

PH2.2 TAX RELIEF FOR HOME OWNERSHIP

Definitions and methodology

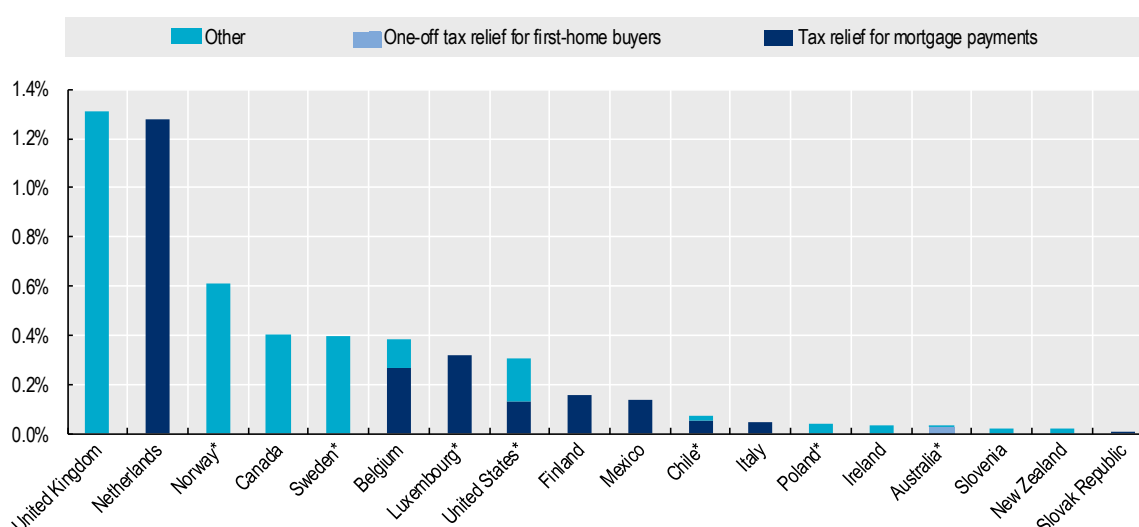
In many OECD countries, people who buy or own a home benefit from favourable tax treatment, in addition to grants and credit support to homebuyers (see PH 2.1). This indicator looks at tax relief to support home ownership, as reported in the OECD Questionnaire on Social and Affordable Housing (OECD QuASH 2021 and 2019). Tax relief for access to home ownership consists primarily of tax exemptions for costs associated with the purchase of a home (such as property transfer tax, stamp duty, legal fees/notary deeds), as well as the deductibility of mortgage interest.

Key findings

Tax relief accounts for a significant share of public support for home ownership in a number of countries. Mortgage interest deductibility costs about 1.3% of GDP in the Netherlands and 0.3% of GDP in Belgium and Luxembourg (Figure PH 2.2.1). Meanwhile, other types of tax relief for homeowners cost about 1.3% of GDP in the United Kingdom, 0.6% of GDP in Norway and 0.4% in Canada and Sweden. For a number of countries, the estimated revenue foregone from tax relief measures is an underestimate, as information is not reported for all measures (see the notes to Figure PH 2.2.1 and Annex 1 for a full list of measures that are included and excluded in Figure PH 2.2.1).

Figure PH 2.2.1: Foregone tax revenue from tax relief for home ownership

Percentage of GDP, 2020 or latest year available ^{1,2}



This document, as well as any data and any map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Note: 1. Year of reference: 2020, except for Norway (2021), Poland, the Slovak Republic, Sweden (2019), Italy and Luxembourg (2018) and Slovenia (2017). Data for Belgium, Canada, Finland, Mexico, the Netherlands, New Zealand and the United Kingdom refer to QuASH 2019. 2. * indicates that spending is missing for one of the policy instruments and the reported amount is therefore a lower-bound estimate. For Australia, foregone tax revenue is reported for one national measure as well as one state measure; other state measures exist but are not included in estimate here. For Sweden, spending is reported for 1 out of 3 measures. For Chile and Norway, spending is reported for 2 out of 3 measures. For Luxembourg and Poland, spending is reported for 2 out of 4 measures. For United States, does not include foregone tax revenue from property tax income deduction.

Source: 2021 and 2019 OECD Questionnaire on Affordable and Social Housing (QuASH).

Countries report different types of tax relief measures, including one-off tax relief for the purchase of a home; preferential tax treatment of savings or favourable tax treatment of savings and advanced pension payments related to housing; tax relief for mortgage payments; and other types of tax credits and deductions. Tax measures can be very regressive in that they can most benefit the relatively well-to-do: overall, just 12 of 71 tax relief measures reported by countries in the OECD QuASH are bound by an upper limit in taxable income.

Countries report 25 measures that provide one-off tax relief on costs associated with the purchase of a home (e.g. exemption from transfer or land taxes). Such support is often reserved for first-home buyers and in many cases require that the taxpayer resides in the dwelling as their primary residence for a minimum period of time. To benefit from the vast majority of these types of one-off tax relief, there is no upper limit in taxable income (with the exception of the *Chèque-Habitat* programme in Belgium (Walloon region), the zero-interest loan in France, and the Help to Buy incentive in Ireland. However, there is often a maximum dwelling price in order to benefit from such relief measures.

