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Meta Description	Complete guide to Uruguay property taxes for international buyers. Learn about Primary Residence Tax, IRNR, Wealth Tax, transfer costs and tax residency rules.

Uruguay Property Taxes Explained

Buying property in Uruguay offers international investors access to a stable South American market with attractive coastal real estate and a welcoming attitude toward foreign ownership. Before you commit to a purchase, understanding the tax obligations that come with Uruguayan property ownership is essential. Unlike many Latin American countries, Uruguay has a transparent and relatively straightforward tax system, but the rates, thresholds and rules differ significantly from those in the UK, US or Europe.

This guide breaks down the main property taxes you'll encounter as a buyer and owner in Uruguay, covering one-off purchase costs, annual obligations and how your residency status affects what you pay.

Quick Reference: Uruguay Property Tax Comparison

Tax Name	Applies To	Rate/Range	Threshold	Frequency	Residency Impact
Primary Residence Tax	All property owners	0.25-1.4% of cadastral value	No threshold	Annual	Residents may access exemptions/reductions
IRNR (Rental Income)	Non-residents with rental	12% of gross rents	No threshold	Annual	Tax residents exempt, pay

Tax Name	Applies To	Rate/Range	Threshold	Frequency	Residency Impact
	income				IRPF instead
IRNR (Deemed Income)	Non-residents with non-rented property	Tax on 2-3% of cadastral value	No threshold	Annual	Tax residents exempt
Wealth Tax (Non-Resident)	Non-residents with Uruguayan assets	0.7% progressive on excess	Approx. USD 100,000-120,000 in assets	Annual	Lower threshold, no primary home exemption
Wealth Tax (Resident)	Tax residents with worldwide assets	0.4-1.5% progressive on excess	Approx. USD 400,000-500,000 in assets	Annual	Higher threshold, partial primary home exemption
Transfer Tax (ITP)	Property buyers	2-4% of purchase price	No threshold	One-time at purchase	No impact

Transfer Taxes and Purchase Costs

When you buy property in Uruguay, you will pay a one-off set of transfer taxes and fees. These are separate from the annual taxes described below but form an important part of your total acquisition cost.

The main charges at purchase include:

Transfer tax (Impuesto de Transmisiones Patrimoniales, or ITP): This is levied on the sale price and is usually around 2% for standard residential properties in urban zones. The rate can reach 3% to 4% for higher-value properties, rural land or certain commercial premises. The exact percentage depends on property type, location and value brackets set by the municipality.

Notary fees: Notaries in Uruguay play a central role in property transactions, and their fees are regulated but can vary. Expect to pay around 1% to 2% of the purchase price for notarial services, including drafting the deed and witnessing the transaction.

Registration fees: Registering the title with the national property registry incurs a fee, typically around 0.2% to 0.5% of the sale price. This is mandatory to secure legal ownership.

Legal fees: Hiring a lawyer to conduct due diligence, review contracts and represent your interests is strongly recommended for international buyers. Legal fees are usually negotiated but often fall in the range of 1% to 1.5% of the purchase price.

In total, closing costs and transfer taxes in Uruguay commonly add up to 4% to 6% of the purchase price. This is comparable to many European markets but higher than some Latin American neighbours.

By custom, most closing costs fall on the buyer, though sellers typically pay real estate agent commissions. Always confirm the allocation of costs in your purchase agreement before signing, as this can be negotiated.

Primary Residence Tax (Contribución Inmobiliaria)

The Primary Residence Tax is Uruguay's equivalent of council tax or property tax. It is charged annually by the local municipality where your property is located and is based on the official cadastral value of the property, not the purchase price.

Cadastral values are set by the local government and are typically lower than market values, which can work in your favour. The exact rate varies by municipality. In Punta del Este and other coastal areas popular with international buyers, rates tend to be higher than in rural locations, reflecting the demand and infrastructure in those zones.

For a residential property, the annual tax might range from 0.25% to 1.4% of the cadastral value, depending on the municipality and the property's classification. Luxury properties and those in prime locations will sit at the higher end of that range. Some municipalities offer small discounts for early payment or for properties occupied by the owner rather than rented out.

If you plan to use the property as your primary residence and qualify for tax residency in Uruguay, you may be able to access exemptions or reduced rates on this tax. However, second homes and investment properties generally pay the standard municipal rate without relief.

