

21. September 2018

REAL ESTATE TRANSFER TAX REFORM WITH RESPECT TO SHARE DEALS

ON 8TH SEPTEMBER 2016, THE FEDERAL STATES OF HESSE, NORTH RHINE-WESTPHALIA AND SCHLESWIG-HOLSTEIN DECIDED TO IMPLEMENT A WORKING GROUP WITH RESPECT TO AN INTENDED REFORM OF THE REAL ESTATE TRANSFER TAX. THE REFORM TARGETS TO CLOSE DOWN LOOPHOLES WITH RESPECT TO STRUCTURES WHICH ARE CONSIDERED ABUSIVE REGARDING THE SALE OF COMPANY SHARES WHICH (MAINLY) HOLD REAL ESTATE PROPERTIES. SUCH WORKING GROUP PRESENTED A WORKING PAPER WITH THE KEY POINTS FOR NEW STATUTORY PROVISIONS ON 21TH JUNE 2018. THE REAL ESTATE TRANSFER TAX IS A FEDERAL STATES TAX. HOWEVER, EACH FEDERAL STATE IS ENTITLED TO DETERMINE THE RATE OF THE INCURRING REAL TRANSFER TAX, WHICH VARIES CURRENTLY BETWEEN 3.5 AND 6.5 %. HOWEVER, THE REAL ESTATE TRANSFER TAX ACT ITSELF IS A FEDERAL LAW AND APPLIES EQUALLY IN ALL FEDERAL STATES. THE FOLLOWING ARTICLE GIVES AN OVERVIEW OF THE PUBLISHED KEY POINTS OF THIS REFORM PROPOSAL AS WELL AS THEIR EFFECTS - FAR BEYOND THE (ALLEGED) ABUSIVE CASES - ON THE (CURRENT) PRACTICE. ([more...](#))