INTERNATIONAL JOURNAL OF PUBLIC ADMINISTRATION,
MANAGEMENT AND ECONOMIC DEVELOPMENT

Property Taxation in Selected Eastern European Countries: A Comparative Analysis

Bogusław Balza
University of the National Education Commission, Podchorążych 2, Cracow, 30-084, Poland, E-mail: Boguslaw.balza@uken.krakow.pl, ORCID: 0009-0006-9106-5126

Abstract

The purpose of this study is to provide a comprehensive comparative analysis of property taxation systems in selected Eastern European countries, examining their legal frameworks, tax bases, valuation methods, degree of decentralization, and fiscal significance. Despite the historical continuity of property taxation as a stable source of public revenue, contemporary systems in Romania, Bulgaria, Moldova, Belarus, Ukraine, Poland, the Czech Republic, Slovakia, and Hungary display significant heterogeneity. This research was undertaken to identify the most equitable and efficient models, as well as to explore their social and economic implications, particularly concerning local government financing. The study employs a mixed-methods approach, combining quantitative analysis of budgetary data on the share of property tax in national and local revenues with a comparative review of national legal frameworks and administrative practices. Findings reveal two main models: value-based (cadastral) systems, exemplified by Romania, Bulgaria, and Belarus, and area-based systems, as in Poland, Ukraine, and Slovakia. Value-based taxation more accurately reflects economic value and enhances fairness, while area-based systems prioritize simplicity and predictability but may create inequities. This study emphasizes that the most effective property taxation framework in the region is one that balances fairness with administrative practicality. Systems should allow local governments to differentiate tax treatment for primary residences while applying higher or progressive rates to additional properties, thereby discouraging speculation, improving housing accessibility for lower-income households, and ensuring stable and sustainable local revenues.

Keywords: tax policy, area-based taxation, cadastral system, fiscal decentralisation

JEL classification: H29, H61

1. Introduction

Property taxation is among the oldest forms of taxation in the history of civilization, having functioned continuously since early Sumerian times. As early as in the ancient city-state of Lagash, residents paid a levy known as bala, and in subsequent periods similar solutions existed in Babylonia, Egypt, Persia, China, Greece, and Rome - in some cases reaching as much as 10% of the value of owned assets. Property taxation, encompassing various forms of ownership, served for millennia as a stable and recurrent source of

financing public needs. Its uninterrupted presence in tax systems attests to its enduring importance and practical usefulness in generating public revenue (Valk & Marin 2021).

Contemporary property taxation systems in Central and Eastern Europe are characterized by considerable diversity. They are not subject to European Union harmonization directives, and no clear standards concerning the design of property taxes have emerged in international law. In general, the solutions operating in the region may be divided into two main groups: systems based on the value of property as determined in cadastral registers and those based on the surface area of property or the usable floor area of buildings.

The objective of this article is to provide a comparative analysis of property taxation systems in selected Central and Eastern European countries, with particular emphasis on their legal structure, tax base, valuation mechanisms, level of decentralization, and fiscal importance. The study examines Romania, Bulgaria, Moldova, Belarus, Ukraine, Poland, the Czech Republic, Slovakia, and Hungary - countries representing a broad spectrum of institutional arrangements, ranging from centralized, state-administered systems to highly decentralized local property tax regimes.

The analysis focuses on whether property taxation systems in the examined countries provide stable and predictable sources of public revenue, whether a process of harmonization of property tax models can be observed in the region or whether significant differences between national systems persist, and to what extent property taxation contributes to increasing the revenues of local government units and strengthening their financial autonomy. The study is conducted using quantitative methods - including the analysis of budgetary data on the share of property tax in public revenues - as well as a comparative analysis of legal frameworks.

1.1 Romania

In Romania, property taxation is embedded within the local tax system and covers both buildings and land. The basic tax rates are set at the central level; however, local authorities may increase them - by up to 50% - if justified by the budgetary needs of local government (Mitu et al., 2022).

