



# THE LAW OF THE REPUBLIC OF ARMENIA

## ON PROPERTY TAX

26.12.2002

**Non official translation**

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### Chapter I. General Provisions

#### **Article 1. The Scope of the Law**

This law regulates the relations pertaining to the declaration and payment of property tax in the Republic of Armenia and defines the scope of property taxpayers in the Republic of Armenia, the object liable to property tax as well as tax base, property tax rates, declaration and payment procedure, and accountability for violation of this law.

#### **Article 2. Definition of Property Tax**

Property tax is a direct tax on the property considered a taxable object and owned by persons stated in the article 3 of this law by property right being paid to the relevant budgets following the procedure and at a rate stipulated in this law, which does not depend on the outcomes of the taxpayers economic activity.

Irrespective of availability of the property right required in the first part of this article, property tax is settled and paid for the property considered a taxable object and stated in point 1.7, article 4 of this law.

#### **Article 3. Taxpayers**

1. The organizations set up in the Republic of Armenia and other countries, international organizations and those created by them outside the Republic of Armenia, the RA citizens, foreign citizens as well as those without citizenship who possess property in the Republic of Armenia that is considered a taxable object under the article 4 of this law, except the RA state bodies, the RA Central Bank, the RA local governments and institutions, are considered the taxpayers of property tax.

2. In the event that a taxable object belongs by a general joint property right to more than one taxpayer, the latter bear equal responsibility for property tax liabilities stipulated in this law.

If a taxable object belongs by general shared property right to more than one taxpayer, each of them bears proportionate to his or her share responsibility for property tax liabilities.

### Chapter II. Taxable Object, Tax Base, Tax Rates

#### **Article 4. Object Liable to Property Tax**

In the context of this law the following are considered taxable objects:

1. Buildings and constructions (hereinafter "constructions")

1) Residential construction units, including:

a) Detached house built on a plot - a building with its economic constructions

b) Apartment - the in a multi-flat dwelling building designed for individuals, registered with a unique code in the authorized agency implementing state registration of rights and being numbered

c) Garden-house (dacha)- summer construction built on a plot within a gardening area.

2) Multi-flat dwelling building - construction having more than one apartments, non residential areas, and areas for common use

3) Non-residential area of residential building - construction in apartment house that is not an apartment or construction for public and production use and is registered with unique code in the body authorized to carry out state registration and being numbered

4) Garage - separate construction for vehicles parking built on a plot;

5) Construction for public use - construction unit intended for provision of social services to people and location of administrative and public organizations;

6) Construction for production use - construction for industrial and agricultural facilities with conditions necessary for operation of technological equipment;

7) Incomplete (semi-built) construction units defined as such by the procedure determined by the Government of Armenia;

8) The constructions that are newly built, purchased, registered and assessed by the authorized body maintaining the real property cadastre in compliance with the RA laws, and stated in the part 1 of this article, which have not yet received the state registration.

2. Vehicles, including

1) Motor vehicles

2) Watercrafts

3) Motor cycles

### **Article 5. Property Tax Base**

Property tax base is considered to be a value or physical size or some criteria based on which the property tax amount is calculated at a rate and by the procedure provisioned in this law, with:

1) The tax base of constructions is considered to be the cadastral value assessed under procedure defined in the [Appendix](#) , which is a component of this law;

2) Dram is used as a measure unit of construction value to determine the tax base;

3) Constructions shall be assessed (reassessed) once every three-year by the real estate cadastre body on the basis of data as of July 1 of the assessment (reassessment) year. Assessed (reassessed) value is taken as a basis to determine tax base for three years following a given year, except the cases stipulated in clause 4 of this article.

4) The newly generated/produced constructions' tax base as well as that for construction units acquired by ownership right and procedure specified in the RA laws after July 1 of assessment (reassessment) year is determined in compliance with this article and is taken as a basis in terms of tax by the next assessment (reassessment) of constructions stipulated in clause 3 of this article.

In the context of this law, the newly generated/produced constructions are considered to be the changes in completion level, floors' number, functional (residential, public, production) purposes made by the next assessment (reassessment) as compared with the data registered by the real estate cadastre body as of July 1 of assessment (reassessment) year as well as construction units stipulated in article 4, part 1, clause 8 of this law.

The RA local governments shall submit data on current registration of the newly generated constructions to the

body authorized to run real estate cadastre following the procedure stipulated in article 14 of this law.

5) The tax base for vehicles is a traction-motor power (horsepower or kilowatt) of a vehicle considered a taxable object. If a vehicle has more than one traction-motor, the total power of all traction-motors is considered a property tax base.

#### **Article 6. Property Tax Rates for Constructions**

Property tax for constructions is calculated at the following annual rates:

1) Constructions for public and production use mentioned in paragraphs 5 and 6 of part 1 of article 4 - 0.3% of tax base;

2) Constructions stated as taxable objects under article 4, part 1, paragraphs 1, 2, 3, 7 and 8 of this law:

Tax base Tax rate

Up to 3 million drams 0% of tax base

From 3 million drams to 10 million drams inclusive 100 drams plus 0.1% of amount above 3 million drams of tax base

From 10 million drams to 20 million drams inclusive 7,100 drams plus 0.2% of the portion exceeding 10 million drams

From 20 million to 30 million drams inclusive 27,100 drams plus 0.4% of the portion exceeding 20 million drams of tax base

From 30 million drams to 40 million drams inclusive 67,100 drams plus 0.6% of the portion exceeding 30 million drams of tax base

40 million drams and more 127,100 drams plus 1.0% of the portion exceeding 40 million drams of tax base.

