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China likely to raise taxes on third homes - media

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SHANGHAI (Reuters) - China may increase some taxes levied on people's third or subsequent homes, raising costs for speculative buyers amid a government clampdown on the pricey sector, state media said on Friday.

Beijing has launched a campaign to cool the property sector after rapid price rises in some markets, including by increasing down-payment requirements and mortgage rates for people buying their second, third or subsequent properties.

Those measures have hit the stock market, particularly the shares of banks and property developers, over concerns that the clampdown will slow lending and slow the country's economic growth, which hit a sizzling 11.9 percent in the first quarter compared with a year earlier.

The report in the official Shanghai Securities News did not provide details on the potential timing or scope of a move to increase taxes on property bought for investment purposes.

The taxes it referred to were separate from a property tax that some officials have said is also being discussed that would apply to homeowners and would be paid every year based on the value of the property.

Still, the report underlines that the latest campaign to clamp down on the sector is far from over, as officials look to further tweak rules to head off a bubble before it becomes too dangerous.

Urban property inflation accelerated to 11.7 percent in the year to March from February's 10.7 percent reading, but price rises have been much more abrupt in some major cities.

The banking regulator is also taking a closer look at how it defines how many homes a person owns, an important determinant of how big a down payment and what interest rate they must pay on their mortgage, according to the newspaper.

Rather than looking at how many homes an individual owns, the China Banking Regulatory Commission plans to start counting family-by-family instead, it cited CBRC official Yang Jiakai as saying, meaning the higher down payment and other requirements would apply to more homes.

The China Securities Journal, another official newspaper, cited unnamed sources as saying there were also plans to make clear that, when counting how many flats a person or family owns, banks must look not only at how many mortgages they currently have, but how many properties they own.

(Reporting by Jason Subler and Rujun Shen; Editing by Ken Wills)



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