Generally, tax is paid by an owner of the property. In the case of properties owned by the state or local government that are leased to or managed by private entities, the tax is paid by the entity that actually uses the property. Certain categories of taxpayers, including natural persons (such as war veterans, widows, and individuals deported during the communist period) as well as legal persons, are exempt from the tax, provided that the property is not used for economic activity. In addition, local authorities may introduce further reliefs and preferential treatment for both low-income individuals and entrepreneurs in order to support selected sectors of the economy (Mihăilă, 2024).

Tax rates vary depending on the type of property and the status of its owner. For residential buildings owned by natural persons, the rate ranges from 0.08% to 0.2% of the market value. For other properties owned by natural persons, rates between 0.2% and 1.3% apply. Properties owned by legal persons are taxed at rates ranging from 0.2% to 1.3% of market value. An exception applies where a building or land remains unused

for more than three years, in which case an increased rate of 5% is imposed. Properties used for agricultural purposes are subject to a tax rate of 0.4%.

The catalogue of tax exemptions is extensive and covers all developed land, as well as land owned by religious communities, educational institutions, and scientific organizations. Moreover, local governments may introduce additional reliefs or exemptions in accordance with their local policy objectives (Costea & Ilucă, 2024).

Property tax is payable in two instalments per year, and local authorities may grant a discount of up to 10% of the tax liability in the case of timely payment.

Property tax constitutes an important and stable source of revenue for local government units in Romania. In 2023, it accounted for approximately 63% of local government tax revenues, 2.1% of total national tax revenues, and 0.5% of GDP, making it a predictable component of local public financing (Eurostat, 2025).

1.2 Bulgaria

Property tax in Bulgaria plays a significant role as a source of revenue for local governments. The taxation system is characterized by a high degree of decentralization with respect to the determination of tax rates, while the tax base and property valuation rules are defined at the central level. The tax is levied on property owners and applies to both land and residential and non-residential buildings. Taxpayers include both natural persons and legal persons who own real estate.

Each municipality is legally entitled to set property tax rates annually within a range of 0.1% to 4.5% of the taxable value of the property, although most municipalities apply rates at the lower end of this range. Decisions on tax rates are taken by municipal councils, which are required to adopt a resolution specifying the applicable rates for the following year by 31 December. In the absence of such a resolution, tax rates remain at the level applicable in the previous year (Kalceva & Ushatova, 2024).

The taxable value of residential and non-residential buildings is determined on the basis of their assessed value, taking into account the type and construction of the building, its use, location, and additional coefficients, such as access to technical infrastructure and the technical condition of the property. In the case of multiple property ownership, taxpayers may benefit from a 50% tax reduction for the property designated as their primary place of residence (Peshev, 2024).

The Bulgarian tax system provides for an extensive catalogue of tax reliefs and exemptions. Exemptions include, inter alia, properties owned by the state or municipalities and used for public purposes. In addition, persons with disabilities may benefit from a 75% reduction in the tax rate. Furthermore, energy-efficient buildings utilizing renewable energy sources are exempt from property taxation for a period of ten years.

Property tax constitutes the single largest source of municipal revenue among local taxes in Bulgaria. The level of revenue depends on the assessed taxable value of properties, the valuation coefficients applied, and the tax rates adopted by individual municipalities. As

a result, the system leads to significant disparities in tax burdens between municipalities and types of property, while simultaneously enabling local governments to tailor their tax policy to their own financial and social needs. The Bulgarian system also allows property taxation to be used as an instrument of social policy, economic support, and pro-environmental measures.

The share of property tax in Bulgaria's public revenues underscores its importance as a stable source of financing. In 2023, property taxes accounted for approximately 2.1% of total national tax revenues (including 31.7% of municipal budget revenues), while their share of gross domestic product amounted to 0.6% (Eurostat, 2025).

1.3 Moldova

The property taxation system in Moldova has been undergoing a transformation for many years, aiming at the full implementation of a market value–based tax. Over the past twenty years, only 60% of properties have been registered in the national cadastral register, and these properties are taxed based on their market value, as determined by cadastral authorities with the participation of certified property appraisers (Berghe, 2023). At the same time, the previous system, based on the book value of properties established a quarter of a century ago, continues to operate. As a result, two different methods of calculating property tax have coexisted in Moldova for over twenty-five years (Paladi, 2025).

