

RECAST as of 1 January 2013
(Official Gazette *Valstybės žinios*, 2011, No 163-7743)

INFOLEX NOTE: 21 December 2011 Law No XI-1829 (Official Gazette *Valstybės žinios*, 2011, No 163-7743) provides for that:

– If during the tax period of 2013 the taxable value of a land area unit (are) increased as compared with the tax period of 2012, 0.8 of the amount of the increase in the taxable value of the land area unit (are) shall be deducted from such taxable value during the tax period of 2013, 0.6 – during the tax period of 2014, 0.4 – during the tax period of 2015, 0.2 – during the tax period of 2016.

– During the tax periods of 2013–2014, the amount of tax for agricultural land, except for abandoned agricultural land and land of amateur gardens and common use of gardeners' societies shall, in all cases, not exceed LTL 1 per are, whereas during the tax periods of 2015–2017 such amount shall, in no case, exceed EUR 0.29 per are.

– During the tax period of 2013, any appeal of taxpayers for the average market value established by the property valuation company and used for calculation of the taxable values as well as requests to consider the value of the land determined by means of individual valuation of land as the taxable value of the land may be submitted within 6 months from the start of the tax period.

REPUBLIC OF LITHUANIA
L A W
ON LAND TAX

25 June 1992 No I-2675
Vilnius

CHAPTER I
GENERAL PROVISIONS

Article 1. Purpose of the Law

This Law shall set forth the procedure for imposing the land tax (hereinafter referred to as the "tax") on land.

Article 2. Key Definitions of the Law

1. The "**Abandoned Agricultural Land**" shall mean the areas of agricultural land in a land parcel or any part thereof covered with woody plants (except for plantations) identified by remote cartographic methods in accordance with the procedure established by the Government of the Republic of Lithuania (hereinafter referred to as the "Government") or an authority authorised thereby.

2. The "**Natural Person**" shall mean a citizen of the Republic of Lithuania, a citizen of a foreign state and a stateless person.

3. The "**Legal Person**" shall mean a legal person registered in accordance with the procedure set forth by legal acts of the Republic of Lithuania, a legal person of a foreign state as well as any organisation of a foreign state which is recognised as a legal entity under laws of the Republic of Lithuania or of the foreign state.

4. The "**Mass Valuation of Land**" shall mean valuation of land where maps of land value zones or average land parcel market value determination models are drawn up on the basis of data available in the Real Property Register and the market data within a specified period of time in accordance with the common methodology and statistical data analysis and valuation technologies on the basis of which land parcels are valued and a joint report on valuation of land parcels in the respective territory is drawn up.

5. The "**Average Land Parcel Market Value Determination Model**" shall mean a mathematical formula applied for calculation of the average market value of the land parcel with regard to the data available in the Real Property Cadastre, the solutions of the map of land value zones and land market data.

6. The "**Average Market Value of Land**" shall mean the value of land calculated in accordance with the procedure prescribed in Article 10 hereof.

7. The "**Map of Land Value Zones**" shall mean a map showing zones (territories) of different average value and data necessary for calculation of the average market value of different land parcels upon completion of the mass valuation of land.

8. Other terms used herein shall be understood as defined (as a matter of priority) in the Republic of Lithuania Law on Tax Administration (hereinafter referred to as the "Law on Tax Administration"), other tax laws, the Republic of Lithuania Law on Land and the Civil Code of the Republic of Lithuania. The main purposes and methods of land use referred to herein shall correspond to the ones registered in the Register of Real Property.

AMENDED BY:

24 April 2014 Law No XII-846 (as of 3 May 2014)

(Register of Legal Acts, 2014, No 2014-05002)

Article 3. Taxpayer

1. The tax shall be paid by the owner of land, i.e. natural person and legal person.
2. A person fulfilling the duties and exercising the rights provided for herein (taxpayer) for the owners of land of a collective investment undertaking that is not a legal person shall be the holding company of the collective investment undertaking.

Article 4. Object of Taxation

The object of taxation shall be a private land in the Republic of Lithuania belonging to natural and legal persons by the right of ownership, except for forest land and agricultural land afforested in accordance with the procedure prescribed in the laws and other legal acts of the Republic of Lithuania.

Article 5. Tax Base

The tax base shall be the taxable value of land.

Article 6. Tax Rate

1. The tax rate shall be from 0.01 per cent to 4 per cent of the taxable value of land unless this Article provides for otherwise.

2. The municipal council shall set the particular tax rate which shall be valid in the territory of the respective municipality during the following tax period not exceeding the limits establishes in paragraph 1 of this Article till 1 June of the current tax period unless this Article provides for otherwise. If, following Article 10 paragraph 4 hereof, as of the following tax period the taxable value of land is established on the basis of the results of the newly carried out mass valuation of land, the municipal council shall be entitled to set the tax rate applicable during the following tax period till 1 December of the current tax period.

