



## Countries With No Property Taxes Where You REALLY Own Your Home

### Description

Here at Nomad Capitalist, we frequently discuss the idea that governments thrive on taxing the “evil rich.” It also gives birth to the question whether such a utopia exists where there are no property taxes. It’s no secret. Because of this, high-net-worth individuals and nomadic entrepreneurs are engaged in a different kind of business: looking beyond their borders to find countries that offer them something better. If you are in that camp, you are likely asking, “*Where can I legally pay less tax? What countries are welcoming to people who want to internationalize and establish a home without paying high taxes on their properties?*” Unfortunately, almost since the beginning of time, many governments have taken the attitude of “the higher the taxes, the better”—including property taxes. But not all countries have this attitude. Many realize the value that investors and entrepreneurs can bring to their economy with their capital, skills, and work ethic; and so they create an atmosphere that favors investment and business to attract those very people. One such perk is to have no property taxes within their borders. This is just one of the many reasons we discuss diversifying your talents and your assets around the world. It is at the heart of our mantra to “Go where you’re treated best.” Yes, there are governments that will tax you for property that you already own and will continue to do so until the end of time, but there are also countries with no property taxes where you not only own, truly own, your property but where foreign investment is welcome. That’s where you want to go. In this article, we will review the history of property taxes, discuss what they are, reveal the countries with no property taxes, and warn you of other taxes that you may end up paying despite the lack of a property tax. Ready? Let’s dive in!

## A HISTORY OF COUNTRIES WITH PROPERTY TAXES

As far back as Egypt, Babylon, and Persia, countries have used property taxes to collect money from the well-off. Since the vast majority of the population was poor, governments were able to demand money from the wealthiest landowners based on the productivity of their land. Had a great harvest? The local tax collector would happily take his piece of the action. And since tax assessors and tax collectors were one and the same, landowners had little choice but to hand over part of their well-earned bounty to the tax authorities. In ancient Egypt, for example, taxes were levied against a land’s production of grain, as well as cattle output and oil. While very few members of the population were literate, some of those who were, took up jobs as scribes and devised one of the earliest tricks known

to government: keeping records of who owned what property for the express purpose of taxing it. In exchange for scribes serving as assistants in tax collection, their efforts were often rewarded by being allowed to live whenever the king or pharaoh died. So valued were their efforts that they were the only members of the royal court not buried with the pharaoh. That's how much the government wanted to skim cash from property owners. Today, of course, the situation is much the same; only with more sophisticated methods.

## WHAT IS A PROPERTY TAX?

Property taxes are a reality of life for almost every property owner in the world. As Investopedia defines it: property tax is “a tax assessed on real estate by the local government. The tax is usually based on the value of the property (including the land) you own.” In the United States, some homeowners pay five-figure sums every year to live in modest homes in places like New York and Southern California. There are in fact people in New York paying tens of thousands of dollars each year just to live in their own homes. If insane real estate prices and cost of living weren't enough, the government comes in to take more of your cash simply for owning property. The cost incurred in property tax is extremely high! Going as far back as ancient Egypt, these mandatory tithes to the government are proof that you don't really OWN your home or land. Rather, you are indebted to the government for the use of that land and, consequently must pay. Unlike many private sector services, you can't simply buy a “lifetime membership” and call it a day. You must pay property taxes by the due date each and every year — and not a moment too soon. Such is the government's commitment to maintaining power that a business owner and friend of mine has been prohibited from paying the property taxes on his businesses' land holdings even one day in advance. If you own property in the western world, not only have you taken a long position on your government's declining currency, but you have also signed up for a lifetime of indentured servitude. For all of your government's efforts to promote home ownership over renting, the reality is that property owners are the biggest renters of all. However, internationalization tells us that we can “go where we're treated best” when it comes to almost anything. The same is true when it comes to owning a property. You may know that I actively discourage people from buying real estate in the United States. In addition to all of the other reasons, high property taxes are one of the contributing concerns. Sure, you could go from one bankrupt state to the most free state, but that's no better than catching a falling knife. When North Dakota — allegedly one of the freest states in the USA — voted overwhelmingly NOT to do away with the state's property tax a few years ago, you learned everything you need to know about Americans' opinions on property taxes. Seventy-six percent of them voted “no,” actually, even as the state's coffers are overflowing with revenue from oil activity. Looking for states with no property tax is a common reaction for many Americans and others when the smart reaction would be to think more in terms of countries with no property tax. That's why owning real estate in faster-growing safe-haven jurisdictions not only offers better yield and appreciation potential, but also the potential for significantly lower property taxes... or none at all. Not only is foreign real estate owned in your own name, a non-reportable asset for US persons, it also offers many other benefits, as long as you can keep carrying costs low.