The main cause of this delay is the lack of resources to conduct property valuations. This has led to a situation in which some taxpayers bear tax burdens corresponding to the market value of their properties, while others pay only nominal amounts based on outdated valuations.

Property tax in Moldova is a local tax, and all revenues are allocated to the budgets of local government units. Each year, local authorities set the tax rates applicable in their territory, with the right to increase them up to eight times the minimum rate established in the law by the central government.

Rates for residential properties, including apartments and private houses, range from 0.05% to 0.4% of their value. Specific groups of taxpayers, including retirees, persons with disabilities, families of Afghan war veterans, and participants in the liquidation of the Chernobyl disaster, benefit from full tax exemptions (Bahova & Starcencova, 2025).

For properties used for economic activity, tax rates also depend on the type of property and its value. For company buildings and commercial facilities, rates range from 0.1% to 0.3% of value, while under-construction properties are taxed at a rate of 0.3%.

Property tax also applies to agricultural land, with developed agricultural plots taxed at rates from 0.1% to 0.3% of book or assessed value. The applicable value depends on the type of land, its fertility class, and the characteristics of the development on the plot.

Despite these challenges, property tax is gaining increasing importance for local finances. Its share of local government tax revenues rose from 8.9% in 2007 to 15.4% in 2025 (Republic of Moldova, 2025).

1.4 Belarus

In the Republic of Belarus, property tax constitutes a central element of the tax system and is levied by national authorities across the entire territory of the country. It is a state-owned wealth tax aimed at providing stable budget revenues, supporting both the central budget and, to a limited extent, local government units. The tax obligation applies to both individuals and business organizations, regardless of the form of property ownership. The tax base is the cadastral value of the property, reflecting an approximate market value of land or buildings. This value is determined by licensed appraisers based on an analysis of market sales and purchase prices, observed price trends, supply and demand indicators, rental rates, lease conditions, and the market exposure time of listings. In Belarus, the cadastre serves both an administrative and fiscal function, acting as the main instrument for assessing the revenue-generating potential of property. Cadastral values are periodically updated in line with market conditions to ensure proportional tax burdens relative to real property values (Abishov & Bayjanov, 2025).

Property tax rates vary depending on taxpayer categories and types of property. For business organizations, the rate is 2% of the value of properties under construction and 1% for other operational assets. For individuals, the basic rate is 0.1% of the property value, although in certain regions rates may rise to 0.2%, serving as a tool for increasing local revenues. Property tax in Belarus also covers properties used for economic activity. Enterprises, including companies with foreign capital participation, must pay 1% of the value of operational properties and 2% for properties under construction. The tax may also apply to leased properties and unused land, discouraging speculative holding of assets. Certain branches, particularly in the industrial and transport sectors, may include property tax as deductible expenses, partially alleviating its fiscal burden. However, the Belarusian system does not offer a broad catalog of exemptions for businesses, as tax preferences are primarily granted within special economic zones (Lloyds Bank, 2025).

The system provides a limited range of exemptions, including buildings owned by state institutions or religious organizations, properties used for agricultural, educational, or medical purposes, selected low-value residential properties, and social, cultural, and municipal facilities. These exemptions aim to protect public infrastructure and support the non-commercial sector. Individual tax relief is generally not provided, which distinguishes the Belarusian system from many EU countries, where taxpayers may benefit from exemptions for a first residence or for low-income households (Republic of Belarus, 2025).

Property tax plays a significant fiscal role in Belarus, accounting for approximately 5.9% of total state budget revenues (European Committee, 2025). Its importance is growing due to limited revenues from indirect taxes and increasing needs for financing infrastructure and social expenditures. The tax represents one of the more stable revenue sources for the state, characterized by high collection rates and relatively low administrative costs.

At the same time, the centralized and inflexible nature of the system limits the scope for local fiscal policy, as municipalities have little influence over rates or exemptions, and the majority of revenues are transferred to the central budget.

