

Tax Alert

<i>property</i> **	
Tax rate	3%
(III) Payable tax	(III) = (II) * 3%

* The revalued property value as reflected in the immovable property register.

** Value as per the property certificate. For assets registered without any sale contract, the deductible value is determined according to the minimum fiscal prices applicable at the time the act of transfer of ownership is registered.

Application procedure

Individuals may perform the revaluation process by following one of the below procedures.

Online application via e-Albania

- Step 1.** The individual or its representative applies to e-Albania¹ website by completing the property data, or uploading a scanned copy of the ownership act.
- Step 2.** ASHK calculates the payable tax on property revaluation and issues a cash receipt. The cash receipt (the template is provided by the Instruction) is signed and stamped by ASHK and it is submitted with the applicant via e-Albania.
- Step 3.** Upon receipt of the aforementioned document, the applicant performs the payment within the deadline set in the Instruction (i.e. 30 September 2020).

When the reevaluation is performed by a property revaluation expert, before the individual is provided with the cash receipt, it must submit the original copy of the property valuation and a certified photocopy of the expert's license via post.

Application at ASHK premises

- Step 1.** The individual or its representative, submits the revaluation request as provided by the Instruction directly at the premises of ASHK local directorate/office.
- Step 2.** The applicant is provided with a cash receipt by ASHK.
- Step 3.** The applicant performs the payment as per the amount of the cash receipt within the provided deadline, and submits the payment confirmation at AKSH local directorate.

Within 5 days upon payment of tax obligation, AKSH reflects the revalued value of the property in the immovable property register.

Revaluation of immovable properties for legal entities

Legal entities that in their 2019 financial statements have included under "property, plant and equipment" item immovable properties with a net book value lower than market one, may revalue them in line with the later until 30 September 2020. The revaluation will be subject to the 5% reduced rate.

The difference resulting from the revaluation process is not subject to depreciation for tax purposes.

¹ e-Albania -> Pasuri e paluajtshme -> Rivlerësimi i pasurisë -> Ndjekja e mëtejshme e hapave sipas udhëzimeve

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In case of legal entities, the revaluation process may be performed only by property valuation experts certified by the relevant appraisal institutions.

Table 2 below presents the revaluation methodology in case of legal entities.

	Property valuation expert
(I) Revalued price	Market value as per the valuation act
(II) Taxable value	(II) = (I)- net book value as provided in the financial statements of 2019
Tax rate	5%
(III) Payable tax	(III) = (II)* 5%

Application procedure

Step 1. The representative of the legal entity completes the revaluation template, which can be found at the premises of each commercial bank in Albania or can be downloaded from the official website of the Ministry of Finance and Economy.

Step 2. Upon completion of the template, which also serves as a cash receipt, the legal entity makes the related payment, calculated as per Table 2 above.

Step 3. The representative of the legal entity submits the following documents to the regional tax office where the legal entity is registered:

- a) completed property revaluation form;
- b) authorization for the legal representative conducting such process;
- c) a copy of the license of the property valuation expert;
- d) a copy of the invoice issued by the property valuation expert;
- e) the original copy of the valuation act, signed and stamped by the certified valuation expert;
- f) financial statements (balance sheet) of 2019, where the property subject of revaluation is included;
- g) copy of the payment confirmation

Source: Official Gazette No.18, dated 17/02/2020, Instruction no. 2727 "On implementation procedures of Law no. 90/2019 "On the revaluation of the immovable properties" and the related tariffs"

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