

Annex A. Tax treatment of housing in OECD countries

Table A A.1. Tax treatment of owner-occupied residential property, 2022

As at 1 January 2022

Country	Acquisition of asset	Holding of asset				Disposal of asset	
	Transaction tax	PIT		Other taxes		Capital gains	Estate and inheritance tax
		Income from asset	Interest expense deductible	Income from asset	Value of asset		
Australia	Y	N	N	N	Y	N	..
Austria	Y	N	N	N	Y	N	..
Belgium	Y ¹	N	Y	N	Y	N	Y ²
Canada	Y	N	N	N	Y	N	..
Chile	N	N	Y ³	N	Y ⁴	Y ⁵	Y
Czech Republic	Y	N	Y	N	Y	Y ⁶	..
Colombia	N	N	Y	N	Y ⁷	Y	..
Costa Rica	Y	N	N	N	Y	Y	..
Denmark	Y	N	Y	Y ⁸	Y	N	Y
Estonia	N	N	Y ⁹	N	Y	N	..
Finland	Y	N	Y ¹⁰	N	Y	N	Y
France	Y	N	N	N	Y ¹¹	N	Y ¹²
Germany	Y	N	N	N	Y	N ¹³	Y ¹⁴
Greece	Y	N	N	Y ⁸	Y	N	Y ¹⁵
Hungary	Y	N	N	N	Y ¹⁶	Y ¹⁷	Y
Iceland	Y	N	N	N	Y	N	Y
Ireland	Y	N	N	N	Y	N	Y ¹⁸
Israel	Y ¹⁹	N	N	N	Y	Y ²⁰	..
Italy	Y	N	Y ²¹	N	Y ²²	N	Y
Japan	N	N	Y ²³	N	Y	Y	Y ²⁴
Korea	Y	N	Y ²⁵	N	Y	Y ²⁶	Y ²⁷
Latvia	Y	N	N	N	Y	N ²⁸	..
Lithuania	N	N	N	N	Y	Y ²⁹	Y
Luxembourg	N	N	Y ³⁰	N	Y	N	Y
Mexico	Y	N	Y	N	Y	N ³¹	..
Netherlands	Y	Y ⁸	Y	N	Y ³²	N	Y
New Zealand	N	N	N	N	Y	N	..
Norway	Y	N	Y	N	Y ³³	N	..
Poland	Y	N	N	N	Y ³⁴	N ³⁵	Y ³⁶
Portugal	Y	N	N	N	Y	N	Y ³⁷
Slovak Republic	N	N	N	N	Y	N	..
Slovenia	Y	N	N	N	Y	Y	Y
Spain	Y	N	N ³⁸	N	Y ³⁹	Y ⁴⁰	Y ⁴¹
Sweden	Y	N	Y	N	Y ⁴²	Y ⁴³	..

Switzerland	Y ⁴⁴	Y ⁸	Y	N	Y ^{7,44}	Y ⁴⁵	Y ⁴⁶
Türkiye	Y	N	N	N	Y	N	Y
United Kingdom	Y	N	N	N	Y	N	Y ⁴⁷
United States	Y	N	Y	N	Y	Y ⁴⁸	Y

Note: In addition to the information in this table, special tax provisions may apply to some taxpayers. This could include tax exemptions, credits and caps, and may be conditional on fulfilling certain criteria (e.g. transaction tax exemptions for first time buyers, inheritance tax exemptions for close relatives of deceased donors).

¹ The first EUR 175 000 of the value of the housing is exempt from transaction taxes, where housing is acquired by a natural person for their primary residence and is worth EUR 500 000 or less.

² Owner-occupied housing is exempt if inherited by the spouse who was living in the housing at the time of the donor's death. It is taxed at lower rates if inherited by co-owners that are lineal heirs or cohabitants.

³ Interest not deductible if taxpayer earns above CLP 97 507 800. Limit of interest deductible equal to CLP 5 200 416. Values on December 31st, 2021.

⁴ Recurrent property tax applies if house value is greater than CLP 47 360 490 (on January 1, 2022).

⁵ Accumulated capital gains are tax exempt up to a value of CLP 247 933 920 (on January 1, 2022).

