MAKSU- JA TOLLIAMET

Transfer of immovable property

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Acquisition of immovable property by inheritance or gift

Property received by succession or as a gift (e.g. land, house, apartment etc. inherited or received as a gift in Estonia or abroad) is **not subject to income tax at the moment of acquisition**.

However, if you transfer the immovable property received by succession or as a gift, income tax is payable on the gains received, **unless the property is exempt from income tax**. Income tax exemption applies if the property has been returned in the course of ownership reform or it has been used as a place of residence until the transfer. It is important to remember that a place of residence can be transferred exempt from income tax once within two years.

The acquisition cost of the immovable property received by succession or as a gift, which may be deducted from taxable gains, is limited to the expenses incurred by the successor or the recipient of the gift.

Such an expense may be, for example, monetary compensation paid by a successor to the other successors from personal funds (rather than out of the estate) under a notarial agreement on division of an estate.

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