

Tax Authorities Clarify Taxation of Property Transfers Under Tax Treaties

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Report from our correspondent Marek Herm, ATTELA Law Firm, Tallinn

The Estonian Tax and Customs Board (the tax authorities) have published a clarification on taxation of property transfers under the applicable tax treaties (DTAs).

A non-resident taxpayer pays income tax on gains when transferring:

- immovable property located in Estonia;
- movable subject to entry in an Estonian register;
- timber felled on an immovable located in Estonia;
- the transferred real right or right of claim, related to an immovable or a structure as a movable located in Estonia;
- holding.

The method of tax exemption in the country of residence is established only in some of the DTAs concluded with other countries, which means that if the same gains are taxed in Estonia, there is no need to pay an additional income tax in the country of residence, due to the provisions of the DTA.

The full text of the clarification and the list of applicable DTAs can be found [here](#).