

➤ **Q: What are the main reductions and exemptions for land appreciation tax?**

A: The taxpayers may apply to the local competent tax offices for the exemption of the following items from land appreciation tax:

- a. Construction of ordinary standard residences (refers to the residence constructed in line with the standard of local residence) for sale, where the appreciation amount does not exceed 20% of the sum of deductible items.
- b. Real estate taken over and repossessed according to laws due to the city planning and the construction requirements of the state.
- c. Real estate transferred by taxpayers who have to move their houses due to the requirements of the city planning and the state construction requirements.
- d. Real estate of self-owned resident houses exchanged between individuals.
- e. For self-owned houses transferred due to individual work change or due to the betterment of living condition, with the approval by the competent tax offices, the tax shall be exempt if the individual taxpayer has lived in that house for five years or longer, and the tax shall be reduced by half if the living time is shorter than five years but not shorter than three years.

The following items are temporarily exempt from land appreciation tax:

- a. The real estate used for investment or joint business operation one party of which uses the real estate value as the participation or as the terms for joint business operation and transfers the real estate to the invested or jointly operated enterprise.
- b. Cooperative construction of houses, for which one party provides land and the other party provides funds. After completion of the construction, the houses shall be divided on proportional basis for self-use.
- c. In case of enterprises merging, the real estate transferred by the merged enterprises to the merger enterprise.
- d. The transfer of privately owned ordinary residence by individuals.

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