⁶ Gains are taxable if held for five years or less; or two years or less if the taxpayer's main residence (unless the gains are used to finance a new residence in which case not taxable even if held for two years or less).

⁷ Recurrent property tax plus net wealth tax.

⁸ Tax on imputed rental income.

⁹ Mortgage interest is deductible up to EUR 300 per year and limited to 50% of the taxpayer's taxable income in the respective tax year.

¹⁰ 10% of mortgage interest is deductible against capital income. Of the excess of deductible interest over capital income, 30% (32% for first-time homebuyers) can be credited against earned income tax up to a maximum of EUR 1 400.

¹¹ Recurrent property tax plus net housing wealth tax. The taxable threshold for the net housing wealth tax is set at EUR 1.3 million, but once this threshold has been achieved, the assets are taxed as of EUR 800 000.

¹² Partly exempt (20%) if inherited by the donor's spouse or children who lived in the housing at time of the donor's death.

¹³ No taxation if occupied by the owner since acquisition or construction, or for at least 2 years before the year of sale or if held for more than 10 years.

¹⁴ Exempt if inherited by the donor's spouse or children who live in the housing for 10 years after the donor's death.

¹⁵ An additional tax-free threshold applies when inherited by the spouse or children, who do not own other housing.

¹⁶ Recurrent property tax (building tax on dwellings) due in only some municipalities. In 2017 only 548 municipalities out of 3 178 levied building tax on dwellings.

¹⁷ The taxable capital gain is reduced by an increasing percentage each year and is exempt after five years.

¹⁸ Exemption for beneficiaries who live in the housing for 3 years before and 6 years after the donor's death and do not own other housing.

¹⁹ Buyers who own more than one property are subject to higher transaction taxes.

²⁰ CGT only applies on gains above a sale price of ILS 4.5 million.

²¹ A tax credit of 19% of mortgage interest is provided up to a max of EUR 4 000 of interest payment.

²² Only luxury homes subject to recurrent property tax.

²³ Tax credit equal to 1% of the remaining mortgage balance at the end of each year. Only available when the taxable income of the year is less than or equal to JPY 30 million. The tax credit is capped at JPY 400 000 per year if the taxpayer started living in the house between 2014 and 2019, and acquired the housing after the consumption tax hike in 2014. In other cases, the tax credit is capped at JPY 200 000 per year.

²⁴ Partially exempt (80%)

²⁵ Deductible at taxpayer's marginal rate unless house cost more than KRW 400 million and up to a limit depending on years being paid off.

²⁶ 40% tax rate for short-term holdings of less than 1 year. No CGT if held for 2 years or more. CGT is however still applicable if house is worth more than KRW 900 million.

²⁷ Exemption capped at KRW 600 million for children and lineal descendent who lived in the housing for 10 years before the donor's death and do not own other housing.

²⁸ Capital gains from the alienation of the real estate were not taxable, if the following criteria were fulfilled: ownership \geq 60 months and the declared place of residence for at least 12 months until entering into the alienation contract; ownership \geq 60 months and the only real estate owned for the last 60 months before the alienation; the only real estate has been replaced with another functionally similar real estate 12 months before or after the alienation of the first real estate; income from the disposal of real estate has occurred in relation to the division of property in the case of dissolution of marriage, provided that it is the declared place of residence of both spouses at least 12 months until the day of entering into the alienation contract; there has been a disposal of the real estate in accordance with the procedures specified in the Law On Alienation of Immovable Property for the Public Needs, provided that ownership \geq 60 months or the income is invested anew in functionally similar real estate within 12 months after alienation of immovable property for the public needs.

²⁹ Taxable unless place of residence for at least 2 years; or if less than 2 years and income is used within one year to purchase a new place of residence.

³⁰ Mortgage interest is deductible below a threshold (EUR 2 000 years 1-5; EUR 1 5000 years 5-10; then EUR 1 000).

³¹ Unless gain exceeds 700 thousand investment units, or have sold a house within the previous five years.

³² Recurrent property tax.

