

**CIRCULAR  
GUIDING NON-AGRICULTURAL LAND USE TAX**

*Pursuant to June 17, 2010 Law No. 48/ 2010/QH12 on Non-Agricultural Land Use Tax;*

*Pursuant to the 2003 Land Law;*

*Pursuant to November 29, 2006 Law No. 78/2006/QH11 on Tax Administration and government decrees detailing the implementation of the Law on Tax Administration;*

*Pursuant the Government's Decree No. 53/ 2011/ND-CP of July 1, 2011, detailing and guiding a number of articles of the Law on Non-Agricultural Land Use Tax;*

*Pursuant to the Government's Decree No. 118/2008/ND-CP of November 27, 2008, defining the functions, tasks, powers and organizational structure of the Ministry of Finance;*

*The Ministry of Finance guides non-agricultural land use tax as follows:*

**Chapter I  
GENERAL PROVISIONS**

**Article 1. Tax-liable objects**

1. Residential land in rural and urban areas defined in the 2003 Land Law and its guiding documents.

2. Non-agricultural production and business land, including:

2.1. Land for construction of industrial parks, including industrial clusters, industrial parks, export-processing zones and other consolidated production and business zones subject to a common land use regime;

2.2. Land for construction of production and business establishments, including industrial production, cottage industry and handicraft businesses; service and trade establishments and other facilities serving production and business operations (including also land for construction of production and business establishments in hi-tech parks and economic zones);

2.3. Land for mineral mining and land used as mineral processing sites, except cases in which mineral mining activities do not affect the top soil layer or land surface;

Example 1: Company A is leased land by the State for coal mining. Of the total leased area of 2,000 m<sup>2</sup>, forest land occupies 1,000 m<sup>2</sup>, and the remaining land area is used as coal mining and processing sites. If coal mining does not affect the forest land, the forest land area is not liable to tax.

2.4. Land for production of construction materials or pottery, including land used as raw material and land used as construction material processing and production or pottery-making sites.

3. Non-agricultural land specified in Article 2 of this Circular, which is used by organizations, households or individuals for commercial purposes.

**Article 2. Objects not liable to tax**

Non-agricultural land used for noncommercial purposes which is not liable to tax includes:

1. Land used for public utilities, including:

a/ Traffic and irrigation land, including land for construction of roads, bridges, sluices, pavements, railways, airport and airfield infrastructure, including also land planned for construction of airports or airfields under phased investment projects which have been approved but not yet implemented, land for construction of water supply systems (excluding water plants), water drainage systems, irrigation work systems, dikes and dams, and land within traffic and irrigation safety corridors;

Land for construction of airport and airfield infrastructure shall be determined under the Government's Decree No. 83/2007/ND-CP of May 25, 2007, on management and operation of airports and airfields, and its guiding and amending documents (if any).

1.2. Land for construction of cultural, healthcare, education and training, physical training and sport facilities for public interests, including crèches, schools, hospitals, marketplaces, parks, flower gardens, children's recreation centers, public squares, cultural works, postal and cultural spots of communes, wards and townships, monuments, commemorative stelae, museums, functional rehabilitation institutions for persons with disabilities, vocational training schools, drug detoxification institutions, reformatories, dignity restoration camps and nursing homes for elderly persons and disadvantaged children;

1.3. Land with historical and cultural relics or scenic places which have been ranked or placed under protection under decisions of People's Committees of provinces and centrally run cities (below referred to as provincial-level People's Committees):

Land for construction of other public works, including land used for public-utility purposes in urban centers and rural residential areas; land for construction of common-utility infrastructure facilities in industrial parks, hi-tech parks and economic zones under approved plans; land for construction of power transmission lines, communication networks, petrol, oil and gas pipelines and their safety corridors; land of power stations, irrigation reservoirs and dams; land of funeral homes and crematories; land of landfills, garbage dumping grounds and waste treatment complexes approved by competent state agencies.

Land used for public-utility purposes in urban centers and rural residential areas shall be determined under the Ministry of Natural Resources and Environment's Circular No. 06/ 2007/TT-BTNMT of June 15, 2007, and its amending documents (if any).

2. Land used by religious bodies, including land of pagodas- churches, oratories, chancels, monasteries, religious training institutions, offices of religious organizations and other religious bodies permitted by the State.

3. Land used as cemeteries and graveyards.

4. Land under rivers, canals, ditches, streams and special-use water surface.

5. Land with communal houses, temples, hermitages, clans' worship halls, including land areas for building these works and their premises;

In this case, land must meet all the conditions for the grant of land use right certificates prescribed in Clause 8, Article 50 of the 2003 Land Law and its guiding documents.

