



GREECE – June 2020

CONTENTS

SEARCH ON FOR SPACE FOR TAX CUTS IN 2021	1
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Search on for space for tax cuts in 2021

The government is seeking fiscal space worth around 2 billion euros to resume its post-bailout growth agenda, which includes tax breaks and social security cuts for 2021.

That will mean revisiting as of September a set of measures temporarily put aside due to the coronavirus. These include breaks for households and enterprises and the easing of the burden on middle incomes that continue to pay high taxes.

The agenda specifically incorporates the reduction of the social security contributions by employers and employees, the reduction of the solidarity levy and cuts to the Single Property Tax (ENFIA), to the fee for practicing certain professions (telos epitidevmatos) and to the corporate income tax deposit.

For the government's plan to be implemented it will first have to see a reduction of the primary surplus target below 2% of gross domestic product and the inflow of funds from the European Union's Recovery Fund. This is because this year's contract suspensions, the shift to part-time employment and the drop in corporate turnover caused by the measures to contain the pandemic will lead to lower tax revenues in 2021.

International Property Tax Institute

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