

**ACT AMENDING AND COMPLEMENTING THE LOCAL TAXES AND FEES ACT
(IN FORCE AS OF 01.01.2011)**

The Act Amending and Complementing the Local Taxes and Fees Act was promulgated in State Gazette № 98/14.12.2010 and entered in force on 01.01.2011.

Some of the most important changes and amendments are summarised below.

Exemption from real estate tax

The real estates having value of up to BGN 1,680 shall be exempt from real estate tax.

Local real estate tax

- New real estate tax thresholds

The amendments introduce new thresholds for maximum amounts of real estate tax up to which the respective municipal councils may define the tax as follows:

	Amount as of 01.01.2011
Real estate tax	from 0.1‰ up to 4,5‰

- Terms for payment

The real estate tax for 2011 is payable in two equal installments and not four as it was prior to the amendments.

The first payment is to be made from March 1st until June 30th, and the second one – until October 30th.

The prepayment of the entire real estate tax within the period from March 1st until April 30th entitles the tax payer to a 5% statutory discount.

Introduction of tourist tax

The amendments abrogate the tourist fee and introduce a local tourist tax imposed on the number of accommodations.

- Amount of the tax for 2011

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The amount of the tourist tax shall be defined by the municipal councils until 31.01.2011 within the framework BGN 0.20 – 3.00 per an accommodation depending on the location and the category of the place.

- Terms for payment

The tourist tax shall be paid every month until the 15th day of the month following the month in which the accommodations are registered.

- Amount of the tax for January 2011

The tourist tax for accommodations incurred in January 2011 shall be paid until 15.02.2011, and the amount shall be defined by multiplying the number of accommodations with the respective tax amount stipulated in the table below:

Amount of tourist tax for January 2011

Category	Tax per accommodation
1 star	BGN 0.60
2 stars	BGN 0.80
3 stars	BGN 1.00
4 stars	BGN 1.00
5 stars	BGN 1.00

- Annual declaring and alignment of tax paid

The total amount of tourist tax paid throughout the whole calendar year shall be declared until January 31st of the next year by submitting a declaration to the respective municipality where the accommodation place is located.

Provided that the amount of the declared tax is less than 30 % (thirty percent) of the respective amount which should have been declared if the accommodation place was full throughout the whole year, the rest of the amount shall be paid.

- One-time obligation for declaring the number of beds available for accommodation

In relation to the new tourist tax, all persons providing accommodation services shall declare the total number of beds available for accommodation to the respective category authority in writing **until 01.03.2011**.

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