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Amendment to the Law

Changes to the Property Tax Rate and Tax Relief

On September 30, 2026, Georgian Law 1874-VIႁႁ-XIႁႁ on Amendments to Georgian Tax Code was published.

The amendment concerns Property Tax rate established under Article 202 of GTC for taxable property (excluding land) owned by a natural person. In particular, according to the updated Paragraph 5 of Article 202, property tax rate for taxable property (excluding land) owned by a natural person was set at not less than 0.8 percent and not more than 1 percent of the market value of the taxable property existing at the end of the previous year of the current calendar year. As a result, the rate applicable prior to the amendment, which was established for families with income of up to GEL 100,000 and amounted to not less than 0.05 percent and not more than 0.2 percent of the market value of taxable property as of the end of the tax period, was abolished.

The amendment also concerns Subparagraph “a” of Paragraph 1 of Article 206 of GTC, according to which, for the purposes of exemption from Property Tax on an individual’s property (excluding land), the maximum threshold of income received by the individual’s family during the previous year of the current calendar year was increased from GEL 40,000 to GEL 100,000.

As a result of the amendments, a family with income of up to GEL 100,000 will no longer be liable for property tax on property it owns in Georgia (excluding land).

Please note that the above-mentioned law also applies to property tax liabilities that, pursuant to the Tax Code of Georgia, are subject to declaration in 2026.

The amendment came into force from October 1, 2026

Rules for the Waiver and Imposition of Fines under Funded Pension Scheme

On September 17, 2026, Georgian Laws N1861/1-VIႁႁ-XIႁႁ and 1861/5-VIႁႁ-XIႁႁ, were published, introducing amendments to both Georgian Laws “on Funded Pensions” and “on Exemption from Administrative Penalties”. According to the amendments, the procedures for identifying violations of the obligation to make pension contributions and for reviewing the relevant administrative offense cases were established.

According to the updated Georgian Law „on Exemption from Administrative Penalties“, an exemption has been established in relation to unpaid fines associated with pension contributions. In particular, a person will be exempt from the administrative fine if, by December 31, 2026, they fully cover the pension contribution and the penalty interest accrued thereon. It should be emphasized that this exemption applies to administrative penalties imposed and unpaid as of September 18, 2026, arising from the failure to fulfill a pension contribution obligation incurred after May 1, 2025.

Regarding the amendments to the Georgian Law „on Funded Pensions“, a new Chapter VI¹, comprising Articles 37²-37⁷, was added to the Law. According to the amendment, in the event of failure to fulfill the obligation to make a pension contribution, the employer will be subject to a fine of GEL 300, instead of the existing fine of GEL 500 and/or GEL 1,000. In addition, the employer may be released from the fine if, within 10 business days from the imposition of it, the outstanding pension contribution and the participant's lost benefit accrued thereon are paid. It should be noted that, in the event of failure to meet this deadline, the employer will lose the right to benefit from this exemption. It should also be noted that, according to the amendment, the employer may be subject to a fine no later than 6 months from the date on which the Pension Fund identifies the relevant administrative offense.

At the same time, from June 1, 2027, a mechanism for the gradual payment of the outstanding pension contribution and the lost benefit accrued thereon will also come into effect.

The amendment came into force from October 15, 2026

Amendment to the Order

Rule for Writing Off Excisable Goods Bearing Excise Stamps

On 17 September 2026, Order №285 of the Minister of Finance of Georgia was published, introducing amendments to Order №994 of the Minister of Finance of Georgia of December 31, 2010 “On the Approval of the procedure for conducting current control procedures, write-off of Inventory, repayment of recognized tax debts, measures for ensuring tax debts, and tax offence cases”. As a result of the amendment, the rule for writing off excise goods marked with an excise stamp was updated.

As a result of the amendment, Paragraphs 6 and 7 of Article 32 of Order №994, which concern the procedures for writing off inventory, were updated. In particular, the existing rule, which provided for the write-off, through an on-site inspection, of excise goods produced in Georgia by a manufacturer and marked with a locally produced excise stamp, will also apply to goods subject to write-off that are marked with excise stamps intended for import.

In connection with the amendment, Order №286 of the Minister of Finance of Georgia was also published, introducing an amendment to Order №996 of the Minister of Finance of Georgia of December 31, 2010 “On Tax Administration.” In particular, Lines 7 and 7¹ of Section III of the excise tax declaration were updated, where the amount of excise tax paid on locally produced excise goods / written-off goods marked with excise stamps intended for import will additionally be indicated.

The amendment came into force from September 18, 2026

AUTHOR'S COLUMN

This publication covers important new tax changes that business should take into consideration for their daily operations and governance.

The publication provides an overview of key tax and other legislative developments, highlighting their practical implications and other relevant issues.

Please contact BDO to discuss these matters in the context of your particular circumstances.

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