Interim Regulations on Urban Land Use Tax of the People’s Republic of China

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Unofficial English translation prepared for reference only. The official Chinese text prevails.

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Chapter I — General Provisions

Article 1 — These Regulations are formulated to regulate the collection of urban land use tax, reasonably utilize urban land, and adjust the differential income from land.

Article 2 — Entities and individuals using land within the areas of cities, county towns, administrative towns, and industrial and mining districts shall be taxpayers of urban land use tax (hereinafter referred to as "land use tax") and shall pay land use tax in accordance with the provisions of these Regulations. For purposes of the preceding paragraph, "entities" includes state-owned enterprises, collective enterprises, privately-owned enterprises, joint-stock enterprises, foreign-invested enterprises, foreign enterprises, and other enterprises; public institutions, social organizations, state organs, military units, and other entities; individually owned businesses and other individuals.

Article 3 — Land use tax shall be calculated and levied on the basis of the land area actually occupied by a taxpayer. The measurement of land area occupied shall be subject to unified standards. The measurement standards for land area shall be formulated by the people's governments of provinces, autonomous regions,

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and municipalities directly under the Central Government in accordance with the actual situation. The local tax authorities shall be responsible for the collection and administration of land use tax. Land administration authorities shall provide the tax authorities with relevant information on land use rights.

Chapter II — Calculation of Tax

Article 4 — Land use tax shall be calculated on the basis of the land area actually occupied by the taxpayer, multiplied by the applicable tax amount per unit area prescribed. The formula for calculating the tax payable is: Tax payable = Land area actually occupied x Applicable tax amount per unit area.

Article 5 — The annual tax amount per square meter for land use tax in large cities is RMB 1.5 to RMB 30; in medium cities, RMB 1.2 to RMB 24; in small cities, RMB 0.9 to RMB 18; in county towns, administrative towns, and industrial and mining districts, RMB 0.6 to RMB 12.

Article 6 — The people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall, within the tax amount range specified in the preceding article, determine the applicable tax amount for the area under their jurisdiction based on the conditions of municipal construction, economic prosperity, and other factors. The people's governments of cities and counties shall divide the land within their respective areas into several grades based on the actual situation and determine the applicable tax amount for each grade within the tax amount range determined by the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government, and submit the determination to the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government for approval. For areas where the economy is underdeveloped, the applicable tax amount may be appropriately reduced with the approval of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government, but the reduced amount shall not be lower than 30% of the minimum tax amount. For areas where the economy is developed, the applicable tax amount may be appropriately increased, but shall be subject to the approval of the Ministry of Finance.

Chapter III — Tax Exemptions

Article 7 — The following land shall be exempt from land use tax: (1) land used by state organs, people's organizations, and military units for their own use; (2) land used by institutions financed by state financial allocations for their own use; (3) land used by religious temples, parks, and scenic spots for their own use; (4) land used for municipal streets, squares, greenbelts, and other public purposes; (5) land directly used for agricultural, forestry, animal husbandry, and fishery production; (6) land used for energy, transportation, water conservancy, and other facilities and sites upon approval for land reclamation, reclamation, and improvement; and (7) other land exempt from tax as prescribed by the Ministry of Finance.

Article 8 — Where a taxpayer has difficulty in paying land use tax and needs regular tax reduction or exemption, the matter shall be examined and approved by the tax authorities of provinces, autonomous regions, and municipalities directly under the Central Government, but the amount of reduction or exemption of tax of the State shall be examined and approved by the State Administration of Taxation.

Chapter IV — Collection and Administration

Article 9 — Land use tax shall be calculated on an annual basis and paid in installments. The period for payment of installments shall be determined by the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government.

Article 10 — Newly acquired land shall pay land use tax from the month following the acquisition. For newly acquired land for which the land use right is obtained by means of transfer, a time limit for payment of land use tax may be specified, calculated from the date of delivery of the land as stipulated in the contract.

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Article 11 — The collection and administration of land use tax shall be governed by the provisions of the Law of the People's Republic of China on the Administration of Tax Collection and the provisions of these Regulations.

Article 12 — The revenue from land use tax shall be included in the fiscal budget management of the State. The specific measures shall be separately prescribed by the Ministry of Finance.

Chapter V — Supplementary Provisions

Article 13 — The scope of implementation and the specific measures for land use tax shall be formulated by the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government.

Article 14 — The Ministry of Finance shall be responsible for interpreting these Regulations.

Article 15 — These Regulations shall enter into force on November 1, 1988. The Interim Regulations of the People's Republic of China on Urban Real Estate Tax promulgated by the Government Administration Council of the Central People's Government on August 8, 1951 shall be repealed simultaneously with respect to domestic enterprises and individuals. The Interim Regulations of the People's Republic of China on Urban Real Estate Tax shall continue to apply to foreign-invested enterprises, foreign enterprises, and foreign individuals until otherwise prescribed by the State Council.

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