3) For constructions considered taxable objects and stated in paragraph 4, part 1 of the article 4 - at 0.2% of tax base.

#### **Article 7. Property Tax Rates for Vehicles**

1. Property tax for motor vehicles is calculated at the following annual rates:

1) motor cars with up to 10 passenger seats, if tax base is:

- from 1 to 120 horsepower - 200 drams per horsepower;

- from 121 to 250 horsepower - 300 drams per horsepower and additional 1,000 drams for each horsepower above 150 horsepower;

- 251 horsepower and more - 500 drams per horsepower and additional 1,000 drams for each horsepower above 150 horsepower.

2) motor cars and trucks with 10 and more passenger seats, if tax base is:

- From 1 to 200 horsepower - 100 drams per horsepower;

- 201 and more horsepower - 200 drams per horsepower.

2. The annual amount of property tax on motorcycles is calculated at the rate of 40 drams for each horsepower of tax base.

3. The annual rate of property tax on watercrafts is calculated at 150 drams for each horsepower of tax base.

4. The property tax on motor vehicles used up to three years is calculated at 100%.

The amount of property tax on motor vehicles used for more than three years is reduced for each year following the third year by 10% but no more than 50% of tax amount. The time in use is calculated from the date when that motor vehicle was produced.

5. Property tax on trucks for more than 20 years in use shall not be calculated and paid.

6. If the tax base of motor vehicles stated in this article is kilowatt, the annual amount of property tax is determined by applying 1.36 ratio to certain rate.

## **Chapter III. Property Tax Calculation and Payment**

### ***Article 8. Commencement and Termination of Property Tax Liabilities***

1. Property tax liability commences from the first of the month following that when ownership right to the object liable to property tax or its part commenced. Property tax liability terminates from the first of the month following that when ownership right to the object liable to property tax or its part terminated.

2. Irrespective of provisions of part 1 of this article:

1) Property tax liability for non-registered by ownership rights stated in the clause 4 of article 5 of this law taxable objects commences from the first of the month following that when the latter were registered with the body authorized to run real estate cadastre and assessment data were provided to the property taxpayers' registration body (hereinafter registration body). In the event the ownership rights are not registered, property tax liability for these taxable objects terminates from the first of the month following that when these objects were removed from real estate cadastre.

2) In case the taxable object possessed by an individual or its part is alienated:

- the new owner assumes outstanding tax liabilities for this taxable object as of the moment of alienation;

- in case of the property tax payments on the taxable object made as of the alienation day for the period following that day, the new owner shall incur the property tax liability for the taxable object from the first of the month following that period.

3) If an individual owning the taxable object passes away, the new owner assumes property tax liabilities calculated for the taxable object from the day of an individual's decease by the month inclusive when ownership (inheritance) is registered in compliance with the procedure provisioned by the RA laws.

4) If the property right to the taxable object commences from the court ruling, decision or legal act, the taxpayer calculates and pays property tax for the period when the property has been transferred to his or her possession.

3. The taxpayers calculate on their own property tax on the basis of tax base and relevant rates stipulated in this law and taking into account privileges granted by current legislation. The taxpayer shall submit to the registration body the documents supporting his or her right to tax privileges.

The documents supporting property right to the object liable to property tax and, in cases specified by article 5, clause 4, also the information on their accounting shall be taken as a basis for property tax calculation (commencement of tax liabilities).

4. Any restriction imposed in compliance with the RA laws on the property that is a taxable object may not be a reason for non-declaration of property tax.

### ***Article 9. Property Tax Calculation for Organizations***

1. The property tax reporting period for organizations is a quarter of the reporting year.

2. Up to the 25th of the month following the reporting quarter the organizations paying property tax shall submit quarterly property tax calculation forms:

1) for constructions considered to be the taxable objects - to the registration body of the constructions' location separated according to communities;

2) for vehicles considered as taxable objects - to the registration body of the organization.

### ***Article 10. Property Tax Calculation for Individuals***

1. The property tax reporting period for individuals is a calendar year.

2. The individuals paying property tax may calculate on their own property tax and submit annual declarations by October 1 inclusive of the reporting year:

1) For a construction considered a taxable object - to the registration body of construction's location;

2) For vehicles considered the taxable objects - to the accounting body of the taxpayer's accounting/registration district. If there is no registration, the declarations are to be submitted to the registration body of the taxpayer's permanent place of residence. If the place of registration or permanent residence is outside the Republic of Armenia, the declarations are to be submitted to the registration body of a vehicle's registration place.

3. Based on data of registration and assessment carried out by the real estate cadastre body and those on vehicles registered by an authorized body, the registration bodies calculate the amounts of property tax on individuals constructions for the next three years and those on vehicles for a current year.

Starting from January 1, 2003 the local governments may calculate property tax on constructions and vehicles owned by individuals submitting the property tax "calculation request" for the tax body's approval as determined by the Government of Armenia decree and assuming as a basis the data on registration and assessment of constructions as well as those on vehicles submitted respectively by the real property cadastre and the authority responsible for registration of vehicles.

