

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Prime Minister

DECREE ON LAND TAX

Pursuant to the Constitution of the Lao People's Democratic Republic,

Pursuant to the Decree No. 99/PM, dated 19/12/1992, of the Prime Minister on Land,

Pursuant to the Decree No. 47/CCM of the Council of Ministers, dated 26/6/1988, on the State Tax Regime,

Based on the study and proposal forwarded by the Minister of Finance,

The Prime Minister issues the following decree :

Article 1 : The agricultural tax regime and land tax regime as provided in the Decree No. 47/CCM, dated 26/6/1988 is abrogated and superseded by the following land tax regime :

Part I : General Principles

Article 2 : Land tax shall be collected from individuals holding and using all land within the Lao People's Democratic Republic.

Land held and used by diplomatic missions and international organizations shall be subject to international principles as proposed by the Ministry of Foreign Affairs.

Article 3 : Land tax is an annual tax, computed and collected on the basis of the held and used land from January 1 to December 31 of each year.

Such tax collection shall start from January until April.

Article 4 : Land subject to land tax is divided in 3 categories :

1 : Construction land (land used for construction of buildings, ...)

2 : Agricultural land (lowland fields, orchards, upland fields)

3 : Other types of land.

Computation of rates on land area shall take place according to its geographical position, location and land use.

Part II : Tax Rate for Each Type of Land

Article 5 : The land tax rates are defined in the following table:

a.- Construction Land :

Region	Location	Land use			
		Constructi on of dwelling (1)	Constructi on of factory and production site (2)	Commer ce or Services (3)	Land not yet used (Vacant land) (4)
1. Vientiane Municipality - Luang Prabang town - Thakhek township (Khammuane Province) - Khanthabouly township (Savannakhet) - Pakse township (Champassak)	1. Along paved road	5 kip/m ² / Year	4 kip/m ² / year	10 kip/m ² / year	6 kip/m ² / year
	2. Along other roads	4 Kip/m ² / year	3 kip/m ² / year	8 kip/m ² / year	5 kip/m ² / year
	3. Other places	3 kip/m ² / year	2 kip/m ² / year	6 kip/m ² / year	4 kip/m ² / year

2. Townships of other provinces	1. Along paved road. 2. Along other roads. 3. Other places.	4 kip/m ² /year 3 kip/m ² /year 2 kip/m ² /year	3 kip/m ² /year 2 kip/m ² /year 1 kip/m ² /year	8 kip/m ² /year 6 kip/m ² /year 4 kip/m ² /year	5 kip/m ² /year 4 kip/m ² /year 3 kip/m ² /year
3. District townships of provinces.	1. Along paved roads. 2. Along other roads. 3. Other places.	3 kip/m ² /year 2 kip/m ² /year 1 kip/m ² /year	2 kip/m ² /year 1 kip/m ² /year 0.5kip/m ² /year	6 kip/m ² /year 4 kip/m ² /year 2 kip/m ² /year	3 kip/m ² /year 2 kip/m ² /year 1 kip/m ² /year
4. Village areas outside district towns.	1. Along main roads. 2. Along small roads. 3. Other places.	2 kip/m ² /year 1 kip/m ² /year 0.5 kip/m ² /year	1 kip/m ² /year 0.5 kip/m ² /year 0.3 kip/m ² /year	4 kip/m ² /year 3 kip/m ² /year 2 kip/m ² /year	2 kip/m ² /year 1 kip/m ² /year 0.5 kip/m ² /year

Remarks : - Any land remaining from construction in excess of 2,000 m² shall be considered as other type of land.

- Any village area seen appropriate for tax exemption shall be presented by the Land Tax Unit to the district administrative authorities to study and forward the matter to the provincial administrative authorities for decision on exemption.

b. Agricultural Land :

Article 6 : Agricultural Land Tax is imposed upon : lowland fields, irrigated fields, orchards, based on their location, whether in plains, mountains and on soil quality. The tax rate for each type of land is defined as follows :

1. Fields : are divided in two categories, such as : single season cultivation fields and double seasons cultivation fields. Each category is classified in 3 levels according to soil quality in the following table :

Region	Type of field	Productivity in one single season	Double season fields (irrigated)		Single season fields (3)
			Single season (1)	Double season (2)	
1. Plains all over the country	1	Over 3,510 Kg/ha	6,000 Kip/ha	5,000 kip/ha	4,000 kip/ha
	2	3,000-5,000 kg/ha	5,000 kip/ha	4,000 kip/ha	3,000 kip/ha
	3	Under 3,000 kip/ha	4,000 kip/ha	3,000 kip/ha	2,000 kip/ha
2. Mountains all over the country	1	Over 3,001 kg/ha	5,000 kip/ha	4,000 kip/ha	3,000 kip/ha
	2	2,501-3,000 kg/ha	4,000 kip/ha	3,000 kip/ha	2,000 kip/ha
	3	Under 2,500 kg/ha	3,000 kip/ha	2,000 kip/ha	1,000 kip/ha

