

PROVISIONAL REGULATIONS GOVERNING URBAN REAL ESTATE TAX

(Administrative Council: Central People's Government: 8 August 1951)

Article 1

Except as otherwise stipulated, urban real estate tax shall be collected by the tax authorities in accordance with the provisions of these Regulations.

Article 2

The Ministry of Finance of the Central People's Government shall designate the cities in which real estate tax shall be imposed; the tax shall not be imposed in cities that have not been so designated.

Article 3

The owner of property shall be liable for the payment of real estate tax. Where the property is subject to a mortgage, the mortgagee shall be liable for payment. Where the owner and the mortgagee are not present at the locality in which the property is situated, where ownership of the property has not been established or where disputes in connection with the tenancy and mortgage of the property have not been resolved, the tax shall be paid by the custodian or the user of the property on behalf of the owner or mortgagee.

Article 4

The following categories of real estate shall be exempt from real estate tax:

- (1) real estate owned by military units, government agencies and social organizations for their own use;
- (2) real estate owned by public schools and registered private schools for their own use;
- (3) real estate used as a park, scenic spot or historic site or for other public purposes;
- (4) real estate used exclusively by mosques or lamaseries;
- (5) real estate used exclusively by temples of other religions for which tax exemption has been granted by the people's government at the provincial (municipal) level or higher.

Article 5

Reductions of or exemptions from real estate tax shall be granted in respect of the following categories of real estate:

- (1) newly constructed buildings shall be exempt from real estate tax for a period of three years commencing the month in which the construction is completed;
- (2) renovated buildings for which the renovation expenses exceed one half of the expenses of the new construction of such buildings shall be exempt from real estate tax for a period of two years commencing the month in which the renovation is completed;
- (3) other real estate in respect of which, due to special circumstances, the people's government at the provincial (municipal) level or higher has determined that reductions of or exemptions from real estate tax shall be granted.

Article 6

Real estate tax shall be assessed according to the following criteria and tax rates:

- (1) the tax on buildings shall be assessed annually at the rate of 1% of the standard value of buildings;
- (2) the tax on land shall be assessed annually at the rate of 1.5% of the standard value of land;

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(3) the tax shall be provisionally assessed annually at the rate of 1.5% of the consolidated standard value of land and building in cities in which it is difficult to determine separately the standard value of land and the standard value of buildings;

(4) the tax shall be provisionally assessed annually at the rate of 15% of the standard rental value of real estate in cities in which it is difficult to determine the standard values of land and buildings.

Article 7

The standard values mentioned in the preceding Article shall be appraised as follows:

(1) the standard value of buildings shall be appraised in terms of different categories and grades according to the general local market

value and with reference to the current price of local building construction;

(2) the standard value of land shall be appraised in terms of different districts and grades according to such conditions as the location of the land, the degree of prosperity of the locality and communication facilities and with reference to the general local market value of the land;

(3) the standard value of real estate shall be appraised according to the location of the real estate and building construction circumstances and taking into account the local aggregate market value of real estate for different districts and categories and grades of real estate;

(4) the standard rental of real estate shall be appraised in terms of different districts, categories and grades and, in general, according to the local aggregate rental value of the land and its affixed buildings.

Article 8

The local tax authorities shall determine whether real estate tax must be paid in quarterly or semi-annual installments.

Article 9

A commission for real estate assessment, composed of representatives designated by local people's conferences of various circles, and representatives designated by such departments as finance, taxation, land administration, civil engineering (construction), industry and commerce, and public security shall be established in all cities in which real estate tax is imposed. The commission shall be under the direction of the local people's government and shall be responsible for carrying out the work of real estate assessment.

Article 10

Real estate shall be assessed once a year. Where, on examination of the original assessed value, the commission for real estate assessment determines that reassessment is not necessary, the extension of validity of the assessment of the previous year shall be submitted to the local people's government for approval.

The results of assessments or the extension of the validity of the assessment of a previous year shall be subject to examination, approval and notification by the local people's government.

Article 11

Persons responsible for payment of the tax shall, within one month following the notification of the assessment, file a return with the local tax authorities of the location in which the real estate is situated as to the condition of the buildings, the number of rooms, the floor space and other such information. Changes in the addresses of the owners, transfers of ownership or the expansion or

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renovation of buildings which result in changes in the value of the property must be reported to the local tax authorities within ten days following the change of address, the transfer of ownership or the completion of the expansion or renovation.

Returns in respect of real estate which is exempt from real estate tax shall also be filed in accordance with the preceding provisions.

Article 12

The tax authorities shall establish a register in respect of the investigation and imposition of real estate tax and shall prepare detailed maps showing the different grades of land; on the basis of the results of assessments made by the commission and the returns filed by taxpayers, the tax authorities shall proceed with the investigation, registration and verification of the tax and shall issue a notice for payment of the tax to the treasury within the time limit.

If the taxpayer disagrees with the result of the assessment of the real estate, the taxpayer shall both pay the tax and apply to the commission for reconsideration.

Article 13

Any taxpayer who fails to file the return within the time limit specified in Article 11 shall be liable to a fine of 500000 yuan or less.

Article 14

Any taxpayer who fails to declare real estate holdings or who files a fraudulent return and there by attempts to evade the tax shall, in addition to payment of the tax so evaded, be liable to a fine of five times or less of the tax due.

Article 15

Every person shall report violations of the provisions set forth in the two preceding Articles. Following the investigation and disposal of the violation, the informant shall be granted a reward in the amount of 20 to 30% of the fine; confidentiality shall be maintained in respect of these reports.

Article 16

Where there is a failure to pay the tax on time, in addition to setting a new time limit for payment of the tax, a late payment fine of 1% of the amount of the tax due shall be imposed for each day the tax remains unpaid.

Where payment of the tax is not made within thirty days following the time limit for payment, and the tax authorities consider that there is no reasonable cause for late payment, the matter shall be transferred to the people's courts for disposal.

Article 17

The provincial (municipal) tax authorities shall, in accordance with these Provisions, formulate measures for the investigation and collection of real estate tax and shall submit the measures to the provincial (municipal) people's government for approval and implementation and shall also submit the measures to the General Taxation Bureau of the Ministry of Finance of the Central People's Government for the record.

Article 18

Upon the promulgation of these Regulations, all local rules relating to the taxation of real estate shall be annulled.

Article 19

These Regulations shall become effective as of the date of promulgation.

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