Based on data presented in compliance with the provisions of article 14 of this law or their own calculations made with a prior consent of the tax bodies, the local governments shall send property tax bills in confirmed order to the individuals paying property tax before December 1 of that year.

In the event that the individuals disagree with the property tax calculation in tax bills, they may apply for its adjustment to the bodies authorized to register and provide information for property tax calculation.

4. The failure to present tax bills or delay does not release a taxpayer from the obligation to pay tax liabilities in full.

#### ***Article 11. Property Tax Calculation Procedures for Common Ownership***

Property tax for the object liable to property tax and possessed by the property taxpayers by a common ownership right is calculated from the total value of a taxable object (or the motor power) and calculations made in compliance with the articles 9 and 10 of this law as well as data on other co-owners required in the declarations are submitted:

- 1) In case of general shared ownership - by each co-owner (property taxpayer) proportionately to his or her share or at least by one of them;
- 2) In case of general joint ownership - by one co-owner (property taxpayer);
- 3) If under general joint ownership at least one of the co-owners is an organization, irrespective of clause 2 of this article - by organization(s).

#### ***Article 12. Corrected/Adjusted Property Tax Declarations***

If before the tax audit property taxpayers detect on their own the errors in property tax calculations made for the previous reporting period, they may present property tax adjustment declaration(s) based on which the registration body shall recalculate the tax liabilities.

#### ***Article 13. Procedure and Terms for Property Tax Payment***

1. The organizations pay calculated amounts of property tax in compliance with the part 3 of this article to a relevant budget each quarter by and including the first of the second month following that quarter.

2. The individuals pay annual amounts of property tax in compliance with the part 3 of this article to a relevant budget by and including December 1 of the reporting year, except the case stipulated in part 4 of this article.

3. In compliance with the procedure and in proportions provisioned by the RA legislation, property tax amount is paid:

- 1) For constructions located within administrative boundaries of the community - to community budget of taxable object' s location, while for those outside the community administrative borders - to the RA state budget;
- 2) For vehicles considered the taxable objects - to the community budget of the taxpayer organization's location

(registration place).

The individual who owns a vehicle pays property tax to the community budget of his or her registration place. If there is no registration, property tax is paid to budget of his or her place of permanent residence. If the place of an individual's permanent residence is outside the Republic of Armenia, property tax is paid to the community budget of the vehicle's permanent location place.

4. The individuals shall pay in full tax liabilities for property tax on vehicles subject to annual technical inspection before presenting the vehicles for that year's annual technical checking.

The registration body provides the taxpayer with a document certifying that there are no any liabilities for tax on vehicles, which is being submitted to the bodies carrying out technical inspection of vehicles.

#### ***Article 14. Provision of Information and Collection of Property Taxes***

1. In compliance with the procedure set by the Government of Armenia

1) Information on construction units considered the taxable objects and their assessment figures as well as that on vehicles is submitted by the bodies authorized to carry out state registration of the foregoing property to the registration body;

2) Tax bodies and local governments exchange information on calculation of property tax liabilities, property tax collection and payment records;

3) Local governments submit information on current records to the real estate cadastre body.

2. Taxpayers may receive the necessary information from the authorized bodies stipulated in clause 1 of this article to calculate property tax in compliance with the law.

3. The RA local governments shall carry out tax collection responsibility as that devolved by the state.

### **Chapter IV. Property Tax Privileges**

#### ***Article 15. Property Tax Privileges***

1. The following are exempt from property tax:

1) Line engineering and transportation construction units stated as such in the RA laws if they are free of charge;

2) Storage reservoirs;

3) Constructions defined by the RA laws as being state-owned and having historical-cultural importance and according to the list approved by the Government of Armenia;

4) Property owned by persons lost (deceased) in defensive military operations for the Republic of Armenia, missed while performing official duties, and those recognized in compliance with law as absent for unknown reasons or deceased (or to the family members) before one of those persons children has attained the age of 18.

2. The persons serving in the RA and other troops, and those on mandatory fixed term service in the armed forces of allied countries in accordance with the RA international contracts are exempt from property tax during their full term of service in terms of:

1) Taxable object owned by them in ownership right;

2) Taxable object's share belonged to them, in case of general shared ownership;

3) Taxable object owned by them by the general joint ownership right, if the other co-owners are under age or disable persons.

The privilege provisioned in this part is granted unless the taxable object is leased or provided to trust management during service in armed forces.

3. The property tax privileges may be determined by the community council through the procedure set by the Government of Armenia.

The amount of privileges set by the community council may not exceed 10% of property tax revenues in the

community budget approved for that year.

No additional subsidies shall be provided from the RA State budget to the community budgets for the property tax privileges set by the community council.

4. Other privileges in terms of property tax may be defined by the law.

#### ***Article 16. Commencement or Termination of Property Tax Privileges in Reporting Year***

1. The taxpayer having privilege during the reporting period is being exempt from property tax from the first of the month when this privilege was granted.

2. If the property tax privilege is terminated during the reporting period, property tax is calculated from the first of the month following that when the privilege was terminated.

