Wealth Tax Rules in Europe: What to Know About Residence and Asset Exposure

Background

Holding assets across borders can create annual wealth tax exposure or related filing obligations, depending on the individual's tax residence and the location of the assets. In some jurisdictions, residents may be taxed on a broader asset base, while non-residents may only be subject to rules covering assets located in that country. This makes wealth tax an important point to review when assessing a change of residence or the ownership of assets abroad.

- This overview focuses on France, Italy, Norway, Spain and Switzerland, where wealth tax rules apply.
- Belgium, the Czech Republic, Germany, Hungary, Luxembourg, Poland and the United Kingdom were also reviewed. Based on the information provided, no general wealth tax regime applies in these jurisdictions, although Germany and Luxembourg include specific observations due to historical or related wealth-based rules.

France	
Filling required	YES
Tax Base	Wealth tax is levied on individuals' net wealth in excess of 1,300,000 EUR which includes property assets less liabilities such as bank loans. The principal residence is taxed on 50% of its value only.
Taxpayers	Residents: Property wealth tax return required if their net taxable property assets exceed 1,300,000 EUR. Non-residents: May be liable in respect of property assets located in France where the net taxable value exceeds 1,300,000 EUR.
Exemptions	Property and property rights considered to be business assets are fully exempt if the following conditions are met: The property or property rights must be used in the course of an industrial, commercial, craft, agricultural or liberal profession. The activity in question must correspond to the actual exercise of a genuine profession (the regular and constant exercise of an activity likely to provide the person exercising it with the means to satisfy the needs of life.)
Obligations to File Return	Taxpayers must file their wealth tax returns each year, before the end of May, depending on their address of residence.
Brackets and Rates	France applies a progressive wealth tax rate of 0.50% from 800,000 EUR to 1,300,000 EUR, then 0.70% from 1,300,001 EUR to 2,570,000 EUR and up to 1.50% for amounts over 10,000,000 EUR.
Filing Form	The wealth tax return is filed using the standard tax return form provided by the French Tax Administration.
Filing Deadline	End of May.
Valuation Criteria	Assets are generally valued at their market value on 1 January of the tax year. Specific rules apply to the valuation of certain types of property.

Italy	
Filling required	YES
Tax Base	Assets value.
Taxpayers	Residents: Taxed only on assets located abroad (real estate, financial assets and crypto assets.) Non-residents: Not taxed.
Exemptions	N/A
Obligations to File Return	YES
Brackets and Rates	Tax on real estate (IVIE): 0,76% until 2024 - 1,06% from 2025. Tax on financial assets and crypto assets (IVAFE): 0,2% (0,4% for assets located in countries with a preferential tax regime.)
Filing Form	Mod. RW
Filing Deadline	30 September.
Valuation Criteria	1. Market value. 2. Nominal value. 3. Redemption value. 4. Purchase cost. 5. Cadastral value. 6. Value declared in the inheritance declaration or in other acts.
Special comments	The Tax is only applicable to individuals resident in Italy who own assets abroad.

Norway	
Filling required	YES
Tax Base	The wealth tax in Norway is levied on the net wealth of individuals, which includes assets such as real estate, bank deposits, shares, and other financial assets, minus liabilities.
Taxpayers	Residents: Individuals residing in Norway are required to file a wealth tax return if their net wealth exceeds the applicable thresholds. Non-residents: May be subject to wealth tax on assets located in Norway.
Exemptions	Certain assets may be exempt from wealth tax, such as personal belongings, household items, and specific pension rights. Additionally, there are deductions available for debts and liabilities.
Obligations to File Return	Taxpayers must file their wealth tax return annually, typically in their income tax return.
Brackets and Rates	Norway applies a progressive wealth tax rate: Municipal Wealth Tax: Up to 0.7% on net wealth. State Wealth Tax: Up to 0.15% on net wealth. The combined maximum rate is 0.85%
Filing Form	The wealth tax return is filed using the standard tax return form provided by the Norwegian Tax Administration.
Filing Deadline	30 April each year.
Valuation Criteria	Assets are generally valued at their market value as of 1 January of the tax year. Specific rules apply for valuing certain types of assets, such as real estate and shares.
Special comments	Norway has specific rules for valuing shares and real estate, which may differ from general market value assessments. Additionally, there are provisions for reducing the taxable value of certain assets.

Spain	
Filling required	YES
Tax Base	Net assets calculated as total assets minus liabilities, determined as of 31 December.
Taxpayers	Residents: Taxed on their worldwide assets. Non-residents: Taxed only on assets located in Spain.
Exemptions	Partial exemptions, primarily for the main residence and certain business assets and personal items.
Obligations to File Return	Residents: If the net wealth exceeds 2 million EUR or the exemption threshold according to regional regulations. The general exemption threshold is 700,000 EUR, but it depends on each Autonomous Community. Non-residents: Exemption of 700,000 EUR.
Brackets and Rates	Progressive structure with thresholds and rates that vary by Autonomous Community; typical rates range approximately from 0.2% to 3.5% (with possible regional adjustments.)
Filing Form	Form 714.
Filing Deadline	Generally, between April and July.
Valuation Criteria	Assets are valued primarily at market value, with specific criteria for valuing real estate, vehicles, investments, and other assets according to current regulations.
Special comments	The Temporary Solidarity Tax for Large Fortunes is a complementary measure to the Wealth Tax, applied to taxpayers with extremely high fortunes, net wealth which exceeds 3,000,000 EUR. Individuals liable for the Wealth Tax must file the ITSGF return if their tax liability, after applying any applicable deductions or credits, results in an amount due.

Switzerland	
Filling required	YES
Tax Base	Gross assets less liabilities less social security deductions = taxable assets (as per 31.12)
Taxpayers	Unlimited tax liability: natural persons domiciled or resident in Switzerland (declaration also of foreign businesses and properties for progression purposes.) Limited tax liability: persons with business operations in Switzerland, permanent establishments or real estate: taxable only on assets located in Switzerland. In general, family taxation applies, i.e. the assets of children are attributed to their parents.
Exemptions	None
Obligations to File Return	On a yearly basis with regular tax declaration.
Brackets and Rates	The wealth tax rates are almost always progressive. Depending on the canton between 1 and 5 ‰ of the taxable assets.
Filing Form	Regular tax declaration.
Filing Deadline	Depending on the canton between March - December of the following year.
Valuation Criteria	Assets are valued primarily at market value, with specific criteria for valuing real estate, vehicles, investments, and other assets according to current regulations.
Special comments	Some cantons have indexation clauses for wealth tax, which serve to offset the additional tax burden caused by inflation. In addition, the cantons can provide for a tax reduction for assets attributable to patents and comparable rights.

Special Cases

Germany
Wealth tax, German *Vermögenssteuer* was deemed unconstitutional in 1996. Since 1 January, 1997 wealth tax is no longer levied in Germany. However, the topic is still on the agenda of various political parties in Germany. It remains to be seen whether or not the tax will reappear.

Luxembourg
There is a dependency contribution (1.40%) payable on “wealth” items for Luxembourg residents, but this is not wealth tax as such.