2. Orchards

Region	Location	Orchards		
		Long-term industrial trees (1)	Long-term fruit trees (2)	Other orchards
1. Plains all over the country	1. Within village areas	5,000 kip/ha	4,000 kip/ha	3,000 kip/ha
	2. Next to other roads	4,000 kip/ha	3,000 kip/ha	2,000 kip/ha
	3. Other places	3,000 kip/ha	2,000 kip/ha	1,000 kip/ha
2. Mountains all over the country	1. Within village areas	4,000 kip/ha	3,000 kip/ha	2,000 kip/ha
	2. Next to other roads	3,000 kip/ha	2,000 kip/ha	1,000 kip/ha
	3. Other places	2,000 kip/ha	1,000 kip/ha	500 kip/ha

3. Upland fields

Region	Type of upland field	Tax Rate
1. Plains all over the country	1. Fixed upland fields	3,000 kip/ha
	2. Rotation upland fields	4,000 kip/ha
	3. Other types of upland fields	5,000 kip/ha
2. Mountains all over the country	1. Fixed upland field	1,000 kip/ha
	2. Rotation upland field	1,500 kip/ha
	3. Other types of upland fields	2,000 kip/ha

4. Other Types of Land or Undeveloped Land

This type of land is situated outside areas of lowland fields, upland fields, orchards, that is land bordering the fields or orchards which have not been put under plantation of long-term crops.

Region	Location	Tax Rate
1. Plains	1. Next to main roads	6,000 kip/ha
	2. Next to small roads	5,000 kip/ha
	3. Other places	4,000 kip/ha
2. Mountains	1. Next to main roads	3,000 kip/ha
	2. Next to small roads	2,000 kip/ha
	3. Other places	1,000 kip/ha

Remark : The determination of plains or mountainous areas shall be based on the location of the concerned district.

Part III : Exemption of Land Tax

Article 7 : Land tax shall be exempted in the following conditions:

* Construction Land :

1. Land up to 5,000 square meters used for the construction of housings for heroes, invalids during official missions who are unable to work, shall be exempted, while the remaining land shall be subject to full payment.
2. Land where offices of state agencies within the administrative and technical apparatus and public places are located.
3. Land where places of worship, cemeteries of all religions and other sacred places void of commercial features.

4. Land of diplomatic missions and international organizations shall be exempted as requested by the Ministry of Foreign Affairs.

* Agricultural Land

1. Agricultural land of state organizations for research and experimentation.

2. Land not exceeding 2 ha produced by the families of civil servants, soldiers who have sacrificed their lives or invalids unable to work, as certified by the concerned organization, while the remaining area from the said 2 ha shall be subject to full payment.

3. Invalids, leprosy unable to work their lowland fields, upland fields and orchards for commercial purposes, enough only for their subsistence.

4. Families cultivating lowland or upland fields with an average paddy yield per capita of 150 Kg per year.

5. Farmer families victims of natural disasters or pests shall receive a reduction according to their loss as follows:

- 21%-70% of reduction according to the percentage of loss.

- Over 71% of loss, 100% of reduction shall be given.

6. Newly cleared fields in mountainous areas shall be exempted for a period of 5 years from the day the fields are cleared.

7. Newly cleared fields in plains shall be exempted for a period of 3 years from the day the fields are cleared.

8. Long-term industrial tree and fruit tree orchards shall be exempted for a period of 2-5 years from the day the trees are planted based on the rapid or slow yield of each type of planted trees.

Part IV : Organization and Implementation

Article 8 : Organizations and individuals holding and using land must declare the area of such held and used land to the Land Management Unit covering the area where the land is located within a period of 120 days from the day the collection of land tax is promulgated in each region and shall pay such tax as provided in this Decree.

Article 9 : The Land Tax Unit of each district shall have the duty to record such declarations and issue certificates of each land area in each village for the establishment of a land tax register for every village every year, then present to the district and provincial Land Management Unit for authorization of tax collection according to the computed figures.

Article 10 : When organizing annual land tax collection in provincial or district towns, the land holder and user shall pay the tax himself at the District Land Tax Office. Whereas in other villages outside the district towns, land tax officers shall coordinate with the village administrative authorities and volunteers for the collection's organization.

Article 11 : Each licensed assignment or transfer of right of land tenure and use must be declared to the Land Tax Unit for the purpose of updating the Land Register.

Article 12 : Measures against transgressors.

Any organization or individuals refusing to declare the land area under their tenure or use to the Land Management Unit of their area after 120 days from the promulgation of this Decree, such land will be considered as without tenants and users. If no declaration is made after 3 years, the State shall retrieve the right of use over that land.

Article 13 : Any delay for tax payment shall be fined 5% of the payable tax for each month of delay.

Article 14 : All ministries, equal ranking agencies, provinces and municipality, in close coordination with the Tax department of their level, shall divulge the content of this Decree to agencies, offices and the population for general acknowledgement.

Article 15 : The Ministry of Finance is entrusted to organize the implementation of this Decree and establish reports on the situation and proceeds for the conclusion of lessons and timely solutions.

This decree is effective from the day it is signed.

Vientiane, March 13, 1993
Prime Minister

Signed and stamped

Khamtay Siphandone