3. The municipal council shall also be entitled to establish several specific tax rates which shall be differentiated according to one or several of the following criteria:

- 1) principal purpose of land use;
- 2) method of the use of a land parcel;

AMENDED BY:

24 April 2014 Law No XII-846 (as of 3 May 2014)

(Register of Legal Acts, 2014, No 2014-05002)

- 3) use or non-use of a land parcel;
- 4) size of a land parcel;
- 5) categories of taxpayers (size or legal form or social status);
- 6) location of a land parcel in the territory of the municipality (according to the priorities set out in the strategic planning and territorial planning documents).

4. If the municipal council fails to set the specific tax rates till expiry of the time limits referred to in paragraph 2 of this Article or changes the set tax rates after expiry of the time limits referred to in paragraph 2 of this Article, the tax rate of 0.01 per cent shall be applicable during the respective tax period in the territory of such municipality.

Article 7. Tax Period of the Tax

A tax period of the tax shall be a calendar year.

Article 8. Tax Reliefs

1. The tax shall not be paid by the following persons:

- 1) diplomatic missions and consular posts of foreign states, international inter-governmental organisations or missions thereof;
- 2) bankrupt undertakings;
- 3) the Bank of Lithuania;
- 4) owners of land if the tax due by them during the tax period for all land parcels belonging by the right of ownership does not exceed EUR 2.

AMENDED BY:

23 September 2014 Law No XII-1133 (as of 1 January 2015)

(Register of Legal Acts, 2014, No 2014-13466)

2. The following land shall be exempt from the tax:

- 1) land of common use roads;
- 2) common use land in the territory of an amateur garden;
- 3) area of the land parcel belonging to natural persons provided that at the beginning of the tax period there are no persons capable of work in the families of said land owners or persons whose assessed

capacity for work is 0–40 per cent or who are of pensionable age or are minors and provided that the size of the land parcel owned by them does not exceed the tax exempt area of land established by municipal councils till 1 September of the current tax period. In this case, several land parcels located in the area (areas) in the territory of the same municipality subject to the same non-taxable size of the land parcel and belonging to a natural person shall be deemed to be one land parcel. If a natural person has the right to a tax relief and owns several land parcels, one land parcel shall be subject to the maximum tax relief. For the purposes of application of the afore-mentioned relief, the family shall be deemed to include spouses, persons raising children (adopted children) and their children (adopted children, stepsons, and stepdaughters) under 18 year old living with them, whereas the persons capable of working shall not include schoolchildren and students of higher schools studying according to full-time study programmes;

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*26 March 2015 Law No XII-1578 (as of 14 April 2015)
(Register of Legal Acts, 2015, No 2015-05692)*

4) land of the territories of national parks, regional parks, landscape, cultural, geological, geomorphological, botanical, zoological, botanical-zoological, hydrographic and pedological reserves and protected areas thereof, except for agricultural land in the afore-mentioned territories as well as land of built-up areas, roads and waters;

5) land of shore protection strips of water bodies;

6) land of natural monuments, except for built-up areas and land occupied by roads;

7) land of the territories of archaeological (except for cultural old town layers) and memorial (unused cemeteries and burial sites) immovable cultural heritage objects entered in the Register of Cultural Property, except for built-up areas and land occupied by roads and waters;

8) land of the territories of historical, archaeological and artistic immovable cultural objects in rural areas and land of ethnographic homesteads in ethnographic village areas entered in the Register of Cultural Property

9) land acquired by a farmer for establishment of a farmers' holding for three tax periods of the tax as of the date of acquisition of the ownership right. A relief of such type including the relief applied to the same person before the effective date of this Law shall be applied to the same person only once;

10) land belonging to traditional and other State-recognised religious communities, associations and centres.

AMENDED BY:

*10 December 2015 Law No XII-2159 (as of 1 January 2016)
(Register of Legal Acts, 2015, No 2015-19857)*

3. Municipal councils shall be entitled to reduce the tax or fully release from it at the expense of its own budget.

4. The tax reliefs provided for in paragraphs 1 and 2 of this Article shall be applied for the whole tax period.

5. The reliefs provided for in paragraph 3 of this Article shall be applied in accordance with the procedure prescribed in the respective decisions of the municipal councils.

CHAPTER II TAXABLE VALUE OF LAND

Article 9. Taxable Value of Land

1. The taxable value of land shall be the average market value of land unless this Article provides for otherwise.

2. The taxable value of land may be considered as the value of land determined by individual valuation of land in accordance with the procedure prescribed in paragraph 2 of Article 11 of this Law if:

1) the average market value of land determined by a property valuation company managing the Cadastre of Immovable Property Cadastre and the Real Property Register (hereinafter referred to as the "property valuation company") differs from value of land determined by means of individual valuation of land by more than 20 per cent and

2) the difference between the average market value of land determined by the property valuation company and the value of land determined by means of individual valuation of land has occurred not due to use of the land not for the intended purpose, method, disposal thereof, restrictions due to mortgage or other liabilities of the owner, and

AMENDED BY:

*24 April 2014 Law No XII-846 (as of 3 May 2014)
(Register of Legal Acts, 2014, No 2014-05002)*

3) the individual land valuation report meets the requirements set by the Government.

