

This guide has been prepared by an independent third party firm

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GREECE – TAX CONSIDERATIONS ON SHORT-TERM LETTINGS

The following information is a guide to help you get started in learning about some of the tax requirements that might apply to you when providing short-term accommodation in Greece.

Tax can be tricky and it is important to ensure that you keep up to date with your tax obligations and remain tax compliant. The timely preparation, filing and payment of taxes are your responsibility.

If you are supplying short-term accommodation in Greece, you should make sure that you understand each of the following types of taxes, and pay the ones that apply to you;

- Income taxes
- Value added tax (VAT)

Please understand that this information is not comprehensive, and is not intended to be legal advice. If you are unsure about your local tax obligations, we encourage you to check this with official local sources, or to seek advice from qualified professionals.

Please note that we do not update this information in real time, so you should confirm that the laws or procedures have not changed recently.

We draw your attention to the fact that Airbnb may have an obligation to report income earned by users of the platform. Therefore, if there is a mismatch between the information reported by Airbnb and the income you reported in your annual income tax return, the tax authorities may ask you questions.

INCOME TAX

Where you earn income in Greece, it is likely that you will be required to pay a percentage of tax on this income to the Greek tax authority. Below is a brief outline of the tax that may arise on income earned from short-term lettings in Greece and some information on how this tax can be paid to the Greek tax authorities.

Greece's tax year runs from 1 January to 31 December

Liability to income tax in Greece

You (either Greek resident or non-Greek resident) will be liable to pay income tax in Greece on any income generated from the leasing of real estate property situated in Greece

Where your income tax is less than €30, no payment is due.

Note: this advice is not relevant for any individual that has commenced business activity (i.e. registered and maintaining books and records, etc.) in relation to the leasing of their real estate property in Greece.

Reporting tax in Greece.

The Greek portal used to declare income taxes is myTaxisNet on <https://www.gsis.gr>.

Reporting tax - filing deadline.

The deadline for the submission of the Greek income tax return is 30 June, however, the Independent Authority for Public Revenue (in Greek, "AADE") generally provides an extension to this deadline.

Reporting tax - payment deadline.

The Greek tax liability that arises from the filing of an income tax return is settled either in one lump sum amount by the last working day of the month, following the month of filing (i.e. 31 July) or in 3 equal bi-monthly installments, the first of which is again payable as above (i.e. 31 July), and the other two by the last working days of September and November accordingly. The taxpayer is free to choose between settling the tax liability in a single payment or in instalments. It has occurred however in certain years for the payment instalments to be increased and also for a discount to be provided upon payment of the tax in a single payment.

Greece Tax Authority contact details.

The contact details of the Independent Authority for Public Revenue are the following:

- +30 210 337 5000
- +30 213 152 5000
- Karagiorgis Servias no 10, 10184, Athens

Greek income tax rates.

The income tax rates on income derived from the leasing of real estate property by individuals is as follows:

- from €0 - €12,000: the tax rate is 15%
- from €12,001 - €35,000: the tax rate is 35%, and
- above €35,001: the tax rate is 45%.

Greek rules applicable to income earned in relation to short-term lettings.

The income earned by individuals from the short-term letting of properties in the context of the sharing economy is considered as income from immovable property and is taxed as per the above tax rates, on the condition that the property is leased furnished without the provision of any service other than the provision of bed linen. In the event that other services are provided, this income is considered as income derived from a business activity.

Expenses that can be deducted in relation to short-term lettings.

The standard expenses which can be deducted from your taxable income are:

- Expenses incurred for the repair, maintenance, renovation or any other fixed and/or operational costs of the real estate property, at a percentage of 5% of the rental income.
- Any rent paid, when you sublease the property,
- The costs of flood protection work, at a percentage of 10%,
- Any amount of compensation paid by the lessor to the lessee, in accordance with law, for the termination of the lease on the property.

Furthermore, 40% of the expenses relating to services concerning the energy, functionality and aesthetic upgrade of buildings are deducted from your income tax liability, provided that these expenses are incurred between 01.01.2020 and 31.12.2024 . Said reduction is allocated in equal parts in the four following years and the amount of expenses thus deducted cannot exceed EUR 16.000.

Deductions available for tax depreciation (e.g. capital allowances / wear and tear).

If you are letting real estate property as an individual (as opposed to a business), no tax depreciation can be deducted from the relevant taxable income.

Greek income tax obligation for non-resident individuals.

If you are non-resident you are liable to tax on income earned in relation to the short-term renting of real estate property situated in Greece. You will be required to file an income tax return declaring the income earned, and pay the income tax liability arising therefrom, in the same way as Greek tax resident individuals.