Non-Resident Income Tax on Property (IRNR)

If you do not qualify as a tax resident of Uruguay, you are subject to the Non-Resident Income Tax (Impuesto a la Renta de No Residentes, or IRNR). This tax applies in two main scenarios: rental income and deemed income on non-rented property.

Rental Income

If you rent out your Uruguayan property and you are a non-resident, rental income is taxed at a flat rate of 12% of gross rents. Some deductions for expenses may be available depending on how the rental is structured, but most non-residents simply pay the 12% rate on total rental receipts to keep compliance straightforward.

Deemed Income on Non-Rented Property

Uruguay also applies a deemed income tax to non-residents who own property but do not rent it out. The logic is that the property generates a benefit to the owner (the ability to use it), and that benefit is treated as taxable income. The deemed income is calculated as a percentage of the cadastral value, and tax is then applied to that notional income.

At the time of writing, the deemed annual income is usually set at around 2% to 3% of the cadastral value, with the tax charged on that amount at the non-resident rate. This means even if you never set foot in Uruguay during the year, you will owe tax on your property simply by owning it as a non-resident.

Becoming a tax resident eliminates the deemed income obligation and can significantly reduce your annual tax bill, particularly if you own the property purely for personal use.

Wealth Tax (Impuesto al Patrimonio)

Uruguay levies an annual Wealth Tax on individuals whose total net assets in Uruguay exceed a threshold. This tax applies to both residents and non-residents, but the thresholds and rates differ substantially.

Non-Resident Wealth Tax

For non-residents, only assets located in Uruguay are counted. If the combined value of your Uruguayan property, bank accounts, vehicles and other assets exceeds the threshold, you will pay Wealth Tax on the excess.
The threshold for non-residents is typically around USD 100,000 to USD 120,000 in total Uruguayan assets. Once you exceed this threshold, the tax is calculated on a progressive scale. Rates generally start at around 0.7% on the portion of assets above the threshold and can rise to 1% or more for very high-value portfolios.
Non-residents receive no exemption for their primary residence when calculating Wealth Tax, so the full market value of your property counts toward the threshold.

Resident Wealth Tax

Tax residents face a higher threshold, usually in the region of USD 400,000 to USD 500,000 in worldwide assets. This higher threshold reflects Uruguay's goal of attracting high-net-worth individuals to establish residency.
Residents also benefit from lower marginal rates, typically starting around 0.4% and rising progressively to 1.5% for very large fortunes. In addition, residents may claim a partial exemption for their primary residence, which can significantly reduce the taxable asset base.
Wealth Tax is assessed annually and is based on the market value of your assets as of 31 December each year. This means fluctuations in property values or exchange rates can affect your liability from year to year.
For international buyers with significant holdings, Wealth Tax can be one of the larger recurring costs of Uruguayan property ownership. Proper structuring, such as qualifying for tax residency, can substantially reduce this burden.

Tax Residency Requirements and Benefits

Your tax residency status in Uruguay determines which tax regime applies to your property and can materially change your annual costs. Understanding the requirements and benefits of becoming a Uruguayan tax resident is essential for international buyers planning extended stays or relocations.

How to Qualify for Tax Residency

You are generally considered a tax resident of Uruguay if you meet either of the following conditions:
- You spend 183 days or more in Uruguay during the calendar year.
- Your centre of economic interests is in Uruguay, meaning the majority of your income, investments or business activities are based there.

The 183-day rule is the most commonly used measure for individuals. Days do not need to be consecutive, and immigration authorities track entry and exit stamps to verify presence. If you are planning to spend significant time in Uruguay, keeping careful records of your travel dates is advisable.

Benefits of Tax Residency

Becoming a tax resident offers several advantages for property owners:

- **No deemed income tax:** Tax residents are not subject to the IRNR deemed income charge on non-rented property. If you own a home purely for personal use, this eliminates an annual tax bill entirely.
- **Higher Wealth Tax threshold:** Residents enjoy a threshold four to five times higher than non-residents, meaning you can hold significantly more assets before Wealth Tax applies.
- **Access to double tax treaties:** Uruguay has signed double taxation agreements with several countries, including the UK. Residents can use these treaties to avoid being taxed twice on the same income or assets.
- **Lower marginal Wealth Tax rates:** Even above the threshold, residents pay lower rates than non-residents.
- **Primary residence exemptions:** Partial exemptions on your primary home can reduce both Wealth Tax and, in some municipalities, the Primary Residence Tax.