### **Chapter V. Concluding Provisions**

#### ***Article 17. Accountability for Violation of this Law***

1. In compliance with the RA laws, the taxpayers who violated this law, authorized bodies, local governments, and their officials who provided incorrect information for property tax declaration shall be held accountable.

2. The taxpaying organizations who concealed the tax base or underreported it shall be held accountable for concealing the tax base or underreporting it in compliance with the law.

3. In cases where the requirements stated in the articles 9 and 11 of this law are violated, the organizations shall pay a penalty at 5% of property tax non-paid to a relevant budget for every 15 days following the term set by this law for organizations to submit declaration forms, but no more than the total amount of property tax.

#### ***Article 18. Departmental Normative Acts on the Law Enforcement***

Within the frames of powers entitled to them in accordance with the RA Legislation, the State Tax Service of the GRA with the consent of the RA Ministry of Finance and Economy shall adopt departmental normative acts referring the enforcement of this law, while the departmental acts on the [Appendix](#) of this law shall be approved by the real estate authorized cadastre body with the consent of the RA Ministry of Finance and Economy and the State Tax Service of the GRA.

### **Chapter VI. Transitional Provisions**

#### ***Article 19. Validity of Fixed Term Privileges***

Before the enforcement of this law, the fixed term privileges provided in compliance with the RA law "On Property Tax" (dated 1995, February 3, No129), last paragraph of article 10, shall be valid before the expiry of their term.

#### ***Article 20. Enactment of the Law***

1. This law comes into force from January 1, 2003.

2. From the moment this law takes effect, declare invalid the RA law on Property Tax, AL-187, December 27, 1997.

#### ***Article 21. Assessment of Constructions' Tax Base***

In accordance with the assessment procedure stated in the [Appendix](#) that is an indispensable part of this law:

1) The residential constructions and those for public and production use shall be assessed as of July 1, 2004;

2) The newly built residential buildings, non-residential premises of residential apartment houses, and

residential buildings among the constructions stated in the article 4, part 1, clause 8 of this law shall be assessed from January 1, 2003.

#### **Article 22. Constructions' Property Tax Rates for 2003-2004**

1. The 2003-2004 property tax on buildings for public and production use owned by the individuals shall be paid at the rate calculated for those buildings for 2002.

The property tax for 2003-2004 on other constructions stated in article 4 of the this law, deemed to be the taxable objects, and owned by the individuals shall be calculated and paid based on the value assessed as prescribed by the procedure for the constructions assessment before this law takes effect, while that for the constructions stated in the article 21, clause 2 of this law - according to the assessment values stated in the [Appendix](#) that is an indispensable part of this law and the annual rates set by the article 6, part 2, clause 3 of this law.

2. The property tax on constructions owned by the organizations is calculated from the residual value of recorded in terms of cost in balance sheets (financial statements), but no less than 20% of their initial (acquisition) cost, and:

- 1) the 2003-2004 property tax for buildings of public and production use shall be calculated at 0.6% annual rate;
- 2) the property tax for 2003-2004 on the other constructions stated in the article 4 of this law shall be calculated at the annual rates stipulated in the article 6, clauses 2 and 3 of this law.

#### **Article 23. The Registration Bodies of Property Taxpayers**

In the context of this law, the registration bodies are as follows:

- 1) the RA Tax bodies - before January 1, 2006;
- 2) the RA local government - starting from January 1, 2006.

The procedures for registration of the property tax payers by the RA local governments shall be defined by the RA Government.

**President of the Republic of Armenia**  
**Robert Kocharyan**

**30 December 2002**  
**AL-491**

**RA Property Tax Law**  
**Appendix**

### **ASSESSMENT OF BUILDINGS AND CONSTRUCTIONS**

#### **1. Assessment of Apartments in Residential Apartment Houses**

1.1 The cadastre assessment value of the apartments in apartment houses is calculated by the following formulae:

$$V=V_s \times S \times R_z \times R_c \times R_h \times R_f \times R_{dl} \times R_d \times R_{cl}$$

$V_s$  - Value of one sq.m. of the construction units' total space according to the Table 1.

$S$  - Total space in sq.m. of the apartments under assessment

$R_z$  - Location (area assessment zoning) Ratio



- Rc - Ratio related to ceiling
- Rh - Ratio related to the height of floors
- Rf - Ratio related to the number of floors
- Rd - Ratio related to the apartment's damage level
- Rd - Ratio related to the construction's depreciation (time in use)
- Rcl - Ratio related to the construction's completion level.

1.2. In order to assess the apartments in multi-flat dwelling buildings:

a) The value of one sq.m. (Vs) of the flat is set at the following rates:

Table 1

For reinforced concrete constructions	230,000 drams
For stone constructions	255,000 drams

b) Location (area assessment zoning) ratios (Rz) are set by the Government of Armenia within the following range:

Table 2.

