

Local Taxes and Fees Act

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Text in Bulgarian: Закон за местните данъци и такси

Chapter One

(Amended, SG No. 103/1999, amended and supplemented, SG No. 109/2001, No. 45/2002, No. 56/2002, amended, SG No. 119/2002)

GENERAL PROVISIONS

Section I

Local Taxes

Article 1. (1) (Redesignated from Article 1, SG No. 110/2007) The following local taxes shall accrue to the municipal budgets:

1. immovable property tax;
2. inheritance tax;
3. gift tax;
4. tax on onerous acquisition of property;

5. transport vehicle tax;
6. (repealed, SG No. 106/2004, new, SG No. 110/2007) licence tax;
7. (new, SG No. 98/2010, effective 1.01.2011) visitor tax;
8. (renumbered from Item 7, SG No. 98/2010, effective 1.01.2011) any other local taxes as determined by statute.

(2) (New, SG No. 110/2007) The Municipal Council shall determine by ordinance the amount of the taxes covered under Paragraph (1) under the terms, according to the procedure and within the range established by this Act.

(3) (New, SG No. 110/2007) Where the Municipal Council has failed to determine the amount of the local taxes for the current year until the end of the last preceding year, the local taxes shall be collected on the basis of the amount effective at the 31st day of December of the last preceding year.

(4) (New, SG No. 110/2007) Changes in the amount and manner of determination of the local taxes, as adopted by the Municipal Council, shall be inadmissible in the course of the year.

Article 2. (Amended, SG No. 106/2004, effective 1.01.2006) Local taxes shall be paid in cash at the cash departments of the municipal administration, or cashlessly, by means of crediting the relevant bank account.

Article 3. (1) (Redesignated from Article 3, SG No. 105/2014, effective 1.01.2015) Tax returns under this Act shall be submitted by the taxable persons or the legal representatives thereof in a standard form endorsed by the Minister of Finance, which shall be promulgated in the State Gazette.

(2) (New, SG No. 105/2014, effective 1.01.2015) The tax returns referred to in Paragraph (1) may alternatively be submitted by electronic means according to the procedure established by the Tax and Social-Insurance Procedure Code.

Article 4. (1) (Amended, SG No. 106/2004, effective 1.01.2006, SG No. 100/2005, SG No. 105/2005, supplemented, SG No. 105/2006) Local taxes shall be assessed, secured and collected by municipal administration officers according to the procedure established by the Tax and Social-Insurance Procedure Code. The written statements related to local taxes shall be appealed according to the same procedure.

(2) (Amended, SG No. 105/2005, SG No. 98/2010, effective 1.01.2011) Any delinquent taxes covered under this Act shall be collected with interest under the Interest on Taxes, Fees and Other Such State Receivables Act. Coercive collection shall be levied by public enforcement agents according to the procedure established by the Tax and Social-Insurance Procedure Code or by enforcement agents according to the procedure established by the Code of Civil Procedure.

(3) (New, SG No. 100/2005, amended, SG No. 105/2005, supplemented, SG No. 95/2009, effective 1.01.2010, SG No. 98/2010, effective 1.01.2011) In the proceedings referred to in Paragraph (1), the municipal administration officers shall have the rights and obligations of revenue authorities, and in proceedings to secure outstanding tax liabilities, the said officers shall have the rights and obligations of public enforcement agents. Where a statutory instrument provides for a requirement to present a certificate referred to in Article 87 (6) of the Tax and Social-Insurance Procedure Code, in respect of outstanding liabilities for taxes and fees under this Act a certificate shall be presented solely on the outstanding liabilities for taxes and fees to the municipality exercising competence over the permanent address or the registered office, as the case may be, of the taxable person.

(4) (New, SG No. 100/2005) The officers referred to in Paragraph (3) shall be designated by an order of the municipality mayor.

(5) (New, SG No. 100/2005, amended, SG No. 105/2005) The municipality mayor shall exercise the powers of a deciding authority under Article 152 (2) of the Tax and Social-Insurance Procedure Code, and the head of the local revenue unit in the relevant municipality shall exercise the powers of a territorial director of the National Revenue Agency.

(6) (New, SG No. 100/2005, amended, SG No. 105/2005) The Executive Director of the National Revenue Agency shall issue methodological directions on the application of this Act.

(7) (New, SG No. 105/2005, amended, SG No. 98/2010, effective 1.01.2011) The municipality mayor shall be the authority competent to defer and reschedule any local taxes to an amount not exceeding BGN 100,000 and subject to the condition that the deferral or rescheduling is requested within one year after the date of grant of the authorization, and in the rest of the cases

the Municipality Council shall be such competent authority.