6. Land for construction of working offices and non-business works, including:

6.1. Land of working offices of state agencies, political organizations, socio-political organizations and public non-business organizations; offices of Vietnam-based foreign diplomatic representative missions and consulates and international intergovernmental organizations entitled to privileges and immunities like foreign diplomatic representative missions in Vietnam;

In case state organizations and agencies, people's armed forces units, public non-business units, political organizations, socio-political organizations, socio-political-professional organizations, social organizations, and socio-professional organizations use land allocated by the State for construction of their working offices or non-business establishments for other purposes, they shall comply with the Law on Management and Use of State Assets and its guiding documents;

6.2. Land for construction of economic, cultural, social, scientific and technological and diplomatic non-business works of state agencies, political organizations, socio-political organizations and public non-business organizations.

7. Land used for defense and security purposes, including:

7.1. Land of barracks and army camps;

7.2. Land of military bases;

7.3. Land of national defense works, battlefields and other special defense and security works;

7.4. Land of military stations and ports;

7.5. Land of industrial and science and technology works to directly serve national defense and security;

7.6. Land of warehouses of people's armed forces units;

7.7. Land of firing ranges, drill grounds, weapon testing grounds and weapon disposal sites;

7.8. Land of guest houses, public-duty houses, competition halls, gyms and other facilities within barracks and camps of people's armed forces units;

7.9. Land of prisons, detention houses, educational institutions and reformatories managed by the Ministry of National Defense or the Ministry of Public Security;

7.10. Land of other combat works and defense and security works specified by the Government.

8. Non-agricultural land for construction of works of agricultural, forestry, aquaculture or salt-making cooperatives; land in urban areas which is used for construction of glasshouses and other buildings for farming purposes, including cases in which crops are not planted directly on land; land for construction of stables and farms for raising livestock, poultry and other animals as permitted by law; land for construction of agricultural, forestry and fishery research and testing farms and stations; land for construction of seedling plant and breeding animal nurseries; land for construction of households' and individuals' warehouses to store farm produce, plant protection drugs, fertilizers and agricultural machines and tools.

### **Article 3. Taxpayers**

1. Taxpayers are organizations, households and individuals that have the right to use Taxable land specified in Article 1 of this Circular.

2. When organizations, households or individuals have not yet been granted certificates of land use rights and ownership of houses and other land-attached assets (below referred to as certificates), current land users will be taxpayers.

3. Taxpayers in some specific cases are specified as follows:

3.1. When land is allocated or leased by the State for implementation of investment projects, those that are allocated or leased land by the State will be taxpayers;

3.2. When persons with land use rights lease land under contracts, taxpayers shall be identified as agreed upon in these contracts. When no agreement on taxpayers is reached in contracts, persons with land use rights will be taxpayers;

Example 2: Mr. A has a land plot in province B for which no certificate has been granted (land without papers or with only one of the papers specified in Clause 1, Article 50 of the 2003 Land Law). In this case, Mr. A will be the taxpayer for that land plot. If Mr. A builds a house on his land plot and leases it to Mr. B, the taxpayer will be identified as follows:

- If Mr. B rents the house only (without renting the land plot), Mr. A will be the taxpayer;

- If Mr. B rents both the house and the land plot without signing a contract or signs a contract which does not specify the taxpayer, Mr. A will be the taxpayer;

- If Mr. A and Mr. B sign a house/land lease contract which specifies the taxpayer, the taxpayer will be identified as agreed in the contract.

3.3. When a certificate has been granted for land which is currently under dispute, pending the settlement of the dispute, the current land user will be the taxpayer. Tax payment does not serve as a ground for the settlement of disputes over land use rights;

3.4. When many persons have the rights to co-use a land plot, the lawful representative of these co-users will be the taxpayer;

3.5. When a person with land use rights contributes his/her land use rights as business capital to form a new legal entity that has the right to use tax-liable land specified in Article 1 of this Circular, the new legal entity will be the taxpayer.

3.6. When leasing state-owned houses, the lessors (units assigned to sign contracts with lessees) will be taxpayers.

3.7. When land is allocated or leased by the State for implementation of housing projects for sale or lease, those who are allocated or leased land by the State will be taxpayers. When land use rights are transferred to others, the transferees will be taxpayers.

## **Chapter II TAX BASES AND TAX CALCULATION METHODS**

### **Article 4. Tax bases**

Bases for calculation of non-agricultural land use tax are taxable land area, price of 1 m<sup>2</sup> of taxable land area and tax rate.

### **Article 5. Taxable land area**

Taxable land area is the actually used area of non-agricultural land.

