

January 1/2025

BDO

The intention
to defer the declaration
of real estate tax
**must be reported
to the tax office**

31 January is the deadline for taxable persons to declare their intention to take advantage of deferred filing of property tax returns for 2025

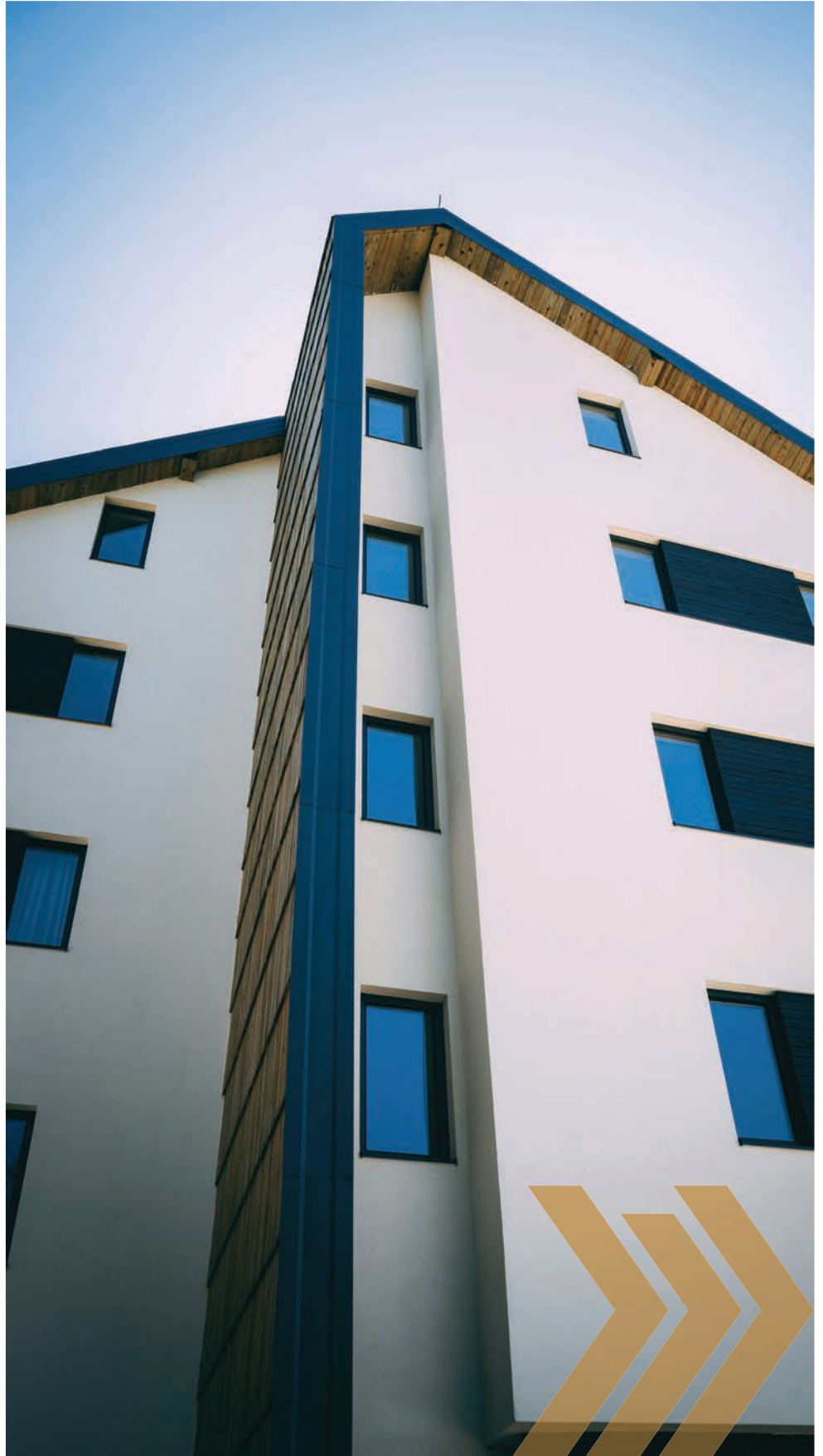
1 January 2025 was the effective date of a fundamental change in property tax regulations. Seen by some as revolutionary, by others as merely organizational, the change undoubtedly forces a review of one's assets for the amended definitions. This is because the change makes significant revisions to the definitions of buildings and constructions – this time without referring to concepts from building law – as well as introduces its own definition of building structure, construction work and permanent affixation to land.

Depending on the portfolio of assets used by a taxable person, the change could turn out to be very material, with a significant effect on the amount of their tax liability for 2025, or in other cases the calculation of tax could remain essentially unchanged. Either way, all taxable persons will be forced to analyze the impact of the amendment on their tax liability by performing a review of their assets.

In view of the above, the lawmakers have exceptionally made it possible to defer the filing of property tax returns (DN-1) for 2025 until the end of March 2025. However, to take advantage of this option it is necessary to file with the relevant tax authority (municipality) a declaration of intention to take advantage of the deferral, which will afford enough time to analyze the effect of the amended regulations on the accounts for 2025. Otherwise, taxable persons will be forced to file their DN-1 for 2025 by the end of January and then correct them if they later determine that the declared tax liability should in fact be different because of the changed property tax regulations.

Not much time is left to submit those declarations, as the deadline is 31 January (!). Please note that the declarations need to be filed with every tax authority (municipality) where the taxable person uses taxable fixed assets.

As for the declaration itself, the lawmakers did not specify its form or content. It will therefore suffice to in the letter identify the taxable person and the tax authority (addressee), and declare one's intention to "exercise the right to file the property tax return



for 2025 by 31 March 2025”, as well as to date and sign the letter.

A condition for taking advantage of the deferral is also the transfer to the account of the relevant municipality the following property tax installments for 2025:

- for January: by 31 January,
- for February: by 17 February,
- for March: by 17 March,
- at an amount equal to the average monthly tax due for 2024.

Where an underpayment is determined based on the return filed at the end of March 2025, the taxable person is required to pay the difference by that date; any overpayment can be offset against other tax liabilities or requested to be refunded.

Although the deadline for the payment and filing of the property tax return for 2025 has been extended, it is a good idea to get ready to meet this obligation today.

Experienced BDO experts are at your disposal in this regard. Our services related to the implementation of the amended regulations include in particular:

- Identification of structures for which the property tax classification will change compared to 2024
- Preparation of recommendations on the taxation of individual structures for 2025
- Identification of other potential areas of risk in connection with the new wording of the regulations as of 2025
- Assistance with calculating the amount of tax liability and completing the property tax return for 2025.



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is coordinated from the Brussels global office. BDO's beginnings go back to 1963.
We have been present in Poland since 1991.
We have 5 offices in: Warsaw, Kraków, Poznań, Wrocław and Katowice.

BDO has for years been recognized in prestigious rankings of the activities
performed by its Audit and Tax Advisory Departments,
including most recently:

The last distinctions for the company are related to the Rankings:

Companies and Tax Advisors of Dziennik Gazeta Prawna for 2022:

■ 1st place The Best Tax Advisor in the category of medium-sized companies

The 2023 rankings prepared by the Rzeczpospolita and Parkiet dailies:

■ 4th Most Active Firm on the Stock Exchange

■ 5th Best Audit Firm

■ 4th Best Auditor of Listed Companies

■ The ESG award

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