Short term letting of a Greek real property in the context of the sharing economy has no impact on your tax residence status.

Greek income tax obligations for a Greek individual receiving foreign rental income.

If you are a Greek tax resident, then you are subject to tax in Greece on your worldwide income. As such, you would be subject to tax, as outlined above, on your foreign rental income earned. You may be entitled to a tax credit in Greece for income taxes paid abroad provided that (a) you are able to substantiate the amount of tax paid abroad based on documentation required by the Greek tax administration and (b) the deducted amount of foreign income tax cannot exceed the respective amount of Greek income tax imposed on such income.

General property taxes payable.

If you own Greek real estate property you are subject to the Unified Real Estate Property Tax (in Greek "ENFIA") for any real estate property owned on 1 January of each year, as such derives from the relevant real estate reporting form (E9), and irrespective of potential amendments that take place during the year and/or transfer of ownership. ENFIA is payable upon the issuance of the relevant assessment act.

ENFIA comprises of: (a) the main tax which applies on a property per property basis on buildings, plots and fields. Main tax is assessed by multiplying the basic tax per square meter, which ranges between EUR 2-16.20 per square meter¹, and other coefficients relating to the age, floor and façade, whereas the location and use of the property are also taken into account for the computation of the tax; and (b) a surcharge ("tax per total property value"), imposed in cases where the property value exceeds EUR 400.000 per property, irrespective if such property is jointly held. Said surcharge is assessed to taxpayers owning properties of a total value exceeding EUR 300.000 (excluding plots outside town planning areas). The surcharge is computed on the scale provided below:

Value per property	Rate
0,01-400.000	0%
400.000,01-500.000	0,20%
500.000,01-600.000	0,30%

¹ The applicable amount for the basic tax is determined by the zonal value of the property, which is set out in the law.

600.000,01-700.000	0,40%
700.000,01-800.000	0,50%
800.000,01-900.000	0,60%
900.000,01-1.000.000	0,70%
1.000.000,01-2.000.000	0,90%
>=2.000.000,01	1,00%

In addition, a tax readjustment of the main tax is introduced for individuals whose total property value exceeds the amount of EUR 500.000 (excluding plots outside town planning areas). Such readjustment is levied as per the below progressive scale:

Total property value	Rate
650,000	5%
800,000	10%
1,000,000	15%
>=1,000,000.01	20%

Furthermore, a tax decrease applies to taxpayers with total property value lower than EUR 400.000 (excluding plots outside town planning areas). Such readjustment is levied as per the below progressive scale:

Total property value	Rate
100,000	30%
150,000	25%
250,000	20%
300,000	15%
400,000	10%

In addition, various municipal taxes and duties are imposed on Greek real estate property. Such taxes and duties are for example cleaning and lighting duties payable by the owners or users of buildings for the collection of rubbish and waste and for the lighting of the streets. Also, a

general duty called "Municipal Real Estate Duty" (in Greek "TAP") payable by the owners or users of buildings or spaces supplied with electricity, as well as a low municipal property tax at a rate varying between 0.025 percent and 0.035 percent per municipality on the statutory value of immovable property located in the territory of the respective municipality are imposed.

Capital taxes in Greece.

The sale of real estate property situated in Greece is subject to capital gains tax. This is calculated on the difference between the acquisition value and sale price of the transferred real estate, taking into consideration an adjustment for inflation. The tax rate is 15% .

Note: the application of the above tax has been suspended since its initial introduction on the basis of various legislative provisions. Based on the latest provision, the application of the capital gains tax on individuals is suspended until December 31st 2024 .

Other.

In accordance with the current legislative framework, if you are the owner, the usufructuary, the sublessor of the property or a third party, as the latter is defined in the applicable legislation (the "Manager") you are required to register with the Short-Term Rental Registry (in Greek "Μητρώο Ακινήτων Βραχυχρόνιας Διαμονής") of the Independent Authority for Public Revenue (in Greek, "AADE") which is maintained on AADE's website. Access is granted by using your personal MyTaxisNet access codes, before advertising or uploading any real estate property available for short-term lease on any online platform.

Once the relevant registration has been made, the Managers may proceed with uploading and/or advertising the real estate property. However, they are obliged to accompany such post with the registration number obtained by AADE for each property. This must be easily available to a potential lessee when viewing the real estate property online. If no such registration is made or the registration number is not mentioned in the respective post, a fine of €5,000 is applicable.

