Provisional Regulations of the PRC on Urban Land Use Tax

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Promulgated by Order No. 17 of the State Council of the People's Republic of China on September 27, 1988; amended in accordance with the Decision of the State Council on Amending the Provisional Regulations of the PRC on Urban Land Use Tax on December 31, 2006; amended in accordance with the Decision of the State Council on Abolishing and Amending Certain Administrative Regulations on January 8, 2011
Effective: January 1, 2007 (as amended)

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Article 1 — All entities and individuals that use land within the areas of cities, county seats, administrative towns, and industrial and mining districts shall be taxpayers of urban land use tax and shall pay urban land use tax in accordance with these Regulations.

Article 2 — Urban land use tax shall be calculated on the basis of the area of land actually occupied by the taxpayer and shall be levied at the prescribed tax amount per unit. The formula for computing tax payable shall be: Tax payable = Area of land actually occupied × Applicable tax amount per unit. The land use tax payable per square meter per year for large, medium and small cities shall be as follows: large cities, RMB 1.5 to 30; medium cities, RMB 1.2 to 24; small cities, RMB 0.9 to 18; county seats, administrative towns, and industrial and mining districts, RMB 0.6 to 12.

Article 3 — The specific applicable tax amounts shall be determined by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government within the range of tax amounts prescribed in the preceding Article based on the conditions of municipal construction and the degree of economic prosperity, and shall be reported to the Ministry of Finance for filing. The people's governments of cities and counties shall, based on the actual circumstances, divide the land within their respective regions into different grades and formulate corresponding applicable tax amount standards, and shall report the same to the people's governments of provinces, autonomous regions and municipalities directly under the Central Government for approval before implementation.

Article 4 — Upon approval by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government, urban land use tax may be appropriately reduced for land used for public use, such as municipal streets, squares, and green spaces. The specific measures for tax reduction shall be determined by the local tax authorities in conjunction with the competent departments.

Article 5 — Where a taxpayer's payment of urban land use tax is indeed difficult due to special reasons and requires regular tax reduction or exemption, it shall be subject to the examination and approval of the tax authorities of provinces, autonomous regions and municipalities directly under the Central Government in accordance with the relevant provisions of the State, and the amount of tax reduction exceeding RMB 100,000 shall be reported to the State Administration of Taxation for approval.

Article 6 — Urban land use tax shall be exempted for the following land: (1) land used by state authorities, people's organizations, and military units for their own use; (2) land used by institutions with their funds allocated by the financial departments of the State for their own use; (3) land used by religious temples, parks, and scenic and historic spots for their own use; (4) land used for public use, such as municipal streets, squares, and green spaces; (5) land directly used for agriculture, forestry, animal husbandry, and fishery production; (6) land that has been reclaimed or renovated upon approval and land that has been reclaimed

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from abandoned beaches upon approval, which shall be exempt from tax for a period of five to ten years from the month of use; and (7) other land exempted from tax as prescribed by the Ministry of Finance.

Article 7 — Urban land use tax shall be paid on an annual basis and in installments. 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 8 — Where land use right is transferred, the transferee shall pay urban land use tax for the land within the area not exceeding the applicable national standards as prescribed by the people's government of the province, autonomous region or municipality directly under the Central Government. Where the land use right is acquired by allocation, the transferee shall pay urban land use tax for the land within the area not exceeding the applicable national standards as prescribed by the people's government of the province, autonomous region or municipality directly under the Central Government.

Article 9 — Urban land use tax shall be collected by the tax authorities at the place where the land is located. The land administration departments shall provide the tax authorities with information on land use rights and assist the tax authorities in the collection of urban land use tax.

Article 10 — The administration of the levy and collection of urban land use tax shall be governed by the Law of the PRC on the Administration of Tax Collection and these Regulations.

Article 11 — The income from urban land use tax shall be incorporated into the fiscal budget for the administration of urban land use and shall be used for the construction and maintenance of urban infrastructure.

Article 12 — The Ministry of Finance shall be responsible for the interpretation of these Regulations, and the detailed rules for implementation 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 13 — These Regulations shall not apply to the collection of land use fees by foreign-invested enterprises and foreign enterprises.

Article 14 — These Regulations shall come into force as of November 1, 1988.

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