

RESTITUTION OF DEVELOPMENT GAINS ACT

Wholly Amended by Act No. 9045, Mar. 28, 2008

Amended by Act No. 9538, Mar. 25, 2009

Act No. 9629, Apr. 22, 2009

Act No. 9968, Jan. 25, 2010

Act No. 10662, May 19, 2011

Act No. 11690, Mar. 23, 2013

Act No. 12215, Jan. 7, 2014

Act No. 12245, Jan. 14, 2014

Act No. 13805, Jan. 19, 2016

Article 1 (Purpose)

The purpose of this Act is to prevent speculation in land and promote the effective utilization of land by restituting development gains accruing from land and duly distributing them, thereby contributing to the sound development of the national economy.

Article 2 (Definitions)

The definitions of the terms used in this Act shall be as follows: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. The term "development gains" means increases in land prices that are reverted to the landowner or a person executing the development projects (hereinafter referred to as "project operator") in excess of increases in normal land prices, due to the execution of development projects, changes to a land-use plan, or other social or economic factors;
2. The term "development projects" means the projects under Article 5, such as housing site development or industrial complex development projects that are executed after obtaining authorization, permission, a license, etc. (including reporting; hereinafter referred to as "authorization, etc.") from the State or a local government;
3. The term "increases in normal land prices" means the amount calculated in accordance with the standards prescribed by Presidential Decree in consideration of the interest rates on time deposits offered by financial institutions, or the average fluctuation rate of land prices surveyed by the Minister of Land, Infrastructure and Transport pursuant to Article 125 of the National Land Planning and Utilization Act (referring to the average fluctuation rate of land prices in the Si/Gun or autonomous Gu where the area covered by the relevant development project is located);

4. The term "development charges" means the amount of development gains imposed and collected by the State under this Act.

Article 3 (Restitution of Development Gains)

The State shall collect the development gains accruing in the region in which projects subject to the imposition of development charges referred to in Article 5 are executed, as development charges, as prescribed by this Act.

Article 4 (Distribution of Money Collected)

(1) The amount equivalent to 50/100 of the development charges collected pursuant to Article 3 shall revert to the local government with jurisdiction of the land over which the development gains are generated, and the remainder of the development charges shall revert to the special accounts for local development (hereinafter referred to as "special accounts") separately prescribed by Acts. *<Amended by Act No. 9629, Apr. 22, 2009; Act No. 12215, Jan. 7, 2014>*

(2) Notwithstanding paragraph (1), where development charges are reduced pursuant to Article 7 (4), the amount calculated by deducting the reduced amount from the amount equivalent to 50/100 of the unreduced development charges collected pursuant to Article 3 shall revert to the local government with jurisdiction of the land over which the development gains are generated, and the remainder of the development charges shall revert to the special account. *<Newly Inserted by Act No. 9538, Mar. 25, 2009>*

(3) Necessary matters concerning the reversion, grant, transfer procedures, etc. referred to in paragraphs (1) and (2) shall be prescribed by Presidential Decree. *<Amended by Act No. 9538, Mar. 25, 2009>*

Article 5 (Projects subject to Imposition)

(1) Development projects subject to the imposition of development charges shall be any of the following projects: *<Amended by Act No. 12245, Jan. 14, 2014>*

1. Housing site development projects (including housing site preparation projects; hereinafter the same shall apply);
2. Industrial complex development projects;
3. Tourist complex preparation projects (including hot spring development projects; hereinafter the same shall apply);
4. Urban development projects, regional development projects, and urban environment improvement projects;
5. Site preparation projects for traffic facilities and logistics facilities;
6. Site preparation projects for sport facilities (including golf course construction projects and bicycle or motorboat racing track construction projects);
7. Projects requiring changes of land category, which are prescribed by Presidential Decree;
8. Other projects prescribed by Presidential Decree which are similar to those referred to in subparagraphs 1 through 6.

(2) Where the same person executes a development project by virtually dividing contiguous lands within the period prescribed by Presidential Decree, a single development project shall be deemed executed on

the whole land.

(3) Necessary matters concerning the scope, scale, etc. of the development projects and the scope of persons deemed to be a single person under paragraphs (1) and (2) shall be prescribed by Presidential Decree.

Article 6 (Obligors)

(1) The project operator listed in each subparagraph of Article 5 (1) shall be liable to pay development charges as prescribed by this Act: Provided, That a person who falls any of the following cases shall be liable to pay development charges:

1. Where the development projects are entrusted or subcontracted, the person entrusting the projects or awarding the contract;
2. Where the development projects are executed by renting land owned by others, the landowner thereof;
3. Where a person succeeds to the status of the project operator or other person falling under subparagraph 1 or 2 before completion of the development projects, the successor.

