

Poland's real estate tax system, operating under the Local Taxes and Fees Act (1991) passed at the beginning of the transition, already needs a significant overhaul. In a market-driven reality, where fundamental importance is attached to the value, an outdated tax collection system is in place that disregards differences in property values. As a result, money goes to local governments from collecting a tax calculated on area and use without regard to the actual value. Proponents of changing the property tax system to an ad valorem postulate that the lack of a link to market value significantly reduces revenue to local budgets, which reduces their investment opportunities and thus limits sustainable local development. It also limits the redistributive function of taxes, as owners of more valuable properties pay as much as owners of less valuable properties.

The ad valorem system is more suited to modern, market-based economies. Societies in developed countries have chosen a system based on the value of real estate, considering it more equitable. The world's most influential organizations, such as the IMF, the OECD, the UN, and the World Bank Group, postulate that it is the current responsibility of all governments around the world to strengthen and increase the efficiency of their tax systems to generate the national resources needed to meet the Sustainable Development Goals and promote inclusive economic growth (OECD, 2023). A vital issue is strengthening the local tax system, including property taxes.

In modern societies, making changes arbitrarily without public participation seems unacceptable. A key issue in making any changes, including in tax systems, is compliance with the concept of good governance (European Commission, 2012 and 2020, ISO 37120, 2018). It is therefore essential to design the solutions for transformation so that it is not an arbitrary imposition of new rules. Still, a process in which the people and entities affected are actively involved, and the public administration is responsible for the well-being of every community member. The project focuses on introducing inclusiveness-oriented solutions to ensure public participation in the planning, implementation and promotion of the new tax system. The main barrier slowing down the system's transformation is the high cost and equally high public resistance. Recognizing this gap and appreciating the importance of this barrier (considered to be the biggest), the authors of the project propose an original and innovative solution in the form of consensus-oriented roadmaps for carrying out the change in the property tax base with particular attention to the principles of good governance as well as the so-called Millennium Development Goals. A particular problem to be solved is the social unrest associated with introducing unpopular reforms. Modernization of property taxes is necessary for local government finances and bring the system in line with current solutions successfully applied in developed countries.

The planned study puts forward the following **thesis**: changing the property tax base is a complex and even revolutionary task, the consequences of which affect a wide range of people and entities, hence attempts to introduce it arouse widespread interest, concern, and opposition. Previous studies highlight the problem of public anxiety before new property tax solutions but do not propose any concrete solutions to this problem. The main problem is a reluctance to change, the cause is fear of worsening one's well-being, and the result is the inability to implement a necessary but socially unpopular reform. The implementation of the project will be based on the verification of the following **hypotheses**:

**Hypothesis 1:** The success of the property tax changes is determined by considering good governance and public participation in the creation of laws and organizational and technical procedures.

**Hypothesis 2:** Including roadmaps in the process of property tax transformation in Poland will mitigate public resistance to changes, increase public accountability and accelerate its implementation.

Specific objectives of the planned research include:

**Stage 1.** Diagnosis of Poland's conditions in terms of property tax transformation.

**Stage 2.** Review and analysis of international solutions in property taxes with a particular focus on good governance and inclusive policy.

**Stage 3.** Development of a methodology for designing roadmaps customized to specific groups of affected people and entities.

**Stage 4.** Verification of roadmaps development methodology.

The original value of the project is an original approach to involving affected people and entities in the transformation process. The result will be new knowledge in the methodology of innovative solutions for introducing emotionally and socially unpopular reforms consistent with the principle of good governance, socially engaging and mitigating unrest. The universality of the proposed solutions allows to assume their high utility in other areas of knowledge and science.