

LAW OF THE REPUBLIC OF BELARUS

ON PAYMENTS FOR LAND

SECTION I. GENERAL PROVISIONS

Article 1. Objective of land payment The objective of land payment shall be to insure through economic methods rational use of lands, to form resources for carrying out measures of land organization, improvement of land quality and land conservancy, as well as of social development of the territory.

Article 2. Legislation on land payment Relations related to establishment, collection and use of land payment shall be regulated by the present Law, the Land Code of the Republic of Belarus and other legislation of the Republic of Belarus.

Article 3. Land payment Land Payment shall be compulsory for all land owners, land users, including lessees, and landed proprietors, except cases stipulated by the present Law and other legislative acts of the Republic of Belarus. The amount of land payment shall depend on the quality and location of a plot of land. Land payment shall be collected annually in forms of the land tax or a rental payment.

Article 4. Object of taxation The object of taxation shall be a plot of land, which is allotted for possession, use or ownership in conformity with the established procedures, except the cases stipulated in Articles 17-19 of the present Law. The land tax shall be levied on lands of: agricultural use; populated areas (towns, town-like settlements and rural settlements); industrial, transport, communication, defence and other use; forest resources; water resources.

Article 5. Payers of the land tax Payers of the land tax shall be legal and physical persons, which received plots of land for possession, use or ownership.

Article 6. Principles of land taxation The amount of the land tax shall be determined depending on the quality and location of a plot of land and shall not depend on the results of economic and other activities of a land owner, a land user and a landed proprietor. The amount of the tax on agricultural lands shall be determined according to the land cadastre data. The land tax shall be established as annual fixed payments per hectare of land. Rates of the land tax can be reviewed by the Supreme Soviet of the Republic of Belarus in case of alteration of outer economic terms and conditions (the established prices, the taxation procedures, the land cadastre data, rates of inflation, etc.).

Article 7. Utilization of resources received as land payments Collected land payments (except for municipal lands) shall be transferred as follows: 25 per cent to the republican budget, 75 per cent to the budget of local Soviets of People's Deputies of primary and basic territorial levels (for the lands of rural settlements - too rural Soviets, for the lands of town-like settlements - to settlement Soviets, for the lands of all other categories - to regional Soviets of People's Deputies). Payments collected for < lands of towns shall be transferred to the republican budget in the amount of 40 per cent, while those transferred to the budget of a town - 60 per cent. Resources received as land payments shall be accounted for in incomes and expenditures of relevant budgets on a separate line and shall be transferred: first of all for the conservancy of lands and improvement of their quality; for material incentives of land owners, land users, including lessees, and landed proprietors for carrying out measures of the conservancy of lands and improvement of their quality; for land organization; for social development of the territory. The remaining land payment resources which have not been used during the year shall not be expropriated and shall be used in conformity with the objective in the following year.

SECTION II. RATES OF THE LAND TAX AND UPPER RATES OF RENTAL PAYMENT

Article 8. Tax rates for the lands of agricultural use The tax for the lands of agricultural use (arable lands, plots of land with perennial fruit plants, grass and pasture lands), except cases envisaged in Article 11 of this Law, provided there are cadastre data, shall be determined as stipulated in Appendix 1 of the present Law, while for other lands (lands covered with shrubs, bogs and others) - in the amount of 4 rubles per hectare. If cadastre evaluation data for a plot of land are not available, the land tax shall be computed using the rates stipulated in Appendix 3 of the present Law. Collective farms, state farms as well as other farms, interfarm enterprises and organizations, agricultural

cooperatives and other agricultural enterprises shall pay only the land tax, the value-added tax and excise duties. Agricultural enterprises of industrial types (poultry enterprises, greenhouse combined enterprises, fur farms, animal farms with independent subsidizing) and enterprises reprocessing agricultural raw materials, included into a list approved by a relevant Oblast Soviet of People's Deputies shall pay the tax on profits in addition to the land tax, the value-added tax and the excise duties. To stimulate rational use of lands or the production of certain kinds of produce, the regional Soviet of People's Deputies can increase or decrease rates of the land tax, but not more than by 30 per cent.

Article 9. Tax rates for lands of populated areas (settlements) The tax levied on plots of land provided for possession, use and ownership within the boundaries of populated areas (settlements) (cities, towns, town-like settlements, and rural settlements) shall be determined on the basis of the rates mentioned in Appendix 2 of the present Law, except cases stipulated in Articles 8 and 11 of the present Law. Town (city), town-like settlement and rural Soviets of People's Deputies can, within their competence and depending on evaluation of the territory of populated areas, proceeding from the value of engineering communications, as well as with due account of access to the plot of land, its distance from the centre of a populated area, architectural, artistic, historic and landscape value of buildings and territories, state of the environment, micro-climatic and sanitary and hygiene conditions, development of cultural and living facilities and services to the population etc., increase or decrease rates of the land tax, but not more than two times.