(2) Where an obligor of development charges is a partnership prescribed by Presidential Decree and falls under any of the following cases, the partners (where the partnership is dissolved, referring to the partners as at the time of the dissolution) shall pay the development charges in accordance with distribution ratios, etc. prescribed by Presidential Decree:

1. Where the partnership is dissolved;
2. Where the property owned by the partnership is not enough to cover the development charges or additional dues imposed on the partnership or the partnership is liable to pay.

(3) Articles 23, 24, and 38 through 41 of the Framework Act on National Taxes shall apply mutatis mutandis to the succession of legal obligation to pay development charges and the secondary payment obligation, and Article 25 of the Framework Act on National Taxes and Articles 413 through 416, 419, 421, 423, and 425 through 427 of the Civil Act shall apply mutatis mutandis to legal obligation to jointly pay development charges. <Amended by Act No. 12245, Jan. 14, 2014>

Article 7 (Exclusion from Imposition and Reduction or Exemption)

(1) No development charges shall be imposed on the development projects executed by the State and the development projects prescribed by Presidential Decree that are executed by local governments for public purposes.

(2) The amount equivalent to 50/100 of the development charges shall be reduced for any of the following development projects. In such cases, none of the following provisions shall redundantly apply: <Amended by Act No. 12245, Jan. 14, 2014; Act No. 13467, Aug. 11, 2015; Act No. 13669, Dec. 29, 2015; Act No. 13805, Jan. 19, 2016>

1. Projects executed by local governments, which do not fall under paragraph (1);
2. Projects prescribed by Presidential Decree and executed by public agencies prescribed by Presidential Decree, such as the public institutions under the Act on the Management of Public Institutions, local

public enterprises under the Local Public Enterprises Act, and public enterprises under special Acts;

3. Factory site preparation projects executed by small and medium enterprises specified in Article 2 (1) of the Framework Act on Small and Medium Enterprises (hereinafter referred to as "small and medium enterprises"), and tourist complex preparation projects and site preparation projects for traffic facilities and logistics facilities prescribed by Presidential Decree: Provided, That projects executed within the Seoul Metropolitan Area defined in subparagraph 1 of Article 2 of the Seoul Metropolitan Area Readjustment Planning Act (hereinafter referred to as "Seoul Metropolitan Area") shall be excluded herefrom;

4. Housing site development projects executed to construct national housing, funded by the Housing and Urban Fund established under the Housing and Urban Fund Act, among national housing referred to in subparagraph 5 (b) of Article 2 of the Housing Act;

5. Development projects executed in areas adjacent to granted districts, returned districts, or areas adjacent to returned districts defined in subparagraphs 2 through 4 of Article 2 of the Special Act on Support for Areas, etc. Adjacent to Districts Granted to the United States Armed Forces in Korea: Provided, That in cases of the area of an Eup/Myeon/Dong adjacent to another Eup/Myeon/Dong (referring to an administrative Dong; hereinafter the same shall apply) in which a granted district or returned district is located, the foregoing shall only apply to projects executed according to a comprehensive plan for the development of areas adjacent to a granted district, etc. which has been finalized under Article 8 of the same Act before the Restitution of Development Gains Act (Act No. 13699) enters into force;

6. Development projects executed in the area of an Eup/Myeon/Dong which abuts the Demilitarized Zone, the Northern Limit Line on the sea, or the Civilian Access Control Line, among the border areas defined in subparagraph 1 of Article 2 of the Special Act on Support for Border Area.

(3) Notwithstanding paragraph (2), any of the following development projects shall be exempt from development charges: <Amended by Act No. 9538, Mar. 25, 2009; Act No. 12245, Jan. 14, 2014>

1. Industrial complex development projects under the Industrial Sites and Development Act: Provided, That industrial complexes located in the Seoul Metropolitan Area shall be excluded herefrom;

2. Factory site preparation projects executed with approval of a project plan as prescribed by the Support for Small and Medium Enterprise Establishment Act;

3. Tourist complex preparation projects under the Tourism Promotion Act: Provided, That tourist complexes located in the Seoul Metropolitan Area shall be excluded herefrom;

4. Logistics complex development projects under the Act on the Development and Management of Logistics Facilities: Provided, That logistics complexes located in the Seoul Metropolitan Area shall be excluded herefrom.