In some countries (Finland, Norway and the Slovak Republic), some tax relief measures are reserved for young taxpayers who do not exceed an age threshold. Latvia offers families with children who benefit from a state guarantee programme for housing, an additional fee reduction for registering ownership rights in the land registry.

Countries report 17 tax relief measures for mortgage or mortgage-interest payments: Belgium, Chile, Colombia, the Czech Republic, Denmark, Estonia, Finland, Iceland, Italy, Japan, Luxembourg, the Netherlands, Portugal, the Russian Federation, Sweden and the United States. Luxembourg reports two types of tax relief for mortgage payments. The minority of tax relief measures for mortgage payments (four out of seventeen) are means-tested in terms of income levels. In many cases, eligibility is restricted to citizens of the country (Chile, Colombia, Finland, Italy, Luxembourg and the Russian Federation). In Sweden, interest on mortgage payments is deductible, as is interest on all types of loans, in order to ensure symmetrical treatment of income and expenses.

Several countries offer a preferential tax treatment of savings towards the purchase of a home (Australia, Canada, Colombia, Luxembourg and Norway), or of advanced payments from pension benefits or private pensions schemes for the purpose of buying a home (Switzerland).

Canada, France, Norway, the United Kingdom and the United States report a capital gains tax exemption that provides tax relief on the proceeds from the sale of a taxpayer's dwelling. Generally, the dwelling must be the taxpayer's primary residence. Tax relief for existing homeowners is intended to provide them with additional financial support to purchase a new home. In the United States, there is a cap on the taxable income that may be exempted (up to USD 250,000, or USD 500,000 for jointly filing taxpayers).

Finally, countries report other types of tax relief to support home ownership, which may be in the form of tax credits or tax deductions. In some cases, such tax relief is targeted to low-income households or other specific groups. For instance, New Zealand's Rates Rebates Scheme provides a government subsidy of up to NZD 630 to low-income homeowners to pay their local government tax. Poland provides tax relief measures targeting different groups, including families with children, youth and the unemployed. Sweden offers a reduced property fee for people over 65 years old.

Details of the different measures applied in each country are provided in Table 2.2.1.

Several countries introduced tax relief measures for homeowners in response to the COVID-19 pandemic

Six countries introduced tax relief measures for homeowners during the COVID-19 pandemic: Australia (state government of Victoria), Chile, Israel, Japan, Latvia and the United Kingdom. In four countries (Australia, Japan, Latvia and the United Kingdom), this reflected a new form of support; Chile and Israel adapted existing tax relief schemes during the pandemic. The schemes in Australia, Chile and the United Kingdom consisted of tax deductions for homeowners; Israel provided tax relief for down payments; Japan provided tax relief for mortgage payments; while Latvia provided local governments with the option to grant tax deferrals to homeowners for immovable property tax in 2020 and 2021. See Table PH2.2.2 in the Annex for a full list of measures.

Data and comparability issues

As indicated in the notes to Figure 2.2, information on the amount of foregone tax revenue is missing for a number of measures, and some countries could not provide any estimates. In addition, tax relief supporting access to home ownership should be considered in the wider context of housing taxation, and prevailing measures that are beyond the scope of this indicator. For instance, residential property receives preferential tax treatment compared to other assets (Salvi del Pero et al., 2016). Imputed rents (for homeowners) are generally not taxed in most OECD countries (Iceland, Luxembourg, the Netherlands and Slovenia are the exceptions). To some extent, recurrent taxes on immovable property (e.g. property taxes) replace the taxes on imputed income in many countries, but revenue from property taxes tends to be low. Further, if flat rates apply, property taxes may have less scope than income taxes to be progressive, and less scope to redistribute, particularly if levied at the local level. See forthcoming work on housing taxation by the OECD Centre for Tax Policy, including, “Effective Tax Rates on Residential Property” and “Housing taxation policy, reconciling efficiency and equity objectives.”

Sources and further reading

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Salvi del Pero, A. et al. (2016), Policies to promote access to good-quality affordable housing in OECD countries. OECD Social, Employment and Migration Working Papers, No. 176, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5jm3p5gl4djd-en>.

Annex I

Figure PH 2.2.1 includes the following measures:

Australia

- The following measures are included: New South Wales (NSW) First Home Buyer Assistance Scheme (FHBAS) and First Home Super Saver (FHSS) Scheme.

Belgium

- The following measures are included: *Chèque-Habitat* and integrated housing bonus (*geïntegreerde woonbonus*)

Canada

- The following measures are included: First-Time Home Buyers' Tax Credit, Home Buyers' Plan, GST/HST New Housing Rebate and Capital Gains Tax Exemption.