Article 10. Tax rates for the lands of industrial, transport, communication, defence and other use, located outside the boundaries of populated areas The tax on lands of industrial, transport, communication, defence and other use, located outside the boundaries of populated areas, shall be established as three times the average rates for an administrative area (region) imposed on agricultural lands. The taxable area shall also include a sanitary protective zone of an object, if it is not transferred to possession or use to other legal or physical persons. The tax imposed on plots of land exceeding the established land allotment standards shall be doubled. Payment of such tax shall not mean legalization of illegal land ownership or land use. A regional Soviet of People's Deputies can increase the tax rates for the above lands, but not more than two times.

Article 11. The rates for plots of land allotted to citizens for their individual household construction and servicing of a living house, plantation, animal farming, grass and pasture purposes, construction of dachas, traditional people's trades, for house-construction and garage-construction cooperatives, and in cases of inheriting or acquisition of a living house The tax imposed on plots of land located within the boundaries of rural settlements, urban, resort and work settlements, as well as outside the boundaries of populated areas and allotted to citizens for the purpose of household, construction and servicing of a living house, plantation and animal farming, grass and pasture purposes, construction of dachas, traditional people's trades, for house-construction and garage-construction cooperatives, and in cases of inheriting or acquisition of a living house shall be established, if there is a cadastre evaluation of the plot of land, using the rates mentioned in Appendix 1, while in case of absence of a cadastre evaluation for the plot of land - using rates stipulated in Appendix 3 of the present Law. The tax on plots of land located within the boundaries of towns (cities) and allotted for the purposes mentioned in the first part of the present Article shall be computed in the amount of three per cent of the rates mentioned in Appendix 2 of the present Law. Regional, town (town-like settlement) and rural Soviets of People's Deputies within their competence can increase or decrease rates of the land tax, but not more than by 50 per cent.

Article 12. Lands of forest resources liable to the land tax The land tax shall be levied on lands of forest resources: used for agricultural purposes; occupied by buildings, installations and other objects of industrial use belonging to forestry authorities.

Article 13. Tax rates for lands of forest resources Plots of land constituting part of forest resources and allotted for agricultural use shall be taxed, provided there is a cadastre evaluation available for the plot of land, using rates, stipulated in Appendix 1, while if a cadastre evaluation is absent - using rates specified in Appendix 3 of the present Law. Plots of land, constituting part of forest resources and occupied by buildings, installations and other objects of industrial use belonging to forestry authorities, shall be taxed according to the procedures and terms and conditions mentioned in Articles 9 and 10 of the present Law.

Article 14. Lands of water resources liable to the land tax The land tax shall be levied on plots of land, constituting part of water resources and allotted for agricultural purposes and other economic usage.

Article 15. Tax rates for lands of water resources The tax on plots of land, constituting part of lands of water

resources and allotted for agricultural use, shall be determined if there is a cadastre evaluation of the plot of land using rates stipulated in Appendix 1, while if a cadastre evaluation is absent - using rates stipulated in Appendix 3 of the present Law. The tax on plots of land, constituting part of lands of water resources, used for agricultural work and occupied by buildings, installations and other objects, shall be determined according to the procedures and terms and conditions stipulated in Articles 9 and 10 of the present Law.

Article 16. Upper limits of rental payments Rental payments for plots of land taken on lease shall be collected in the amounts specified in a contract. In so doing, the upper limit of the rental payment shall not exceed the rates of the land tax for relevant categories of lands.

SECTION III. LAND PAYMENT PRIVILEGES

Article 17. Land payment privileges Payment shall not be collected for agricultural lands contaminated with radioactive materials and having restrictions concerning agricultural use. Land payment shall not be imposed on: reserves, botanical gardens, national and dendrological parks; payment shall not be imposed on lands occupied by monuments of nature, history and culture; institutions of culture, education, health care, social security, nature conservancy, enterprises of invalid societies, sport and health complexes financed from the state budget or from resources of trade unions and enterprises. Rural, town-like settlements and regional Soviets of People's Deputies, within their competence, can fully or partially free from the land tax agricultural experimental farms and facilities of research and educational institutions (lands allotted for experiments carried on for several years). state quality-testing stations and plots of land, hydrometeorological centres, stations, posts, installations and devices for controlling natural environment contamination.