(4) The head of a local government may request the Minister of Land, Infrastructure and Transport to reduce the development charges imposed on the development projects referred to in each subparagraph of Article 5 (1) that are executed under his/her jurisdiction with approval from the relevant local council,

without exceeding the amount to be reverted to the local government pursuant to Article 4 (1), in order to revitalize private investment in the relevant area. In such cases, the Minister of Land, Infrastructure and Transport, upon receipt of a request for reduction, shall make the reduction as requested without exceeding the amount to be reverted to the relevant local government pursuant to Article 4 (1), unless there exists any reason prescribed by Presidential Decree, such as that the price of the land owned by the relevant local government is likely to soar. <Newly Inserted Act No. 9538, Mar. 25, 2009; Act No. 11690, Mar. 23, 2013>

(5) Necessary matters concerning projects subject to reduction of development charges, the standards and procedures for the reduction thereof under paragraph (4) and other relevant matters shall be prescribed by Presidential Decree. <Newly Inserted Act No. 9538, Mar. 25, 2009>

Article 7-2 (Temporary Special Cases concerning Reduction of, or Exemption from, Development Charges)

Notwithstanding Article 7 (2) and (3) (excluding paragraph (3) 2), development charges shall be reduced or exempted for projects subject to the imposition of development charges referred to in Article 5 (1) 1 through 6 for which authorization, etc. are obtained from July 15, 2015 to June 30, 2018, in accordance with the following classification:

1. Development projects executed within the Seoul Metropolitan Area: Reduction of development charges by 50/100;
2. Development projects executed in areas other than the Seoul Metropolitan Area: Exemption from development charges.

Article 8 (Standards for Imposition)

The standard development charges to be imposed shall be the amount calculated by deducting any of the following amounts from the equivalent value of land subject to imposition as of the time when the imposition is completed (hereinafter referred to as "land value as of the end point"):

1. Equivalent value of land subject to imposition as of the starting point of imposition (hereinafter referred to as "land value as of the starting point");
2. Increases in normal land prices during the period for imposition;
3. Development costs referred to in Article 11.

Article 9 (Base Point)

(1) The starting point of imposition shall be the date when the project operator obtains authorization, etc. for development projects from the State or a local government: Provided, That the starting point of imposition shall be the day falling under any of the following cases:

1. Date of acquisition where the land-use plan, etc. prescribed by Presidential Decree is modified less than five years before authorization, etc. is obtained and the land is acquired before modification of the land-use plan, etc.: Provided, That where the land-use plan, etc. is modified after two years have elapsed from the date of acquisition or other cases prescribed by Presidential Decree, the starting point of imposition shall be the date prescribed by Presidential Decree;

2. The point of time prescribed by Presidential Decree where the area of land subject to imposition is modified due to the modification of authorization, etc.
- (2) The date on which authorization etc. for the development projects is obtained and the date of acquisition referred to in paragraph (1) shall be prescribed by Presidential Decree.
- (3) The end point of imposition shall be the date on which authorization, etc. for completion of the development projects is obtained from the State or a local government pursuant to related statutes: Provided, That where all or part of the land subject to imposition falls under any of the following cases, the date when such land falls under any of the following cases shall be the end point of imposition for the relevant land:
1. Where part of the land subject to imposition is complete pursuant to related statutes;
 2. Where the obligor starts to use the land for purposes of development projects or makes a disposal, such as sale in lots, to a third party, as prescribed by Presidential Decree;
 3. Other cases prescribed by Presidential Decree.
- (4) The date on which authorization, etc. of the development projects are obtained, referred to in the main sentence other than the subparagraphs of paragraph (3) shall be prescribed by Presidential Decree.

Article 10 (Calculation of Land Prices)

- (1) The land value as of the end point shall be the aggregate of the value calculated in accordance with the standard comparative table concerning the standard lands and the price determining factors of lands whose values are subject to calculation under Article 3 (7) of the Act on the Public Announcement of Real Estate Values, on the basis of the publicly-notified land price of the standard land which is utilized in a manner most similar to the land subject to imposition at the end point of imposition, and the increases in normal land prices from the January 1st of the relevant year to the end point of imposition. <Amended by Act No. 12245, Jan. 14, 2014; Act No. 13796, Jan. 19, 2016>
- (2) In cases prescribed by Presidential Decree, such as where authorization, etc. shall be obtained from the State or a local government for the disposal price in making a disposal, such as the sale of the land subject to imposition in lots, the disposal price may be the land value as of the end point as prescribed by Presidential Decree, notwithstanding paragraph (1).
- (3) The land value as of the starting point of imposition shall be the value calculated by adding the increases in normal land prices from the base date of the publicly-notified individual land price to the starting point of imposition, to such publicly-notified land price (referring to the most recently publicly-notified land price from the starting point of imposition) of the land subject to imposition in the year in which the starting point of imposition falls: Provided, That in any of the following cases, the land value as of the starting point may be the value calculated by adding or deducting the increase in normal land prices from the date of purchase or acquisition to the starting point of imposition, to or from the actual purchase or acquisition price: <Amended by Act No. 11690, Mar. 23, 2013>
1. Where the land is purchased from the State, a local government, or an agency prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport;

2. Where the land is purchased by means of auction or tender;
3. Where the land is purchased by a local government or a public agency referred to in Article 7 (2) 2;
4. Where the land is acquired through consultation or expropriation in accordance with the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects;
5. Where the actual purchase price of the land is objectively recognized as a normal sale price, cases prescribed by Presidential Decree.

