

# **Property taxes in Lithuania – from area- based to market value-based**

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## **SUMMARY**

This paper addresses the following questions about immovable property (land and building) taxation in Lithuania: a brief history and prerequisites of the introduction of market value-based property taxes, the key characteristics of the taxes, the tax administration and mass valuation systems. A comprehensive tax reform, which includes a new approach to real property taxation with estimated market value used as a basis for tax assessment, was implemented during last decade. The multipurpose real property cadastre and mass valuation system, which is implemented in the country, plays an important role by providing adequate tax platform and the use of mass valuation results for other public needs. The paper also reflects the renewed and widespread interest in property tax reform among transitional countries, and discusses the number policy and administrative issues that must be carefully considered as prerequisites for successful property tax reform.