Marz (Yerevan)	minimum	maximum
Yerevan	0.17	1.0
Kotayk	0.055	0.26
Armavir and Ararat	0.044	0.32
Aragatsotn	0.035	0.32
Shirak	0.035	0.21
Lori	0.035	0.26
Tavush	0.035	0.17
Syunik, Vayots Dzor and Gegharkunik	0.035	0.13

- c) Ratio related to flat's ceiling (Rc):
  - For ferro-concrete ceiling 1.0
  - For wooden ceiling 0.9
- d) Ratio related to the height of floors (Rh):
  - For floors with up to 2.7 m. height 0.9
  - For those with from 2.7 m. to 3.0 m. height 1.0
  - For floors with more than 3.0 m. height 1.1
- e) Ratio related to the number of floors (Rf):
  - For the first floor 0.95
  - From the 2nd to 5th floor 1.0
  - From the 6th to 9th floor 0.9
  - For 10th and higher floors 0.8
  - For the last floor additionally 0.95
  - For basement 0.5

- For semi-basement 0.65
  - For garret (attic) 0.7
- f) Ratio related to the construction's damage level (Rdl):
- "0" level of constructions' damage 1.0
  - 1st and 2nd level of constructions' damage 0.95
  - 3rd level of constructions' damage 0.5
  - 4th level of constructions' damage 0.0
- g) Ratio related the construction's depreciation (time in use):
- Up to 6 years in use 1.0
  - From 7 to 9 years in use 0.94
  - From 10 to 12 years in use 0.91
  - From 13 to 15 years in use 0.88
  - From 16 to 18 years in use 0.85
  - From 19 to 21 years in use 0.82
  - From 22 to 24 years in use 0.79
  - From 25 to 27 years in use 0.76
  - From 28 to 30 years in use 0.73
  - From 31 to 40 years in use 0.70
  - 41 years and more in use 0.60
- h) Ratio related to the apartment's completion level (Rcl):
- Up to 50% completion level 0.5
  - From 50% to 80% completion level 0.7
  - 80% and more completion level 1.0

## 2. Assessment of Detached Houses, Garden Houses, and Add-Ons

2.1. The cadastre assessment value of detached houses, garden-houses, and add-ons is calculated by the following formulae:

$$V=[(V1 + V2 +...Vn) + (Vop \times Sop \times Rd) + (Vf \times Sf \times Rdl)] \times Rz$$

in which:

V1, V2,...Vn - the values of 1st, 2nd, and the next floors (including basement, semi-basement, garret), which are calculated by the following formulae:

$$Vn = Vc \times Sc \times Rf \times Rc \times Rd \times Rr \times Rp \times Re \times Rdl \times Rcl$$

in which:

Vc - Value of one cubic m. of detached houses, garden houses, and add-on (except fences and open porches) constructions according to chart 2

Sc - Size of detached houses, garden-houses, and add-ons (except fences and open porches) in cubic m.

Vop - Value of one sq.m. of open porches of detached houses and garden-houses

Sop - Size of open porches of detached houses and garden-houses in sq.m.

Vf - Value of one cubic m. of detached houses, garden-houses and adjacent fences (?)

Sf - Size of detached houses, garden-houses, and adjacent fences in cubic m. (?)

Rz - Ratio related to location (area assessment zoning)

Rf - Ratio related to the number of floors

Rc - Ratio related to construction's ceiling

Rd - Ratio related to depreciation (time in use)

Rr - Ratio related to the type of roofing

Rp - Ratio related to construction's purpose

Re - Ratio related to external facing

Rdl - Ratio related to a construction's damage level

Rcl - Ratio related to a construction's completion level

2.2. In order to assess detached houses, garden-houses and add-ons:

a) The value of construction unit's (except fences and open porches) one cubic m. (Vc) is set as follows:

Table 2

for basalt constructions	95,000 dram
for tuff constructions	85,000 drams
for metal-concrete constructions	65,000 drams
for brickwork or hollow small blocks' constructions	45,000 drams
for wooden constructions	50,000 drams
for rubble stone, rough stone (other stone) constructions	40,000 drams

b) The value of one sq.m. of open porches in detached houses and garden-houses (Vop) is set at 5,000 drams.

c) The value of one cubic m. of fences adjacent to detached houses and garden-house (Vf) is set as follows:

for basalt fences	20,000 dram
for tuff fences	18,000 drams
for metal-concrete fences	15,000 drams

d) Location (area assessment zoning) ratio (Rz) is set by the Government of Armenia within the following range:

Marz (Yerevan)	minimum	maximum
Yerevan	0.17	1.0
Kotayk	0.055	0.26
Armavir and Ararat	0.044	0.32
Aragatsotn	0.035	0.32
Shirak	0.035	0.21
Lori	0.035	0.26
Tavush	0.035	0.17
Syunik, Vayots Dzor and Gegharkunik	0.035	0.13

e) Ratio related to the number of floors (Rf):

- for the first and next floors 1.0

- for semi-basement floors 0.65

- for basement floors 0.5
- for garrets (attics) 0.7

f) Ratio related to the type of ceiling (Rc):

- for concrete ceiling 1.0
- for wooden ceiling 0.9

g) Ratio related to depreciation (time in use) (Rd):

- Up to 6 years in use 1.0
- From 7 to 9 years in use 0.94
- From 10 to 12 years in use 0.91
- From 13 to 15 years in use 0.88
- From 16 to 18 years in use 0.85
- From 19 to 21 years in use 0.82
- From 22 to 24 years in use 0.79
- From 25 to 27 years in use 0.76
- From 28 to 30 years in use 0.73
- From 31 to 40 years in use 0.70
- 41 years and more in use 0.60

h) Ratio related to the type of roofing (Rr):