³³ Recurrent property tax and net wealth tax. Only 25% of the owner-occupied property value is subject to the tax. As of 2022, for primary residences valued above NOK 10 million, 50% of the value of the property is subject to the wealth tax.

³⁴ Recurrent property tax is not levied on the value of the real property. The tax base is area in case of land and usable area in case of buildings.

³⁵ Realised income from disposal of real property is subject to taxation, if disposal takes place less than five years after acquisition or construction of the asset.

³⁶ Fully exempt for immediate family. Exempt for up to 110 m² of residential property for extended family and carers who do not own residential property and live in the housing for five years after the donor's death. Carers refer to non-related persons who have taken care of the donor for at least two years, where a written and signed agreement has been attested by a notary.

³⁷ Owner-occupied housing is partially exempt under a cap and then is subject to lower tax rates than standard inheritance tax rates.

³⁸ A tax credit (which covered interest and amount of acquisition) was repealed in 2013. However, it can still be applied as a temporary regime by taxpayers who were applying the credit prior to 2013. According to their legal competences, the majority of regional governments (Comunidades Autónomas) apply the tax credit.

³⁹ Recurrent property tax and net wealth tax. For net wealth tax, an exemption threshold of EUR 300 000 applies for the main residence.

⁴⁰ However, full rollover relief applies in respect of capital gains from disposals by any taxpayer of his primary residence. The exemption requires that the entire proceeds be reinvested within a 2-year period in the acquisition of another primary residence. Full exemption applies for taxpayers over 65 years old (see above).

⁴¹ Partially exempt (95%), capped at EUR 122 606, for spouses, ascendants, and descendants who live in the housing for 10 years after the donor's death.

⁴² Recurrent property tax has a maximum amount of SEK 8 874 for a house and SEK 1 519 for an apartment.

⁴³ Only a proportion (22/30) of the capital gain is taxable.

⁴⁴ Transaction taxes and recurrent property taxes are applied in many, but not all cantons.

⁴⁵ All cantons levy an immovable property gains tax (Grundstückgewinnsteuer). The tax treatment of property gains may depend on factors including the holding period

⁴⁶ Valued slightly below market value.

⁴⁷ Partial exemption for lineal descendants.

⁴⁸ Untaxed if capital gain of less than USD 250 000 (or USD 500 000 for married filing jointly) and held for at least 2 of the last 5 years. Otherwise taxed at marginal PIT rates for short-term gains, and at preferential long-term rates for long-term gains.

Source: Taxation of Household Savings Questionnaire, 2016, updated to January 2022 in consultation with country delegates. Inheritance, Estate, and Gift Taxes Questionnaire, 2020.