Chile

- The following measures are included: Tax deduction for mortgage interests (Income Tax Act, Art. 55 bis) (*Deducción fiscal por intereses hipotecarios (Ley del impuesto sobre la renta, art. 55 bis)*) and DLF 2 Property tax exemption (partial) (*Exención parcial al impuesto territorial para viviendas DFL2*).
- Information on Stamp tax reduction for affordable housing (DFL2) (*Reducción del impuesto de timbres y estampillas para viviendas económicas DFL2*) is not available.

Finland

- The following measure is included: Credit for home loan interest (*Asuntolainan korkovähennys*).

Ireland

- The following measures are included: Help to Buy Incentive (Scheme) and Living City Initiative.

Italy

- The following measure is included : Tax deduction of interest paid on mortgage loans contracted for the purchase of the main home (*Detrazione degli interessi passivi pagati sui mutui ipotecari contratti per l'acquisto della prima casa*).

Luxembourg

- The following measure is included: Tax credit on notary deeds (*Crédit d'impôt sur les actes notariés ("Bellegen Akt")*).
- Information on tax deductibility of mortgage interests (*Déductibilité fiscale des intérêts débiteurs*), deductibility of the payment protection insurance premium (*Déductibilité fiscale des primes d'assurance "Solde restant dû"*) and deductibility of the contribution to a property savings plan (*Déduction fiscale des cotisations d'Epargne-logement*) is not available.

Mexico

- The following measures are included: VAT exemption for interest of mortgage credit dwelling (*Exención en el IVA a los intereses de créditos hipotecarios para casa habitación*) and Real interest deduction to individuals for mortgage credit (*Deducción de intereses reales por créditos hipotecarios para personas físicas*).

The Netherlands

- The following measure is included: Deductible mortgage interest rate (*Hypotheekrenteaftrek*).

New Zealand

- The following measures is included: Rates Rebate Scheme.

Norway

- The following measures are included: BSU, Young people's home savings scheme and Net wealth tax discount.
- Information on Imputed rent and capital gains tax is not available.

Poland

- The following measures are included: Housing relief (*ulga mieszkaniowa*) and Exemption from taxation (PIT) amounts of public financial support and amounts of reimbursement of expenses on acquisition of building materials granted on the grounds of the Act on the state's assistance to young people to purchase their first flat (*Zwolnienie z opodatkowania (PIT) finansowego wsparcia oraz zwrotu kosztów materiałów budowlanych, udzielonych na mocy ustawy o pomocy państwa w nabyciu pierwszego mieszkania przez młodych ludzi*).
- Information on exemption from taxation of interest rate subsidies (*Zwolnienie z opodatkowania z tytułu otrzymanej dotacji na częściową spłatę kredytu*) and exemption from taxation of amounts of redeemed receivables pursuant to the Act on the state aid in repayment of certain housing loans granted to persons who have lost their jobs (*Zwolnienie z opodatkowania kwot umorzenia na podstawie ustawy o pomocy państwa w spłacie niektórych kredytów mieszkaniowych udzielonych osobom, które utraciły pracę*) is not available.

Slovak Republic

- The following measures is included: Tax bonus on mortgages interest paid (*daňový bonus na zaplatené úroky z hypotéky*)

Slovenia

- The following measure is included: Reduced VAT rate for purchasing new housing (*Znižana stopnja DDV za nakup novega stanovanja*).

Sweden

- The following measure is included: Tax deduction of interest expenditure (*Ränteavdrag*).
- Information on exemption from property fees (*Befrielse från fastighetsavgift*) and limited property fee for pensioners (*Begränsad fastighetsavgift for pensioner*) is not available.

United Kingdom

- The following measures are included: Capital Gains Tax: Private Residence Relief (PRR) and Stamp Duty Land Tax: First-Time Buyers' Relief (FTBR).

United States

- The following measures are included: Mortgage interest deduction, Mortgage Insurance Premium Tax Credit, and Capital gain from the sale of your main home.
- Information on State and Local Real Estate Tax Deductions is not available.

Table PH2.2.1: Tax relief supporting access to home-ownership: Overview of existing measures^{1 2}

