Provisional Regulations of the PRC on Real Estate Tax

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

Promulgated by the State Council of the People's Republic of China on September 15, 1986; amended in accordance with the Decision of the State Council on Abolishing and Amending Certain Administrative Regulations on January 8, 2011
Effective: October 1, 1986

Table of Contents

- Articles 1 — 11

Article 1 — Owners, managers, mortgagees, custodians and users of housing property within the areas of cities, county seats, administrative towns and industrial and mining districts shall be taxpayers of real estate tax and shall pay real estate tax in accordance with these Regulations. Housing property tax shall be levied on houses only. The property tax on the building structures other than houses shall not be governed by these Regulations.

Article 2 — Real estate tax shall be levied at different rates based on different methods of computation. For houses where the tax is calculated on the basis of the residual value after deducting a certain proportion from the original value of the house, the annual tax rate shall be 1.2%. For houses where the tax is calculated on the basis of the rental income from the house, the annual tax rate shall be 12%.

Article 3 — Real estate tax shall be calculated and levied on the basis of the original value of the house, with 10% to 30% of the original value deducted. The specific deduction ratio shall be determined by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government. Where the original value of the house is not available, the tax authority at the place where the house is located shall determine the original value with reference to similar houses. Where a house is rented out, the real estate tax shall be calculated on the basis of the rental income from the house.

Article 4 — Real estate tax shall be exempted for the following houses: (1) houses used by state authorities, people's organizations, and military units for their own use; (2) houses used by institutions with their funds allocated by the financial departments of the State for their own use; (3) houses used by religious temples, parks, and scenic and historic spots for their own use; (4) houses owned by individuals for non-business use; and (5) other houses exempted from tax as approved by the Ministry of Finance. Where a taxpayer's payment of real estate tax is indeed difficult due to special reasons, tax reduction or exemption may be granted on a regular or temporary basis upon approval by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 5 — Real estate tax may be collected on an annual basis with payment in installments or on a single-payment basis. The specific period for payment of tax shall be determined by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 6 — Real estate tax shall be collected by the tax authorities at the place where the house is located.

Article 7 — The administration of the levy and collection of real estate tax shall be governed by the relevant provisions of the Law of the PRC on the Administration of Tax Collection and the relevant provisions of these Regulations.

Article 8 — The income from real estate tax shall be incorporated into the local fiscal budget and shall be used for the administration, maintenance and construction of urban housing.

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Article 9 — The Ministry of Finance shall be responsible for the interpretation of these Regulations. The detailed rules for the implementation of these Regulations shall be formulated by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government and submitted to the Ministry of Finance for filing.

Article 10 — These Regulations shall not apply to the collection of real estate tax by foreign-invested enterprises and foreign enterprises; such enterprises shall be governed by the Provisional Regulations on Urban Real Estate Tax.

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

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