Local Taxes Act

Passed 21.09.1994
RT I 1994, 68, 1169
Entry into force 24.10.1994

Amended by the following acts

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Chapter 1
GENERAL PROVISIONS

§ 1. Purpose of Act

This Act provides for local taxes, the procedure for imposition of local taxes and the requirements for local taxes.

§ 2. Procedure for imposition of local taxes

(1) On the basis of this Act, rural municipality and city councils (hereinafter councils) have the right to issue regulations to impose local taxes (hereinafter tax regulations). The provisions of the Taxation Act concerning Acts concerning a tax apply to tax regulations. Tax regulations do not establish exceptions from the provisions of the Taxation Act or this Act.

(2) Tax regulations shall enter into force and shall be made public pursuant to the procedure provided for in the Local Government Organisation Act. A rural municipality or city shall forward tax regulations to the Tax
and Customs Board by electronic means or on electronic data media. Tax regulations shall be published on the website of the Tax and Customs Board.
[RT I 2003, 88, 591 - entry into force 01.01.2004]

§ 3. Collection of local taxes

(1) Rural municipality and city governments or other rural municipality or city administrative agencies provided for in a tax regulation are the tax authorities for local taxes within their administrative territories (hereinafter territories), which organise the collection of local taxes.

(2) For the collection of local taxes, an official authorised by a council shall exercise the rights of a tax authority provided for in the Taxation Act to the extent established by a regulation of the council.

(3) [Repealed - RT I 2010, 72, 544 - entry into force 01.01.2012]

(4) The councils of rural municipalities and cities may enter into an administrative contract with one another which transfers the functions of a tax authority of local taxes of the same class established in the contracting rural municipalities and cities to a rural municipality or city administrative agency of one contracting party.

(5) The procedure for covering the expenses related to the entry into and performance of a contract specified in subsection (4) of this section shall be provided for in the same contract.
[RT I 2010, 72, 544 - entry into force 01.01.2012]

(6) The council and the Tax and Customs Board may enter into an administrative contract for the collection of local taxes. The costs related to the entry into and performance of the contract shall be covered from the rural municipality or city budget.

§ 4. Requirements for imposition of local taxes

(1) A tax regulation shall set out the following:
1) the name of the tax;
2) the objects of taxation;
3) the taxpayers;
4) the tax rates;
5) the procedure for payment of the tax;
6) the due date or term for payment of the tax, the procedure for calculation or assessment of the amount of tax;
7) the date on which the obligation to pay the tax arises;
8) possible tax incentives and the procedure for provision thereof;
9) the date of entry into force of the tax regulation;

(2) A local tax shall not hinder the free movement of people, goods or services.

(3) No more than one local tax shall be imposed on an object of taxation.
[RT I 2002, 44, 284 - entry into force 01.07.2002]

§ 5. List of local taxes

Local taxes are:
1) [repealed - RT I 2002, 44, 284 - entry into force 01.07.2002]
2) [repealed - RT I 1999, 101, 903 - entry into force 01.01.2002]
3) [repealed - RT I 2010, 72, 544 - entry into force 01.01.2012]
4) [repealed - RT I 2010, 72, 544 - entry into force 01.01.2012]
5) advertisement tax;
6) road and street closure tax;
7) motor vehicle tax;
8) animal tax;
9) entertainment tax;
10) parking charge.
[RT I 2002, 110, 654 - entry into force 01.02.2003]

§ 5.1. Exemption of international military headquarters from payment of local taxes

The international military headquarters shall be exempt from payment of local taxes to the extent provided for in an international agreement.
[RT I, 01.06.2013, 1 - entry into force 01.07.2013]

Chapter 2
LOCAL TAXES

§ 6. Head tax

[Repealed - RT I 2002, 44, 284 - entry into force 01.07.2002]

§ 7. Local income tax

[Repealed - RT I 1999, 101, 903 - entry into force 01.01.2000]

§ 8. Sales tax

[Repealed - RT I 2010, 72, 544 - entry into force 01.01.2012]

§ 9. Boat tax

[Repealed - RT I 2010, 72, 544 - entry into force 01.01.2012]

§ 10. Advertisement tax

(1) Advertisement tax shall be paid by natural and legal persons for notices and advertisements posted within the territory of the local government, and on public transport vehicles registered as belonging to natural persons who reside or legal persons whose registered office is located within the territory of the local government.

(2) The list of notices and advertisements that are subject to taxation and places for posting thereof are established by the council.

(3) Notices of state and local government agencies and notices and advertisements relating to the election campaigns of political parties, election coalitions and independent candidates are exempt from advertisement tax.

(4) The rate or differentiated rates of advertisement tax are established by the council.

(5) A taxpayer is required to:

1) submit a tax return to a tax authority, the format and term for submission of the tax return shall be established by the council;  
2) pay advertisement tax into the budget of the local government by the term established by the council.

(6) A rural municipality or city government has the right to provide advertisement tax incentives and exemptions under the conditions and pursuant to the procedure established by the council.

[RT I 2002, 44, 284 - entry into force 01.07.2002]

(7) The council has the right to require the submission of advertisement tax return by electronic means if it declares more than ten objects of taxation.

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

§ 11. Road and street closure tax

(1) Road and street closure tax shall be paid by natural and legal persons upon the organisation of demonstrations, parades and other events, and in the case of construction or maintenance works, if the closure of a public road, street, square, park, recreation area or part thereof is involved.

(2) The rate or differentiated rates of road and street closure tax are established by the council.

(3) Road and street closure tax shall be paid into the budget of the local government during the term established by the council.

(4) The council shall be entitled to establish the declaration form for road and street closure tax.