Article 18. Land tax privileges The land tax shall not be levied on: reserved lands; cemeteries; plots of land occupied by administrative buildings of local Soviets of People's Deputies; communal lands of populated areas (settlements) (squares, circuses, streets, passages, motor-roads, embankments, parks, forest parks, boulevards, public gardens, etc.), as well as land occupied by communal motor-roads beyond populated areas, and lands of forest and water resources, except lands specified in Article 12 and 14 of the present Law, farms during three years from the day of their registration. Rural, town-like settlements, town (city) and regional Soviets of People's Deputies, within their competence, can grant privileges for the collection of the land tax provided there is a motivated request on the part of a payer; the above privileges may have the form of a full or a partial exemption for a determined period of time, deferment of payment and decrease of the rate in case of: natural and other calamities; when a land owner or a land user carries on a radical improvement of lands and uses for agricultural purposes plots of land having farming restrictions or unrehabilitated fertile layer of the soil.

Article 19. Land tax privileges for certain categories of citizens The land tax shall not be levied on: participants of the Great Patriotic War, including invalids from former partisans, or other persons from servicemen, who became invalids as a result of a wound, a contusion or a mutilation suffered when defending the Motherland or when discharging other military services, or due to a disease connected with their stay at the front; Parents and wives of servicemen died as a result of a wound, a contusion or a mutilation suffered when defending the Motherland or when discharging other military services, or died due to a disease connected with their stay at the front; pensioners, invalids of the first and the second groups and other disabled citizens who live without members of their families able to work, and families with several children (having three or more under age children); citizens who moved to rural populated areas (settlements) with a shortage of labor force during the first three years after a decision has been taken to provide them with a plot of land; citizens who moved to rural populated areas (settlements) from zones of people resettlement because of their radioactive contamination during the first three years after a decision has been taken to provide them with lands.

SECTION IV. PROCEDURES FOR COLLECTING LAND PAYMENTS

Article 20. Procedures for paying the land tax and rental payments The basis for computation of the land tax and a rental payment for the land shall be a State act for the right to possess (use) the land, a State act for the right of ownership of the land or a certificate for a temporary use of lands. Accounting of payers and of plots of land, as well as computation of the land tax shall be performed by state inspections together with bodies of the Committee on Land Reform and Land Organization of the Council of Ministers of the Republic of Belarus as it is stated on January 1st of each year. The land tax from legal persons and citizens shall be computed starting from the month following the month they were allotted a plot of land. The State tax inspection shall submit to a payer before March 1st of each year a tax notice showing the amount of the land tax due to be paid. The land tax, levied on plots of land designed

for servicing a building separately owned by several persons or citizens, shall be computed separately for each of them in proportion to an area of the building used by them separately. The land tax, levied on plots of land designed for servicing a building jointly owned by several legal persons or citizens, shall be computed for each of these owners in proportion of their share in this building. The land tax shall be paid by land owners, land users and landed proprietors during the year, but not later than on 15th of November. When terminating the right of possession (use) or the right of ownership, the land tax shall be paid for the actual period of use of a plot of land. In case of a voluntary giving up of a plot of land, allotted for growing agricultural produce, after May 1st, a land owner or a land user shall pay the tax for the entire year.

SECTION V. SUPERVISION AND LIABILITY FOR THE VIOLATION OF THE LAW ON LAND PAYMENT

Article 21. Supervising bodies Local Soviets of People's Deputies shall supervise over the observance of the procedures related to computation and payment of the land tax and land rental.

Article 22. Liability for payment of the land tax at the wrong time In case the land tax is paid at the wrong time a fine shall be computed in the amount of 0.2 per cent of the sum unpaid per each day of delay. In case the land tax has not been paid for two years in a row, or a rental payment has not been paid within the time specified in the lease contract, the right of possession and the right of use of the plot of land shall be terminated according to the procedures established by the Land Code of the Republic of Belarus.

