authority or a county plan, in the absence of a valid comprehensive plan, and to the total extent of 2.0 hectares elsewhere. The provisions of this subsection do not apply to owners of apartment ownership.  
[RT I, 04.07.2017, 2 - entry into force 05.07.2017]

(3<sup>1</sup>) If the border of a densely populated area designated by a comprehensive plan by a local authority or a county plan passes through a cadastral unit, in the absence of a valid comprehensive plan, the tax incentive specified in subsections (1)–(3) of this section shall be applied to residential land or profit-yielding land in their use for the land use type of yard land as follows:  
1) to the extent of 0.15 hectares if the major part of a cadastral unit is located in a densely populated area;  
2) to the extent of 2.0 hectares if the major part of a cadastral unit is located outside a densely populated area.  
[RT I, 04.07.2017, 2 - entry into force 05.07.2017]

(3<sup>2</sup>) If a division line between settlement unit passes through a cadastral unit, the tax incentive specified in subsections (1)–(3) of this section shall be applied to residential land or profit-yielding land in their use for the land use type of yard land as follows:  
1) to the extent of 0.15 hectares if the major part of a cadastral unit is located in cities as settlement units, towns, small towns or densely populated areas;  
2) to the extent of 2.0 hectares if the major part of a cadastral unit is located outside of cities as settlement units, towns, small towns or densely populated areas.  
[RT I, 04.07.2017, 2 - entry into force 05.07.2017]

(4) The rate of land tax for areas under cultivation and for natural grasslands shall be 0.1 to 2.0 per cent of the taxable value of the land annually.  
[RT I, 08.07.2011, 7 - entry into force 01.01.2013]

(5) Local authorities may additionally exempt recipients of pensions paid on the basis of the State Pension Insurance Act or persons who are established to have partial or no work ability on the basis of the Work Ability Allowance Act from the obligation to pay land tax on residential land or profit-yielding land in their use for the land use type of yard land to the extent of 0.15 hectares in cities as settlement units, towns, small towns and areas designated densely populated areas by a comprehensive plan by a local authority or a county plan, in the absence of a valid comprehensive plan.  
[RT I, 04.07.2017, 2 - entry into force 05.07.2017]

(6) Local governments may additionally exempt repressed persons and persons treated as repressed persons as defined in the Persons Repressed by Occupying Powers Act from the obligation to pay land tax on residential land or profit-yielding land in their use in the part of the land use type of yard land.  
[RT I, 08.07.2011, 7 - entry into force 01.01.2013]

(7) An executive body of the local authority shall decide on granting the tax exemption provided for in subsections (5) and (6) of this section on the basis of a written application of the applicant to the extent and pursuant to the procedure established by the municipal council.  
[RT I, 08.07.2011, 7 - entry into force 01.01.2013]

(8) The tax exemption provided for in subsection (1) of this section applies as of 1 January of the year following the creation of the basis for exemption. If the basis for exemption is created on 1 January, the tax exemption shall apply as of the same date.  
[RT I, 08.07.2011, 7 - entry into force 01.01.2013]

(9) The procedure for application for land tax incentive shall be established by a regulation of the minister responsible for the area.

[RT I, 04.07.2014, 12 - entry into force 01.01.2015]

### **§ 11<sup>1</sup>. Calculation of tax exemptions and tax incentives**

(1) If the land exempt from tax specified in subsections 4 (1) and (2) of this Act or area with tax incentive specified in subsections 11 (1)–(3), (5) and (6) of this Act is smaller than the whole plot of land, each of such tax exemptions and tax incentives shall be calculated on the taxable value of the whole plot of land proportionally to the ratio of such land exempt from tax or area with tax incentive in the area of the whole plot of land.

(2) If the tax exemption specified in subsection 4 (1) of this Act or tax incentive specified in subsections 11 (1)–(3), (5) and (6) of this Act is related to the intended purpose of land or land use type, each of such tax exemptions and tax incentives shall be calculated on the taxable value of the area with the respective intended purpose or land use type of the whole plot of land proportionally to the ratio of the land exempt from tax or area with tax incentive in the whole area with the respective intended purpose or land use type.

(3) In case of occurrence of several tax exemptions specified in subsections 4 (1) and (2) of this Act or tax incentives specified in subsections 11 (1)–(3), (5) and (6) of this Act on the same taxable plot of land, the tax exemptions and tax incentives shall be totalled.

[RT I, 22.12.2012, 1 - entry into force 01.01.2017, entry into force changed [RT I, 04.07.2014, 12]]

### **§ 12. Liability of taxpayer**

(1) Taxpayers are liable for violation of this Act pursuant to law.

(2) [Repealed – RT I 1994, 94, 1609 - entry into force 29.12.1994]

### **§ 12<sup>1</sup>. Entry of underlying data in land tax information system**

A local authority shall enter the land tax underlying data specified in the statutes for the maintenance of the land tax information system in the land tax information system by 1 February 2017.

[RT I, 04.07.2014, 12 - entry into force 01.01.2017]

### **§ 13. Entry into force of Act**

(1) This Act enters into force as of 1 July 1993.

(2) [Repealed – RT I, 04.07.2014, 12 - entry into force 01.01.2015]

(3) Land tax for the second half of 1993 shall be paid not later than by 15 November 1993.