(4) In calculating the land value as of the end point and the land value as of the starting point under paragraphs (1) and (3), where any land that has been donated to the State or a local government or any land owned by the State or public is included in the land subject to imposition, it shall be excluded from the calculation of the land value as of the end point and the land value as of the starting point.

(5) In calculating the land value as of the end point and the land value as of the starting point under paragraphs (1) and (3), it shall be calculated using the method prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport, in any case prescribed by Presidential Decree, such as cases where there is no individual publicly-notified land prices for the relevant land. *<Amended by Act No. 11690, Mar. 23, 2013>*

(6) An obligor, seeking to be subject to the proviso to the part other than the subparagraphs of paragraph (3) with respect to the land value as of the starting point, shall submit materials proving that the case falls under any of the subparagraphs of the said paragraph to the Minister of Land, Infrastructure and Transport within the period prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport. *<Amended by Act No. 11690, Mar. 23, 2013>*

Article 11 (Calculation of Development Costs)

(1) The costs expended in connection with the execution of development projects (hereinafter referred to as "development costs") shall be calculated by aggregating the following amounts: *<Amended by Act No. 12245, Jan. 14, 2014>*

1. Net construction costs, survey costs, design costs, and general management expenses;
2. The following values in accordance with related statues or terms of authorization, etc. of the relevant development projects:
 - (a) Where an obligor has donated public facilities or land, etc. to the State or a local government, the equivalent value thereof;
 - (b) Where an obligor has paid charges, the equivalent value thereof;
3. Reclamation costs, taxes and public charges, and compensation costs of the relevant land and other costs prescribed by Presidential Decree.

(2) Notwithstanding paragraph (1), in case of a development project for an area the size of which is equivalent to or less than the size prescribed by Presidential Decree (excluding development projects completed with usage alteration, etc. without incurrence of land development costs), the standard cost per unit area notified by the Minister of Land, Infrastructure and Transport may apply in calculating the aggregate of net construction cost, survey cost, design cost and general management expenses under

paragraph (1) 1: Provided, That the same shall not apply where such application is not desired by the obligor referred to in Article 6. <Newly Inserted by Act No. 10662, May 19, 2011; Act No. 11690, Mar. 23, 2013; Act No. 12245, Jan. 14, 2014>

(3) Necessary matters concerning calculation methods, etc. referred to in each subparagraph of paragraph (1) and paragraph (2) shall be prescribed by Presidential Decree. <Amended by Act No. 10662, May 19, 2011>

Article 12 (Recognition of Transfer Gains Tax Amount, etc. as Development Costs)

(1) Where transfer income tax or corporate tax is imposed against the income accruing from the transfer of land subject to the imposition of development charges after the starting point of imposition and before the imposition of development charges, the amount of tax accrued from the starting point of imposition until the point of transfer out of the said amount of tax may be included in the development costs referred to in the said Article, notwithstanding Article 11. <Amended by Act No. 12245, Jan. 14, 2014>

(2) The scope, etc. of amount of tax to be included in the development costs pursuant to paragraph (1) shall be prescribed by Presidential Decree.

(3) Where it is necessary to include into the development costs under paragraph (1), the Minister of Land, Infrastructure and Transport may request the head of the competent tax government office to provide taxation information referred to in Article 81-13 of the Framework Act on National Taxes, including the imposed amount of transfer income tax or corporate tax referred to in paragraph (1), with a document specifying the following: <Newly Inserted by Act No. 13783, Jan. 19, 2016>

1. Personal data of a taxpayer;
2. The purpose of use;
3. Detailed statement of land subject to the imposition of development charges.

(4) The request for providing taxation information under paragraph (3) and the provision of taxation information in response to such request shall be made in accordance with the Personal Information Protection Act. <Newly Inserted by Act No. 13783, Jan. 19, 2016>

Article 13 (Imposition Rates)

The development charges to be paid by an obligor shall be calculated by multiplying the development gains computed under Article 8 and the following imposition rates:

1. Development projects referred to in Article 5 (1) 1 through 6: 20/100;
2. Development projects referred to in Article 5 (1) 7 and 8: 25/100: Provided, that the imposition rate shall be 20/100, where development projects referred to in Article 5 (1) 7 and 8 are executed in a development restriction zone under Article 38 of the National Land Planning and Utilization Act, and the obligor has possessed the land since it was designated as a development restriction zone.