§ 12. Motor vehicle tax

(1) Motor vehicle tax shall be paid by natural and legal persons who own motor vehicles registered in the traffic register, by natural persons who use such motor vehicles and who reside within the territory of the local government which imposes the tax, and legal persons which use such motor vehicles and whose registered office is located within the territory of the local government which imposes the tax. A person who pays the motor vehicle tax is deemed to be the user of the motor vehicle if such person uses the motor vehicle on the
basis of a contract for use or contract of sale with a reservation on ownership and the information concerning the user responsible for the motor vehicle has been entered in the traffic register. The tax rate shall be imposed by the council as a differentiated rate according to the maximum authorised weight of the vehicle, the maximum authorised axle load or the engine power.

(2) Motor vehicle tax is not imposed on:
1) the motor vehicles of state and local government agencies, the Defence Forces and the National Defence League;
2) the motor vehicles used by persons with diplomatic status accredited to Estonia, foreign diplomatic missions and consular posts, representations of international organisations and intergovernmental co-operation programmes;
3) the motor vehicles of category I and II disabled persons;
4) the motor vehicles taxable by heavy goods vehicle tax.

(3) The period of taxation for motor vehicle tax is one calendar year. If a motor vehicle is registered after 30 June, 50 per cent of the annual rate of motor vehicle tax shall be paid on the motor vehicle for the calendar year. In the case of the transfer of a motor vehicle, the person who paid the motor vehicle tax has the right to apply for a refund of the motor vehicle tax paid for the months which remain from the month in which the motor vehicle was transferred until the end of the period of taxation, under the conditions and pursuant to the procedure provided for in the Taxation Act.

(4) Motor vehicle tax shall be paid into the budget of the local government of the residence or registered office of the owner or user of the motor vehicle during the term established by the council.

(5) By the fifteenth day of the month following each quarter, the registrar of the traffic register is required to submit information necessary for the imposition of motor vehicle tax concerning motor vehicles that are registered as belonging to or being used by natural persons who reside or legal persons whose registered office is located within the territory of the rural municipality or city, and motor vehicles that are deleted from the register, to the rural municipality or city government at the request thereof.

§ 13. Animal tax

(1) Animal tax shall be paid by the owners of animals the keeping of which within the territory of a rural municipality or city is subject to taxation. The list of such animals is established by the council.

(2) The following are exempt from animal tax:
1) the keeping of service animals belonging to the police, the Defence Forces, customs authorities, the Rescue Board and voluntary rescuers if they are used for the performance of their functions, and the keeping of guide dogs by blind persons;
2) the keeping of animals within the territory of a rural municipality or city for up to one month.

(3) The period of taxation for animal tax is one calendar year.

(4) The rates of animal tax are established by the council.

(5) Animal tax shall be paid into the budget of the local government by the term established by the council.

(6) A rural municipality or city government has the right to provide animal tax incentives and exemptions under the conditions and pursuant to the procedure established by the council.

§ 14. Entertainment tax

(1) Entertainment tax shall be paid by:
1) the organisers of recreational events within the territory of the rural municipality or city to which persons are admitted for a fee;
2) the owners of recreational establishments located within the territory of the rural municipality or city.

(2) Entertainment tax is imposed on sold tickets. Tickets for recreational events to which persons are admitted for a fee are subject to registration with the rural municipality or city government within the territory of which the event takes place.

(3) Entertainment tax shall be paid into the budget of the local government during the term established by the council.

(4) A rural municipality or city government has the right to provide entertainment tax incentives and exemptions under the conditions and pursuant to the procedure established by the council.

§ 141. Parking charge

(1) Parking charge is established with the aim to organise parking within public fee-charging parking zones.
(2) Assessment and collection of parking charge is organised on the basis of and pursuant to the procedure provided for in the Traffic Act. The provisions of the Taxation Act apply to parking charges to the extent provided by the Traffic Act.
[RT I 2010, 44, 261 - entry into force 01.07.2011]

Chapter 3
FINAL PROVISIONS

§ 15. Liability for violation of regulation of council

(1) Interest is calculated on amounts of local tax paid into the budget of a local government after expiry of the established term and on excess amounts paid by taxpayers for the benefit of the tax authorities pursuant to the procedure provided for in the Taxation Act.
[RT I 2002, 44, 284 - entry into force 01.01.2012]

(2) Liability for violation of a tax regulation is provided for in the tax regulation, pursuant to the Taxation Act.

(3) Additional amounts to be paid shall be paid into the budget of the local government.

(4) [Repealed - RT I, 13.12.2011, 1 - entry into force 01.01.2012]

§ 16. Resolution of disputes

(1) A taxpayer has the right to file a challenge against a tax notice, notice of assessment, other administrative act or measure of a tax authority of local taxes. The challenge shall be filed with the tax authority of local taxes or other agency provided for in a tax regulation. Upon processing of the challenge, the provisions of Chapter 14 of the Taxation Act apply.

(2) A tax authority of local taxes may return a challenge in the cases provided for in the Taxation Act. A complaint may be filed with the tax authority of local taxes against a decision to return the challenge.
[RT I 2002, 44, 284 - entry into force 01.07.2002]

§ 16¹. Implementing provision

Sales tax and boat tax liability created prior to 1 January 2012 and the payment and collection of the above taxes is governed by subsections 3 (3) and (5), clauses 5 3) and 4) and §§ 8 and 9 of this Act in force until the above date.
[RT I, 13.12.2011, 1 - entry into force 01.01.2012]

§ 17. Amendment of Taxation Act

[Omitted from this text.]

§ 18. Amendment of Code of Administrative Offences

[Omitted from this text.]