## LIST OF COUNTRIES WITH NO PROPERTY TAX

Yes, there actually ARE countries with no property taxes. If you were to tell that to a US politician, they might tell you that if that happened here, the schools would all shut down and people wouldn't be able

to get an education. To them, the \$28,000 a year in Washington, DC, or \$21,000 a year in New York isn't enough to offer education. This is the crux with owning real estate in a country that charges you for doing so: the money taken from you is never enough. Moreover, since they know they can depend on your money through property taxes, politicians often have less incentive to find more reasonable ways to pay for schools, roads, and other public works. Many countries — specifically those that are engaged in expanding their economy and gaining more attention on the international stage — are realizing that in order to grow, they need to create an environment that is attractive to investors and property owners. And at Nomad Capitalist, we are all about finding the best. So, here is a list of countries with no property taxes where you can actually own your home.

## EUROPE

Although many European countries are known for their high taxes, a few of them have taken a different approach and do not levy a property tax. **CROATIA** In a country that sees more than three-quarters of its population owning their own homes, the impact of property taxes was far-reaching and widespread. But in 2017, after public outcry and a nationwide campaign, a lobby to remove property taxes (previously 5% across the board) was successful, and it was dropped in 2018. However, Croatia charges tax on property transactions, such as the sale of a home. This 3% rate also came under fire as recently as 2020 when a proposal to have it removed was brought before parliament. While it is thought that the property transaction tax could be repealed as early as 2021, the conversation is still ongoing. If you're interested in exploring Croatia's residency by descent program, we've covered it [here](#). **LIECHTENSTEIN** In Liechtenstein, there are no property taxes, but notional income on the net value of the property is subject to income tax. For corporations, there is no real estate tax either. But the sale of a real estate share in a Liechtenstein company or real estate in Liechtenstein is subject to capital gains tax.

## MONACO



This small European country is gaining popularity among nomadic entrepreneurs with its tax policy and breathtaking views.

Europe's smallest non-theocratic micro-state, Monaco, has no property taxes. However, like nearby Liechtenstein, be ready to pay. Monaco's glistening shoreline and luxurious homes are a major goal of many high-achieving entrepreneurs, and avoiding property taxes helps make property ownership here even more attractive. If you wish to rent out your Monaco property, there is a 1% tax, although it is payable by the tenant. Overall, Monaco maintains its place among the list of countries with no taxes — making it a continued favorite playground for the wealthy. If you are interested in finding out more about [Monaco residency and citizenship](#), we have published a guide with all the details.

## MALTA





Malta is an archipelago in the central Mediterranean between Sicily and the North African coast. With its beaches, climate, expat community and business environment, it is a very appealing base for the nomad community.

Malta, located off the coast of Italy, is a very popular relocation location for expats around the world. It even ranked in the top 10 on our 2017 Nomad Quality of Life Index. We have recently discussed at Nomad Capitalist the Malta Global Residence Programme, designed by the Maltese government to strengthen the property market in this up-and-coming island country and EU member state. Malta offers the benefits of a European lifestyle while offering powerful incentives for property owners and investors, including non-existent property tax. Malta does, however, assess a stamp fee in lieu of property tax. Malta is gaining the attention of many entrepreneurs who see EU residency and potential of economic citizenship as a key part of their internationalization plan.

