

Unlike the requirement for the submission of a tax return upon the payment of the income tax of individuals and the corporate tax, the payment of the property tax does not require annual submission of tax declaration. The taxable persons file a tax declaration within two months following the construction or acquisition of the property. (Six months for filing a declaration is provided for the acquisition of property by inheritance.)

Later on, a declaration will be filed only in case of changes in the circumstances declared – for example, when the building is partially or totally destroyed; the real estate has changed from taxable into non-taxable or vice versa; the property has become or ceased to be a primary residence; improvements have been made in the property that will alter the tax evaluation, etc. With respect to the property tax and waste management fee the relationship between the taxable person and the municipality where the liability is paid periodically is determined by the location of the property. The principle that the relationship with the administration is based on the address or domicile of the taxable persons does not apply in this case as it is with the income taxes.

The liabilities are determined on a tax basis, and with respect to waste management fee there is another possible method for determination - for example, depending on the number of waste containers used.

Revenue administration will determine the basis on which to calculate the liabilities for each particular site. For the properties owned by citizens and residential properties of businesses this base is the tax evaluation. For non-residential properties of businesses this base is the tax evaluation and the book value of the property, whichever is higher.

The municipal council makes a decision to determine the rates for the respective municipality within the statutory established limits. The municipal revenue administration determines the exact amount of the liability as a ratio between the base and the rate established by the municipal council.

The amounts of the property tax and the waste management fees are communicated to the taxable persons or their legal representatives in the cases when the taxable person is incapable – under age or under guardianship.

Since 2011 the property tax is payable in two equal instalments within the following deadlines:
From 1 March to 30 June, and
Until 30 October of the year for which it is due.

The persons who pre-pay the amount due for the whole year from 1 March to 30 April are entitled to a discount of 5 per cent.

Pursuant to Art. 69 of the Local Taxes and Fees Act (LTFA), the waste management fee is to be paid in the manner determined by the municipal council. The municipality notifies the taxable persons on the respective period and payment deadlines. The fee may be paid in a different number of instalments, depending on the method adopted in the relevant municipality. Usually acceptable is the payment in two or four equal instalments. In some municipalities the waste management fee is paid in two instalments within the same deadlines as the property tax. In other municipalities the fee is payable under the scheme, valid for the property tax until 2010 – in four equal instalments – until 31 March, 30 June, 30 September and 30 November. The right to a discount of 5 per cent also depends on the particular decision of the municipality. Some municipalities provide for a discount for the full payment of the fee in the period from 1 March to 30 April, whereas other municipalities do not allow for such a discount. Pursuant to Art. 22,

para. 7 of the Tax Insurance Procedure Code (TIPC), when the deadline expires on non-working day, that day will not count and the period expires on the next business day. The payments due will be paid to the municipality where the real estate is located, except for the case of concessionaire property located on the area of more than one municipality (then the payment will be in favour of the municipality on whose territory is the majority of the property). Pursuant to Art. 2 of the LTFA, the local taxes are paid in cash in the cash offices of the municipal administration or by non-cash payments. Pursuant to Art. 7, para. 2 of the LTFA, the local fees are paid by non-cash payments, in cash or by means of municipal revenue stamps. Non-cash payment can be made:

- a) by a mail transfer of tax payment in all post offices;
- b) by a bank transfer under a payment order (payment slip) for payments to the budget in the approved form;
- c) through Internet, provided that the municipality accepts such payments, as specified in the notifications sent by Sofia Municipality;
- d) through a POS terminal with a payment card. On 1 January 2012 amendment was made to Art. 178, para. 5 of the TIPC in order to provide for non-cash payments made in this manner. In the case of non-cash payments with payment documents, it is well to remember that it is necessary to fill in certain details in the documents in order to avoid errors so that the liability could not be reported as unpaid in the municipal information system.

Besides the location, the date of payment, the payer, the municipality where the payment is credited, the bank and the bank account, the following details must also be indicated:

Amount due;

Type of liability - property tax or waste management fees;

Code for payment. There are two different payment codes – one for the property tax and one for the waste management fee. However, these codes are the same for all municipalities. The payment codes are listed under each property on the notification sent by the municipality;

Lot number of the property, which is different for each property and will be the same only for the property tax and the waste management fee for the same real estate. The lot number is indicated at the beginning of the notification sent by the municipality;

Period to which the payment refers. If the payment is for the whole year 2012, the period from 1 January 2012 to 31 December 2012 will be specified. If the payment is partial, the period e.g. 1 January 2012 to 31 March 2012 should be specified, which is possible with the waste management fees, and the period 1 January 2012 to 30 June 2012 for the property tax. With respect to these liabilities, the second instalment may not be paid unless the first payment is paid first.

One payment order for budget payments may cover 4 liabilities, which means that the property tax and waste management fees can be paid for two properties. The payment of property tax is significant in some other cases as well. For example, par. 1 and 2 of Art. 264 of the TIPC provide that the transfer or creation of real rights over a real estate (with a number of hypotheses listed) should be subject to the presence of a certification in the tax evaluation regarding the presence or absence of outstanding tax liabilities for the property. Where the transferor has outstanding public liabilities, they must be redeemed before the transfer or the transferor must sign a statement of consent to deduct the public liability from the purchase price, and the buyer pays the due amount in the budget.