Article 5. (Amended, SG No. 100/2005, repealed, SG No. 110/2007).

Article 5a. (New, SG No. 105/2014, effective 1.01.2015) (1) On a daily basis, the municipalities shall provide the Ministry of Finance by electronic means with information on:

1. the identification data on the persons liable under this Act;
2. the subjects to levy of local taxes and fees, the assessed values thereof and the book value thereof;
3. the rights of ownership and use to the subjects to levy;
4. the tax reliefs and exemptions under this Act;
5. the amount of liabilities by type of tax and fee, the payments and the outstanding liabilities;
6. measures to secure and collect the receivables under this Act;
7. other data relevant to the determination, securing and collection of local taxes and fees.

(2) The information covered under Paragraph (1) shall be provided according to a procedure, in a manner and in a format determined by an order of the Minister of Finance.

(3) The order referred to in Paragraph (2) shall be published on the Internet sites of the Ministry of Finance and the National Association of Municipalities in Republic Bulgaria.

Section II

Local Fees

Article 6. (1) Municipalities shall collect the following local fees:

- (a) for disposal of household waste;
- (b) for use of retail markets, wholesale markets, fairs, sidewalks, squares and street roadways;
- (c) (supplemented, SG No. 70/2004, amended, SG No. 105/2008, effective 1.01.2009) for attendance at creches, provision of cooked take-away meals from baby-food kitchens, attendance at kindergartens, residence at specialized institutions for provision of social services, camps, dormitories, and use of other forms of municipal social services;
- (d) (repealed, SG No. 70/2008, new, SG No. 79/2015, effective 1.08.2016) for raising and upbringing activities in the compulsory pre-school education to be used by the kindergarten or the school beyond the activities financed by the state;
- (e) for technical services;
- (f) for administrative services;
- (g) for lease of grave plots;
- (h) (repealed, SG No. 98/2010, effective 1.01.2011, new, SG No. 79/2015, effective 1.08.2016) for general support activities within the meaning of the Pre-school and School Education Act, which are not financed from the state budget and which are carried out by personality development support centres;
- (i) (new, SG No. 87/2005) for dog ownership;
- (j) (redesignated from Letter (i), SG No. 87/2005) other local fees as determined by statute.

(2) (Supplemented, SG No. 37/2015) The [competent] Municipal Council shall set a price for any service provided or any right, including under Paragraph (3) granted by the municipality with the exception of such covered under Paragraph (1).

(3) (New, SG No. 37/2015) The manner of use of the municipal sidewalks, squares and roadways or parts thereof as areas

for paid or free parking under the Road Traffic Act shall be determined by ordinance of the municipal council.

Article 7. (1) Local fees shall be determined proceeding from the necessary logistical and administrative expenses incurred on provision of the service.

(2) Fees shall be simple or proportional, and shall be payable by a cashless method, in cash, or in municipal revenue stamps within the time limits and according to the procedure established by this Act.

Article 8. (1) The [competent] Municipal Council shall determine the amount of the fees in conformity with the following principles:

1. recovery of the full amount of expenses incurred by the municipality on provision of the service;
2. creation of conditions for expansion of the services provided and for improvement of the quality thereof;
3. achievement of greater fairness in the determination and payment of local fees.

(2) A separate fee shall be determined for each distinguishable activity into which a service can be disaggregated.

(3) The amount of the fee may not recover the full amount of expenses incurred by the municipality for provision of a specific service should the [competent] Municipal Council resolve that protection of the public interest so dictates.

(4) (Supplemented, SG No. 101/2013, effective 1.01.2014) In the cases where the amount of the fees does not recover the full amount of expenses incurred for provision of the service, the difference between the said expenses and the amount of the fees shall be for the account of municipal revenues. In the cases of exemption from fees by resolution of the [competent] Municipal Council, the expenses incurred for provision of the service shall be for the account of municipal revenues.

(5) By the ordinance referred to in Article 9 herein, the [competent] Municipal Council shall establish the procedure according to which the persons who do not use a service during the relevant year or during a specific period of the said year shall be exempt from payment of the said fee.

(6) (Amended, SG No. 110/2007) The [competent] Municipal Council may exempt certain categories of persons from full or partial payment of specific types of fees according to a procedure established by the ordinance referred to in Article 9 herein.

Article 9. The [competent] Municipal Council shall adopt an ordinance on the determination and administration of local fees and prices for services.

Article 9a. (1) Local fees shall be collected by the municipal administration.

(2) (Amended, SG No. 106/2004, repealed, SG No. 100/2005).

(3) Revenues from local fees shall accrue to the municipal budget.

