

Ukraine imposed tax on property

Starting from January 1, 2015 Ukraine imposes tax on property. The maximum property tax rate for 1 m² of total area of residential and non-residential property for natural and legal entities established in the amount not exceeding 2% of the minimum wage per year that is as of 01.01.2015 equals to UAH 24,36. The powers to set tax rate are delegated to the local authorities.

The Law provides property tax benefits to individuals. In particular, the area of an apartment that exceeds 60 m² and the area of house over 120 m² shall be the subject to property tax. If the taxpayer owns more than one residential property of the same type the tax is charged based on total property area excluding 60m² for apartments and 120 m² for houses. If residential property is of different types the tax shall be charged based on total property area, reduced by 180 m².

Local authorities can increase the limit of residential property which taxable base is reduced as well as set property tax benefits for individuals depending on the their income and property status.

Natural entities cannot take advantage of tax property benefits if property area exceeds five times the size of non-taxable area adopted by the local authorities and if property is used to generate revenue.

The buildings of family-type orphanages, dormitories, condemned houses, including the ones uninhabitable due to emergency condition as well as residential space belonging to orphaned children, children deprived of parental care, disabled children being bred by single mothers (fathers) shall be not imposed to property tax, but not more than one such property unit per child.

Non-residential property used by small and medium-size business entities operating in small architectural forms (outdoor amenities) and in markets is not the subject to property tax. Furthermore, industry buildings, constructions of agricultural goods producers designed to be used directly in agricultural activities and non-residential property owned by social organizations of disabled people and their enterprises shall not fall under taxation as well.

Contact

Tetyana Krynytska

Branch Director

Tetyana.Krynytska@accace.com

www.accace.com

Disclaimer

Please note that the present newsletter has been prepared for general guidance on the matter and it does not represent a customized professional advice. Furthermore, because the legislation is changing continuously, some of the information may have been modified after the newsletter has been released and Accace does not take any responsibility and is not liable for any potential risks or damages caused by taking actions based on the information provided herein.