

By PwC Deutschland | 02. November 2025

# Payment for an eco-account in connection with the purchase of property is subject to real estate transfer tax

**The payment for an eco-account connected to the property under state law is part of the consideration for the purchase of the property and must be included in the assessment basis for real estate transfer tax. This was decided by the Supreme Tax Court in a most recent judgment.**

## Background

In the appeal proceedings, it was in dispute whether the so-called “eco-account” associated with the property and taken over by the purchaser in return for payment, and the “eco-points” credited to the account were consideration for the purchase of the property and subject to real estate transfer tax. The eco-account and the eco-points represent a special property status under nature conservation law.

The plaintiff was a participant in the accelerated consolidation procedure under the Land Consolidation Act (Flurbereinigungsgesetz - FlurbG). To implement planned nature conservation measures, the plaintiff acquired several plots of land in 2020. For that measure the plaintiff paid a settlement amount for the purchase of the land.

For one of these plots, the previous owner had set up an eco-account in accordance with the Ordinance on the Management of Eco-Accounts.

The eco-points are not an economic asset that is separate from the property, but rather, according to their intention and purpose, merely an instrument for describing the condition of a property and accelerating intervention projects in which corresponding compensation measures are to be carried out. According to the tax court of first instance, the eco-points cannot be traded independently from the property.

## Decision

The Supreme Tax Court followed this interpretation in the specific case and confirmed the decision of the lower tax court.

The Supreme Tax Court went on to explain that the acquisition of ownership of a plot of land as part of a land reallocation and consolidation procedure (process of compulsory expropriation) is also subject to real estate transfer tax. According to Section 1 of the Land Consolidation Act, land consolidation is the reorganization of rural land ownership to improve production and working conditions in agriculture and forestry and to promote general land cultivation and land development. Upon commencement of the new legal status, ownership of the affected properties is transferred to the purchaser by virtue of an official administrative declaration.

The Supreme Tax Court further held that **the transfer of ownership was**

**not tax-exempt** under Section 1 (1) No. 3 Sentence 2 Letter a Real Estate Transfer Act. This provision exempts the transfer of ownership in land as compensation and the allocation of land free of charge for common facilities under a process of compulsory expropriation (...).

However, the plaintiff's acquisition of ownership of the land in question does not represent compensation for land which is exempt from real estate transfer tax. Compensation for land within the meaning of this provision requires compensation for the loss of ownership of land that a party involved in the land consolidation procedure has brought into the procedure. Rather, it was land that was no longer needed for compensation because other participants in the land consolidation procedure had waived their right to compensation. The allocation of such land to the plaintiff therefore did not serve as land compensation but rather constituted the acquisition of additional land.

### **Source:**

Supreme Tax Court, decision of 4 June 2025 II R 47/22 - published on 30 October 2025.

### **Schlagwörter**

Taxation of real estate, sale of property