

Tourism Incentives - Real Estate/Infrastructure Tax Exemption

General info

Economy name

Albania

ID

A29

Incentive name

Tourism Incentives - Real Estate/Infrastructure Tax Exemption

Brief description

Investments in the construction of new accommodation facilities "Five-star hotels, with special status" are exempted from the tax on buildings and the tax on the impact in the infrastructure

Legal reference

Legal reference name

Law No.106/2017 "On some additions and changes to Law nr.9632/2006 "On the system of local taxes", amended

Legal reference (Law section / article)

Article 22

Tax on buildings

1. Tax on buildings is subject to individuals, natural or legal persons, domestic or foreign foreigners, owners or users of real estate in the territory of Albania, regardless of the level of use of these buildings, except for the cases defined in this law differently.
2. Tax on buildings is subject to persons who have applied for legalization of the building, according to the law "On the legalization, urbanization and integration of constructions without permission".
3. Building tax is imposed on developers who fail to complete construction according to the relevant permission issued by the planning authority. The term of tax calculation starts from the moment of expiry of the time limit defined in the act of approving the request for a building permit.
4. The liability for the tax on buildings is calculated as the multiplication of the tax base by the rate of tax on the building.
5. The local tax on real estate-building is calculated as an annual obligation i taxpayers. The tax is paid monthly or for longer periods, depending on the category taxpayers, according to the determinations in the decision of the Council of Ministers.
6. The following are exempt from tax on buildings:
 - a) properties of the state and local government units, which are used for purposes non-profit;
 - b) assets owned by the state, transferred by decision of the Council of Ministers, sub administration of state public companies;
 - c) residential buildings, which are used by the tenant with non-liberalized rents;
 - ç) social housing owned by municipalities;
 - d) immovable assets-buildings, property of legal or physical entities, that on the basis of agreements with municipalities are used by the latter as social housing;
 - dh) buildings used by religious communities, in function of their activity;

- e) accommodation structures "Hotel/Resort with four and five stars, special status", according to definition in the legislation of the field of tourism and who are holders of a trademark of registered and internationally recognized "brand name";
- ë) residential buildings of family heads who benefit from old-age pension or social pension, that they live in a village or city, when the family consists only of pensioners;
- f) residential buildings of household heads that are treated with economic assistance;
- g) cultural buildings, under temporary or permanent protection, for the time in which protection is declared, according to the legislation in force for cultural monuments and/or heritage cultural."

Incentive design

Incentive group

Financial

Incentive category

Other Tax

Economy-wide/Sector-specific

Sector-specific

Sector (Simplified)

Tourism

Sector (NACE)

I ACCOMMODATION AND FOOD SERVICE ACTIVITIES

Size of firm that can use incentive

All sizes of firms

Level at which incentive is available

Economy-wide

Ownership of firm that can use incentive

Any

Incentive location

General

Main objective of the incentive

Other

In case of grant, share of grant in investment (in %)

Access to information

Contact Info

Address "Skanderbeg Square" 6, 1001 Tirana

Weblink to Incentive information in English

<https://aida.gov.al/en/>

Weblink to Incentive information in local language

<https://aida.gov.al/en/>

Eligibility criteria

Eligibility criteria (description)

Investments in the construction of new accommodation facilities “Five-star hotels, with special status”, the holders of internationally recognized and registered trademark (brand name) are exempted from the tax on buildings and the tax on the impact in the infrastructure.

Eligibility criteria (weblink)

<https://aida.gov.al/en/>

Incentive administration

Awarding Authority (Name)

Ministry of Tourism and Ministry fo Commerce in Albania

Application procedure + Weblink (where available)

The procedures are defined by the legislation and applications must be submitted in a paper form

Implementing Authority (Name)

Ministry of Tourism and Ministry fo Commerce in Albania