

*Consolidated version as of 1 January 2015*

*Law published in the Official Gazette Valstybės žinios, 2002, No 123-5531, ID code 1021010ISTA0IX-1239*

**REPUBLIC OF LITHUANIA  
INHERITANCE TAX  
LAW**

10 December 2002 No IX-1239  
Vilnius

**CHAPTER I  
GENERAL PROVISIONS**

**Article 1. Purpose of the Law**

This Law shall establish the procedure for imposing a tax on property inherited by individuals.

**Article 2. Definitions**

1. The “**Individual**” shall mean any resident or non-resident of Lithuania.
2. The “**Resident of Lithuania**” shall mean a natural person who is deemed to be a resident of Lithuania under the Law on Personal Income Tax.
3. The “**Non-Resident of Lithuania**” shall mean a natural person who is not deemed to be a resident of Lithuania under the Law on Personal Income Tax.
4. The “**Property**” shall mean any item of immovable and movable property, securities and money.

**Article 3. Taxpayers of the Inheritance Tax**

The payers of the inheritance tax (hereinafter referred to as the “tax”) shall be individuals.

**Article 4. Object of Taxation**

1. The object of the tax payable by a resident of Lithuania shall be the inherited property.
2. The object of the tax payable by a non-resident of Lithuania shall be the inherited item of movable property where such type of the item is subject to legal registration under legal acts of the Republic of Lithuania and where it is (or must be) registered in Lithuania and also an item of immovable property located in the Republic of Lithuania.

**Article 5. Tax Base**

1. The tax base shall be the taxable value of the inherited property.
2. The taxable value of the inherited property shall be calculated in accordance with the procedure laid down by the Government of the Republic of Lithuania.

**Article 6. Tax Rates**

The tax shall be calculated as a percentage of the taxable value of the inherited property applying the following rates:

- 1) if the taxable value of the inherited property does not exceed EUR 150,000 - 5 per cent;
- 2) if the taxable value of the inherited property exceeds EUR 150,000 - 10 per cent;

**TAR (Register of Legal Act) note.** *The provisions of Article 6 shall be applicable to payment of the inheritance tax as of 1 January 2015.*

*Article amendments:*

*No XII-1132, 23 September 2014, published in TAR (Register of Legal Acts) on 2 October 2014, ID code 2014-13468*

### **Article 7. Tax Reliefs**

1. The following property shall be exempt from the tax:
  - 1) the property inherited by a spouse upon the death of the other spouse;
  - 2) the property inherited by children (adopted children), parents (adoptive parents), guardians (custodians), wards (foster children), grandparents, grandchildren, brothers or sisters;
  - 3) the taxable value of the inherited property which does not exceed EUR 3,000.

*TAR (Register of Legal Act) note. The provisions of Article 6 shall be applicable to payment of the inheritance tax as of 1 January 2015.*

*Article amendments:*

*No XII-1132, 23 September 2014, published in TAR (Register of Legal Acts) on 2 October 2014, ID code 2014-13468*

2. Municipal councils may defer the payment of the tax for a period of up to one year after the date of issuing the inheritance certificate.
3. Municipal councils shall have the right to reduce the tax for individuals or to completely exempt from payment thereof at the expense of their budget.

## **CHAPTER II TAX CALCULATION, DECLARATION AND PAYMENT**

### **Article 8. Tax Calculation, Declaration and Payment**

1. The tax shall be calculated by the persons authorised by laws of the Republic of Lithuania to issue inheritance certificates in accordance with the inherited property valuation data and other documents as submitted to them and required for execution of the right of ownership and justifying tax reliefs.
2. An individual shall pay the tax prior to issuance of the inheritance certificate, except for the cases when a municipal council has deferred the payment of the tax or exempted from payment thereof and in the case provided for in paragraph 4 of this Article.
3. Where the tax has not been paid, the inheritance certificate shall not be issued, except for the cases when a municipal council has deferred the payment of the tax or exempted from payment thereof.
4. A resident of Lithuania who, during the calendar year, inherited property in foreign states must, either himself or through a person authorised by him, submit to the local tax administrator a tax return and pay the tax by 1 March of the calendar year following the calendar year during which the property was inherited.
5. The form of the tax return and the procedure for completing it shall be set forth by the central tax administrator.