Article 14 (Determination and Imposition of Charges)

(1) The Minister of Land, Infrastructure and Transport shall determine and impose development charges within five months from the end point of imposition: Provided, That where the land subject to imposition falls under the proviso to the part other than each subparagraph of Article 9 (3), and it is impossible to submit the statement of development costs under Article 11 because the relevant project is part of a large-

scale project, the development charges may be determined and imposed as prescribed by Presidential Decree. *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12245, Jan. 14, 2014>*

(2) Where the Minister of Land, Infrastructure and Transport intends to determine and impose development charges pursuant to paragraph (1), he/she shall notify, in advance, an obligor of the criteria for imposition and the amount to be imposed. *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12245, Jan. 14, 2014>*

(3) A person who has an objection against development charges notified pursuant to paragraph (2) may request examination as prescribed by Presidential Decree.

Article 15 (Notices of Payment)

(1) Where the Minister of Land, Infrastructure and Transport decides to impose development charges under this Act, he/she shall issue a notice of payment to an obligor as prescribed by Presidential Decree. *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) No development charge shall be imposed after five years elapse from the date a notice of imposition may be given. In such case, revised development charges may be imposed or other necessary dispositions may be taken, until one year elapses from the date a ruling or judgement in an administrative appeal case or litigation becomes final.

(3) The date on which the imposition of development charges may be notified under paragraph (2) shall be prescribed by Presidential Decree.

Article 16 (Additional Collections)

(1) Where there exists any reason prescribed by Presidential Decree, such as a failure to use land for the intended purposes of the relevant development projects within the period prescribed by Presidential Decree without compelling reasons after executing the projects subject to reduction of, or exemption from, development charges (including projects subject to reduction or exemption as prescribed by other Acts) pursuant to Article 7 (2) through (4), the reduced or exempt development charges shall be collected. *<Amended by Act No. 9538, Mar. 25, 2009>*

(2) Matters necessary for the collection of development charges referred to in paragraph (1) shall be prescribed by Presidential Decree.

Article 17 (Prescriptions)

(1) If a right to collect development charges and a right to claim a refund of erroneously paid amount are not exercised within five years from the time they may be exercised, extinctive prescription shall be complete.

(2) The extinctive prescription of a right to collect development charges under paragraph (1) shall be interrupted by any of the following reasons:

1. Notice for payment;
2. Reminder for payment;
3. Request for issuance;

4. Seizure.

(3) The extinctive prescription interrupted under paragraph (2) shall commence anew from the time when any of the following periods elapses:

1. Payment period as noticed;
2. Payment period as renewed by reminder;
3. Period in the course of request for issuance;
4. Period until the release of seizure.

(4) The extinctive prescription of a right to collect development charges under paragraph (1) shall not proceed during the period for postponement of payment or installment payment.

(5) The extinctive prescription of a right to claim a refund under paragraph (1) shall be interrupted by an exercise of the right to claim a refund.

(6) Except as provided for in this Act regarding extinctive prescription, the provisions of the Civil Act shall apply *mutatis mutandis*.

Article 18 (Payments)

(1) An obligor of development charges shall pay the development charges within six months from the date of imposition.

(2) Development charges shall be paid in cash, in principle, but the payment in land (referring to the relevant land subject to imposition and other lands similar thereto) or in building (hereinafter referred to as "payment in kind") may be recognized. *<Amended by Act No. 13783, Jan. 19, 2016>*

(3) The standards and procedures for payment in kind and other matters necessary for payment in kind shall be prescribed by Presidential Decree.

Article 18-2 (Partial Refund of Development Charges)

(1) Where an obligor of development charges has completed the payment of development charges by the payment deadline specified in Article 18 (1), the Minister of Land, Infrastructure and Transport may refund the obligor the amount calculated as prescribed by Presidential Decree, considering the period from the imposition date to the payment date and other relevant matters.

(2) Paragraph (1) shall not apply to the postponement of payment and payment in installments under Article 20 (1).

Article 19 (Collection before Payment Deadline)

(1) Where an obligor falls under any of the following cases, the Minister of Land, Infrastructure and Transport may collect, before the payment deadline, the development charges already imposed: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. Where he/she is subject to the disposition on default of the national and local taxes or other public charges;
2. Where he/she is subject to compulsory execution;
3. Where he/she has been declared bankrupt;

4. Where the official auction against him/her has commenced;
5. Where the juristic person has been dissolved;
6. Where he/she is deemed to have committed an act of evading the development charges;
7. Where he/she has no administrator of payment of development charges and has no address or residence in the Republic of Korea.

(2) Where the Minister of Land, Infrastructure and Transport intends to collect development charges before the payment deadline pursuant to paragraph (1), he/she shall set the payment deadline and notify the obligor of the intent and the modification of payment deadline, etc., as prescribed by Presidential Decree. *<Amended by Act No. 11690, Mar. 23, 2013>*

Article 20 (Postponement of Payment and Payment in Installments)

(1) Where it is deemed impracticable for an obligor of development charges to pay such charges because he/she falls under any of the following cases, the Minister of Land, Infrastructure and Transport may extend the payment deadline for a maximum of three years or may approve installment payment within the range of five years, taking account of the state of use in accordance with the purpose of the relevant development projects, and other factors, as prescribed by Presidential Decree: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. Where he/she suffers heavy losses of assets due to disaster or theft;
2. Where his/her business suffers a big loss;
3. Where his/her business faces a grave crisis;
4. Where the obligor or his/her family living together therewith requires long-term treatment for a disease or serious injury;
5. Other cases prescribed by Presidential Decree.