## **GEORGIA**

Thanks to its free economic policies and low taxes, Georgia is one of the most business-friendly countries in the world. I own a number of properties in Georgia, and I haven't paid a dime in taxes on any of them. In fact, most of the people I know who own property there do not pay property taxes either. However, there is a caveat here — if you make more than 40,000 Lari (about \$15,000) per year through Georgian-sourced income, then you need to pay a small annual property tax of 1%. For example, my lawyer's income exceeds that limit, so he must pay about \$1,000 per year on his \$100,000 apartment. If you don't have any Georgian-sourced income, on the other hand, then you

won't pay any property tax, and as an added benefit, Georgia also does not charge any kind of transfer tax or stamp duty.

## **OCEANIA**

Outside of Europe, there are a few interesting countries with no property tax. Not surprisingly, several of these are tropical island nations that would be of interest to foreigners escaping the daily grind.

### **COOK ISLANDS**



Cook Islands, an offshore alternative to a Wyoming trust and one of the countries with no property taxes.

In addition to no wealth taxes or capital gains taxes, the Cook Islands in the South Pacific doesn't assess property taxes. This island chain, in free association with New Zealand, has recently gained attention for its asset-protection trusts and favorable no-property-tax policies. However, land cannot be easily owned by foreigners in freehold form, and instead, the government requires leases for non-Cook Islanders, and leases max out at 60 years. This semi-sovereign island chain may become more important for real estate but for now, may present some challenges for foreign investors, in spite of its Pacific paradise draw.



## CARIBBEAN REGION

Like Oceania, a number of island nations in the Caribbean have also foregone property taxes.

### CAYMAN ISLANDS



*Cayman Islands has one of the largest and most sophisticated offshore sectors, thanks to it being a no income tax country and no property taxes country.*

The Cayman Islands once again makes the list as a longstanding name in the offshore world: no property taxes, no personal income taxes, no capital gains taxes, no corporate taxes, no payroll taxes and no withholding taxes on domestic or foreign entities. In other words, the Cayman Islands is very friendly to nomadic investors who want to get a piece of this Caribbean property market. Property prices seem to be rising especially along the main areas of Seven Mile Beach, in light of recent luxury developments and increased demand. The islands are among the most developed in the Caribbean and boast excellent beaches and good business infrastructure, although cost of living can be higher in this region.

### DOMINICA



Dominica gained popularity among expats for its CBI programme, but it is also on our list of countries with no property tax.

Dominica has no property taxes and is a major contender in the second citizenship world, offering one of the most cost-effective citizenship by investment programs. This Caribbean island nation is known as the “nature island” and is English-speaking, having obtained independence from the United Kingdom in 1978. One thing to note is that municipal taxes are levied on properties in Roseau and the Canefield urban areas, but otherwise, there are none of the traditional property taxes associated with most nations.

## **TURKS & CAICOS**





There is no property tax in the Turks & Caicos, but there is an annual stamp duty which is on a progressive scale. The Turks & Caicos islands, a British Overseas Territory, is also on our list of 18 tax-free countries where you can get second residency and is generally worthwhile for our readers to look into, not only from a financial incentive standpoint, but for the excellent lifestyle and quality of destination (especially beaches) that it offers. The luxury real estate market is generally booming and many of our readers may be interested in what owning property there could offer with regard to diversifying their residence or investment choices.

## **ASIA & THE MIDDLE EAST**

In Asia and the Middle East, you'll find that certain rising markets and oil-rich countries with low tax rates tend to forego property tax.

### **SRI LANKA**



After years of being overlooked, Sri Lanka is becoming a popular destination and it's easy to see why, not only for its azure beaches and climate but also for its tax-friendly environment. Sri Lanka has no property taxes and rental income earned by non-residents is taxed at 20%. This nation, located below India in the Indian Ocean, is more and more of interest to many entrepreneurs and nomads because of its growing tourism industry and potential towards more pro-business policies. The economy has had steady growth rates in recent years and is home to major industries such as precious metals, agriculture, IT, and textiles. Capital gains tax was abolished in Sri Lanka over a decade ago and rental income is taxed at a flat rate.

