



LINCOLN INSTITUTE
OF LAND POLICY

The Importance of Communication in Tax Policy setting

Methods for improving communication between valuation
agencies and the public

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The Importance of Communication in Tax Policy setting

- Finance policy, tax policy, land policy, farming & forestry, industry & commerce, mining industry, municipal development & municipal financing, housing policy, etc.
- Leading ministry & politician
- Coordination of the communication by ministries, government agencies, local governments
- Proactive communication vs. reactive
- Taxpayer vs. tax collection & valuation
 - Tax burden vs. services provided by local government, service quality
 - Fair taxation

The Importance of Communication in Tax Policy setting



Valuation

- Land value
- Economic analysis
- Objective – market-based valuation on a uniform basis
- Land Valuation Act



Taxation

- Tax rate
- Political decision
- Subjective – local government decision
- Land Tax Act

Land tax liability = value of land x land tax rate

Purpose of Assessment: Objective Information on the Value of Land

Central government

- Market - based & fair taxation
- Reduced administrative burden for transactions

Local government

- Revenue from land tax for local government functions
- Market-based & fair taxation
- Reduced administrative burden for transactions

Market participants & owners

- Information on land value and usage fees*
- Market-based & fair taxation
- A fairer tolerance fee for utility networks
- * GDPR

Methods for Improving Communication Between Valuation Agencies & the Public

Government agency

- serving citizens
 - competence, experience, regularity, legality
 - openness of public administration
 - open data approach
 - providing data through services
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- Trust

Example:

“Land Board recognised as the best open data provider 2019”, in Estonia

Methods for Improving Communication Between Valuation Agencies & the Public

Current regulation

Land Valuation Act (1994)

- government will publish a notice concerning the time and place of the public display of the results of the valuation in the official publication at least 10 days before the public display
- public display of the results of the valuation of land for at least 20 calendar days
- within 10 days as of the end of the public display, interested persons have the right to submit written proposals for corrections and complaints and contest the results of the valuation

Methods for Improving Communication Between Valuation Agencies & the Public

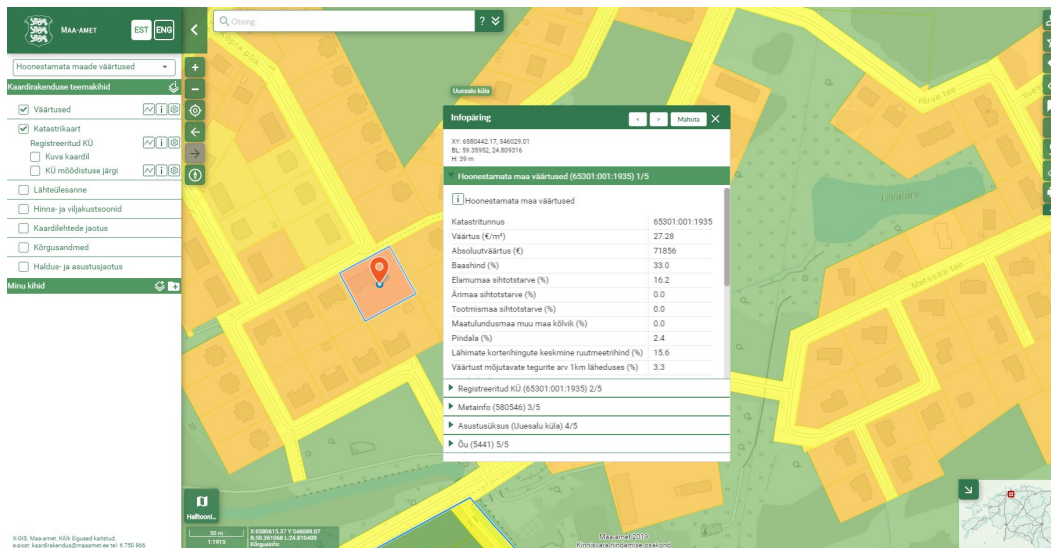
- Preliminary preparations (2018-2021)
 - Media, market reviews
 - Press releases
 - Conferences
 - Rising quality of the existing information: Cadastre, Sales Registry, maps
- The policy change (2020-2021)
 - New regulation
 - Land Valuation Act
 - Land Tax Act
 - Preparations for valuation and tax collection

Methods for Improving Communication Between Valuation Agencies & the Public

- Valuation
 - Information (2020-2021)
- Valuation in process (2022)
 - Valuation based on market data (2020-2022)
 - Valuation date
 - Notification of valuation results 2022
 - WMS service to get information related to specific taxpayer & land parcels
 - “Call Centre”
 - Time for Q&A
 - Reason & arguments if amended
 - Record of the Q&A, amendments, information exchange
 - Final approval of valuations by the end 2022

Methods for Improving Communication Between Valuation Agencies & the Public

- A map application will be created for the public (2022)
- You can get acquainted with new land values, along with the calculation process
- Suggestions for corrections and complaints can be submitted



- Module of procedures where the current and historical value of land is kept, including calculation procedures and justifications for data adjustment

Methods for Improving Communication Between Valuation Agencies & the Public

- Local government 2023
 - Tax rates to be decided & published
- Estonian Tax Board
 - Tax notification – February 2024
 - Tax due by March 31 & October 01, 2024

Methods for Improving Communication Between Valuation Agencies & the Public

- Publishing information, market reviews
- Conferences, seminars, media
- Query of real property price statistics
 - *Data on the total value & area of transactions is displayed only when there have been at least 5 transactions (*GDPR)

Methods for Improving Communication Between Valuation Agencies & the Public

- Methods for improving communication between professionals in private & public business
 - Sales registry information
 - Providing detail information for the professionals
 - Valuation Law, other regulation
 - Valuation Standards
 - Professional certification
 - Professional Institutions
 - Communication, exchange of knowledge, experiences and practices

Thank you

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