(2) Where an obligor intends to obtain authorization for the extension of payment deadline or installment payment of the development charges pursuant to paragraph (1), he/she shall file an application with the Minister of Land, Infrastructure and Transport as prescribed by Presidential Decree. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) In the cases of paragraphs (1) and (2), where the extended period of payment or the grace period for installment payments is at least one year, the Minister of Land, Infrastructure and Transport shall, regarding the period exceeding one year, collect the development charges by adding the amount prescribed by Presidential Decree to the said development charges. *<Amended by Act No. 12245, Jan. 14, 2014>*

Article 21 (Demands for Payments and Surcharges)

(1) Where an obligor of development charges fails to pay the development charges in full within the period determined in accordance with Article 18 (1), the Minister of Land, Infrastructure and Transport shall issue a reminder within ten days after the expiration of payment deadline. *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) Where the development charges or the development charges in arrears are not paid in full by the payment deadline, Article 21 of the National Tax Collection Act shall apply mutatis mutandis. *<Amended*

by Act No. 12245, Jan. 14, 2014>

Article 22 (Disposition on Default, etc.)

(1) Where an obligor of development charges fails after receiving a reminder to pay the development charges and additional dues, etc. in full by the designated payment deadline, the Minister of Land, Infrastructure and Transport may collect them in the same manner as delinquent national taxes are collected. *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) The development charges and additional dues, etc. under paragraph (1) shall be collected in preference to any other claims, except for national taxes and local taxes: Provided, That this shall not apply to a claim guaranteed by a registered right of lease on deposit basis, a pledge right, or mortgage, where the development charges and additional dues, etc. are collected from the proceeds from the sale of a property for which the fact that the establishment of the right of lease on deposit basis, the pledge right, or the mortgage has been registered before the date of notice of the payment of the development charges under Article 15 is verified.

(3) In collecting development charges for which payment in installments is authorized, if an installment is not paid by the deadline, the remaining development charges to be paid in installments during and after such period for payment, and additional dues, etc. shall be collected in full in a lump sum as at the time of disposition on default, notwithstanding Article 20 (1).

Article 23 (Write-off)

(1) Where a defaulter has any of the following reasons, the Minister of Land, Infrastructure and Transport may write off the relevant development charges, etc.: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. Where the disposition on default is concluded and the portion appropriated for payment of the amount in arrears falls short of such amount in arrears;
2. Where extinctive prescription is complete under Article 17 (1);
3. Where no balance is expected after an estimated value of the total property which is the object of the disposition on default is appropriated to disposition fee on default;
4. Where it is impossible to collect the amount in arrears as the whereabouts of the defaulter is unknown or he/she is proven to have no property.

(2) When the Minister of Land, Infrastructure and Transport discovers other property that can be seized after the write-off under paragraph (1), he/she shall revoke such write-off without delay and take a disposition on default: Provided, That this shall not apply in cases falling under paragraph (1) 2. *<Amended by Act No. 11690, Mar. 23, 2013>*

Article 24 (Obligation to Submit Data)

An obligor shall submit statements necessary for the calculation of the development costs referred to in Article 11 to the Minister of Land, Infrastructure and Transport, as prescribed by Presidential Decree, according to the following classifications: *<Amended by Act No. 9538, Mar. 25, 2009; Act No. 11690, Mar. 23, 2013>*

1. Where he/she obtains authorization, etc. of the completion of development projects from the State or a local government;
2. In cases falling under the proviso to Article 9 (3).

Article 25 (Notification of Data)

(1) An administrative agency that grants authorization, etc. for a development project subject to the imposition of development charges shall notify the Minister of Land, Infrastructure and Transport of such authorization, etc. within 15 days from the date it grants the authorization, etc. *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) Where the Minister of Land, Infrastructure and Transport imposes development charges, he/she shall notify matters concerning the target project, obligor, imposed amount, project period, date of imposition, etc. to the Commissioner of the National Tax Service within 15 days from the date of imposition, as prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport. *<Amended by Act No. 11690, Mar. 23, 2013>*

Article 26 (Special Cases of Administrative Appeals)

(1) A person dissatisfied with the imposition and collection of development charges, etc. may file an administrative appeal with the Central Land Expropriation Commission under the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects.