1.5 Ukraine

In Ukraine, property tax partially adheres to the principle that its revenues should be directed to local government budgets. The tax applies to residential and non-residential properties as well as land. Residential properties include apartments and private houses, while non-residential properties encompass all buildings and premises not classified as residential under the law (Pravdiuk, 2022). This category includes hotels, office buildings, retail premises, garages, industrial and warehouse facilities, public entertainment venues such as casinos and gaming houses, farm and utility buildings, and other non-residential structures. Land is also subject to taxation, with its value determined based on normative monetary value capitalized from rent, which is indexed annually.

The Ukrainian tax system provides an extensive range of exemptions and exclusions. Properties excluded from taxation include residential and non-residential buildings owned by state or local government entities and used for non-profit purposes, properties located in exclusion or evacuation zones around the Chernobyl nuclear power plant, family-type orphanages, dormitories, residential properties deemed uninhabitable, including those in "emergency" zones, and residential properties whose shares belong to orphans, children deprived of parental care, or children with disabilities raised by single parents. Additionally, non-residential properties used by small and medium-sized enterprises in minor architectural forms or at marketplaces, industrial premises, buildings and structures intended exclusively for agricultural activity, properties owned by organizations of persons with disabilities and religious institutions used in accordance with their statutes, as well as kindergarten and general education school buildings, are exempted (State Tax Service of Ukraine, 2025.

Property tax is primarily calculated based on property area. For land, normative monetary value is determined by state administrative bodies. For residential and non-residential buildings, the tax base is the usable area. Individuals benefit from a reduction in the taxable base by 60 m^2 for apartments and 120 m^2 for houses, or 180 m^2 if they own multiple types of property, such as both an apartment and a house. Additional exemptions are granted for land to individuals with disabilities, families raising at least three children, pensioners, war veterans, and those affected by the Chernobyl disaster (PwC, 2025).

Property tax rates are linked to the minimum wage and are set annually by the state. For apartments up to 240 m^2 and houses up to 500 m^2, the rate corresponds to 1% of the minimum wage as of January 1 of the reporting year. For properties exceeding these limits, the tax increases proportionally. Revenues from property tax in Ukraine account for approximately 2.7% to 3% of total budgetary income, indicating that, despite the area-based calculation system, property tax constitutes a significant source of national revenue.

1.6 Poland

In Poland, the property tax system is regulated by the Act on Local Taxes and Fees, while the actual rates are set by municipal councils through local resolutions. Local authorities can adjust rates to reflect regional economic and budgetary conditions, though they cannot exceed maximum rates published annually by the Minister of Finance in the Monitor Polski. Municipalities also have the option to lower rates and introduce

exemptions or reliefs, making property tax an important instrument of local economic and social policy.

The tax base depends on the type of property. For land and buildings, it is determined by the area, while for structures the value used for amortization purposes serves as the base. In the case of buildings, the taxable area includes rooms used for residential or commercial purposes. This area-based approach is simple to administer but does not reflect the market value or economic potential of properties, resulting in identical taxation for properties of the same size but differing location and value (Dowgier, 2022).

Another limitation of the Polish system is the absence of a link between tax liability and the taxpayer's financial capacity. Enterprises in difficult financial situations pay the same amount as profitable companies with similar infrastructure. A significant legislative change occurred with the Act of 19 November 2024, which redefined the concepts of buildings and structures. Previously, a building was defined according to construction law as a permanent object attached to land, separated by structural divisions, and equipped with a foundation and roof. The new definition retains these criteria but emphasizes that a building must have installations (utilities) enabling its intended use (Balza, 2025).

The act also provides a detailed definition of structures, resolving prior ambiguities. Structures are objects not classified as buildings, listed in Annex 4 of the law, covering 28 categories such as roads, bridges, energy lines, transmission networks, tanks, and industrial constructions, including the installations that ensure their use.

