

Transfer of property returned in the course of the ownership reform

Gains derived from the **first transfer** of property returned in the course of the ownership reform (incl. returned forest land), is exempt from income tax. This is also the case if the property (plot of land) is divided into several parts and transferred as separate plots.

NB! However, gains from the transfer of standing crop of the returned forest land is taxed.

Transfer of property returned in the course of the ownership reform, if...

...THE LAND IS INHERITED

In the case of inheritance, it is legal succession arising from the law and the tax exemption can be used by the person **who transfers the land returned in the course of the ownership reform for the first time**. If the owner of the property returned in the course of the ownership reform bequeaths the property to a successor and the successor transfers it, he or she does not have to pay income tax on the gains received.

...THE LAND IS RECEIVED AS A GIFT

Gifting is a transfer transaction and the tax exemption cannot be used upon transfer of land returned in the course of the ownership reform, which has been received as a gift. If the owner of the land returned in the course of the ownership reform gives the land away as a gift and the recipient of the gift transfers it, then income tax must be paid on the gains received.

...THE LAND IS RECEIVED AS A LEGACY

If the property returned in the course of the ownership reform has been obtained by a contract for the transfer of a legacy, it is deemed to be the first transfer transaction. If the legatee transfers the immovable property returned in the course of ownership reform, income tax must be paid on the gains received.

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