



Real Estate Bought or Inherited in Greece & Tax Obligations

Presented by: Dr. Chris Holidis, U.S. Tax,
Financial & Intl Business Advisor (Former IRS
Tax Examiner-Registered IRS Tax Preparer)

Tax Residency & U.S.-Greece Tax Treaty

- A dual U.S.-Greek Citizen should register with the Greek Tax Authorities as “Katikos Exoterikou”-resident abroad.
- Tax Returns need to be filed both in the U.S. & Greece each year.
- Tax Residency for Greece: You are physically present in Greece for more than 183 days (6 months), cumulatively, during any rolling 12-month period (counting arrival, departure, and holidays)

Owning & Renting Greek Property From the U.S.

- Greece: You need to pay taxes in Greece for the rental income which is based on the amount of rental earned and the total tax brackets.
- The taxes are exactly the same for someone living in Greece, or living abroad.
- There is also Property tax: U.S.-based owners of Greek real estate should expect to pay annual property taxes consisting primarily of **ENFIA** (the Unified Real Estate Property Tax) and a small **municipal tax (TAP)**
- **Calculation:** It is calculated using the property's official "objective value" and physical traits like square footage, location/tax zone, floor level, and age.

- U.S.: Rental earned abroad (Greece) is required to be reported on your 1040 filing form Schedule E.
- The taxes paid abroad (Greece) can be credited on your Federal Tax return by using form 1116 (Foreign Tax Credit).
- Important: If the tax paid is less than the tax calculated in the U.S., then you need to pay the difference to the U.S. on your Federal tax filing. The same holds when U.S. Real Estate income is reported in Greece.

Selling Property in Greece

Greek Tax Filing

- **Private Individuals:** Private sellers pay 0% capital gains tax on the profit (the difference between the purchase and sale price) during the suspension period.
- **Business Activity Exception:** If the Greek tax authorities classify the sale as a commercial or business activity rather than a private sale, the profit is taxed as business income. This typically applies if an individual completes three or more property sales within two years, or if they buy/build a property with the explicit intent to resell it quickly.
- **Corporate Sellers:** Companies do not qualify for this suspension and are taxed on property profits as part of corporate income (currently at a rate of 22%).

U.S. Tax Filing

- Capital Gains from property owned in Greece is taxed in the same manner as if it was owned in the U.S.
- It has to be reported on Schedule D (Capital Gains and Losses) of your Federal tax return.
- Expenses concerning the process in Greece are deducted in the U.S.

Gifts, Inheritance & Family Transfers

Greece

Parental Gifts and Inter Vivos Transfers (Gifts & Parental Provisions):

- **Tax-Free Threshold:** Up to €800,000 per parent per child for real estate, other assets, and monetary/cash gifts (provided cash gifts are executed via bank transfer).
- **Tax Rate Above Threshold:** A flat 10% applies to any value exceeding the €800,000 limit.
- **Physical Cash Warning:** Gifts made in physical cash (not via financial institutions) do not qualify for the €800,000 allowance and are taxed at a flat 10% from the first euro.

Inheritance Tax (Transfers Upon Death)

- **Tax-Free Threshold:** Up to €150,000 per child.
- **Progressive Tax Rates**
(on amounts above €150,000):
 - €0 to €150,000: 0% (within the tax-free limit)
 - €150,001 to €300,000: 1%
 - €300,001 to €600,000: 5%
 - Over €600,001: 10%

Gifts, Inheritance & Family Transfers

U.S.

- **Inheritance of Greek Real Estate:** \$0
(Excluded under IRC §102)
- **U.S. Reporting Form:** IRS Form 3520
(if value exceeds \$100,000)
- **Exclusion from Income:** You do not pay federal income tax on gifts and inheritances you receive.
- **Income from Property:** If you receive a gift or inheritance of *the income* from a property (rather than the property itself), that income is taxable. Also, any future money made *by* the gifted property after you receive it counts as taxable income.

Contact Information

**Dr. Chris Holidis, U.S. Tax, Financial & Intl Business
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Tax Preparer)**

Email: chrisholidis@usa.com