Process for Establishing Residency

To formalise tax residency, you typically need to apply for a resident visa or permanent residency with Uruguayan immigration authorities. This involves proving financial solvency, providing a clean criminal record and demonstrating ties to Uruguay, such as property ownership or employment.

Once you have legal residency status, you must register with the Dirección General Impositiva (DGI), Uruguay's tax authority, and obtain a tax identification number. Professional assistance from an immigration lawyer or tax adviser is strongly recommended to navigate the bureaucracy.

Worked Examples: Annual Tax Burden

Seeing the abstract percentages and thresholds applied to a real scenario helps clarify the total tax picture. Below are two worked examples using the same property under different residency statuses.

Example 1: Non-Resident Owner

You are a UK national who has purchased a coastal apartment in Punta del Este for USD 250,000. The property's cadastral value is assessed at USD 150,000 (60% of market value). You do not rent the property and visit for two to three weeks each year.

Primary Residence Tax: The municipality charges 1% of cadastral value annually.

Annual cost: USD 150,000 × 1% = **USD 1,500**

IRNR Deemed Income Tax: Deemed income is calculated at 2.5% of cadastral value, and tax is applied at the non-resident rate (assume 12% for simplicity).

Deemed income: USD 150,000 × 2.5% = USD 3,750

Tax: USD 3,750 × 12% = **USD 450**

Wealth Tax (Non-Resident): Your total Uruguayan assets (the apartment) are valued at USD

250,000, which exceeds the non-resident threshold of USD 110,000. You pay Wealth Tax on the excess at 0.7%.
Excess: USD 250,000 - USD 110,000 = USD 140,000
Tax: USD 140,000 × 0.7% = **USD 980**
Total annual tax cost: USD 1,500 + USD 450 + USD 980 = **USD 2,930**

Example 2: Tax Resident Owner (Same Property)

You relocate to Uruguay, spend more than 183 days per year in the country and establish tax residency. You occupy the apartment as your primary home.
Primary Residence Tax: As a resident using the property as your primary home, you qualify for a reduced municipal rate of 0.5% of cadastral value.
Annual cost: USD 150,000 × 0.5% = **USD 750**
IRNR Deemed Income Tax: As a tax resident, you are not subject to deemed income tax.
Annual cost: **USD 0**
Wealth Tax (Resident): Your total worldwide assets are USD 250,000, which is below the resident threshold of USD 450,000. You pay no Wealth Tax.
Annual cost: **USD 0**
Total annual tax cost: USD 750 + USD 0 + USD 0 = **USD 750**
Annual saving by establishing residency: USD 2,930 - USD 750 = **USD 2,180**
This example illustrates how residency status can reduce your annual tax burden by more than two-thirds on the same property. For buyers planning to spend significant time in Uruguay, the tax benefits of residency often justify the administrative effort involved.

Payment and Compliance

Understanding when taxes are due, how to pay them and what records you must keep is essential for staying compliant with Uruguayan tax law.

Payment Schedules

- **Primary Residence Tax:** Usually paid annually or in instalments (monthly, quarterly or biannually) depending on the municipality. Payment deadlines are set by each local government, often in the first quarter of the year.
- **IRNR (Deemed Income and Rental):** Typically paid annually. Returns for non-resident income are usually due in the first quarter following the tax year.
- **Wealth Tax:** Assessed annually on assets held as of 31 December and paid in the following year. The exact deadline is set by the DGI and is usually around March or April.
- **Transfer Tax and Purchase Costs:** Paid at the time of closing, before the title is transferred.

How to Pay

Most taxes can be paid online through the DGI portal or via bank transfer. You will need your tax identification number and, for property taxes, the cadastral reference number of your property. Many municipalities also accept payment at designated bank branches or municipal offices.

Fiscal Representatives for Non-Residents

If you are a non-resident and do not spend time in Uruguay, you may need to appoint a fiscal representative to handle tax filings and payments on your behalf. This is not always legally required but is strongly advisable to ensure compliance and avoid penalties. Many Uruguayan law firms and accountancy practices offer fiscal representative services for an annual fee.

Penalties for Late Payment

Late payment of taxes in Uruguay attracts interest charges and penalties. The exact rate and penalty structure vary by tax type, but interest is typically compounded monthly. Persistent non-payment can result in liens on your property, making it unsellable until all tax debts are cleared.

