

Federal state Brandenburg increases real estate transfer tax rate

RETT rate increased from 5% to 6.5%

The transfer of real estate located in Germany is subject to real estate transfer tax (RETT). RETT also generally applies to the direct or indirect transfer of at least 95% of the shares in a company holding German real estate and to the unification of at least 95% of such shares for the first time in the hands of a single shareholder.

In a direct transfer of real property, RETT is calculated on the basis of the purchase price. For direct and indirect share transactions, it is determined based on the special tax value of the property, typically in the range of 80% to 90% of the fair market value of the real property.

Since September 2006, the federal states have been free to set their own rates (before that time, RETT was levied at a standard rate of 3.5%). As a consequence, there has been an ongoing trend to increase the RETT rate to improve the state budgets.

The federal state of Brandenburg increased the RETT rate from 5% to 6.5% effective 1 July 2015.

The following table summarizes the RETT rates as of July 9 2015:

State	Date	RETT rate
Baden-Wuerttemberg	Since 5 Nov. 2011	5%
Berlin	Since 1 Jan. 2007	4.5%
	Since 1 Apr. 2012	5%
	Since 1 Jan. 2014	6%
Brandenburg	Since 1 Jan. 2011	5%
	Since 1 Jul. 2015	6.5%
Bremen	Since 1 Jan. 2011	4.5%
	Since 1 Jan. 2014	5%
Hamburg	Since 1 Jan. 2009	4.5%
Hessen	Since 1 Jan. 2013	5%
	Since 1 Aug. 2014	6%
Mecklenburg-Vorpommern	Since 30 Jun. 2012	5%
Lower Saxony	Since 1 Jan. 2011	4.5%
	Since 1 Jan. 2014	5%
North-Rine-Westfalia	Since 1 Oct. 2011	5%
	Since 1 Jan. 2015	6.5%
Rhineland-Palatinate	Since 1 Mar. 2012	5%
Saarland	Since 1 Jan. 2011	4%
	Since 1 Jan. 2012	4.5%
	Since 1 Jan. 2013	5.5%
	Since 1 Jan. 2015	6.5%
Saxony-Anhalt	Since 2 Mar. 2010	4.5%
	Since 1 Mar. 2012	5%
Schleswig-Holstein	Since 1 Jan. 2012	5%
	Since 1 Jan. 2014	6.5%
Thuringia	Since 7 Apr. 2011	5%
Other federal states (Bavaria and Saxony)	Since 1 Sep. 2006	3.5%

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