3. A taxpayer's request to consider the value of the land determined by means of individual valuation of land as the taxable value of the land and the report on individual valuation of the land (hereinafter referred to as the "request") shall be filed to the property valuation company and examined in accordance with the procedure prescribed in paragraph 2 of Article 11 of this Law. In case of satisfaction of the request, the value of land determined by means of individual valuation of land shall be considered as the taxable value of land as of the beginning of the tax period during which the request is filed till the property valuation company determines (approves) the new taxable value of the land in accordance with the procedure prescribed herein and by the Government.

4. The taxable value of the agricultural land, except for abandoned agricultural land, shall be the average market value thereof or the value determined by means of individual valuation of land multiplied by the coefficient 0.35.

Article 10. Valuation of Land

1. Valuation of land shall be carried out by a property valuation company.

2. Valuation of land shall be carried out on the basis of where maps of land value zones or average land parcel market value determination models drawn up by means of mass valuation of land.

3. The Government shall establish the procedures of conducting the mass land valuation including the procedure for drawing up of maps of land value zones or average land parcel market value determination models and the procedure for calculation of average market values of land for the particular land parcels.

4. The mass valuation of land for calculation of taxable values of the land shall be carried out in accordance with the procedure established by the Government at least every five years.

Article 11. Appeals and Requests for the Taxable Value of Land

1. A taxpayer shall be entitled to file an appeal for the average market value of the land determined by the property valuation company used for calculation of the taxable values of the land against the property valuation company within 3 months from the date of determination of the taxable value of the land. The property valuation company shall examine the appeal and make a decision within 2 months from the date of receipt of the appeal. The decision of the property valuation company may be appealed against in accordance with the procedure prescribed in the Republic of Lithuania Law on Administrative Proceedings (hereinafter referred to as the "Law on Administrative Proceedings").

2. Taxpayers shall be entitled to file a request to consider the value of the land determined by means of individual valuation of land as the taxable value to a property valuation company once during the tax period within 3 months from the start of the tax period. The property valuation company shall examine such requests and make a decision within 3 months (during the tax period when new mass land valuation documents approved in accordance with the procedure established by the Government come into force – within 4 months) from the date of receipt of the request. The decision of the property valuation company may be appealed against in accordance with the procedure prescribed in the Law on Administrative Proceedings.

3. The property valuation company shall notify the tax administrator of receipt of an appeal or request of a taxpayer and a decision taken not later than within 3 working days from the date of receipt of the appeal or request or taking of the decision.

4. Filing of an appeal to the property valuation company by a taxpayer shall suspend recovery of the tax and related amounts till the date on which the property valuation company makes a decision or the effective date of the court decision (ruling) if the taxpayer has appealed against the decision taken by the property valuation company in accordance with the procedure prescribed by the Law on Administrative Proceedings; nevertheless, this does not constitute an obstacle for applying the methods of enforcing tax obligations provided for in the Law on Tax Administration or as the grounds for elimination thereof.

CHAPTER III

CALCULATION, DECLARATION, PAYMENT OF THE TAX AND LIABILITY

Article 12. Calculation, Declaration and Payment of the Tax

1. The tax shall be calculated by applying the tax rate referred to in paragraph 1 of Article 6 of this Law to the taxable value of land.

2. In case of application of the tax relief provided for in subparagraph 2 of paragraph 2 of Article 8 of this Law, the amount of the tax calculated under the procedure prescribed in paragraph 1 of this Article shall be reduced in proportion to the part of the land parcel which is subject to the tax relief.

3. The tax shall be paid by the person who was the owner of the land on 30 June during the tax period. It shall be presumed that the owner of the land is the person indicated in the Real Property Register.

4. The tax shall be calculated, the tax returns in the form established by the central tax administrator shall be filled in and submitted to the taxpayers till 1 November of the current tax period in accordance with the procedure established by the central tax administrator by the tax administrator.

5. The tax shall be paid till 15 November of the current tax period.

6. The tax overpayment shall be repaid (credited) in accordance with the procedure prescribed in the Law on Tax Administration.

Article 13. Provision of Data Necessary for Calculation of the Tax

1. The data necessary for calculation of the tax available in the Real Property Register and the Real Property Cadastre as well as data on abandoned agricultural land established by the institutions authorised by the Government shall be provided to the tax administrator by the property valuation company by the methods and within the time limits provided for in an agreement between the property valuation company and the central tax administrator, but not later than till 1 September of each tax period.

2. The property valuation company shall provide possibilities for taxpayers to find out the tax of their land free of charge.

Article 14. Liability

In the event of a breach of provisions of this Law, fines shall be imposed and penalties shall be calculated in accordance with the procedure set forth by the Republic of Lithuania Law on Tax Administration.

**CHAPTER IV
ENTRY OF THE TAX**

Article 15. Entry of the Tax

1. The tax shall be entered in the budget of a municipality in the territory whereof the land is located.

2. Where land is located in the territory of several municipalities, the tax shall be entered in proportion to the portion of the land held by the relevant municipality.

CHAIRMAN OF THE SUPREME COUNCIL OF
THE REPUBLIC OF LITHUANIA

VYTAUTAS LANDSBERGIS