Country	Measure name	Description	Income threshold	Other eligibility criteria	Type of aid	Responsible administration level
Australia	First Home Saver Scheme (Australian Government)	The First Home Super Saver Scheme (FHSSS) aims to help first-home buyers boost their savings for a first home purchase by allowing them to build a deposit inside their superannuation, by making additional voluntary contributions to their superannuation account.	No	First time buyers holding a First Home Savers account	Preferential taxation of savings	National/Federal
Australia (1)	First Home - First Home Buyer Assistance Scheme (New South Wales Government)	The scheme provides first home buyers in New South Wales with exemptions from transfer duty on new and existing homes valued up to AUD 650,000, and sliding scale concessions for up to AUD 800,000. Corresponding provisions are available for residential land purchase up to AUD 350,000 and for between AUD 350,000 and AUD 450,000	No	First-time buyers. Must occupy the home within 12 months and live in the home for a continuous period of at least 6 months	One-off tax relief for home buyers	Regional/State
Austria	Tax relief "Topfsonderausgaben"	Tax deduction of mortgage interest payments and of expenses incurred for the construction or regeneration of housing.	Yes	Conditions related to the dwelling size/value	Tax relief for mortgage payments	National/Federal
Belgium (2)	Integrated housing bonus tax system (Geïntegreerde Woonbonus) (Flemish region)	The three systems relating to tax credits for owner-occupied housing (regional housing bonus, tax credit for long-term savings and tax credit for standard interest) have been grouped together in one system: the integrated housing bonus.	No	It applies to mortgage loans raised as from January 2016. Prior to this date, the previous housing bonus system is applicable.	Tax relief for mortgage payments	Regional/State
Belgium (2)	Housing cheque (Chèque habitat) (Walloon region)	Mortgage loans raised as from 1 January 2016 to acquire owner-occupied housing are entitled to the "Chèque-Habitat" tax credit in the Walloon Region. The basic amount of the tax credit depends on the taxpayer's net taxable income and household composition.	Yes	Conditions related to the dwelling size/value	One-off tax relief for home buyers	Regional/State
Belgium (2)	Regional housing bonus (Bonus logement régional)	The regional housing bonus applies to interest on loans, capital repayments or life insurance premiums assigned to the reinstatement of the mortgage loans and outstanding balance insurance premiums. (NB: The regional housing bonus has been abolished.)	No	The regional housing bonus was applicable for loans contracted in 2015 and 2016.	Tax relief for mortgage payments	Regional/State
Canada	First-Time Home Buyers' Tax Credit	Non-refundable federal tax credit, up to CAD 750.	No	First-time home buyers	One-off tax relief for home buyers	National/Federal
Canada	Home Buyers' Plan	The Home Buyers' Plan (HBP) assists first time home buyers by allowing them to withdraw up to CAD 25,000 from a Registered Retirement Savings Plan (RRSP) to purchase or build a home. Unlike ordinary RRSP withdrawals, HBP withdrawals are not included in income for tax purposes. Amounts withdrawn must be repaid within a 15-year period.	No	Reserved for first-time buyers, with some exceptions (persons with a disability or their relatives buying or building a qualifying home)	Preferential taxation of savings	National/Federal

Canada	GST/HST New Housing Rebate	Tax rebate eligible for new homes, materials to build homes and certain renovations.	No	The dwelling fair market value at the time of purchase or upon completion of the renovations cannot exceed CAD 450,000. If the rebate concerns the purchase of a new home, it is only available to first-time-buyers.	One-off tax relief for home buyers	National/Federal
Canada	Capital Gains Tax Exemption	Tax relief on proceeds of sale of a homeowner's primary residence. While it is not a measure specifically targeted to home buyers, the capital gains tax exemption provides home sellers will additional funds that can be used towards the purchase of a new home.	No	Homes must be the primary residence of the seller.	One-off tax relief for homeowners	National/Federal
Chile	Mortgage interest deduction	Individual taxpayers can deduct from their taxable income the interest paid for a mortgage loan during the year, if it was used to purchase one or more dwellings.	Yes	Must be Chilean citizens.	Tax relief for mortgage payments	National/Federal
Colombia	Mortgage interest deduction	In Colombia, any natural person can deduct interest payments of mortgage loans, up to a maximum annual amount indicated by the law (see Art. 119 of the National Tax Statute) of 1,200 units of constant purchasing power.	No	For first-time home buyers. Must be Colombian citizens.	Tax relief for mortgage payments	National/Federal
Colombia	Preferential tax treatment of special savings account to promote construction	Savings deposited in Special Savings Accounts (AFCs) are treated as exempt from income and complementary tax for the taxable period and are capped up to 30% of income and maximum of 3,800 Tax Value Units (COP 130,226,000 in 2019) per year (see Art. 126-4 of the National Tax Statute).	No	For first-time homebuyers. Must be Colombian citizens.	Preferential taxation of savings	National/Federal
Costa Rica	Property tax exemption	Exemption of property tax for property owners. Dwelling value must not exceed the equivalent of 45 base salaries (the base salary is currently valued at around USD 745).	No	Tax relief is granted to homeowners with only one property.	Exemption from property tax	Local/municipal
Costa Rica	National Financial System Law for Housing and the Creation of BANHVI	Full exemption for homebuyers with respect to registration fees, tax stamps, professional association charges, and the real estate transfer tax. In addition, the construction of houses declared of social interest is exempt from the payment of cadastre rights, construction stamps, and other charges and stamps of the professional associations, and of 50% of the payment of construction and urbanisation permits and of all other taxes (Article 147).	Yes	..	One-off tax relief for home buyers	Local/municipal
Croatia	Programme of state-subsidised housing construction (POS)	Buyers who benefit from POS programme are exempt from paying real estate transfer tax. The exemption covers an amount that depends on the size of the purchased dwelling and number of persons in the household.	Yes	..	One-off tax relief for home buyers	Regional
Croatia	Tax exemption for buying first real estate property for own housing	First time buyers are exempt from paying the 5% transfer tax	No	First time buyers	One-off tax relief for home buyers	Regional