In 2023, property taxes in Poland accounted for 4.1% of total tax revenues and 1.4% of GDP (Eurostat 2025). For municipal own-source revenues, property tax contributes on average 20%, with higher shares in smaller towns (up to 29%) and lower shares in large cities (around 17%) (Przybylski, 2023). The system thus provides a stable source of local finance while retaining flexibility for municipal fiscal policy.

1.7 Czech Republic

The Czech property tax system is governed by the 1992 Act on Real Estate Tax (Act No. 338/1992 Sb.), and it comprises two separate components: land tax and tax on buildings and premises, collectively referred to as property tax (Zelenská, 2024). Unlike Poland, the Czech system is centrally administered by tax offices responsible for the location of the property. These offices oversee collection, record-keeping, and verification of property declarations, which are also used to update the cadastre maintained by cadastral authorities. While all revenue flows to municipal budgets, local governments have limited influence on the tax structure, being able only to apply a local coefficient to increase liabilities for selected properties (excluding agricultural land) by a factor of two to five. Due to political sensitivities, this tool is used in practice in only about 7% of municipalities (Janoušková & Sobotovičová 2024).

The Czech system operates on a self-assessment basis, requiring taxpayers to calculate their tax liability using the statutory base and rates and to submit a declaration with all relevant property information, including type, location, area, usage, ownership, and applicable exemptions. Annual filing is not required unless there is a change in property

status or use. Adjustments to rates, coefficients, or average land prices do not necessitate a new declaration (Czech Public Administration Portal, 2025).

Land tax covers registered land, excluding land under buildings, forests, and land used for defense purposes. The taxpayer is typically the owner, although in some cases the obligation falls on the tenant or user. The system is partially ad valorem, with agricultural land taxed based on parcel area multiplied by average prices set by the Ministry of Agriculture. Standard rates are 0.75% of value for most agricultural land and 0.25% for green areas, forests, and fishponds. For other land, including construction land, the base is the area, with rates ranging from 0.20 to 5 CZK per square meter, adjusted by a population-based coefficient (Act No. 338/1992 Sb.).

Tax on buildings and premises applies primarily to owners. Buildings are taxed based on the constructed area, while premises are taxed based on usable area. Rates range from 2 to 10 CZK per square meter and can be increased under specific legal conditions, such as for commercial use. Municipalities may also apply a local coefficient to adjust tax liability within statutory limits (CzechInvest, 2025).

Market value is rarely applied in the Czech system. Land valuation relies on administratively determined average prices published annually by the Ministry of Agriculture. While this simplifies tax collection, it limits fairness and responsiveness to actual property values (Zelenská, 2024). Fiscal significance is limited, with property tax accounting for only 0.8–1.7% of total budget revenue, yet it provides a stable and predictable source of municipal funding for local services and infrastructure.

1.8 Slovakia

In Slovakia, property tax represents one of the primary sources of revenue for municipalities and constitutes the most important local tax in the country. Its revenue amounts to approximately 1.3% of total national tax income, equivalent to about 0.4% of GDP. Within the structure of own-source municipal revenues, property tax plays a major role, accounting for roughly 62% of all local tax receipts (OECD, 2025). The Slovak property tax system is entirely local in nature and distinguishes between three categories: land tax, building tax, and tax on apartments and non-residential premises. This separation stems from the absence of the principle superficies solo cedit in Slovak law, which means that ownership of land does not automatically confer ownership of buildings erected on it. Consequently, land and buildings can have different owners.

The tax is generally assessed based on physical area, although adjustment factors exist to partially reflect the economic value of properties. These factors consider the type of property, its intended use, location within the municipality, and, for buildings, the number of floors. Municipalities are fully responsible for tax administration and also benefit directly from its revenue. They have broad discretion over the rules of assessment, tax rates, and the application of exemptions or reliefs. The legal foundation for the property tax is provided by the Act on Local Taxes and Local Fees for Municipal Waste and Small Construction Waste of 23 September 2004. Following the constitutional principle of tax legality, municipalities may introduce the tax only based on statutory authority; the law itself does not mandate its collection, leaving the decision to implement the tax to each municipality (Vartašová et al., 2023).

