

Riga to grant real estate tax breaks for sustainable buildings; facades will not have to be lit at night to get a tax discount

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On Wednesday, 5 October, Riga City Council adopted amendments to binding regulations*, setting real estate tax breaks for sustainable buildings, also keeping the tax discount for buildings whose facades will no longer be illuminated at night to save electricity. The regulation, furthermore, include improvements in electronic communication with the local government.

A 50% real estate tax break will be granted for new or fully renovated buildings with BREEAM International New Construction and BREEAM Refurbishment and Fit-Out, LEED BD +C, DGBN certification, and at least a 55% rating**. This certification level is awarded to sustainable buildings that contribute to the development of the area and creating a well-planned, high-quality environment, and to the accomplishment of the energy efficiency and climate neutrality goals set by Riga City Council.

In order to encourage the development of such buildings and to assist the taxpayers who choose to get international certificates for their buildings in the future, the real estate tax break will be granted for new or fully renovated buildings commissioned after 1 January 2024. The break for buildings meeting the above criteria will be granted for 10 years, starting with the month after the month the building is commissioned and after the certificate takes effect, but no longer than the duration of the certificate.

The negative impact of this new real estate tax break category on real estate tax revenue is expected to be offset by future increases in personal income tax and real estate tax revenue.

In view of the rapidly rising energy costs, the municipal government is gradually improving the energy efficiency of its buildings, with plans to reduce energy consumption in municipal institutions and businesses by 15%, through the smart use of heat and electricity. To improve such opportunities for private individuals who receive the real estate tax break, facades will no longer have to be illuminated at night, a rule that includes renovated, restored, or rebuilt buildings located within national urban and cultural heritage sites that have decorative facade illumination. The tax break will still be granted if the decorative lighting on the facade of the building is not kept on at night between midnight and 5:00.

In order to increase the use of electronic documents, save the municipal government's funds, natural resources, and energy, the existence of a channel to communicate electronically is set as a prerequisite for the tax break. It takes very little time and effort for a taxpayer who can operate efficiently in an electronic environment to set up an electronic channel of communication for exchanging documents with the municipal government, saving on cost of physical deliveries.

As of 1 January 2023, in order to receive the real estate tax break, the taxpayer must have a registered official electronic address or consented to electronic communication with the Riga City Council Municipal Revenue Office via e-mail. Meanwhile, this requirement is not to apply to taxpayers who are natural individuals and for objective reasons are not active in the digital environment.

For more information about applicable real estate tax breaks, as well as all the latest information related to real estate tax, please visit the website of the Municipal Revenue Office, at <https://pip.riga.lv>, or call the free information line [80000850](tel:80000850).

[*Riga City Council Binding Regulation 109 'On the Procedure for Granting Real Estate Tax Breaks in Riga' of 15 December 2021](#)

**There are different energy efficiency and sustainability assessment or certification schemes, BREEAM and LEED being the two most popular in Europe. These schemes are based on an independent assessment by an expert, who determines whether certain criteria and standards have been met. The main purpose of this certification is to demonstrate that the building has been designed and built to minimise its impact on the environment and the user, and to create a well-planned urban environment.

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<https://www.riga.lv/en/article/riga-grant-real-estate-tax-breaks-sustainable-buildings-facades-will-not-have-be-lit-night-get-tax-discount>