Czech Republic	Tax relief for mortgage payments (Nezdanitelná část základu dane)	Tax deduction applicable only when housing needs are financed by a loan. Only tax residents of the Czech Republic and tax residents of an EU Member State or a State of the European Economic Area with no less than 90 % of their income generated in the Czech Republic are entitled to the deduction. Tax deduction is generally also possible in the case of reconstructions, repairs, maintenance of housing properties.	No	..	Tax relief for mortgage payments	National/Federal
Denmark	Tax deductibility of mortgage interest payments (Rentefradragsret)	Mortgage interest payments can be deducted from taxable income, consistent with the taxation of net income under a comprehensive income tax. Owner-occupied housing is taxed separately based on property values, roughly equivalent to the taxation of the imputed return.	No	No (all individuals are eligible)	Tax relief for mortgage payments	National/Federal
Estonia	The tax exemption on land under homes (Kodualuse maa maamaksusoodustus)	Owners of the land where they live are exempted from land tax for a total up to 0.15 hectares in towns and up to 2 hectares elsewhere	No	No (all individuals are eligible)	Exemption from land taxes	National/Federal
Estonia	Deductible housing loan interest (Eluasemelaenu intresside mahaarvamine)	Deduction of mortgage interests from income tax	No	No (all individuals are eligible)	Tax relief for mortgage payments	National/Federal
Estonia	Tax exemption of transfer tax (Elukoha müügi maksuvabastus)	Tax exemption of the transfer of immovable property if: i) the property has been the main residence of the taxpayer; ii) the property was transferred to the taxpayer through restitution of unlawfully expropriated property; iii) the property has been transferred to the taxpayer through privatisation with the right of pre-emption (subject to dwelling size restrictions); or iv) the property is a summer cottage or garden house in the ownership of the taxpayer for more than two years (subject to dwelling size restrictions).	No	Must be an Estonian citizen	Tax relief for transfer tax	National/Federal
Finland	Tax credit on interest payments (Asuntolainan korkovähennys)	Tax credit corresponding to a share of interests paid on a loan for home purchase or for major home improvements. In 2019, 25 % of home-loan interest is deductible from capital income. For those who have no capital income, 30% of the deductible interest payments are credited against earned-income tax (32% for first-time buyers).	No	Must be Finnish citizen and first-time home buyer	Tax relief for mortgage payments	National/Federal
Finland	Transfer tax exemption for first-time homebuyers (Ensiasunnon ostajan varainsiirtoverovapaus)	As a first-time homebuyer, you may not have to pay transfer tax if: i) you are 18-39 years of age; ii) after the purchase, your share of ownership is at least 50%; iii) you purchase the dwelling to use as your permanent home and you move in within 6 months from signature of the contract; iv) you are a first-time homeowner. The transfer tax exemption does not apply to parking spaces.	No	Must be Finnish citizen and first-time home buyer	One-off tax relief for home buyers	National/Federal
France	Zero interest loan (Prêt à taux zéro)	The scheme includes the following: i) zero-rate loan; ii) exemption of land tax for 2 years after the construction of the main residence; iii)	Yes	Must be French citizen and first-time home buyer	One-off tax relief for home buyers	National/Federal

		exemption of the first estate gain to purchase main residence; iv) value added tax of 5.5% for social housing ownership.				
France	Land tax exemption (Exonération de taxe foncière)	Tax benefit with exemption of tax land for two years following construction; however, local authorities have the possibility to remove this tax benefit.	No	Must be French citizen	Exemption from land taxes	Local/municipal
Greece	Tax exemption for first-time home buyers	The purchase, inheritance of a first home is exempted from tax.	No	Must be a Greek citizen and first-time home buyer. Must retain property for at least 5 years. Limits based on household size and composition and dwelling value and size.	One-off tax relief for home buyers	National/Federal
Ireland	Help to Buy Incentive	Help to Buy (HTB) is an income tax relief designed to assist first time buyers with obtaining the deposit required to purchase or build their first home. The relief is only be available for new builds. The relief takes the form of a rebate of income tax paid over the previous four tax years. There are limits on the maximum rebate amount. Sunset clause 31 December 2019; primary legislation would be required to extend the incentive.	Yes	Purchasers must be first-time buyers and the property cost no more than EUR 600,000.	One-off tax relief for home buyers	National/Federal
Iceland	Tax relief for mortgage payments (Vaxtabætur)	Individuals who buy a residence for their personal use and bear interest expenses are entitled compensation by the State Treasury. The amount of interest compensation is based on the interest for loans obtained for the purpose of financing a building or for purchase of a residence.	Yes	Benefits are linked to income and net wealth, with limits on the amount of interest.	Tax relief for mortgage payments	National/Federal
Israel	Exemption from purchase tax for first-time home buyers	Tax relief for the purchase of a first home. The price of the dwelling must be under a certain threshold.	No	Must be a citizen and first-time home buyer	One-off tax relief for first-home buyers	National/Federal
Italy	Tax deductibility of mortgage interest for first-time home buyers	Tax deduction on mortgage interest payments provided that: i) the property is used as a principal residence within one year of purchase; and ii) the purchase of the dwelling is made the year preceding or following the date of stipulation of the loan. Limits on the total annual amount to which the tax deduction applies.	No	Must be a citizen and first-time home buyer	Tax relief for mortgage payments	National/Federal
Italy	Real estate leasing	Young people under 35 with maximum income of EUR 55,000 are eligible for tax benefits related to real estate leasing, as well as a deduction from personal income tax of 19%, up to EUR 8,000 per year. The deduction is applied to the rent and related additional charges paid pursuant to "financial lease agreements on real estate units, including those to be built, to be used as a principal residence within one year of delivery", and up to EUR 20,000 on the selling price, in the case of exercise of the purchase option. For people over 35 years of age and an income not exceeding EUR 55,000, the deduction of 19% from PIT	Yes	Young people under age 35; smaller limits for people over age 35.	Tax deduction	National/Federal