Taxable objects include land, buildings, and apartments or non-residential premises within residential buildings. For land, the taxpayer is usually the owner or administrator, and the tax base is the land value excluding vegetation. Reference values are established for each municipality in the annexes to the law, separately for arable land, vineyards, orchards, permanent grasslands, construction plots, and other land types. For forests, fishponds, and other commercially used land, valuation relies on expert appraisal. The standard land tax rate is 0.25%, although municipalities may adjust it within statutory limits. In practice, higher rates are applied in city centers and lower rates in suburban areas (Act No. 582/2004).

For buildings, the taxpayer is generally the owner, though in some cases it may be the administrator or actual user. Buildings with at least one floor are subject to taxation, based on the built-up area in square meters. The basic rate is 0.033 euros per square meter, with municipalities permitted to vary rates depending on the building type, function, and location. Industrial and commercial buildings typically face the highest rates, while residential buildings are taxed at lower rates (Felis et al., 2023).

In the case of apartments or non-residential premises, the taxpayer is the unit's owner or administrator if the property belongs to the state or a municipality. The tax base is the usable area of the premises, and the rate is 0.033 euros per square meter per year. Municipalities can adjust rates according to the type and location of the premises, with non-residential premises used for commercial purposes taxed at multiple times the rate for residential units (Act No. 582/2004).

The law also provides for numerous statutory exemptions, including properties owned by the state, municipalities, or foreign governments (on a reciprocal basis), religious buildings used for worship, schools, universities, public parks managed by medical facilities, and properties of the Slovak Red Cross. Municipalities may grant additional exemptions or reliefs, for example to seniors, persons with disabilities, public institutions, or properties of low value or social importance. Overall, the Slovak property tax system is characterized by significant decentralization and local flexibility. Municipalities play a central role in setting rates and administering the tax, allowing fiscal burdens to be adapted to local economic and spatial conditions.

1.9 Hungary

In Hungary, property tax constitutes a fundamental component of local taxation and is governed by the 1990 Local Taxes Act. This legislation establishes two separate wealth taxes: land tax and building tax, defining the tax base, rates, and categories of exemptions. Hungarian law grants municipalities substantial autonomy in deciding whether to introduce these taxes and how to calculate them. Consequently, the system is decentralized: the state defines general legal frameworks and maximum rate limits, while individual municipalities determine which local taxes to impose and the method of calculation.

Municipalities serve as the tax authorities responsible for both collection and administration. They can choose between an area-based system, calculated on square meters, or a value-based system, based on the market value of properties. In practice, however, the majority of municipalities adopt the area-based approach, largely due to the

difficulty of reliably assessing the market value of individual properties. In 2019, 16% of municipalities imposed a land tax, while 33% collected building taxes, mostly in larger urban units (Hoffman, 2019).

Land tax applies to properties within the municipality, excluding suburban agricultural land, public roads, forests, water bodies, and cemeteries. The taxpayer is the landowner, and the base of taxation - depending on municipal choice - is either land area or market value. For area-based taxation, the starting point is the area recorded in the land registry, minus the space occupied by buildings (Hulkó & Pardavi, 2022).

Building tax covers both residential and non-residential buildings. The law provides a list of exemptions, such as for buildings used for public healthcare, animal husbandry, or crop cultivation. Taxpayers are the owners or, in some cases, users of the property. Municipalities decide whether the tax base is the usable area or the market value. Under the area-based system, the taxable area includes all rooms with a height of at least 1.9 meters, excluding some utility spaces. Built balconies, loggias, covered terraces, and partially (50%) porches are included. The central government sets the upper limit of the tax rate, which municipalities may only increase by an inflation adjustment.

If the cadastral system is chosen, the tax base is the market value of the building. The rate cannot exceed 3.6% of the tax base and, unlike the area-based system, is not adjusted for inflation. In practice, the cadastral system is rarely applied due to the need for detailed property value registers and verification of declared sales values, which is costly and time-consuming. Most municipalities therefore prefer the simpler area-based system (Etel, 2019).