Table A A.2. Tax Treatment of rented residential property, 2022

As at 1 January 2022

Country	Acquisition of asset	Holding of asset				Disposal of asset	
	Transaction tax	PIT		Other taxes		Capital gains	Estate and inheritance tax
		Income from asset	Interest expense deductible	Income from asset	Value of asset		
Australia	Y	Y	Y	N	Y	Y	..
Austria	Y	Y	Y	N	Y	Y	..
Belgium	Y	Y ¹	Y ²	N	Y	Y ³	Y
Canada	Y	Y	Y	N	Y	Y	..
Chile	N	Y ⁴	Y ⁵	N	Y ⁶	Y ⁷	Y
Czech Republic	Y	Y	Y	N	Y	Y ⁸	..
Colombia	N	Y	Y	N	Y ⁹	Y	..
Costa Rica	Y	Y	Y	Y	Y	Y ¹⁰	..
Denmark	Y	N	Y	Y ¹¹	Y	Y ¹²	Y
Estonia	N	Y ¹³	Y ¹⁴	N	Y	Y	..
Finland	Y	Y ¹⁵	Y ¹⁶	N	Y	Y	Y
France	Y	Y	N	N	Y ¹⁷	Y ¹⁸	Y
Germany	Y	Y	Y	N	Y	Y ¹⁹	Y
Greece	Y	Y	N	N	Y	N	Y
Hungary	Y	Y	N	N	Y ²⁰	Y ²¹	Y
Iceland	Y	N	N	Y ²²	Y	Y	Y
Ireland	Y	Y	Y	N	Y	Y	Y
Israel	Y ²³	Y ²⁴	N	N	Y	Y	..
Italy	Y ²⁵	Y ²⁶	N	Y ²⁶	Y	Y ²⁷	Y
Japan	N	Y	Y	N	Y	Y	Y
Korea	Y	Y ²⁸	Y ²⁹	N	Y	Y ³⁰	Y
Latvia	Y	Y ³¹	N	N	Y	Y	..
Lithuania	N	Y	N	N	Y	Y ³²	Y
Luxembourg	N	Y	Y	N	Y	Y	Y
Mexico	Y	Y	Y	N	Y	Y	..
Netherlands	Y	N	N	Y ³³	Y	N	Y
New Zealand	N	Y	Y	N	Y	N	..
Norway	Y	Y	Y	N	Y ³⁴	Y	..
Poland	Y	Y	Y ³⁵	N	Y ³⁶	Y ³⁷	Y ³⁸
Portugal	Y	Y	N	N	Y	Y ³⁹	Y
Slovak Republic	N	Y ⁴⁰	N	N	Y	N	..
Slovenia	Y	N	N	Y	Y	Y ⁴¹	Y
Spain	Y	Y ⁴²	Y	N	Y ⁴³	Y	Y
Sweden	Y	Y	Y	N	Y ⁴⁴	Y ⁴⁵	..
Switzerland	Y ⁴⁶	Y	Y	N	Y ^{9,46}	Y	Y ⁴⁷
Türkiye	Y	Y	Y	N	Y	N	Y
United Kingdom	Y	Y	Y	N	Y	Y	Y
United States	Y	Y	Y	N	Y	Y ⁴⁸	Y

Note: In addition to the information in this table, special tax provisions may apply to some taxpayers. This could include tax exemptions, credits and caps, and may be conditional on fulfilling certain criteria (e.g. transaction tax exemptions for first time buyers, inheritance tax exemptions for close relatives of deceased donors).

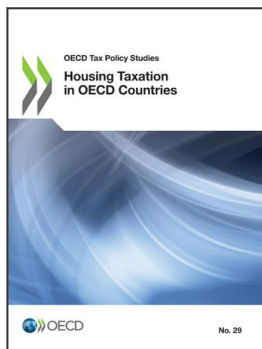
¹ Imputed income is taxed at progressive PIT rates.

² Mortgage principal repayments for rented residential property benefit from a tax credit of 30%, limited to the first EUR 78 440 of the loan and for a maximum tax credit of EUR 2 350. Mortgage interest can be deducted in full from taxable rental (and other property) income.

³ If held less than five years.