1. Residential land, including residential land used for commercial purposes.

1.1. When a taxpayer has many residential land plots within a province or centrally run city (below referred to as province), the taxable land area is the total area of these taxable land plots.

1.2. When land has been granted a certificate, the taxable land area is the area stated in the certificate. In case the land area stated in the certificate is smaller than the actually used land area, the taxable land area is the actually used land area.

When many organizations, households or individuals jointly use a land plot for which no certificate has been granted, the taxable land area of each taxpayer is the land area actually used by that taxpayer.

When many organizations, households or individuals jointly use a land plot for which a certificate has been granted, the taxable land area is the land area stated in the certificate.

1.3. For residential land of a multi-story building with many users or a condominium, including those with areas for both dwelling and commercial purposes, the taxable land area of each taxpayer shall be determined to be equal to the allocation coefficient multiplied by the area of the apartment (work) used by such taxpayer, in which:

a/ The area of the apartment (work) used by an organization, household or individual is the floor area actually used by such organization, household or individual as stated in the sale/ purchase contract or the certificate.

b/ The allocation coefficient is determined as follows:

b./ For apartment buildings or condominiums without basements:

$$\text{Allocation coefficient} = \frac{\text{Construction land area of the building or condominium}}{\text{Total area of apartments used by organizations, households and individuals}}$$

b.2/ For apartment buildings or condominiums with basements:

$$\text{Allocation coefficient} = \frac{\text{Construction land area of the building or condominium}}{\text{Total area of apartments used by organizations, households and individuals (ground sections)} + \text{50\% of the basement area, used by organizations, households and individuals'}}$$

b.3/ For underground works:

$$\text{Allocation coefficient} = \frac{0.5 \times \text{Ground land area} + 0.5 \times \text{corresponding to the underground work}}{\text{Total area of the underground work used by organizations, households and individuals}}$$

c/ Any difficulties arising in the determination of construction land areas of apartment buildings with many users or condominiums shall be considered and handled by provincial-level People's Committees on a case-by-case basis to suit local realities.

#### 1.4. Residential land quotas for tax calculation

a/ For residential land which is allocated on or after January 1, 2012, the residential land quota used as a basis for tax calculation is that set by the provincial-level People's Committee at the time of land allocation.

b/ For residential land which is used before January 1, 2012, the residential land quota used as a basis for tax calculation shall be determined as follows:

b.1/ If, at the time of grant of a certificate, the provincial-level People's Committee already set a residential land allocation or recognition quota and the land area stated in the certificate was determined according to the residential land recognition quota, such quota shall be used as a basis for tax calculation. If the residential land recognition quota is lower than the current residential land allocation quota, the latter will be used as a basis for tax calculation;

b.2/ If, at the time of grant of a certificate, the provincial-level People's Committee already set a residential land allocation or recognition quota and the land area stated in the certificate was determined according to the residential land allocation quota, such quota shall be used as a basis for tax calculation. If the residential land allocation quota is lower than the current residential land allocation quota, the latter will be used as a basis for tax calculation;

b.3/ If, at the time of grant of a certificate, the provincial-level People's Committee did not yet set a residential land allocation or recognition quota, the whole residential land area stated in the certificate will be regarded as within-quota residential land;

b.4/ No quota will apply to cases without certificates. The tax rate applicable to within-quota land will apply to the whole taxable land area of taxpayers.

In this case, currently used land must be residential land as defined in the 2003 Land Law and its guiding documents.

When land users are granted a certificate, the residential land quota used as a basis for tax calculation complies with the principles laid down at Points b. 1, b.2 and b.3, Item 1.4 of this Clause.

c/ In case of changing taxpayers, the residential land quota used as a basis for tax calculation is the current residential land allocation quota set by the provincial-level People's Committee, which will be applied from the subsequent tax year. In case of changing taxpayers as a result of inheritance or giving as gifts between husband and wife; natural parent and natural child; adoptive parent and adopted child; parent-in-law and son-in-law or daughter-in-law; grandparent and grand child; or between siblings, the set residential land quota shall be used as a basis for tax calculation and applicable to the transferor.

d/A taxpayer who has many residential land plots within a province may choose only one land plot in a district, town or provincial city which it/he/she has the rights to use as a basis for determination of a land quota for tax calculation, specifically:

d.1/ If none of these land plots exceeds the residential land quotas, the taxpayer may choose any of the residential land quotas applicable in the localities in which it/he/she has land use rights for determining the payable tax amount. The residential land area in excess of the chosen quota shall be determined to be the total area of all residential land plots which the taxpayer has the rights to use minus the residential land quota chosen by the taxpayer;

d.2/ If one of these land plots exceeds the residential land quota applicable in the locality in which the taxpayer has land use rights, the taxpayer may choose the quota applicable in the locality where exists the out-of-quota land plot for determining the payable tax amount. The out-of-quota residential land area shall be determined to be equal to the out-of-quota area of the land plot in the locality with the chosen quota plus the total area of other land plots of the taxpayer.