### **Article 9. Deductions of the Inheritance Tax Paid in Foreign States**

1. A resident of Lithuania may deduct from the amount of the inheritance tax calculated in accordance with the procedure laid down by this Law the amount of the established inheritance tax or an equivalent tax paid in a foreign state on the inherited property located in that state, provided the state is included in the list approved by the Minister of Finance.
2. Where the amount of the inheritance tax calculated in accordance with the procedure laid down by this Law in respect of the inherited property located in a foreign state is lower than the amount of the established inheritance tax or an equivalent tax paid on that inherited property in the said foreign state, only the amount of the inheritance tax calculated in accordance with the procedure laid down in this Law shall be deducted.
3. Where a resident of Lithuania inherits property in several foreign states, the amount of the inheritance tax to be deducted shall be calculated separately for every state where the inherited property is located.
4. Deductions from the calculated amount of the inheritance tax in accordance with the procedure laid down in this Article shall be allowed only where the documents certified by the tax administrator of a foreign state have been submitted concerning the inherited property located in that state and the amount of the inheritance tax or an equivalent tax calculated and paid on that inherited property.

#### **Article 10. Entry in the Budget of the Tax**

The tax shall be entered:

- 1) where an item of immovable property is inherited, including the cases when an item of movable property, securities or money are also inherited – in the budget of a municipality in the territory whereof the item of immovable property is located;
- 2) where only an item of movable property, securities or money are inherited – in the budget of a municipality in the territory whereof the inheritance of the item of movable property, securities or money was registered;
- 3) where a property located in foreign states is inherited – in the budget of a municipality in the territory whereof a resident of Lithuania has a permanent place of residence.

#### **Article 11. Tax Recovery and Refund**

Arrears in payments shall be recovered and the tax overpayment shall be refunded (entered) in accordance with the procedure laid down in the Republic of Lithuania Law on Tax Administration.

### **CHAPTER III LIABILITY. SETTLEMENT OF DISPUTES**

#### **Article 12. Liability**

The persons in breach of this Law shall be held liable in accordance with the procedure laid down by laws of the Republic of Lithuania

#### **Article 13. Settlement of Disputes**

Any disputes over application of this Law shall be settled in accordance with the procedure laid down by laws of the Republic of Lithuania.

### **CHAPTER IV FINAL PROVISIONS**

#### **Article 14. Entry into Force of the Law**

1. This Law shall enter into force on 1 January 2003.
2. The following legal acts shall be repealed on 1 January 2003:
  - 1) Republic of Lithuania Law on Taxation of Inherited or Gift Property (Official Gazette *Valstybės žinios*, 1995, No 52-1277);
  - 2) Law Amending Article 8 of the Republic of Lithuania Law on Taxation of Inherited or Gift Property (Official Gazette *Valstybės žinios*, 1996, No 46-1115);
  - 3) Law Amending Article 11 of the Republic of Lithuania Law on Taxation of Inherited or Gift Property (Official Gazette *Valstybės žinios*, 1996, No 62-1462);
  - 4) Law Amending Articles 6, 7 and 8 of the Republic of Lithuania Law on Taxation of Inherited or Gift Property (Official Gazette *Valstybės žinios*, 1997, No 94-2357).

*I promulgate this Law passed by the Seimas of the Republic of Lithuania.*

PRESIDENT OF THE REPUBLIC

VALDAS ADAMKUS

**Amendments:**

1.

Seimas of the Republic of Lithuania, Law

No XII-1132, 23 September 2014, published in TAR (Register of Legal Acts) on 2 October 2014, ID code 2014-

13468

Law Amending Articles 6 and 7 of the Republic of Lithuania Law on Inheritance Tax No IX-1239