- ⁴ A large number of owners are exempt from taxes on rental income earned from housing with a surface equal to or lower than 140 m². This benefit can be used on a maximum of two new or existing dwellings per person.
- ⁵ Interest not deductible if taxpayer earns above CLP 97 507 800. Limit of interest deductible equal to CLP 5 200 416. Values on December 31st, 2021.
- ⁶ Recurrent property tax applies if house value is greater than CLP 47 360 490 (on January 1, 2022).
- ⁷ Accumulated capital gains are tax exempt up to a value of CLP 247 933 920 (on January 1, 2022).
- ⁸ Taxable if held <5 years; or <2 years if taxpayer's main residence (unless used to finance new residence).
- ⁹ Recurrent property tax plus net wealth tax.
- ¹⁰ The tax does not apply if income is used for the acquisition of another property for residential purposes.
- ¹¹ A splitting system applies.
- ¹² Taxed at flat rate as "net capital income" under semi-dual system.
- ¹³ Income tax only applies to 80% of rental income.
- ¹⁴ Mortgage interest is deductible up to EUR 300 per year and limited to 50% of the taxpayer's taxable income in the respective tax year.
- ¹⁵ Rental income is taxed as investment income, but at a flat 30% rate.
- ¹⁶ Deductible against capital income.
- ¹⁷ Recurrent property tax plus net housing wealth tax. The taxable threshold for the net housing wealth tax is set at EUR 1.3 million, but once this threshold has been achieved, the assets are taxed as of EUR 800 000.
- ¹⁸ Subject to flat withholding tax plus social taxes. A reduction is provided if held more than six years. Untaxed if held for more than 22 years (withholding tax) and 30 years (social taxes).
- ¹⁹ No CGT if held more than 10 years.
- ²⁰ Recurrent property tax (building tax on dwellings) due in only some municipalities. In 2017 only 548 municipalities of 3178 levied building tax on dwellings.
- ²¹ The taxable capital gain is reduced by an increasing percentage each year and is exempt after five years.
- ²² 50% of rental income is exempt and 50% is subject to a flat 20% capital income tax rate.
- ²³ Buyers who own more than one property are subject to higher transaction taxes.
- ²⁴ Taxpayer has three options: exemption of rental income up to a ceiling of ILS 5 030; 10% tax on gross rental income, with no deductions; or marginal tax rate (30% to 48%) on rental income net of expenses.
- ²⁵ Higher transaction tax rate for second homes than owner-occupied home.
- ²⁶ Actual rental income from residential property is taxed under ordinary PIT, with 95% of the annual rent included in the tax base. Alternatively, the taxpayer can choose to pay a 21% "coupon tax" on rental income. (10% in the case of pre-agreed controlled rents).
- ²⁷ Exempt from CGT if held at least five years.
- ²⁸ Exempt if rental income does not exceed KRW 20 million income until 2016.
- ²⁹ 40% of interest and principle is deductible against salary and wage income.
- ³⁰ 40% tax rate if held <1 year. For 5 years, taxable but get 15% reduction; if 10 years get 38% reduction
- ³¹ Two possibilities – PIT applied to rental income (general treatment) or special PIT rate applied at flat concessionary rate.
- ³² If held less than 10 years.
- ³³ Deemed return on net asset value (value less debt) is taxed. First EUR 24 437 of total assets excluding pensions and owner-occupied housing is exempt.
- ³⁴ Recurrent property tax and net wealth tax. 95% of the value of secondary housing is subject to the tax.
- ³⁵ Mortgage interest deductibility for natural persons (not engaged in business activity) only available until 31 December 2022.
- ³⁶ Recurrent property tax is not levied on the value of the real property. The tax base is area in case of land and usable area in case of buildings.
- ³⁷ Realised income from disposal of real property is subject to taxation, if disposal takes place less than five years after acquisition or construction of the asset.
- ³⁸ Fully exempt for immediate family. Exempt for up to 110 m² of residential property for extended family and carers who do not own residential property and live in the housing for five years after the donor's death. Carers refer to non-related persons who have taken care of the donor for at least two years, where a written and signed agreement has been attested by a notary.
- ³⁹ Half of capital gains are indexed.
- ⁴⁰ Rental income less than EUR 500 is untaxed.
- ⁴¹ The tax rate for capital gains depends on the holding period: 25% for up to 5 years; 15% from 5 to 10 years; 10% from 10 to 15 years; 5% from 15 to 20 years; and non-taxation for greater than 20 years.
- ⁴² 60% reduction in tax on rental income.
- ⁴³ Recurrent property tax and net wealth tax. For net wealth tax, an exemption threshold of EUR 700 000 is applied in general for all assets, including rented residential property.
- ⁴⁴ Recurrent property tax has a maximum amount of SEK 8 874 for a house and SEK 1 519 for an apartment.
- ⁴⁵ Only 90% of the capital gain is taxable when used mainly for business.
- ⁴⁶ Transaction taxes and recurrent property taxes are applied in many, but not all cantons. Neither are applied in Zurich, which is used as the representative canton in the ETR modelling.
- ⁴⁷ Valued slightly below market value.
- ⁴⁸ Lower rate schedule applies for long term gains of more than one year. Gain attributable to any accelerated depreciation is taxable at ordinary rates. Gain attributable to straight-line depreciation is taxed at ordinary rates up to 25%.

Source: Taxation of Household Savings Questionnaire, 2016, updated to January 2022 in consultation with country delegates. Inheritance, Estate, and Gift Taxes Questionnaire, 2020.



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