## 2. Non-agricultural production or business land

The taxable land area is the total land area allocated or leased by the State for use for commercial purposes as stated in certificates, land allocation decisions or land lease decisions or contracts made by competent state agencies. In case the land area stated in certificates, land allocation decisions or land lease decisions or contracts is smaller than the land area actually used for commercial purposes, the taxable land area is the actually used land area.

For non-agricultural land specified in Article 2 (except those specified in Item 6.1, Clause 6) which are used for commercial purposes, the taxable land area is the whole area of non-agricultural land used for commercial purposes. When impossible to determine the land area used for commercial purposes, the taxable land area shall be determined based on turnover ratio as specified in Clause 2, Article 8 of this Circular.

3. For land used for improper purposes, encroached or appropriated land or land left unused against regulations

The area of encroached or appropriated land, land used for improper purposes or land left unused against regulations shall be determined according to the Ministry of Natural Resources and Environment's regulations.

Example 3: Mr. A's household is currently using 2,000 m<sup>2</sup> of land, for which a certificate has been granted. Such certificate writes: residential land: 200 m<sup>2</sup>; garden land: 1.800 m<sup>3</sup>. The land area actually used for residential purposes is 400 m<sup>2</sup>. The residential land quota applicable at the time of grant of the certificate is 200 m<sup>2</sup>.

In this case, the taxable land area of Mr. A is 400 m<sup>2</sup>, the land area actually used by his household for residential purposes.

Tax agencies shall calculate tax as follows: the total residential land area for calculation of non-agricultural land use tax is 400 m<sup>2</sup>, of which the within-quota land area is 200 m<sup>2</sup>, and the out-of-quota land area is 200 m<sup>2</sup>.

If competent agencies determine the garden land area of 200 m<sup>2</sup> currently used by Mr. A's household for residential purposes as improperly used land, the taxable land area of Mr. A shall be re-determined as follows: 200 m<sup>2</sup> of within-quota residential land and 200 m<sup>2</sup> of improperly used land.

## Article 6. Price of a square meter of taxable land

The price of a square meter of taxable land is the price of land based on its use purpose which is set by the provincial-level People's Committee and kept stable for a 5-year period starting on January 1, 2012.

1. In case of changing taxpayers or arising any elements that lead to the change of the price of a square meter of taxable land during a stabilization period, it is not required to re-determine the price of a square meter of taxable land for the remainder of the period.

2. In case land is allocated or leased by the State or converted from agricultural to non-agricultural or from non-agricultural production and business to residential during a stabilization period, the price of a square meter of taxable land is the price of land based on its use purpose, which is set by the provincial-level People's Committee at the time of land allocation or lease or at the time of converting the land use purpose and kept unchanged for the remainder of the period.

3. For improperly used land or encroached or appropriated land, the price of a square meter of taxable land is the price of land based on its current use purpose which is set by the provincial-level People's Committee for application in the locality.

## Article 7. Tax rates

1. Residential land:

a/ Residential land, including residential land used for commercial purposes, is subject to the partially progressive tariff as follows:

Tax grade	Taxable land area (m <sup>2</sup> )	Tax rate (%)
1	Within-quota area	0.03
2	Area in excess of up to 3 times the quota	0.07
3	Area in excess of over 3 times the quota	0.15

b/ Land of apartment buildings with many users, condominiums and underground works is subject to the tax rate of 0.03%.

2. Non-agricultural production and business land and non-agricultural land specified in Article 2 of this Circular which is used for commercial purposes are subject to the tax rate of 0.03%.

3. Land used for improper purposes or land left unused against regulations are subject to the tax rate of 0.15%.

4. Land of phased investment projects as registered by investors and approved by competent state agencies is subject to the tax rate of 0.03%.

5. Encroached or appropriated land is subject to the tax rate of 0.2%.

## Article 8. Tax calculation methods

1. Tax calculation principles

1.1. The payable tax amount of each individual taxpayer shall be determined within one province.

1.2. In case a taxpayer has taxable land in different districts within one province, the payable tax amount shall be determined for each land plot at the tax agency of the locality where exists his/her taxable land. A taxpayer who has a land plot or the total land area in excess of the quota applicable in the locality in which the taxpayer has land use rights shall make a general declaration at the tax agency chosen by the taxpayer under Article 16 of this Circular.

