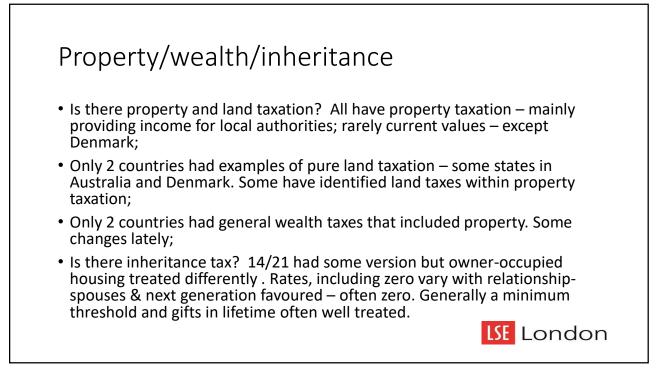


Question Areas

- Do private and social landlords pay tax on rental income? Private yes ; social sometimes;
- Do owner-occupiers pay tax on imputed income? Only in Netherlands;
- Do owner-occupiers receive depreciation allowances very rarely;
- Do owner- occupiers and private landlords pay capital gains tax owners very rarely; landlords usually;
- Do owner-occupiers receive mortgage tax relief the major area of change 13/212 no; Scandinavian countries have tax relief on all interest; others limited
- Do landlords receive MTR– generally but in 7 countries do not and UK heavily restricted.
- Are transaction taxes levied? All but three levy stamp duties; a smaller number also tax registration at lower rates.;



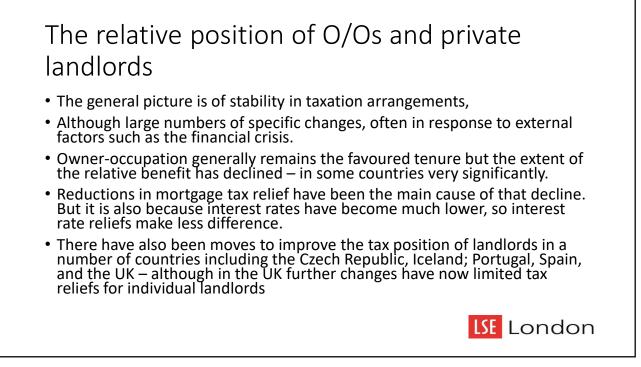


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Subsidies

- There are income related subsides for social tenants in most countries; private tenants are sometimes not covered or more usually are subject to less generous rules. Around half of our survey countries have some form of income support across all tenures.
- Rates often differ between household types with families and older households given more help. Younger households are either excluded or treated less generously.
- Ten countries have specific help for first-time buyers. These include lower interest rates, tax rebates, mortgage guarantee and exemptions or lower levels of transactions taxes. Many were introduced after the GFC.
- A number of countries have more general assistance to support owneroccupation.
- Other taxes and subsidies too many to name!





Conclusions

- National tax systems in general and particularly the rules for housing taxation are both complicated and differ a great deal between countries.
- No country included in our survey has a housing tax system which is fully consistent with any set of economic principles – whether looking at inter-tenure or inter-asset comparisons.
- Only the Netherlands still has an imputed rent taxation system for owner-occupiers. Similarly, only Sweden taxes capital gains associated with the longer-term ownership of primary residential properties, while private landlords are taxed on capital gains in nearly all the countries in the survey. On the other hand, full mortgage tax relief only exists in 6 of our sample countries while eleven have removed it all together.
- One reason why it has proved possible to reduce or eliminate mortgage tax relief is that interest rates have declined over the last three decades and look likely to remain very low for a long period.
- in most countries owner-occupied housing is being treated as a consumption good with no interest relief or capital gains tax and no capacity to offset costs of occupation. Private renting on the other hand – with some exceptions, notably the UK - is generally treated, as an investment good, with taxes on net income and value increases.



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