Article 23. Dispute settlement Disputes related to computation and payment of the land tax and a land rental shall be settled according to the procedures stipulated by the legislative acts of the Republic or Belarus. 18 December 1991 Minsk APPENDIX I Tax rates for the lands of agricultural use (rubles per hectare)

Cadastre evaluation ³Arable lands, lands ³Natural ³ of lands (points) ³with perennial fruit ³grass and ³plants, grass and ³pasture ³pasture lands that ³ ³have been worked on and ³ ³improved ³ ³ up to 27.50 10 4 27.51-28.75 12 5 28.76-30.00 15 5 30.01-31.25 18 6 31.26-32.50 21 6 32.51-33.75 28 6 33.76-35.00 35 8 35.01-36.25 42 8 36.26-37.50 49 8 37.51-38.75 56 9 38.76-40.00 63 10 40.01-41.25 70 11 41.26-42.50 77 12 42.51-43.75 84 15 43.76-45.00 91 18 45.01-46.25 98 21 46.26-47.50 105 24 47.51-48.75 112 27 48.76-50.00 119 30 50.01-51.25 125 33 51.26-52.50 133 36 52.51-53.75 140 39 53.76-55.00 147 42 55.01-56.25 154 45 56.26-57.50 161 48 57.51-58.75 168 51 58.76-60.00 175 54 60.01-61.25 182 57 61.26-62.50 189 60 62.51-63.75 196 63 63.76-65.00 203 66 56.01 and higher 210 69

APPENDIX 2 Average tax rates for the lands of populated areas (thousand rubles per hectare) Categories of urban ³ Land tax rates ³ settlements and other ³ For acting ³ For newly ³ populated areas ³ objects ³ located ³ (settlements) ³ ³ objects ³ Û The city of Minsk 47.7 124.8 Oblast centres (except Minsk) 18.4 48.1 Towns of oblast subordination with the population of: over 100 thousand people 14.5 22.8 50-100 thousand people 10.4 22.8 up to 50 thousand people 6.0 12.5 Towns of region subordination 4.0 8.0 Other urban settlements 3.0 5.1 Rural settlements 2.0 4.4 BREST OBLAST: Baranovichi region 64 Dubrovno region 11 Bereza region 59 Lepel region 25 Brest region 65 Liozno region 11 Gatsevichi region 63 Miory region 14 Drogichin region 45 Orsha region 45 Zhabinka region 47 Polotsk region 16 Ivanovo region 62 Postavy region 13 Ivatsevichi region 53 Rossony region 11 Kamenets region 59 Senno region 11 Kobrin region 47 Tolochin region 58 Luninets region 49 Usachi region 14 Lyakovichi region 80 Chashniki region 25 Malorits region 27 Sharkovshchina region 17 Pinsk region 55 Shumilino region 17 Pruzhany region 53 GOMEL OBLAST: Stolin region 55 Bragin region 47 VITEBSK REGION: Buda-Koshelevo 40 Beshenkovich region 14 Vetka region 20 Braslav region 10 Gomel region 71 Verhknedvinsk region 14 Dobrush region 53 Vitebsk region 19 Yelsk region 18 Glubokoye region 25 Zhitkovichi region 48 Gorodok region 10 Zhlobin region 47 Dokshitsy region 26 Kalinkovich region 21 Korma region 28 Smorgon region 40 Lelchitsy region 18 Shchuchin region 64 Loyev region 26 MINSK OBLAST: Mozyr region 38 Berezino region 32 Narovlya region 21 Borisov region 45 Oktyabrskiy region 10 Vileyka region 62 Petrikov region 18 Volozhin region 46 Rechitsa region 33 Dzerzhinsk region 72 Rogachev region 57 Kletsk region 97 Svetlogorsk region 26 Kopyl region 74 Khoyniki region 55 Krupki region 27 Chechersk region 55 Logoysk region 20 GRODNO OBLAST: Lyuban region 68 Berestovotsa region 80 Minsk region 87 Volkovysk region 87 Molodechno region 94 Voronovo region 41 Myadel region 46 Grodno region 93 Nesvizh region 116 Dyatlove region 45 Pukhovichi region 32 Zelva region 68 Slutsk region 89 Iyve region 39 Smolevichi region 40 Korelich region 132 Soligorsk region 69 Lida region 54 Starye Dorogi region 35 Mosty region 69 Stolbtsy region 87 Novogrudok region 93 Uzda region 46 Ostrovets region 79 Cherven region 27 Oshmyany region 32 MOGILEV OBLAST: Svisloch region 54 Belynych region 46 Slonim region 66 Bobruysk region 52 Bykhov region 16 Glussk region 26 Gorki region 45 Dribin region 32 Kirovsk region 53 Klimovich region 10 Klichev region 11 Kostyukovich region 10 Krasnopolye region 10 Krichev region 19

Krugolye region 20 Mogilev region 26 Mstislavl region 45 Osipovochi region 19 Slavgorod region 10 Khotimsk region 10 Chaussy region 11 Cherkov region 15 Shklov region 39