Additionally, the Manager should submit to AADE a "Short-Term Stay Return" (in Greek, "Δήλωση Βραχυχρόνιας Διαμονής") outlining the details of each lease agreement that has been concluded through the online platform.² For more information about the "Short-Term Stay Return" we refer to [this website](#).

The "Short-Term Stay Return " is submitted electronically, by using the MyTaxisNet access codes until the 20th of the following month from the date of departure of the lessee from the

² The details of each lease agreement include (i) residence info, such as arrival date and departure date, rent amount etc., (ii) guest details, for example passport ID and (iii) in case of cancellation: amounts received under the cancellation policy and the cancellation date.

property. Moreover, in cases where the short-term lease has been canceled but still rental is paid by the lessee, a Short-Term Stay Return shall be submitted by the 20th of the following month following the cancellation. In the event that this return is not submitted, or is submitted incorrectly, a fine is applicable of an amount equal to double the amount of the rental of the property, as appearing on the online platform on the date the audit is performed. There is also a €100 fine for late submission of the return.

Finally, it is noted that for income tax purposes the beneficiary of the rental income is considered to be the Manager by default insofar as (s)he does not report any other co-beneficiaries until 28.02 of each year.

Airbnb has the obligation by law to provide information to AADE, upon request of the latter, on the Managers and their income earned from the letting of properties through the platform.

Sample Tax Computation		
Laura owns a 2 bedroom flat in Greece. She rents out the spare room at the weekends.		
Laura received total gross rent in 2023 of €6,000.		
Laura incurred the following expenses in relation to this house in 2023 : house insurance €500, local property tax €350, mortgage interest €5,500 and electricity €600.		
		€
Gross rental income		6,000
<i>Less allowable expenses at a rate of 5%</i>		(300)
Net taxable rental income		5,700

VALUE ADDED TAX

Value added taxes can be complicated, and you should take time to understand the rules as they apply to you and your particular situation.

Broadly speaking, Value-Added Tax (VAT) in Greece is a tax on consumption. Most goods and services supplied in Greece are subject to VAT.

A person who supplies goods and/or services in Greece may have to charge VAT and pay this to the Greek tax authority. As with all taxes, we encourage you to consult with a tax advisor regarding your potential VAT obligations in Greece.

Do I need to collect any VAT from guests if I am letting short-term accommodation in Greece?

You will be required to apply VAT and pay it to Greek tax authorities, if you supply additional services to the guest (apart from bed linen upon arrival of the guest), similar to those supplied in the hotel sector, such as cleaning, waste collection, change of bed linen during the stay and other customer care services.

In such case you will be required to register as entrepreneur both for income tax and VAT purposes. Currently there is no registration threshold for VAT purposes, irrespective of whether you are Greek or foreign tax resident. Nevertheless, there is an optional special scheme available for Greek tax residents who register for VAT purposes, according to which the supplies of services they make are not subject to VAT if their annual turnover does not exceed EUR 10.000. In such case however it is not possible to deduct the VAT incurred on relevant expenses.

However, where no additional services, like the ones mentioned above, are supplied by you to your guest during their stay then Greek VAT may not apply to you.

We encourage you to consult a tax advisor if you need assistance in determining whether you need to register for and charge Greek VAT.

For further guidance on registering for VAT, please see the Greek tax authorities' [website](#).

VAT applies to me. How do I determine how much tax I need to collect from my guests?

VAT rates differ per country and change periodically. We recommend you to check on a regular basis with the local tax authority to get the most up to date VAT rates for the country where you are required to pay VAT.

For example, at the date of issuance of this document, the Greek VAT rate applicable to supplies of accommodation services is 13% in Greece.

We recommend that you confirm with a local tax advisor the VAT rate applicable to your supplies.

VAT applies to me. How do I collect VAT from guests?

If you determine that you need to charge VAT on the supplies you make to guests, please keep in mind that you have to collect this VAT from your guests and report and remit this VAT with a VAT return. In Greece, the VAT return typically covers a quarterly period (e.g. January - March) and is required to be filed by the last working day of the month following that quarterly period (e.g. the January-March VAT return is due to be filed by the 30th April, if that date falls on a working day). By the same deadline the payment of the VAT due should be made. If the amount of the payable VAT is less than EUR 30, it is carried forward for payment in the next period. Alternatively, the VAT due (if higher than EUR 100) can be paid in two equal interest-free installments, the second installment being payable on the last working day of the next month.

Some formalities, such as issuing a receipt or an invoice to your guests, may be required, We recommend that you check your obligations in terms of invoicing and applicable invoice content requirements with a local tax advisor.

For further guidance on filing returns, please see the Greek tax authorities' [website](#).