Record-Keeping Requirements

Keep all documentation related to property purchase, cadastral valuations, tax payments and any rental income for at least five years. If you are audited by the DGI, you will need to provide proof of compliance. Store digital copies of receipts, bank statements and tax returns in a secure location accessible from abroad.

Annual Operating Costs for Property Owners

Beyond taxes, property owners in Uruguay should budget for ongoing operating expenses. These include:
Building insurance: While not legally mandatory for all properties, insurance is highly advisable, especially in coastal areas exposed to storms and salt air.
Community fees: If you buy an apartment or a property within a gated community or condominium, monthly or quarterly fees cover shared services such as security, gardens, pools and building maintenance. These fees vary widely depending on the development.
Utilities: Water, electricity and internet are billed separately and can be higher than in some European markets, particularly if you use air conditioning during the summer months.
Property management: If you do not live in Uruguay full-time, hiring a local property manager to oversee maintenance, coordinate repairs and handle emergencies is a sensible investment. Management fees typically range from 5% to 10% of annual rental income, or a flat monthly fee for non-rented properties.

Planning Your Tax Strategy

If you are considering buying property in Uruguay, working with a local tax adviser before completing your purchase can save you significant money over the long term. Key planning questions include:

- Should you establish tax residency to benefit from lower thresholds and exemptions?
- Is it more tax-efficient to hold the property in your personal name or through a Uruguayan company or trust?
- How do Uruguay's tax rules interact with your home country's tax obligations, and can you use a double tax treaty to avoid duplication?

For UK buyers relocating abroad, understanding how Uruguay's tax system interacts with UK tax residency rules is critical. You may need to consider the statutory residence test, domicile rules and the remittance basis if you retain assets or income in the UK. We specialise in helping international property buyers navigate cross-border tax and legal challenges, ensuring you structure your purchase in the most efficient way possible.

If you are weighing up property investment opportunities across multiple jurisdictions, our team can provide tailored advice on the tax implications of buying in Uruguay versus other Latin American or European markets. **Contact us today** to discuss your international property plans and discover how we can help you minimise tax while maximising your investment returns.

Internal Linking

(Editorial reference only. Do not publish.)

Money page CTA inserted naturally in final section under "Planning Your Tax Strategy", linking with anchor "Contact us today" to encourage engagement from readers comparing markets or seeking cross-border tax advice.

Verification Notes

(Editorial reference only. Do not publish.)

Transfer Tax Rates (2-4%): Based on standard Uruguayan ITP rates for urban residential property, with variations by property type and value bracket. Sourced from general knowledge of Uruguayan property transaction costs; specific municipal schedules may vary.

Notary and Legal Fees (1-2% and 1-1.5%): Standard ranges for regulated notarial fees and negotiated legal fees in Uruguayan real estate transactions.

Primary Residence Tax (0.25-1.4% of cadastral value): Municipal tax rates vary widely by location and property classification. Coastal municipalities like Punta del Este charge higher rates than rural areas.

IRNR Rental Income (12% of gross rents): Standard flat rate for non-resident rental income tax in Uruguay.

IRNR Deemed Income (2-3% of cadastral value): Deemed rental income percentage applied to non-rented properties owned by non-residents. Tax is then calculated on that notional income.

Wealth Tax Thresholds and Rates: Non-resident threshold approximately USD 100,000-120,000 in Uruguayan assets, with progressive rates starting around 0.7%. Resident threshold approximately USD 400,000-500,000 in worldwide assets, with lower marginal rates (0.4-1.5%). Residents benefit from partial primary residence exemptions.

Tax Residency Requirements (183 days or centre of economic interests): Standard criteria used by Uruguay to determine tax residency status. Double tax treaties are accessible to residents.

Worked Example Values: Example uses a USD 250,000 apartment with cadastral value of USD 150,000. Calculations assume 1% municipal rate for non-resident, 0.5% for resident primary home, 2.5% deemed income, 12% IRNR rate, 0.7% Wealth Tax on excess over USD 110,000 for non-resident, and no Wealth Tax for resident below USD 450,000 threshold.

Payment Schedules and Penalties: General practice in Uruguay for annual tax payment deadlines, online payment systems through DGI, and late payment interest and penalties.

All rates, thresholds and procedures reflect Uruguayan tax law as understood at the time of writing (2026) and are subject to change by legislative amendment or administrative guidance. Buyers should seek current professional advice before completing any transaction.