		is granted on a maximum amount of EUR 4,000 relative to the fees and EUR 10,000 in relation to the selling price.				
Japan	Tax relief for purchase of house with mortgage	Deduction of 1% of remaining mortgage loan balance from income tax up to a maximum amount, for ten years. If the deduction exceeds the beneficiary's income tax liability, the remainder may be deducted from municipal tax up to a maximum amount. Bonus payments are provided for those on low incomes.	Yes	The relief applies to owner-occupied main residential dwelling, with floor area over 50 square meters.	Tax relief for mortgage payments	National/Federal
Latvia	Fee reduction for registering property ownership	Eligible households are families with children who benefit from the state housing guarantee programme pay a reduced fee (0.5% of property value, rather than 2%) for registering ownership rights to immovable property in the land registry (if the value of the property is less than EUR 100,000).	No	This fee reduction can only be used by people using the guarantee program by Altums for families with children.	One-off reduction in registration fees	National/Federal
Luxembourg	Tax deductibility of mortgage interests (Déductibilité fiscale des intérêts débiteurs)	Deduction of interest payments from income taxes. Once the dwelling is occupied, the maximal amount of deductible interests progressively decreases over time.	No	Must be citizens. Dwelling must be permanent residence	Tax relief for mortgage payments	National/Federal
Luxembourg	Deductibility of the payment protection insurance premium	Deduction of the premium for loan repayment insurance from income taxes, as a one-off premium or as an annual premium. As an annual premium, the maximum deduction is EUR 672 for each person in the household. As a one-off premium, the amount depends on the number of adults and children in the household, as well as the age of the insured party: the amount varies between EUR 6,000 for an individual taxpayer aged under 30 without children, to EUR 40,560 for a couple with 3 children for an insured party aged over 50.	No	No (all individuals are eligible)	Tax relief for mortgage payments	National/Federal
Luxembourg	Deductibility of the contribution to a property savings plan	Deductibility of yearly contributions to a property savings plan (plan d'épargne logement). A maximum EUR 672 per person in the household is deductible from income tax	No	First time home buyers	Preferential taxation of savings	National/Federal
Luxembourg	Tax credit on notary deeds (Bëllegen Akt)	An individual can benefit from the tax credit on notary deeds several times, until he reaches the lifetime threshold of EUR 20,000.	No	The recipient must occupy the dwelling for at least 2 years (and not rent it out) as his/her permanent residence.	One-off tax relief for home buyers	National/Federal
Malta	First time buyers Scheme	The first EUR150,000 of the transfer value of the immovable property is exempt from stamp duty, up to a maximum discount of EUR 5,000	No	First time property buyer, provided that the property is purchased for the beneficiary's own residence	One-off tax relief for home buyers	National/Federal
Malta	Own Residence	Preferential rate on stamp duty for those buying a home to be used as their sole main residence	No	Available to all, provided that this credit was not already availed of on another property	One-off tax relief for home buyers	National/Federal
Mexico	VAT exemption for mortgage interest	Tax relief for mortgage payments	Yes	Must be Mexican citizens	Tax relief for mortgage payments	National/Federal

