

What income tax do I pay on rental income?

If the landlord is an individual, the net rental income for buildings (i.e. after a deemed expenses deduction of 25%) is subject to individual income tax at a flat rate of 16% (rate as of 1 January 2005). If the landlord is a company, the net rental income is taxed at 16% profit tax (rate as of 1 January 2005). Expenses incurred for deriving rental income are tax deductible. In their Articles of Association companies should have “rental activity” listed as their object of business in order to be allowed to let real estate property.