(2) Notwithstanding Article 6 of the Administrative Appeals Act, the Central Land Expropriation Commission under the Act on Acquisition and Compensation for Land, etc. for Public Works Projects shall deliberate and render adjudication through a resolution on administrative appeals referred to in paragraph (1). *<Amended by Act No. 9968, Jan. 25, 2010>*

Article 27 (Delegation of Authority)

(1) The Minister of Land, Infrastructure and Transport may delegate part of his/her authority (excluding the authority for the imposition and collection of development charges) under this Act to the Special Metropolitan City Mayor, a Metropolitan City Mayor, a Metropolitan Autonomous City Mayor, a Do governor, or the Special Self-Governing Province Governor, as prescribed by Presidential Decree. *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12245, Jan. 14, 2014>*

(2) The Minister of Land, Infrastructure and Transport may delegate his/her authority for the determination, imposition, and collection of development charges under this Act to a Metropolitan Autonomous City Mayor, the Special Self-Governing Province Governor, or the head of a Si/Gun/Gu (referring to the head of an autonomous Gu), as prescribed by Presidential Decree. In such cases, he/she may pay delegation fees to a relevant local government within the range of actual expenses incurred in collecting them, as prescribed by Presidential Decree. *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12245, Jan. 14, 2014>*

Article 28 (Penalty Provisions)

(1) A person who concludes a false contract for the purpose of evading or reducing development charges or for the purpose of having others evade or reduce such charges shall be punished by imprisonment with

labor for not more than three years, or by a fine equivalent to not more than three times development charges which he/she has evaded or reduced or attempted to evade or reduce.

(2) Where the representative of a corporation, or an agent, an employee, or any other servant of a corporation or an individual commits a violation under paragraph (1) in connection with the business affairs of the corporation or individual, not only shall such violator be punished, but the corporation or individual shall be punished by a fine under the relevant provisions: Provided, That this shall not apply to cases where such corporation or individual has not been negligent in giving due attention and supervision concerning the business affairs to prevent such violation. <Amended by Act No. 9538, Mar. 25, 2009>

(3) Deleted. <by Act No. 9538, Mar. 25, 2009>

Article 29 (Administrative Fines)

(1) A person who fails to submit the statements referred to in Article 24 by the deadline or presents false statements shall be subject to an administrative fine not exceeding two million won. <Amended by Act No. 9538, Mar. 25, 2009>

(2) Administrative fines referred to in paragraph (1) shall be imposed and collected by the Minister of Land, Infrastructure and Transport, as prescribed by Presidential Decree. <Amended by Act No. 11690, Mar. 23, 2013>

(3) through (5) Deleted. <by Act No. 9538, Mar. 25, 2009>

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation.

Article 2 (Applicability to Exemption or Deduction of Development Charges and Point of Imposition Thereof)

(1) In applying the amended provisions of Article 9 (1) of the Restitution of Development Gains Act (Act No. 4563), the enforcement date of the same Act shall be deemed the date of acquisition of the land that has been in possession since before the date when the same Act entered into force.

(2) The amended provisions of Articles 7 (2) 3 and 9 (1) 1 shall apply beginning with the first project on which development charges are determined and imposed after this Act enters into force.

Article 3 (Special Cases concerning Exemption from Development Charges)

(1) Notwithstanding Article 3 (1), one shall be exempt from development charges on the development projects for which authorization, etc. were obtained before December 31, 1999, which are projects subject to the imposition of development charges under Article 5.

(2) Paragraph (1) shall apply beginning with the project for which development charges have not been imposed and three months have not passed since the end point of imposition as at the time the Restitution of Development Gains Act (Act No. 5572) entered into force.

Article 4 (Special Cases concerning Collection of Development Charges)

As for projects subject to the imposition of development charges under Article 5 being executed in an area other than Seoul Metropolitan City, Incheon Metropolitan City or Gyeonggi-Do, for which authorization, etc. were obtained between January 1, 2002 and December 31, 2005, and as for projects subject to the imposition of development charges under Article 5 being executed in an area in Seoul Metropolitan City, Incheon Metropolitan City or Gyeonggi-Do, for which authorization, etc. were obtained between January 1, 2004 and December 31, 2005, the State shall not collect development charges on the development gains that have accrued therefrom, notwithstanding Article 3.

Article 5 (General Transitional Measures concerning Disposition, etc.)

An act of an administrative agency or act towards an administrative agency under the pervious provisions as at the time when this Act enters into force shall be deemed acts of an administrative agency or acts with regard to an administrative agency under this Act.

Article 6 (Transitional Measures concerning Penalty Provisions and Administrative Fines)

Previous penalty provisions or provisions of administrative fines shall apply to acts performed before this Act enters into force.

Article 7 Omitted.

Article 8 (Relationship to Other Statutes)

Where the previous Restitution of Development Gains Act or provisions thereof are cited in other statutes as at the time this Act enters into force, this Act or corresponding provision of this Act shall be deemed to have been cited where corresponding provisions exist in the Act.

