

Urban Land Use Tax Exempted for Construction of Affordable Leasing Houses

Chinese version Real estate developers can be proportionally exempted from urban land use taxes if they construct the low-rent houses in their affordable and commercial house projects, or the affordable houses in their commercial-house projects, they are eligible to be exempted from the urban land use tax according to the proportions.

The Circular on Related Tax Policies on Low-rent and Affordable Houses and the Housing Lease (Circular) was jointly released recently by China's Ministry of Finance (MOF) and the State Administration of Taxation (SAT). Under the Circular, if the aforementioned real estate developers can provide related materials issued by the governmental departments, they are eligible to be exempted from the due stamp tax according to the proportions of the construction areas of low-rent and affordable houses to the total construction areas.

Besides, according to the Circular, individuals will be deducted with 10% of individual income tax on their incomes from house lease. At the same time, the stamp tax of the leasing contracts signed by individuals for rent and tenement will be exempted.

(Source: Shanghai Securities News)

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