The Situation of Taxation in Finland

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Introduction

• VTT Technical Research Centre of Finland Ltd
  • used to update the taxation values before
  • now municipalities and tax authority
  • mainly based on cost-of-living index or similar
  • in many cases outdated and in imbalance between areas

• New legislation and methods of update are being prepared

• The former government decided not to introduce the legislation before the elections
Taxes

• Recurrent property tax
  • Cadastre’s role is to provide the basic info for the tax authority
  • Collected nationally but the tax is municipal

• Transfer tax
  • Based on the price in the deed
  • Recurrent property tax was 7.9 % (2020) of municipal income of 24.1 bn €
  • Transfer tax was 0.8.% (2020) out of 238 bn €
Existing Land Taxation System

• Valuation is old (10-20 years)
  → it has fallen behind current market values
• It is regionally in imbalance and thus unfair
• Valuation based on manual maps
Responsible authorities

- Recurrent property tax
  - Value defined by the Tax Authority
  - Percentage defined by the municipality along the lines in legislation, currently 0.41 – 2.00 %

- Transfer tax
  - Value according to the deed
  - Percentage according to the law, currently 4 %
  - NLS monitors that the tax is paid before the title is given
Goals of the New System

• Make a nationwide mass valuation of land, which is
  • up-to-date
  • clear and easy to understand
  • transparent
  • based on statistical calculations with geographical information about property transactions.

• To define new price zones and their prices for the whole of Finland
  • land is classified into seven land use categories
  • each of them will have their own layer in a geographical information system (ArcGis)
Organisations involved in Land Tax

**Carrying out renewal**

Land

Buildings

**Others involved**

Subscriber

Collector of the tax

Receiver of taxes

**Ministry of Finance**

**NLS National Land Survey of Finland**

**Statistics Finland**

**TAX**

**VBSKATT**

**Municipalities**
New land taxation system

DATA
- Topographic data
- Cadastre
- Purchase price register
- Building and apartment register
- Statistics Finland
- Apartment transactions

PRICE ZONES AND PRICES
- GIS
  - Prize zones
- Standardized price points
- Calculations of prices
- Statistical models
- Statistical software

SERVICE DATABASES
- Open source GIS-databases
  - 2024
  - 2025

SERVICES
- Map service to citizens
- Map service to TAX
- Data transfers
Map service to citizens

Maapohjan hintakartta

Palvelussa voi tarkastella kiinteistöverotuksen perustana olevia maapohjan alueellisia hintoja. Alueellisia hintatietoja voi hakea kiinteistötunnuksen ja maapohjan käyttötarkoituksen mukaan.

Valitse käyttötarkoitus: ⚫
- AP ja HAJA - Asuntomarkkina

Anna kiinteistötunnus: ⚫
- Esim./T.ex. 91-13-400-2

Valitse verovuos: ⚫
- 2021

Valitse hinta-alue: ⚫

Muuta karttanäkymä: ⚫
- Peruskarto
- Sellokarto
- Ilmakuva
- Kiinteistökarto

Not final material
There is Light at the End of the Tunnel

- A revision is on its way
- NLS has done the analysis and is updating the taxation value information – price map
- Valuation will be made using mass valuation methods
- Goal to maintain the overall level of taxation intact
- Basic info will be open, but not on a real estate basis
Advancing together