Mexico	Real interest deduction to individuals for mortgage credit	Individuals can deduct real interest for mortgage credit in their Personal Income Tax.	No	Must be Mexican citizens. Limit on maximum value of dwelling.	Tax relief for mortgage payments	National/Federal
The Netherlands	Deductible mortgage interest rate	Deduction of mortgage interest payments. There is a maximum deduction percentage of 51% in 2015. This maximum is reduced by 0,5%-point every year until it reaches 38%. The interest deductibility is conditional on amortization: at least based on an annuity scheme with a 30-years repayment scheme.	No	No (all individuals are eligible)	Tax relief for mortgage payments	National/Federal
New Zealand	Rates Rebate Scheme	A government subsidy to low-income homeowners to pay their local government tax. The scheme is funded by central government but administered by local governments. A household can receive up to NZD 630. Individual amounts vary depending on rates bill and income.	Yes	Income threshold of NZL 25,180, plus NZL 500 income allowance for each dependent in the household	Tax credit	Funded by national government; administered by local government.
Norway	Home savings for the young	A home savings account can be established by anyone under the age of 34. There are caps on the maximum annual deposit and total deposit in the savings account, and the deposit must be used to purchase a dwelling or to pay off loans on a dwelling that has been acquired after the account was established. 20% of the annual savings amount is deductible from taxes	No	Persons aged under 34	Tax deduction linked to a saving plan	National/Federal
Norway	Imputed rent and capital gains tax	Imputed rent and capital gains from the sale of a taxpayers home (owner occupied) are not taxed.	No	No (all individuals are eligible)	One-off tax relief for homeowners	National/Federal
Norway	Net wealth tax discount	The taxable value of assets is equal to their market value. Homes and other immovable properties are valued well below market value (e.g. the taxable value of a primary residence averages 25% of market value; 90% for secondary homes; and 75% for recreational property).	No	No (all individuals are eligible)	Net wealth tax discount	National/Federal
Poland	Housing relief (Ulga mieszkaniowa)	Income gained through the transfer of immovable property is exempt from income tax, if it is spent within three years on purchase or/and regeneration of the taxpayer's own dwelling.	No	No (all individuals are eligible)	Tax credit	National/Federal
Poland	Exemption from taxation of interest rate subsidies	Exemption from taxation for interest rate subsidies for preferential loans applied on the basis of the Act on financial support for families and other people in purchasing their own dwelling.	..	It applies to beneficiaries of support through the Rodzina na swoim programme	Tax credit	National/Federal
Poland	Exemption from taxation of public financial support for home buyers and reimbursement of expenses on acquisition of building materials	Exemption from taxation of amounts of public financial support and of amounts of reimbursement of expenses on acquisition of building materials, granted on the grounds of the Act on the state aid in acquisition of the first residential apartment by young people.	..	It applies to beneficiaries of support through the "Mieszkanie dla Młodych" programme to support young people in purchasing their first dwelling.	Tax credit	National/Federal
Poland	Exemption from taxation of public financial support for certain housing loans	Exemption from taxation of amounts of redeemed receivables pursuant to the Act on the state aid in repayment of certain housing loans granted to persons who have lost their jobs.	..	For people who have lost their jobs	Tax credit	National/Federal

Portugal	Tax relief for mortgage payment	Deduction of mortgage interests from income tax	No	No (all individuals are eligible)	Tax relief for mortgage payments	National/Federal
Russian Federation	Tax deduction for purchasing dwelling	All citizens have the right to a one-time tax deduction of the cost of purchasing or building a home (up to RUR 2 million of taxable income). Maximum deduction is RUR 260,000.	No	Must be a Russian citizen	One-off tax relief for first-home buyers	National/Federal
Russian Federation	Mortgage tax deduction	All citizens have the right to a one-time tax deduction of mortgage interest payments (up to RUR 3 million of taxable income). Maximum deduction is RUR 360,000.	No	Must be a Russian citizen	Tax relief for mortgage payments	National/Federal
Spain	Royal Decree-Law 7/2019 of 1 March on urgent measures regarding housing and rent (Real Decreto-ley 7/2019, de 1 de marzo, de medidas urgentes en materia de vivienda y alquiler)	Different fiscal benefits relating to transfer taxes and real estate taxes		No (all individuals are eligible)	Tax relief	National/Federal
Sweden (3)	Tax deduction of interest expenditure	Mortgage interest expenditures up to SEK 100,000 are deductible by 30%, and interest expenditures above this threshold are deductible by 21%. (NB: All interest expenditures are deductible, not only interest expenditures directly related to housing.)	No	No (all individuals are eligible)	Tax relief for mortgage interest	National/Federal
Sweden (3)	Reduced property fee for pensioners	People who have reached the age of 65 at the beginning of the year or who receive sickness or activity compensation during the year will only have to pay a maximum of 4% of their income in real estate fees. The rules also apply to persons who have received compensation under legislation on social security in another state within the EEA if it can be equated with sickness or activity compensation.	..	No (all individuals are eligible)	Tax deduction	National/Federal
Switzerland	Encouraging home ownership (2nd pillar)	Preferential tax rate on advanced payments up to the amount of vested benefits from occupational benefit plans concerning old-age (2nd pillar), survivors and invalidity (1st pillar) used to finance a principal home property	No	The amount that can be withdrawn is limited for persons aged over 50	Preferential taxation of advanced payments	Federal, regional, or municipal (depending on the canton)
Switzerland	Encouraging home ownership (3rd pillar)	Early payments for the purchase by the insured person (private pension schemes, 3rd pillar) of his/her home property are taxed at a lower marginal income tax rate	No	No further requirements	Preferential taxation of advanced payments	Federal, regional, or municipal (depending on the canton)
United Kingdom	Capital Gains Tax: Private Residence Relief (PRR)	Private Residence Relief relieves from Capital Gains Tax, any gain made on a residential property, throughout the period in which the property is occupied as a main residence.	No	Relief is pro-rated if throughout the period of ownership the property is not wholly used as a main residence	One-off tax relief for homeowners	National/Federal

