



Final call  
submission  
deadline ends  
31st January  
2023

**OUR PATH**

**TO A FAIR**

**PROPERTY TAX**

The Hamburg model for a balanced property tax reform: simple, transparent, revenue-neutral. Information available at:

[grundsteuer-hamburg.de](https://grundsteuer-hamburg.de)

# **FAIR FOR EVERYONE!**

## **The new property tax is coming.**

In 2018, the Federal Constitutional Court ruled that the old nationwide regulation was unconstitutional. This led to a property tax reform being passed in Germany.

Hamburg is taking its own path here and has opted for a model that better meets the requirements of our metropolis and is based on a fair and readily transparent assessment basis.

### **What actually is property tax?**

Property tax is a municipal tax levied on real property.

- There is property tax A for agricultural and forestry real estate.
- And there is property tax B for residential land, commercial land, plots of land used privately or publicly for other purposes and undeveloped plots of land (unless property tax C applies in this regard).
- Property tax C applies to certain undeveloped but ready-to-build plots of land.

Property tax concerns us all. It is payable by the respective owners and, under federal legislation, can also be passed on or apportioned to tenants. Tax revenue is indispensable for Hamburg to be able to finance public-sector tasks and projects.

### **Why is Hamburg taking a path of its own regarding property tax?**

In the growing metropolis of Hamburg, the property tax reform based on the federal value-dependent model would lead to a sharp increase in the property tax burden for citizens in the long run. This is due to the continuous rise in land prices, which could rise even further in the future. This will also affect tenants, as landlords of a property may pass on the property tax as part of the operating cost statement.

Under the federal model future increases in land prices would also result in increased administrative burdens for taxpayers and the tax administration because recalculations would need to be made time and again. This would result in unnecessary costs for all parties concerned.

Hamburg has therefore opted for a model that is fair to all residents. Hamburg relies on what is termed the “residential location model”.

Under the Hamburg residential location model, property tax B for residential buildings is assessed primarily on the basis of the size of the property, the size of the building and the residential location of the property in question. A distinction is drawn between “normal” and “good” residential locations. This is based on the familiar Hamburg residential location index, with its proven track record in the rent index procedure.



**FAIR  
FOR  
EVERYONE!**

The illustration at the bottom of the page features a dark blue silhouette of the Hamburg skyline. From left to right, it includes a modern building with a grid of windows, the spire of the Hamburg City Hall, a church tower with a dome, and two smaller houses. To the right of the houses is a stylized white stork with a red beak and red-and-white striped legs. A white speech bubble with a dark blue border is positioned above the stork, containing the text 'FAIR FOR EVERYONE!' in bold, dark blue, sans-serif capital letters.

## Fair for property owners

- The City's overall property tax revenues are **not to increase**. The old standard is merely to be replaced with a new, balanced standard that results in fewer burden shifts for taxpayers than in the federal model.
- **Reductions** are generally available for residential land, for listed properties, subsidised apartments and flats in normal residential locations.
- The Hamburg model is **uncomplicated** and **easy** to implement for both residential and commercial plots of land.
- The taxpayers need to provide **only a few details**; the notices issued will be transparent and readily comprehensible.

## Fair for tenants

- Under the new property tax, there will be **reductions** for residential properties.
- Future increases in property prices will not affect rents via the operating cost statement.
- Due to an additional reduction in property tax for subsidized apartments and flats in normal residential locations, **social and urban development aspects** are also taken into account.

## Good for Hamburg

- Housing in Hamburg is **not to become any more expensive** as a result of this property tax reform.
- Housing will see relief with **reductions** in property tax.
- Land speculation will be **less attractive** and **new construction promoted**.
- The simpler administration of the property tax will lead to **savings in administrative costs**.

## Property owners must take action now.

### What do I need to do now as an owner?

All owners will be requested to submit the declaration for the main assessment as of 1 January 2022 by public notice – accompanied by a broad information campaign.

The *“Declaration for assessment of the property tax value”* is to be submitted in the period from **1 July 2022 to 31 January 2023**, if possible via the **Mein ELSTER** online portal ([www.elster.de](http://www.elster.de)). The tax authorities will not send out any declaration forms.

**Property tax based on the new property tax values will be payable for the first time starting in the year 2025. Until then, the present property tax will continue to be levied.**

### How do I submit the declaration via Mein ELSTER?

The declaration for assessment of the property tax values is to be transmitted electronically to the tax authorities via **Mein ELSTER**. A certificate is required for the electronically authenticated transmission. The same certificate can be used, for example, that is also used for electronic submission of income tax returns. A certificate can be applied for after free registration at [www.elster.de](http://www.elster.de). The registration process can take up to two weeks to complete. Appropriate video tutorials are available at [www.elster.de](http://www.elster.de).

If property owners do not have the means to submit the declaration electronically, then close relatives (‘next of kin’) may assist them in doing so. They can use their own registration with **Mein ELSTER** to submit the declaration. Alternatively, a declaration form that can be completed electronically at [www.grundsteuer-hamburg.de](http://www.grundsteuer-hamburg.de) is available for use. For people without the necessary means to submit the declaration electronically, a submission of the declaration in paper form will be possible in individual cases.

## The time schedule

### Property tax is assessed in three stages:

#### Stage 1: 2022

The respective property tax values will be assessed as of 1 January 2022. At this point in time, however, the property tax cannot yet be calculated accurately.

#### Stage 2: 2024

The available data will be used, among other things, to determine a new assessment rate for property tax B in Hamburg, which is important for calculating property tax. This is to ensure that the revenue under the new property tax does not change in relation to the revenue under the old method and that the new property tax is implemented fairly.

The new assessment rate that has now been determined will then be published. Only then will it be possible to calculate specifically how high the property tax will be in each individual case.

#### Stage 3: 2024

Property tax assessment and property tax notices are expected to be mailed starting in autumn 2024. The notices will also contain the request for payment of the new property tax applicable.

#### Launch: 2025

The new property tax must be paid on specific dates beginning in 2025. The amount and deadlines will be listed in the property tax notice.

### Further particulars, help and tips are available at:

[www.grundsteuer-hamburg.de](http://www.grundsteuer-hamburg.de)

[www.steuerchatbot.de](http://www.steuerchatbot.de)

[www.elster.de](http://www.elster.de)

### Publishing information / Impressum

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