

Ministry of Finance does not support the report prepared by the Ministry of Finance on the directions of tax policy development

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On Friday, August 14, the Ministry of Justice issued a negative opinion on the draft report prepared by the Ministry of Finance in connection with the development of tax policy, as it does not provide for the real estate tax reform.

☞ Minister of Justice Jānis Bordāns: "We and the Ministry of Finance have differing views on when it is necessary to start work on real estate tax reform and how soon the work should be completed. However, it is unacceptable that the differences of opinion serve as the reason why the Ministry of Finance does not actually mention the RET by a single word in its report on the development of the tax policy. The report calls for tax increases in eight special tax regimes, but at the same time does not include proposals for a RET reform."

The Ministry of Justice emphasizes that any changes in cadastral values also directly affect the amount of real estate tax. Therefore, even before the approval of the base of planned cadastral values, it is necessary to offer a mechanism to protect the population from a disproportionate increase of the real estate tax.

On the other hand, the tax changes proposed in the report prepared by the Ministry of Finance do not provide any review of the real estate tax. In the opinion of the Ministry of Justice, the development directions of the state tax policy cannot be seen in isolation from the review of the real estate tax.

However, neither the informative report prepared by the Ministry of Finance nor the proposed draft decision of the government meeting envisages real estate tax reform proposals, specific tasks for the Ministry of Finance to develop the respective proposals, as well as a time schedule for real estate tax reform.

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