
DEED TAX LAW OF THE PEOPLE'S REPUBLIC OF CHINA

Decree of the President of the People's Republic of China

No. 52

The Deed Tax Law of the People's Republic of China, adopted at the 21st Meeting of the Standing Committee of the Thirteenth National People's Congress of the People's Republic of China on August 11, 2020, is hereby promulgated, and shall enter into force on September 1, 2021.

Xi Jinping

President of the People's Republic of China

August 11, 2020

Deed Tax Law of the People's Republic of China

(Adopted at the 21st Session of the Standing Committee of the Thirteenth National People's Congress on August 11, 2020)

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Article 1

Entities and individuals, to which or whom the land use rights and house ownership are transferred within the territory of the People's Republic of China, are taxpayers of deed tax and shall pay deed tax in accordance with the provisions of this Law.

Article 2

For the purpose of this Law, "transfer of the land use rights and house ownership" refers to the following acts:

1. assignment of land use rights;
2. transfer, including sale, gift and exchange, of land use rights; and
3. sale, gift and exchange of houses.

The transfer of land use rights in subparagraph (2) of the preceding paragraph does not include the transfer of the right to contractual management of land and the right to management of land.

Where the land use rights and house ownership are transferred by means of investment as capital (equity investment), debt repayment, allocation and asset transfer, reward, etc., the deed tax shall be levied in accordance with this Law.

Article 3

Deed tax rates shall be 3% to 5%.

The specific applicable deed tax rates shall be proposed by people's government of each province, autonomous region and municipality directly under the Central Government within the range of tax rates as specified in the preceding paragraph, and shall be submitted to the standing committee of the people's congress at the same level for decision, and then be submitted to the Standing Committee of the National People's Congress and the State Council for the record.

Each province, autonomous region, and municipality directly under the Central Government may, under the procedure as specified in the preceding paragraph, determine differential tax rates applicable to ownership transfer of the dwelling houses with respect to different transferees, different regions and different types.

Article 4

The tax basis for deed tax shall be as follows:

1. in the case of the assignment or sale of land use rights or the sale of houses, the transaction price determined in the contract for the transfer of the land use rights or house owner-

ship, including the currency and the payments corresponding to the tangible goods and other economic benefits that shall be delivered;

2. in the case of exchange of land use rights or houses, the price difference between the exchanged land use rights or houses; or
3. in the case of gift of land use rights or houses or other types of transfer of the land use rights or house ownership without a transaction price, the price assessed and determined by tax authorities in accordance with the law by referring to the market price in the sale of land use rights or houses.

Where the transaction price or price difference in an exchange declared by a taxpayer is significantly low without any justifiable reason, the tax authority shall assess the amount in accordance with the Law of the People's Republic of China on the Administration of Tax Collection.

Article 5

The amount of deed tax payable shall be calculated by multiplying the tax basis by the specific applicable tax rate.

Article 6

Deed tax shall be exempted under any of the following circumstances:

1. acceptance of land use rights or house ownership by state organs, public institutions, social organizations and military units for office, teaching, medical care, research and military facilities;
2. acceptance of land use rights or house ownership by non-profit schools, medical institutions and social welfare institutions for office, teaching, medical care, research, elderly care and assistance;
3. acceptance of land use rights of unclaimed mountains, land and mudflats for agriculture, forestry, animal husbandry and fishery;
4. transfer of land use rights or house ownership between a person and his or her spouse during their marriage;
5. acceptance of land use rights or house ownership by heir at law through inheritance; or
6. acceptance of land use rights or house ownership by foreign embassies, consulates and representative offices of international organizations in China which shall be exempt from tax in accordance with the provisions of laws.

According to the national economic and social development needs, the State Council may stipulate exemption or reduction of deed tax with respect to circumstances such as meeting demand for dwelling houses, enterprise restructuring and reorganization and post-disaster reconstruction, and submit them to the Standing Committee of the National People's Congress for the record.

Article 7

Under any of the following circumstances, each province, autonomous region or municipality directly under the Central Government may decide to exempt or reduce deed tax:

1. acceptance of new land use rights or house ownership where the original one has been expropriated or requisitioned by a government at or above the county level; or
2. acceptance of a new dwelling house ownership after the original has been destroyed due to force majeure.

The specific measures for deed tax exemption or reduction as stipulated in the preceding paragraph shall be proposed by the people's government of a province, autonomous region or municipality directly under the Central Government, and shall be submitted to the standing committee of the people's congress at the same level for decision, and then be submitted to the Standing Committee of the National People's Congress and the State Council for record.

Article 8

Where a taxpayer changes the uses of relevant land or houses, or where there are other circumstances which are no longer qualified for exemption or reduction of deed tax in Article 6 of this Law, the taxpayer shall repay the deed tax that has been exempted or reduced.

Article 9

The time when the obligation to pay deed tax occurs shall be the day when a taxpayer enters into a contract for the transfer of the land use rights or house ownership or when the taxpayer obtains the certificate of the same nature as such contract.

Article 10

A taxpayer shall declare and pay deed tax before the registration of land use rights or house ownership in accordance with the law.

Article 11

After a taxpayer completes the tax payment procedure, the tax authority shall issue a deed tax payment certificate. When a taxpayer registers land use rights or house ownership, the immovable property registration authority shall check the deed tax payment certificate, deed tax reduction/exemption certificate or relevant information. Where the taxpayer fails to pay deed tax in accordance with the law, the property registration authority shall deny the registration.

Article 12

Where an ownership transfer contract or a certificate of the same nature as an ownership transfer contract has not taken effect, or is null and void, revoked or rescinded before the land use rights or house ownership is registered in accordance with the law, the taxpayer may apply to the tax authority for refunding of the taxes that have been paid, and the tax authority shall process such application in accordance with the law.

Article 13

Tax authorities shall, in conjunction with relevant departments, establish tax-related information sharing mechanism and work coordination mechanism for deed tax. Relevant authorities, including those of natural resources, housing and urban-rural development, civil affairs, and public security shall provide tax authorities with information concerning the transfer of the land use rights and house ownership in a timely manner, and shall assist tax authorities in strengthening the administration of deed tax collection.

Tax authorities and their staff members shall, in accordance with the law, keep confidential the personal information of taxpayers to which they have access in the process of the administration of tax collection, and shall not divulge or illegally provide such information to others.

Article 14

The administration of deed tax collection shall be carried out by tax authorities at places where the land or house is located in accordance with the provisions of this Law and the Law of the People's Republic of China on the Administration of Tax Collection.

Article 15

Where taxpayers, tax authorities and their staff vio-



late the provisions of this Law, their legal liabilities shall be investigated in accordance with the Law of the People's Republic of China on the Administration of Tax Collection and other relevant provisions of laws and regulations.

Article 16

This Law shall go into effect on September 1, 2021. The Provisional Regulations on Deed Tax of the People's Republic of China promulgated by the State Council on July 7, 1997, shall be repealed simultaneously.



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