ARE's President ratifies

Law 103/2012

Amending Real-Estate Taxation Laws

Issued according to Law 196/2008

President of ARE,

At sight of the constitutional announcement issued on 13th Feb., 2011,

The constitutional announcement issued on 30th, March, 2011,

The constitutional announcement issued on 11th August, 2012,

The constitutional announcement issued on 21st November, 202,

The buildings tax law issued according to Law 196/2008,

The Executive order of Law 118/2011 amending some rules of Law 196/2008,

The decree of Law 1/2012 amending the decree of Law 118/2011 to amend some rules of Law 196/2008 to issue the buildings tax law as well as to continue work with the latest general valuation of building rental value; the tax base; and

Upon the ministerial cabinet's approval

Ratifies the following law text:

Article (1)

Article 9, Item (1) of Law 196/2008 is replaced, after buildings tax law has been issued, by the following text:

1. Tax imposed, according to the rules' decree of utilities law, is due as from 1st of July, 2013. Dates are amended accordingly in Articles (3, 14, 23, 27).
2. Article (1) of Law 154/2002, which stipulates the continuation of work with the last year evaluation of buildings rental value, is replaced by the following text:

Work with the last year evaluation of the buildings rental value, taken as the tax base (1999/2000), is to continue till 30/6/2013.

Article (3)

Articles (2), (5), (12), (13), (15, item 2), (18, Item 1b, 1d) and (28) of buildings tax law, issued according to Law 196/2008, are replaced by the following texts:

Article (2)

Taxpayer is the normal person or legal person, who has the right to own, utilize or use the property, even if his/her title is not publicized (simple contract). Herein, the legal representative of the legal person or the totally unauthorized normal person becomes the taxpayer.

Article (5)

It is not permitted by no means that the five-year re-evaluation may lead to an increase in tax imposed on properties used for housing to exceed (30%) of the tax due, according to the previous five-year evaluation, or to exceed (45%) of the tax due, according to the previous five-year evaluation, on properties used for non-housing purposes.

Article (12)

Tax amount is (10%) of the annual rental value for the tax-imposed properties excluding (30%) of this value for places used for residential purposes, and (32%) for the non-residential properties

Article (13)

In each governorate, committees called "Survey and Evaluation Committees" are formed to take the responsibility of calculating and evaluating the rental value of buildings, categorizing them according to building level, geographic location and utilities connected, based on the executive regulation.

These committees are formed upon the minister's decision or the decision of the minister's delegate. Accordingly, the RETA delegate presides the committee, the delegate of the governorate in which the building locates and a taxpayer within the committee jurisdiction as members, chosen by the competent governor.

The executive regulation specifies the procedures of the committees' way of work and each committee's jurisdiction.

Criteria, to estimate the industrial, touristic, and petroleum institutions, airports, ports, mines and quarries as well as all the similar special enterprises are taken into consideration to set tax base for these institutions. This is upon a decision by Minister of Finance in accordance with the competent minister within three months as of the date the decision is activated by a law. Table 2 attached is a guiding table which can be amended according to the evaluation criteria agreed upon.

Article (15)

The rental value assessor must be notified in writing on a form specified by the executive regulation, if the evaluation result is to impose tax.

Article (18)

With no breach to the exemptions stated in Article (4) of this law that may nullify each exemption mentioned in any other law, tax-exempted are:

Article18, Item b

Educational institutions, hospitals, dispensaries, orphanages, and non-profit charities.

Article18, Item d

Each unit in a building used for residential purposes whose rental value is less than LE 24.000. The exemption is valid for only one unit for each owner.

Article (28)

The real-estate proceeds and the sums stated in this law are sent to the public treasure. However, 25 % of the tax collected within the jurisdiction of each governorate, are to be allocated to the governorates. Meanwhile, 25 % of the whole proceeds are allocated to develop slum areas as organized upon a ministerial cabinet's decision.

Article (4)

The word "announcement" stated in Article, Item 16 of the buildings tax law referred to, is replaced by the word "notification".

Article (5)

Article 18, Item C is deleted from the buildings tax law referred to.

Article (6)

This decision is to be published upon a law in Al-Waqae'a Al-Masryia journal, and becomes as effective as law as of 1/7/2013.