ADDENDA <Act No. 9538, Mar. 25, 2009>

(1) (Enforcement Date) This Act shall enter into force on July 1, 2009.

(2) (Applicability to Exclusion from Imposition of, and to Reduction of, or Exemption from, Development Charges) The amended provisions of Article 7 shall apply beginning with the first project on which development charges are determined and imposed after this Act enters into force.

ADDENDA <Act No. 9629, Apr. 22, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Act No. 9968, Jan. 25, 2010>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 9 Omitted.

ADDENDA <Act No. 10662, May 19, 2011>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Article 2 (Applicability)

The amended provisions of Article 11 (2) and (3) shall apply beginning with the first project on which development charges are determined and imposed after this Act enters into force.

ADDENDA <Act No. 11690, Mar. 23, 2013>

Article 1 (Enforcement Date)

(1) This Act shall enter into force on the date of its promulgation.

(2) Omitted.

Articles 2 through 7 Omitted.

ADDENDA <Act No. 12215, Jan. 7, 2014>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Act No. 12245, Jan. 14, 2014>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation: Provided That the amended provisions of Article 18-2 shall enter into force on January 1, 2015.

Article 2 (Applicability to Projects subject to Imposition of Development Charges, etc.)

The amended provisions of Article 5 (1) and the main sentence of Article 7 (2) 3 shall apply beginning with development projects for which authorization, etc. are granted on or after the enforcement date under the main sentence of Article 1 of the Addenda (hereinafter referred to as “enforcement date of this Act”).

Article 3 (Applicability to Calculation of, and Recognition as, Development Costs)

The amended provisions of the main sentence of Article 11 (2) and Article 12 (1) shall apply beginning with cases where development charges are determined and imposed on or after the enforcement date of this Act.

Article 4 (Applicability to Imposition Rates for Calculation of Development Charges)

The amended provisions of Article 13 shall apply beginning with development projects for which authorization, etc. are granted on or after the enforcement date of this Act.

Article 5 (Applicability to Determination and Imposition of Development Charges and Payment Period)

The amended provisions of the main sentence of Article 14 (1) shall apply beginning with cases where development charges are determined and imposed on or after the enforcement date of this Act.

Article 6 (Applicability to Partial Refund of Development Charges)

The amended provisions of Article 18-2 shall also apply to cases where the payment deadline under Article 18 for development charges determined and imposed before January 1, 2015 falls on or after January 1, 2015, and the relevant development charges are paid not later than January 1, 2015.

Article 7 (Applicability to Changes to Collection System Imposing Surcharges for Postponement of Payment of Development Charges and Payment in Installments)

The amended provisions of Article 20 (3) shall also apply to cases where an obligor files an application for postponement of payment or payment in installments and receives notification informing that such postponement or installment payment is practicable before the enforcement date of this Act, and the payment is collected by adding surcharges to the development charges after the enforcement date of this Act.

Article 8 (Special Cases concerning Reduction of, or Exemption from, Development Charges)

Notwithstanding Article 7 (2) and (3) (excluding subparagraph 2), development charges shall be reduced or exempted for projects subject to the imposition of development charges under the amended provisions of Article 5 (1) 1 through 6 for which authorization, etc. are obtained within one-year period from the enforcement date of this Act, in accordance with the following classification:

1. Projects executed within the Seoul Metropolitan Area: 50/100 reduction of development charges;
2. Projects executed in areas other than the Seoul Metropolitan Area: Exemption from development charges.

ADDENDA <Act No. 13467, Aug. 11, 2015>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation.

Article 2 (Applicability to Reduction of Development Charges)

The amended provisions of Article 7 (2) 5 and 6 shall apply beginning with the first project to which development charges are determined and imposed on or after this Act enters into force.

Article 3 (Applicability to Temporary Special Cases concerning Reduction of, or Exemption from, Development Charges)

The amended provisions of Article 7-2 shall apply beginning with development projects for which authorization, etc. are granted on or after July 15, 2015.

ADDENDA <Act No. 13669, Dec. 29, 2015>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation.

Article 2 (Applicability to Reduction of, or Exemption from, Development Charges)

The amended provisions of Article 7 (2) 5 shall apply to the first development project to which development charges are determined and imposed on or after this Act enters into force.

ADDENDUM <Act No. 13783, Jan. 19, 2016>

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 18 (2) shall enter into force six months after the date of its promulgation.

ADDENDA <Act No. 13796, Jan. 19, 2016>

Article 1 (Enforcement Date)

This Act shall enter into force on September 1, 2016.

Articles 2 through 4 Omitted.

ADDENDA <Act No. 13805, Jan. 19, 2016>

Article 1 (Enforcement Date)

This Act shall enter into force on August 12, 2016.

Articles 2 through 22 Omitted.

