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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

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| 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, in part 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, in part 01.01.2014 and 01.01.2015; entry into force in part changed to 01.01.2017 [RT I, 04.07.2014, 12] |
| 15.05.2013 | RT I, 01.06.2013, 1 | 01.07.2013 |

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|------------|-----------------------|---|
| 22.05.2013 | RT I, 07.06.2013, 1 | 01.07.2013 |
| 11.06.2014 | RT I, 04.07.2014, 12 | 01.01.2015, in part 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 4 of § 107 ³ 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, in part 05.07.2017 |
| 30.01.2019 | RT I, 22.02.2019, 1 | 01.10.2019, in part 01.01.2021 |
| 16.12.2020 | RT I, 23.12.2020, 5 | 01.01.2021, in part 01.01.2022 and 01.01.2023 |

§ 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 into the land tax information system.
[RT I, 23.12.2020, 5 – entry into force 01.01.2021]
- (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, except for a groundwater intake sanitary protection zone;
[RT I, 22.02.2019, 1 – entry into force 01.10.2019]
 - 1¹) 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 of the Nature Conservation Act, land of special conservation areas specified in Chapter 5, land

of limited management zones of species protection sites established pursuant to subsection 1 of § 50 and land of limited management zones of individual natural objects provided for pursuant to § 68 and on the land of water protection zone of shores provided for pursuant to § 118 of the Water Act.
[RT I, 22.02.2019, 1 – entry into force 01.01.2021]

(3) Tax exemption specified in clauses 1, 1¹ and 7 of subsection 1 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 4 of § 11 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 4 of § 11 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]

§ 5¹. Land tax information system

(1) The land tax information system is a database belonging to the register of taxable persons established on the basis of subsection 1 of § 17 of the Taxation Act. The procedure for maintaining the database shall be provided for in the statutes of the register of taxable persons.

[RT I, 23.12.2020, 5 – entry into force 01.01.2021]

(2) [Repealed – RT I, 23.12.2020, 5 – entry into force 01.01.2021]

(3) The land tax information system is an electronic database the purpose of which is to collect and process information needed to calculate the land tax.

[RT I, 23.12.2020, 5 – entry into force 01.01.2021]

(3¹) A local authority shall submit to the Tax and Customs Board the underlying data of the land tax information system necessary for the calculation of land tax by 1 February of the taxation year.

[RT I, 23.12.2020, 5 – entry into force 01.01.2021]

(3²) 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) [Repealed – RT I, 23.12.2020, 5 – entry into force 01.01.2021]

§ 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]

(2¹) The minister in charge of the policy sector 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.

(2²) 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]

(2³) An administrative decision of the taxable value of land is sent to the taxpayer together with the land tax notice.

[RT I, 23.12.2020, 5 – entry into force 01.01.2023]

(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 in charge of the policy sector.

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

§ 7¹. Electronic delivery of land tax notices

The provisions of subsections 1–3 of § 54 and clause 1 of subsection 4 of § 54 of the Taxation Act, as well as of a regulation of the minister in charge of the policy sector issued on the basis of § 45¹ 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 the tax notice shall be issued to a person who is the owner, superficiary or usufructuary of the immovable as at 1 January, based on the data in the land register or the successor of the immovable pursuant to the data of the succession register.

[RT I, 23.12.2020, 5 – entry into force 01.01.2021]

(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 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, 23.12.2020, 5 – entry into force 01.01.2022]

(4) Upon granting a state-owned immovable for use, a person who has received the right to use the immovable shall pay land tax unless the amount of land tax has been taken into account in proportion to the scope of the right of use upon setting the usage fee for the immovable or if the right to use the immovable arises from a contract for the establishment of a real servitude or personal right of use and it is not provided otherwise in the contract for granting for use.
[RT I, 23.12.2020, 5 – entry into force 01.01.2022]

§ 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]

(3¹) 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]

(3²) 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 in charge of the policy sector.

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

§ 11¹. Calculation of tax exemptions and tax incentives

(1) If the land exempt from tax specified in subsections 1 and 2 of § 4 of this Act or area with tax incentive specified in subsections 1–3, 5 and 6 of § 11 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 1 of § 4 of this Act or tax incentive specified in subsections 1–3, 5 and 6 of § 11 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 1 and 2 of § 4 of this Act or tax incentives specified in subsections 1–3, 5 and 6 of § 11 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]

§ 12¹. 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]

§ 12². Liquidation of land tax information system

The land tax information system, maintained until 1 January 2021, shall be liquidated on 31 January 2021 at the latest.

[RT I, 23.12.2020, 5 – entry into force 01.01.2021]

§ 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.