

Provisional Regulations of the PRC on House Property Tax

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

Adopted at the State Council on September 15, 1986

Amended in accordance with the Decision of the State Council on Repealing and Amending Certain Administrative Regulations on January 8, 2011

Effective: October 1, 1986

Article 1 — House property tax shall be levied in cities, county towns, designated towns, and industrial and mining districts.

Article 2 — House property tax shall be paid by the owner of the property right. Where the property right belongs to ownership by the whole people, the tax shall be paid by the unit that operates and administers the property. Where the property right has been mortgaged, the tax shall be paid by the mortgagee. Where the owner of the property right or the mortgagee is not at the place where the property is located, or where the property right has not been determined or a dispute over the tenancy or mortgage has not been resolved, the tax shall be paid by the custodian or the user of the property.

The owners of property rights, the units operating and administering property, the mortgagees, the custodians of property, and the users of property listed in the preceding paragraph are collectively referred to as taxpayers (hereinafter referred to as "taxpayers").

Article 3 — House property tax shall be calculated and paid on the basis of the residual value of the property, obtained by deducting 10 percent to 30 percent from the original value of the property at one time. The specific rate of deduction shall be prescribed by the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government.

Where there is no original value of the property to serve as the basis for calculation, the tax authorities at the place where the property is located shall determine the taxable value by reference to similar properties.

Where the property is rented out, the rental income from the property shall be the basis for calculating house property tax.

Article 4 — The tax rates of house property tax are as follows: where the tax is calculated and paid on the basis of the residual value of the property, the rate shall be 1.2 percent; where the tax is calculated and paid on the basis of the rental income from the property, the rate shall be 12 percent.

Article 5 — House property tax shall be exempted for the following properties:

- (1) properties used by state organs, people's organizations, and the armed forces for their own use;
- (2) properties used by units whose operating funds are allocated by the state financial departments for their own use;
- (3) properties used by religious temples, parks, and places of historic interest and scenic beauty for their own use;
- (4) non-business-use properties owned by individuals; and
- (5) other properties the exemption of which from tax is approved by the Ministry of Finance.

Article 6 — Apart from those specified in Article 5 of these Regulations, where a taxpayer genuinely has difficulty in paying tax, the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government may determine to reduce or exempt house property tax for a fixed period.

Article 7 — House property tax shall be levied annually and paid in installments. The time limit for payment shall be prescribed by the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government.

Article 8 — The collection and administration of house property tax shall be carried out in accordance with the Law of the People's Republic of China on the Administration of Tax Collection.

Article 9 — House property tax shall be collected by the tax authorities at the place where the property is located.

Article 10 — The Ministry of Finance shall be responsible for the interpretation of these Regulations; the rules for implementation shall be formulated by the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government and submitted to the Ministry of Finance for the record.

Article 11 — These Regulations shall enter into force as of October 1, 1986.

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