- Tiled roof 1.05
- Tin-plated roof 1.0
- Slated roof 0.9
- Other materials 0.85

i) Ratio related to the construction's purpose (Rp):

- Residential house and garden (summer) house 1.0
- Add-ons of residential house and garden-house 0.5

j) Ratio related to external facing (Re):

- For constructions without facing 1.0
- For each trim side of a construction unit without facing 1.05
- For each coated side of a construction unit with facing 1.025
- For each plastered side of a construction with facing 1.01

k) Ratio related to the level of damage (Rdl):

- "0" level of damage 1.0
- 1st and 2nd level of damage 0.95
- 3rd level of damage 0.5
- 4th level of damage 0.0

l) Ratio related to the completion level (Rcl):

- Up to 50% completion level 0.5
- From 50% to 80% completion level 0.7
- 80% and more completion level 1.0

### 3. Assessment of Detached Constructions for Public Use

3.1 The cadastre assessment value for detached constructions for public use is calculated by the following formulae:

$$V = [(V1 + V2 + \dots + Vn) \times Rcs + (Vf \times Sf \times Rd)] \times Rz$$

(V1 + V2 + ...+Vn) - Value of the first and next floors, including basement, semi-basement, technical floor and garret, which is calculated by the following formulae:

where:

(V1 + V2 + ...+Vn) - Value of the first and next floors, including basement, semi-basement, technical floor and garret, which is calculated by the following formulae:

$$Vn + Vc \times Sc \times Rf \times Rd \times Rdl \times Rr \times Rc \times Rcl \times Re \times Rp$$

where:

Vc - Value of one cubic m. of construction

Sc - Size of construction in cubic m.

Vf - Value of one cubic m. of adjacent fences

Sf - Size of adjacent fences in cubic m.

Rz - Ratio related to location (area assessment zoning)

Rf - Ratio related to the number of floors

Rd - Ratio related to depreciation (time in use)

Rdl - Ratio related to a construction's damage level

Rr - Ratio related to a type of roofing

Rc - Ratio related to a construction's ceiling

Rcl - Ratio related to a construction's completion level

Re - Ratio related to external facing

Rp - Ratio related to construction's purpose

Rcs - Additional ratio related to construction's size

3.2 In order to assess the detached constructions for public use:

a) Value of one cubic m. of a construction unit (except fences) (Vc) is set as follows:

Table 3

for basalt constructions	147,000 dram
for tuff constructions	27,000 drams
for metal-concrete constructions	100,000 drams
for wooden constructions	84,000 drams
for rough stone (regardless the stone-type) constructions	67,000 drams
for brickwork or hollow small block constructions	71,000 drams
for metal constructions	100,000 drams

b) Value of one cubic m. of adjacent fences (Vf) is set as follows:

for basalt fences	25,000 dram
for tuff fences	22,000 drams
for metal-concrete fences	18,000 drams

c) Location (area assessment zoning) ratio (Rz) is set by the Government of Armenia within the following range:

Marz (Yerevan)	minimum	maximum
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Yerevan	0.17	1.0
Kotayk	0.055	0.26
Armavir and Ararat	0.044	0.32
Aragatsotn	0.035	0.32
Shirak	0.035	0.21
Lori	0.035	0.26
Tavush	0.035	0.17
Syunik, Vayots Dzor and Gegharkunik	0.035	0.13

d) Ratio related to the number of floors (Rf):

- for the 1st floor 1.0
- for the 2nd and next floors 0.9
- for semi-basement floors 0.65
- for basement floors 0.5
- for garrets and technical floors 0.7

e) Ratio related to depreciation (time in use) (Rd):

- Up to 6 years in use 1.0
- From 7 to 9 years in use 0.94
- From 10 to 12 years in use 0.91
- From 13 to 15 years in use 0.88
- From 16 to 18 years in use 0.85
- From 19 to 21 years in use 0.82
- From 22 to 24 years in use 0.79
- From 25 to 27 years in use 0.76
- From 28 to 30 years in use 0.73
- From 31 to 40 years in use 0.70
- 41 years and more in use 0.60

f) Ratio related to the level of damage (Rdl):

- "0" level of damage 1.0
- 1st and 2nd level of damage 0.95
- 3rd level of damage 0.5
- 4th level of damage 0.0

g) Ratio related to the type of roofing (Rr):

- Tiled roof 1.05
- Tin-plated roof 1.0
- Slated roof 0.9
- Other materials 0.85

h) Ratio related to the type of ceiling (Rc):

- for ferro-concrete ceiling 1.0
- for wooden ceiling 0.9

i) Ratio related to the completion level (Rcl):

- Up to 50% completion level 0.5
- From 50% to 80% completion level 0.7
- 80% and more completion level 1.0

j) Ratio related to external facing (Re):

- For constructions without facing 1.0
- For each trim facade of a construction unit without facing 1.05
- For each coated facade of a construction unit with facing 1.025
- For each glazed facade of a construction unit with facing 1.05
- For each plastered facade of a construction with facing 1.01

If more than 50% of a construction unit's facade is glazed, this side is considered a glazed one.

k) Ratio related to the construction's purpose (Rp):

- For constructions of scientific, trainings and educational significance 0.7
- For constructions of other public significance 1.0

(The list of constructions of scientific, trainings and educational significance shall be approved by the Government of Armenia).

l) Additional ratio related to constructions' size (Rcs) is set as follows:

- If the size/volume is up to 3,000 cubic m. 1.00
- If the size/volume is from 3,001 to 6,000 cubic m.: 0.95
- If the size is from 6,001 to 9,000 cubic m.: 0.90
- If the size is from 9,001 to 12000 cubic m.: 0.85
- 12001 cubic m and more 0.80

The additional coefficient connected with the size of volume (Rcs) is applied to the summary amount/magnitude of the volumes present in all stores.