Thus, the Hungarian property tax system is local, flexible, and highly decentralized but relatively inconsistent. Only a portion of municipalities has implemented these taxes, and tax bases and rates vary significantly across local governments. The state's role is limited to establishing general legal frameworks and maximum rates, while municipalities determine the actual fiscal burden. As a result, Hungarian property taxation serves primarily as a local fiscal instrument, with moderate significance at the national level compared to indirect and income taxes.

2. Conclusion

The comparative analysis of property taxation systems in selected Eastern European countries demonstrates that there is no single dominant model of real estate taxation in the region. Instead, national systems form a heterogeneous landscape shaped by historical legacies, administrative capacity, political choices, and the level of fiscal decentralization. The examined countries employ a variety of approaches with respect to tax bases, valuation techniques, and the role assigned to local governments.

Two principal models of property taxation can be identified. The first is the value-based (cadastral) model, applied fully or partially in countries such as Romania, Bulgaria, Belarus, and – gradually - Moldova. This approach allows tax liabilities to better reflect the economic value of real estate and enhances the perceived fairness of the system. However, it also requires comprehensive cadastral coverage, regular valuation updates, and significant administrative resources. In countries where these conditions are not fully

met, value-based taxation often results in unequal treatment of taxpayers and long-term transitional arrangements, as illustrated by the Moldovan case.

The second model is the area-based system, predominant in Poland, Ukraine, the Czech Republic, Slovakia, and -in practice - Hungary. These systems are characterized by simplicity, predictability, and low administrative costs, but they fail to account for differences in location, market value, and income-generating potential of properties. As a consequence, properties of identical size but vastly different economic value may be subject to the same tax burden, limiting both fiscal efficiency and equity.

The analysis also highlights substantial variation in the degree of decentralization. Highly decentralized systems, such as those in Poland, Slovakia, Bulgaria, and Hungary, grant municipalities significant autonomy in setting tax rates, granting exemptions, and shaping local tax policy. This flexibility enables local governments to tailor property taxation to their economic and social priorities, but it may also lead to territorial disparities and fragmentation of tax burdens. In contrast, centralized systems such as Belarus provide greater uniformity and stability, albeit at the cost of limited local fiscal autonomy.

Property tax exemptions and reliefs play an important role across all analyzed countries, serving as instruments of social, economic, and sometimes environmental policy. Preferential treatment is commonly granted to vulnerable social groups, public institutions, religious organizations, and -more recently - energy-efficient buildings. While these mechanisms enhance the social acceptability of property taxation, excessive or poorly targeted exemptions may erode the tax base and weaken revenue potential.

In conclusion, the comparative evidence indicates that a value-based (cadastral) property tax constitutes the most equitable and economically justified model of real estate taxation. By linking tax liability to the market value of real estate, the cadastral approach better reflects taxpayers' ability to pay and ensures a proportional distribution of the tax burden. Although this model entails higher administrative requirements, the analysis suggests that frequent revaluations are not indispensable for maintaining fairness and fiscal effectiveness. Periodic adjustments of cadastral values at intervals of approximately five years appear sufficient to capture medium-term market developments while limiting administrative costs and valuation volatility. Importantly, a well-designed cadastral system allows local governments to introduce socially sensitive differentiation, including preferential treatment for owners of a primary residence, such as a first apartment or house used for personal housing purposes. At the same time, properties exceeding basic housing needs - particularly second and subsequent residential units - should be subject to standard or progressively higher tax rates. The application of increased tax burdens to owners of multiple properties may serve as an effective instrument to counteract speculative investment, excessive accumulation of housing assets, and the artificial restriction of housing supply, which disproportionately affects low-income households. Such a framework enhances horizontal and vertical equity, strengthens the legitimacy of property taxation, and supports broader housing policy objectives. Consequently, future reforms in Eastern European countries should prioritize the development of comprehensive cadastral systems combined with moderate revaluation cycles and differentiated rate structures, ensuring transparency, predictability, and long-term fiscal sustainability while mitigating socially adverse market outcomes.

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