(4) (New, SG No. 105/2006) The [competent] Mayor shall authorize a rescheduling or deferral of liabilities for local fees to an amount not exceeding BGN 30,000 and subject to the condition that a rescheduling or deferral is requested within one year after the date of grant of the authorization.

(5) (New, SG No. 105/2006, amended, SG No. 98/2010, effective 1.01.2011) A deferral or rescheduling of outstanding liabilities for local fees exceeding BGN 30,000 or for a period longer than one year shall be authorized by the [competent] mayor after a resolution of the Municipal Council.

Article 9b. (Amended, SG No. 84/2003, SG No. 105/2005, SG No. 105/2006, SG No. 98/2010, effective 1.01.2011, supplemented, SG No. 19/2011, effective 8.03.2011) Local fees under this Act shall be assessed, secured and collected according to the procedure established by Article 4 (1) to (5) herein. Written statements related to local fees shall be appealed against in accordance with the same procedure.

Article 9c. Where a municipal authority has been entrusted with the performance of an act or with the issuance of a document for which a stamp duty is charged, the fee charged shall accrue to revenue of the municipal budget.

Chapter Two

LOCAL TAXES

Section I

Immovable Property Tax

Article 10. (1) (Amended, SG No. 106/2004, supplemented, SG No. 39/2011) Immovable property tax shall be levied on the buildings and lots located within the territory of Bulgaria, which are situated within the development limits of the nucleated settlements and the dispersed settlements, as well as the lots outside such development limits, which, according to a detailed plan, have the intended purpose under Item 1 of Article 8 of the Spatial Development Act, as well as after the intended purpose of the land is changed, where required by the procedure of a special law.

(2) (New, SG No. 106/2004) No tax shall be levied on any lots occupied by streets, roads of the national and municipal road networks and the railway network, up to the delimiting building lines. No tax shall furthermore be levied on any lots occupied by water bodies constituting state and municipal property.

(3) (Supplemented, SG No. 109/2001, renumbered from Paragraph (2), SG No. 106/2004) No tax shall be levied on agricultural land tracts and forests, with the exception of developed land in respect of the actually developed surface area and the adjoining ground.

(4) (New, SG No. 100/2005, amended, SG No. 105/2006, SG No. 105/2008, effective 1.01.2009, SG No. 95/2009, effective 1.01.2010, repealed, SG No. 98/2010, effective 1.01.2011, new, SG No. 61/2013, effective 1.01.2014) No tax shall be levied on any corporeal immovables of assessed value of up to BGN 1680.

Article 11. (1) The taxable persons shall be the owners of taxable corporeal immovables.

(2) (Supplemented, SG No. 153/1998, amended, SG No. 106/2004, supplemented, SG No. 98/2010, effective 1.01.2011) The owner of a building constructed on a state-owned or municipal-owned lot shall furthermore be taxable in respect of the said lot or the proportionate part thereof.

(3) (Supplemented, SG No. 109/2001, amended, SG No. 36/2006) Should a right in rem to use have been created, the user shall be the taxable person.

(4) (New, SG No. 36/2006) Should a concession have been awarded, the concessionaire shall be the taxable person.

(5) (New, SG No. 98/2010, effective 1.01.2011) In respect of any immovable constituting state or municipal property, the taxable person shall be the person whereto the immovable has been allocated for management.

Article 12. (1) Where the right of ownership or the limited right in rem to a taxable corporeal immovable vests in several persons, liability for tax shall apply to the said persons in proportion to the parts thereto appertaining.

(2) Any one of the co-owners of the property, and any one of the co-holders of the limited right in rem, as the case may be, may pay the tax on the entire property for the account of the rest.

Article 13. Tax shall be payable irrespective of whether the corporeal immovables are used or not.

Article 14. (Amended, SG No. 103/1999) (1) The owner of, or the holder of the limited right in rem to, any newly constructed or otherwise acquired property, as the case may be, shall notify the municipality exercising competence over the situs of the property within two months after the said construction or acquisition by submission of a tax return for annual immovable property taxation.

(2) (New, SG No. 98/2010, effective 1.07.2011) Where the owner or the holder of the limited right in rem, as the case may be, is an enterprise, the return referred to in Paragraph (1) shall furthermore state the book value and any other circumstances relevant to the assessment of the tax.

(3) (Renumbered from Paragraph (2), SG No. 98/2010, effective 1.07.2011) Upon alteration in any circumstance relevant to the assessment of the tax, the taxable persons shall notify the municipality according to the procedure and within the time limit established under Paragraph (1).

(4) (New, SG No. 102/2000, renumbered from Paragraph (3), SG No. 98/2010, effective 1.07.2011) Upon acquisition of a property by succession, the tax return referred to in Paragraph (1) shall be submitted within the time limit referred to in Article 32 herein.