#### **4. Assessment of Detached Constructions for Production Use**

4.1 The cadastre assessment value of detached constructions for production purpose is calculated by the following formulae:

$$V = [(V1 + V2 + \dots + Vn) \times Rcs + (Vf \times Sf \times Rd)] \times Rz$$

Where:

(V1 + V2 + ... + Vn) - Value of construction units for production purpose (production, administrative, and storage facilities as well as other premises for production and non-production use) is calculated by the following formulae:

$$Vn = Vc \times Sc \times Rd \times Rdl \times Rr \times Rc \times Rf \times Rcl \times Rp$$

Where:

Vc - Value of one cubic m. of constructions for production purpose (production, administrative, and storage facilities as well as other premises for production and non-production use)

Sc - Size of constructions for production purpose (production, administrative, and storage facilities as well as other premises for production and non-production use) in cubic m.

Vf - Value of one cubic m. of fences adjacent to constructions for production purpose

Sf - Size of fences adjacent to the constructions for production purpose in cubic m.

Rz - Ratio related to location (area assessment zoning)

Rd - Ratio related to depreciation (time in use)

Rdl - Ratio related to a construction's damage level

Rr - Ratio related to a type of roofing

- Rc - Ratio related to a construction's ceiling
- Rf - Ratio related to the number of floors
- Rcl - Ratio related to a construction's completion level
- Rp - Ratio related to a construction's purpose
- Rcs - Additional ratio related to construction's size

4.2 In order to assess detached constructions for production purpose and the adjacent fences:

a) Value of one cubic m. of construction (except fences) (Vc) is set as follows:

Table 4

for stone, metal-concrete constructions	22,000 dram
for wooden constructions	15,000 drams
for metallic constructions	19,000 drams

b) Value of one cubic m. of adjacent fences (Vf) is set as follows:

- for basalt fences 10,000 drams
- for tuff fences 9,000 drams
- for concrete fences 7,500 drams

c) Location (area assessment zoning) ratio (Rz) is set by the Government of Armenia within the following range:

Marz (Yerevan)	minimum	maximum
Yerevan	0.17	1.0
Kotayk	0.055	0.26
Armavir and Ararat	0.044	0.32
Aragatsotn	0.035	0.32
Shirak	0.035	0.21
Lori	0.035	0.26
Tavush	0.035	0.17
Syunik, Vayots Dzor and Gegharkunik	0.035	0.13

d) Ratio related to depreciation (time in use) (Rd):

- Up to 6 years in use 1.0
- From 7 to 9 years in use 0.94
- From 10 to 12 years in use 0.91
- From 13 to 15 years in use 0.88
- From 16 to 18 years in use 0.85
- From 19 to 21 years in use 0.82
- From 22 to 24 years in use 0.79
- From 25 to 27 years in use 0.76
- From 28 to 30 years in use 0.73
- From 31 to 40 years in use 0.70
- 41 years and more in use 0.60

e) Ratio related to the level of damage (Rdl):

- "0" level of damage 1.0
- 1st and 2nd level of damage 0.95



- 3rd level of damage 0.5
- 4th level of damage 0.0

f) Ratio related to the type of roofing (Rr):

- Tiled roof 1.05
- Tin-plated roof 1.0
- Slated roof 0.9
- Other materials 0.85

g) Ratio related to the type of ceiling (Rc):

- for ferro-concrete ceiling 1.0
- for wooden ceiling 0.9

h) Ratio related to the number of floors (Rf):

- for the 1st floor 1.0
- for the 2nd and next floors 0.9
- for semi-basement floors 0.65
- for basement floors 0.5
- for garrets and technical floors 0.7

i) Ratio related to the completion level (Rcl):

- Up to 50% completion level 0.5
- From 50% to 80% completion level 0.7
- 80% and more completion level 1.0

j) Ratio related to the construction's purpose (Rp):

- For industrial facilities 1.0
- For agricultural facilities 0.6

(The list of constructions classified by purpose is approved by the Government of Armenia.)

k) Additional ratio related to constructions' size (Rcs) is being set as follows:

- For up to 3,000 cubic m. 1.0
- For more than 3,001 and up to 6,000 cubic m. 0.95
- For more than 6,001 and up to 9,000 cubic m. 0.9
- For more than 9,001 and up to 12000 cubic m. 0.85
- For 12001 cubic m and more 0.80

The additional coefficient connected with the size of volume (Rcs) is applied to the summary amount/magnitude of the volumes present in all storeys.