## **UNITED ARAB EMIRATES**



Dubai- an exotic place where you can really own a home.

The Middle East is also becoming known as a zero-tax region, with many countries there touting no income taxes. Dubai is a “country” with no property tax, although it also assesses a one-time fee upon purchase of the property. The UAE is home to some of the most innovative and impressive real estate projects (the world’s tallest building, largest mall, etc.) and is also arguably the most welcoming part of the Middle East to international investment and tax-free incentives.

### **GULF COUNTRIES: BAHRAIN, KUWAIT, OMAN, AND SAUDI ARABIA**

Other Middle Eastern countries like Bahrain, Kuwait, Oman, and Saudi Arabia are all property tax-free, as well. While many Westerners might not be paying as much attention to opportunities in this region, the extremely capitalist-friendly (and in some cases nonexistent) tax codes regarding property are appealing. The region can create challenges for some foreigners regarding permissions or cultural adjustment in the case of residential property. Kuwait, for example, does not allow for foreign ownership except by other Gulf Cooperation Council countries, and Saudi Arabia restricts non-Muslims from ownership in the holy cities of Medina and Mecca. Regardless, no property tax is a huge benefit for those looking to reduce their government burden. **QATAR** While there is no property tax in Qatar, you have to realize that capital gains are only taxed if they come from a business activity. So, if you’re an individual with a business activity, you will be taxed for capital gains.



## THE CATCH: STAMP TAXES

Before you hop on a plane and hire a realtor to buy a home in a country with no property tax, you should consider another tax that governments frequently levy on property purchases – the stamp tax. Some governments levy a stamp tax – which is also known as a real estate transfer tax – on all property purchases. Essentially, when you buy the property, you pay a percentage of the purchase price to the government as a stamp duty on the transfer of ownership. Sometimes, this property transfer tax isn't the worst thing in the world. When I bought my apartment in Malaysia, for instance, I paid a stamp duty of about 3% of the value of my purchase. While that raised my apartment's initial price tag, it was well worth it to only pay around \$400 in property taxes per year. In other countries, it may be a different story. When I looked into buying property in Barcelona, I noticed that real estate there was surprisingly cheap. However, as I dug deeper into the market, I realized that the reason why property was so cheap was that buyers had to pay an extra 8-10% in stamp taxes – on top of property taxes – to the Spanish government. Of the fifteen countries mentioned in this article, the following ten levy a stamp duty on all property purchases:

- Monaco – 4.5-7.5%
- Malta – 5%
- Fiji – 3% for citizens; 10% for non-citizens
- Cayman Islands – 7.5%
- Dominica – 2.5% by the seller, 4% by the buyer
- Turks & Caicos – 0-10%
- Seychelles – 5%
- Sri Lanka – 3-4%
- Bahrain – 1.7- 2%
- Oman – 3%

As you can see, some of these stamp duties are rather cursory whereas others can be quite substantial, so you will need to factor this in when you decide to make a real estate purchase in any of these countries. However, since the stamp tax is a one-time payment, it can be a better deal than paying an annual property tax.

## CONCLUSION

There are relatively few countries that truly have no property tax. Many have merely allowed property owners to pay a front-loaded sum in the form of a stamp tax or another fee that eliminates the need for never-ending taxation. Given the choice between two evils, I'd rather pay a front-end fee and be able to limit my costs going forward. I also have to wonder if the presence of a significant stamp tax depresses prices slightly, as buyers must have more liquid cash up-front. I suspect many Westerners, used to putting 1.2% down when buying real estate, would scoff at the idea of investing overseas for that reason. If you're buying property for your own enjoyment or for yield, I imagine there may be some tiny benefit from an upfront tax. At least in countries with no property taxes on an annual basis, you can actually keep more of your own money in your pocket each and every year. That's something most governments don't want you to do. If you're interested in high-yield and high appreciation real estate opportunities, you can apply for help so we can determine your best options as part of a personalized and completely legal offshore plan.

### **Category**

1. Economy-Business-Fin/Invest
2. Freedom-Free speech-Resistance & H-rights
3. Main

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