The Portuguese cadastral state of art and challenges

The Tax Authority Perspective’s

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With Tax Geometrical Cadastre

- Plot location, delimitation, size (georeferenced)
- Plot Owner (for Tax Purposes)
- Plot usage

Without any Cadastre

- Plot location and size (both approximate)
- Plot Owner (for Tax Purposes)
- Plot usage

With Full Cadastre

- Very limited geographical coverage
Data inaccuracy

Rural Land Taxation not serving

Income-based paradigm

Wrong market incentives
Land Tax based on income
- Desincentivize investment and land usage

Land Tax not adjusted to ecosystem
- Risk to incentivize higher output environmental production that harms the environment

Land Tax Out-of-date
- Mismatched incentives due to lack of adjustment to evolution of farming and forestry over the past decades
<table>
<thead>
<tr>
<th>Economic compensation for Ecosystem Services</th>
<th>Induce Environmental Friendly Land Usage</th>
<th>Flexibility</th>
</tr>
</thead>
</table>

Tax System - a powerful tool to induce behaviours
Land evaluation?
Value for Owner

- Commercial value
- Expected future income
Value for Owner

Expected sale value

Expected future income

Value for community and environment

Ecosystem services

Ecosystem services

Ecosystem services
What?
• Actual income?
• Expected income?
• Potential income?

Where?
• Size, Location

Whom?
• Owner?
• User?

When?

How?
Land Tax based on *income* potential

- Desincentivize *investment and land usage*—land abandonment

**Land Tax** *not* adjusted to ecosystem

- **Risk to incentivize higher output environmental production that harms the environment** Incentivize environmental friendly land use

Land Tax *Out-of-date* Up-to-date

- **Mismatched incentives due to lack of adjustment to evolution of farming and forestry over the past decades** Right incentives to the right plots/owners.
<table>
<thead>
<tr>
<th>$S^{0.4} \times R^{0.4} \times B^{0.2}$</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>[1-1.5]</td>
<td>9.25%</td>
</tr>
<tr>
<td>[1.5-2]</td>
<td>17.63%</td>
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<td>[2-2.5]</td>
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<td>[2.5-3]</td>
<td>13.03%</td>
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<td>[3-3.5]</td>
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<td>[3.5-4]</td>
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<td>[4-4.5]</td>
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<td>[4.5-5]</td>
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<tr>
<td>Water</td>
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<tr>
<td>Wetlands</td>
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<td>Beaches</td>
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<tr>
<td>Urban áreas</td>
<td>5.11%</td>
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<tr>
<td>No information</td>
<td>0.78%</td>
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</tbody>
</table>
Número de Pédios Rústicos por Escalão de área (ha)

< 1 ha: 10.590.106
1 - 5 ha: 773.816
5 - 10 ha: 79.213
10 - 50 ha: 56.306
50 - 100 ha: 8.035
> 100 ha: 10.034

Fonte: AGCI

Number of rural plots of land
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