## **5. Assessment of Constructions for Public and Production Use Located in Residential Buildings**

5.1. The cadastre assessment value of construction units for public and production use located in apartment houses is calculated by the following formulae:

$$V = (V1 + V2 + \dots + Vn) \times Rz$$

Where:

(V1 + V2 + ... + Vn) - Value of the first and next floors, including basement, semi-basement, technical floor, and garret, which is calculated by the following formulae:

$$V_n + V_c \times S_c \times R_f \times R_d \times R_{dl} \times R_{cl} \times R_c \times R_e \times R_p$$

Where:

V<sub>c</sub> - Base value of one cubic m. by the type of construction unit

S<sub>c</sub> - Size of the object under assessment in cubic m.

R<sub>z</sub> - Ratio related to location (area assessment zoning)

R<sub>f</sub> - Ratio related to the number of floors

R<sub>dl</sub> - Ratio related to an object's damage level

R<sub>d</sub> - Ratio related to depreciation (time in use)

R<sub>cl</sub> - Ratio related to a construction's completion level

R<sub>c</sub> - Ratio related to a construction's ceiling

R<sub>e</sub> - Ratio related to the object's external facing

R<sub>p</sub> - Ratio related to a construction's purpose

5.2 In order to assess objects for public and production use located in residential apartment houses:

a) Base value of one cubic m. of a construction unit (V<sub>c</sub>) is set as follows:

Table 5

for objects located in stone constructions	127,000 drams
for objects located in metal-concrete constructions	100,000 drams

b) Location (area assessment zoning) ratio (R<sub>z</sub>) is set by the Government of Armenia within the following range:

Marz (Yerevan)	minimum	maximum
Yerevan	0.17	1.0
Kotayk	0.055	0.26
Armavir and Ararat	0.044	0.32
Aragatsotn	0.035	0.32
Shirak	0.035	0.21
Lori	0.035	0.26
Tavush	0.035	0.17
Syunik, Vayots Dzor and Gegharkunik	0.035	0.13

c) Ratio related to the number of floors (R<sub>f</sub>):

- for the 1st floor 1.0
- for the 2nd and next floors 0.9
- for semi-basement floors 0.65
- for basement floors 0.5
- for garrets and technical floors 0.7

d) Ratio related to the level of damage (R<sub>dl</sub>):

- "0" level of damage 1.0
- 1st and 2nd level of damage 0.95
- 3rd level of damage 0.5
- 4th level of damage 0.0

e) Ratio related to depreciation (time in use) (R<sub>d</sub>):

- Up to 6 years in use 1.0
- From 7 to 9 years in use 0.94

- From 10 to 12 years in use 0.91
- From 13 to 15 years in use 0.88
- From 16 to 18 years in use 0.85
- From 19 to 21 years in use 0.82
- From 22 to 24 years in use 0.79
- From 25 to 27 years in use 0.76
- From 28 to 30 years in use 0.73
- From 31 to 40 years in use 0.70
- 41 years and more in use 0.60

f) Ratio related to the completion level (Rcl):

- Up to 50% completion level 0.5
- From 50% to 80% completion level 0.7
- 80% and more completion level 1.0

g) Ratio related to the type of ceiling (Rc):

- for ferro-concrete ceiling 1.0
- for wooden ceiling 0.9

h) Ratio related to external facing (Re):

- For constructions without facing 1.0
- For each trim facade of a construction unit without facing 1.05
- For each coated facade of a construction unit with facing 1.025
- For each glazed facade of a construction unit with facing 1.05
- For each plastered facade of a construction with facing 1.01

If more than 50% of a construction unit's facade is glazed, this side is considered a glazed one.

i) Ratio related to the construction's purpose (Rp):

- For constructions of scientific, trainings and educational significance 0.7
- For constructions of other public significance 1.0

(The list of constructions of scientific, trainings and educational significance shall be approved by the Government of Armenia).

## **6. Final Provisions**

6.1. Each unit (floor) of constructions shall be assessed separately.

6.2. Garages are assessed by the procedure set for add-ons adjacent to detached residential houses. For assessment of metallic constructions the value of a construction unit made of stone shall be taken as an initial indicator.

6.3. For assessment of outdoors tents the value of one sq.m. of open porch is taken as an initial indicator.

6.4. The ratio related to the type of constructions' roofing (Rr) is applied for assessment of constructions' last floors.

6.5. The ratio related to the damage level (Rdl) is applied, if technical conclusion is provided in the order

specified by the RA Legislation.

6.6. Construction units adjacent to detached main constructions for production and public use (hangars, cooling-houses, ponds, glass-houses, tents, etc) are assessed by procedure set for detached constructions for public and production use.

6.7. If for assessment of constructions for public and productions use the total size is above 3,000 cubic m., the additional ratio shall be applied (Rcs). The total size of constructions for public and production use is divided according to the ranges mentioned above and each range is assessed separately.

6.8. Non-residential premises in residential apartment houses (except those for public and production use located in apartment houses) are assessed by the procedure set for apartments of residential apartment houses

6.9. The location (valuation zones) coefficients mentioned in the present regulation shall be determined by the GRA with streets and special guides.

6.10. The constructions of 4th level of damage mentioned in the present regulation shall not be valued.

03.12.2003

06.12.2004

04.10.2005

28.11.2006

19.03.2007

30.04.2008

26.12.2008

26.12.2008

07.04.2009

15.11.2010

08.12.2010

11.05.2011

25.05.2011

08.12.2011

21.03.2012

12.11.2013

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