



Client Information

Czech Republic
September, 18th 2020

Abolition of real estate acquisition

This week, the Chamber of Deputies approved the retroactive abolition of real estate acquisition tax. The amendment is expected to be signed by the president in the coming days.

Retrospective abolition

The law abolishes real estate acquisition tax retrospectively. No real estate acquisition tax is due for all **real estate transfers after December 1, 2019** (date of approval of the proposed entry in the land register).

If you have already paid this tax, it will be refunded to you by the tax office (upon request).

Changes in income tax

Along with the abolition of the real estate acquisition tax, some changes in the income tax area were decided.

The **time test for exemption from income tax when selling real estate** that was not used for one's own living needs will be **extended from currently 5 to 10 years**.

In addition, the **maximum amount** of the deductible item from the income tax base due to **interest on mortgage loans** will be **reduced from currently CZK 300,000 to CZK 150,000**.

We recommend that you carefully check whether and when these changes affect you.

We will be happy to answer your questions and to help you with the refund of the tax paid on the purchase of real estate.

For the AUDITOR team

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