

➤ **Q: What are the main deed tax exemptions and reductions?**

A: The deed tax exemptions and reductions are mainly stipulate as follows:

- a. The governmental organs, institutional units, social organizations and military units receiving land and houses for office work, teaching, medical treatment, science and research and military facility may be exempt from deed tax. The land, building received by enterprises, institutions, social groups and other social organizations an individual for setting up the education institutions for the whole society by use of the non-financial education fund and upon approval by the relevant competent department may be exempt from deed tax.
- b. The employees in city and township may, upon approval by the people's government at county level or above, be exempt from deed tax on the public residence purchased by them for the first time within the standard size prescribed by the state.
- c. Proper tax reduction or exemption may be given to those losing residence due to force majeure and re-purchasing residence.
- d. The transferees of land use right of barren mountains, barren trenches, barren hills and barren beaches for agriculture, forestry, animal husbandry and fishery may be exempt from deed tax.
- e. Those embassies and consulates in China, the UN representative offices in China, diplomatic representatives, consulate staff and other personnel who should be exempt from taxes according to the relevant laws of China or the international convention and agreements China has entered may, upon recognition by the Ministry of foreign affairs, be exempt from deed tax on receiving land and house titles within China.
- f. After the land and houses are taken over or occupied by the people's government at county level or above, it'll be up to the people's government at provincial level to determine whether reduction or exemption shall be given or not on the transferee of new land and houses.
- g. The deed tax on private purchase of ordinary residence for self-use may be reduced by half.
- h. Other deed tax reductions and exemptions stipulated by the ministry of finance.

The taxpayers eligible for deed tax exemption or reduction should apply for tax exemption or reduction to the deed tax collection department the land and houses are located by providing the relevant materials within 10 days after signing the contracts for land and houses titles transfer.

The taxpayers who changed the usage of the land and houses concerned into those not eligible for exemptions or reductions after having been granted exemptions and reductions should pay back the deed tax exempt or reduced. The time of liability arising s the day of changing the titles of the land an houses concerned.

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