United Kingdom	Stamp Duty Land Tax: First-Time Buyers' Relief (FTBR)	First-time buyers purchasing their first home for up to GBP 300,000 are exempt from Stamp Duty Land Tax. Where the purchase price is between GBP 300,000-500,000, they will pay 5% on the amount above GBP 300,000.	No	First-time home buyers. Property must be intended for main residence.	One-off tax relief for first-home buyers	National/Federal
United States	Mortgage interest deduction	Mortgage interest deductibility from federally taxable income: homeowners are allowed to deduct the interest they pay on a mortgage that finances a primary or secondary residence as long as they itemize their tax deductions	Yes	The dwelling must be used for owner-occupation. The maximum mortgage amount is USD 750,000 (USD 375,000 if married filing separately). The maximum is USD 1,000,000 (or USD 500,000 if married filing separately) if the loan was taken before 17 December 2017.	Tax relief for mortgage payments	National/Federal
United States	Property tax income deduction	Allows the deduction of property taxes (and all local taxes) from federal income taxes, within a limit of USD 10,000 (USD 5,000 if married filing separately) of your total state and local taxes, including taxes (or general sales taxes, if elected instead of income taxes), real estate taxes, and personal property taxes.	No	No (all individuals are eligible)	Tax deduction	National/Federal
United States	Capital gains tax exemption	Homeowners may exclude from taxable income up to USD 250,000 (USD 500,000 for joint filers) of capital gains on the sale of their homes if they satisfy certain criteria: they must have maintained the home as their principal residence in two out of the preceding five years, and they generally may not have claimed the capital gains exclusion for the sale of another home during the previous two years.	No	Eligible if you have owned and used your home as your main home for a period aggregating at least two years out of the five years prior to its date of sale.	One-off tax relief for homeowners	National/Federal

Note: 1. Year of reference: 2020, except for Norway (2021), Poland, Slovak Republic Sweden (2019), Italy and Luxembourg (2018) and Slovenia (2017). Data for Belgium, Canada, Finland, Mexico, Netherlands, New Zealand, and the United Kingdom refer to the QuASH 2019. 2. * indicates that spending is missing for one of the policy instruments and the reported amount is therefore a lower-bound estimate. For Australia, foregone tax revenue is reported for one national measure as well as one state measure; other state measures exist but are not included in estimate here. For Sweden, spending is reported for 1 out of 3 measures. For Chile and Norway, spending is reported for 2 out of 3 measures. For Luxembourg and Poland, spending is reported for 2 out of 4 measures. For United States, does not include foregone tax revenue from property tax income deduction.

Source: OECD 2021 and 2019 QuASH.

Table PH2.2.2 Tax relief measures to support homeowners in response to the COVID-19 pandemic

Country	Description of support	Type of support	New support or modification of existing support?	Level of government
Australia (State Government of Victoria)	Land transfer duty waiver for residential property transactions of up to \$1 million (different rates for new residential properties, existing properties and vacant dwellings). The waiver applies after all other eligible benefits, such as the first home buyer duty concession, the principal place of residence concession and the pensioner concession, have been taken into account. However, the waiver does not apply to a foreign purchaser additional duty.	Tax deduction	New form of support introduced in response to COVID-19	Regional/state
Chile	Temporary 0% rate on Stamp tax, as long as these operations have been accrued between April and September 2020 inclusive. This benefit applies on credit operations and therefore it is not limited to housing.	Tax deduction	Adaptation of existing support	National/federal
Israel	Tax relief for purchasing dwellings (reduced from 8% to 5%)	Tax relief for down payment	Adaptation of existing support	National/federal
Japan	Flexibility of mortgage deduction requirements	Tax relief for mortgage payments	New form of support introduced in response to COVID-19	National/federal
Latvia	Local governments have the right to determine other deadlines for the payment of the immovable property tax in 2020 and 2021 (which are different from the deadlines determined in the Law on Immovable Property Tax), postponing them to a later period within the scope of the respective taxation year. The late payment shall not be calculated for the tax payment for which the local government has determined another deadline for payment and that has been made within the deadline stipulated by the local government.	Tax deferral	New form of support introduced in response to COVID-19	Local/municipal
United Kingdom	Stamp duty holiday: Due to the severe impact of lockdown on the housing market, in July 2020 the Government introduced a temporary increase to the Nil Rate Band of Residential SDLT from GBP 125,000 to GBP 500,000. This applies from 8 July 2020 until 31 March 2021 and means 9/10 people getting on or moving up the property ladder will pay no SDLT at all. This measure delivers an average saving of GBP 4,500 in SDLT. Those buying second homes or buy-to-let properties continue to pay an additional 3% on top of the standard SDLT rates, maintaining the relative advantage that buyers of main homes had before the tax change. On 3 March 2021, in the Budget, the Chancellor extended the stamp duty holiday up to GBP 500,000 to 30 June 2021, with a new interim limit of GBP 250,000 to September 2021.	Tax deduction	New form of support introduced in response to COVID-19	National/federal

Source: 2021 OECD Questionnaire on Affordable and Social Housing (QuASH).