1.3. In case of changing taxpayers in a year, the payable tax amount of each taxpayer shall be determined from the month when such change occurs.

In case of appearing elements that lead to a change in tax bases (except change of the price of a square meter of taxable land), the payable tax amount shall be determined from the month when such change occurs.

## 2. Determination of the tax amount payable for each land plot

2.1. The non-agricultural land use tax amount payable for residential land, production and business land and non-agricultural land specified in Article 2 of this Circular which are used for commercial purposes shall be determined according to the following formula:

$$\begin{aligned} \text{The payable tax amount (VND)} &= \text{Arising tax amount(VND)} - \text{Exempted or reduced tax amount if any(VND)} \\ \text{Arising tax amount (VND)} &= \text{Taxable land area X (m2)} \times \text{The price of a square meter of land(VND/m2)} \times \text{Tax rate (\%)} \end{aligned}$$

2.2. For land of apartment buildings with many users or condominiums (including those with basements) and underground works, the payable tax amount shall be determined as follows:

$$\begin{aligned} \text{The payable tax amount(VND)} &= \text{Arising tax amount(VND)} - \text{Exempted or reduced tax amount if any (VND)} \\ \text{The arising tax amount} &= \text{The area of house of each organization, household or individual} \times \text{Allocation coefficient} \times \text{The price of a square meter of corresponding land} \times \text{Tax rate} \end{aligned}$$

For underground works:

$$\text{The arising tax amount} = \text{The area of work used by each organization, household or individual} \times \text{Allocation coefficient} \times \text{The price of a square meter of corresponding land} \times \text{Tax rate}$$

2.3. In case of using non-agricultural land specified in Article 2 of this Circular for commercial purposes but the area of land used for commercial purposes cannot be determined, the arising tax amount shall be determined as follows:

$$\begin{aligned} \text{The arising tax amount} &= \text{The area of land used for commercial purposes} \times \text{The Price of a square meter of land} \times \text{Tax rate(\%)} \\ \text{The area of land used for commercial purposes} &= \text{Total area of currently used land} \times \frac{\text{Business turnover}}{\text{Total turnover in the year}} \end{aligned}$$

2.4. Examples on methods of determining payable tax amounts in some cases:

Example 4: Cases in which a taxpayer has many land plots in different districts, none of which exceeds the relevant applicable quota but the total area of these land plots exceeds the residential land quota applicable in the locality in which the taxpayer has land use rights. Specifically:

Mr. A's family has the rights to use 3 residential land plots in 3 different districts of Hanoi city as follows:

Location (district)	Area (m <sup>2</sup> )	Quota (m <sup>2</sup> )	Price of a square meter of taxable land (VND million/m <sup>2</sup> )
Hoan Kiem	80	100	50
Ba Dinh	100	110	40
BaVi	350	400	2
Total	530		

- Mr. A shall calculate tax for each land plot and pay tax at district-level Tax Departments of the localities where exist his taxable land areas as follows:

+ The tax amount payable for the land plot in Hoan Kiem urban district:  $80 \times \text{VND } 50 \text{ million} \times 0.03\% = \text{VND } 1.2 \text{ million}$ .

+ The tax amount payable for the land plot in Ba Dinh urban district:  $100 \times \text{VND } 40 \text{ million} \times 0.03\% = \text{VND } 1.2 \text{ million}$ .

+ The tax amount payable for the land plot in Ba Vi rural district:  $350 \times \text{VND } 2 \text{ million} \times 0.03\% = \text{VND } 0.21 \text{ million}$ .

The total payable tax amount is  $\text{VND } 1.2 \text{ million} + 1.2 \text{ million} + 0.21 \text{ million} = 2.61 \text{ million}$

- Mr. A shall make a general declaration for the out-of-quota land area as follows:

According to regulations, Mr. A may choose any of the residential land quotas applicable in the localities where exist his taxable land areas for determining the out-of-quota land area. Of these quotas, the quota applicable in Ba Vi rural district is the highest while the land price there is the lowest. Therefore, Mr. A will choose the quota applicable in Ba Vi rural district as a basis for determining the out-of-quota land area.

In this case, the payable tax area is determined as follows:

+ As the land quota used for tax calculation is that applicable in Ba Vi rural district, which is 400 m<sup>2</sup>, the taxable out-of-quota land area is  $530 \text{ m}^2 - 400 \text{ m}^2 = 130 \text{ m}^2$  (as this area exceeds the quota by less than 3 times, the applicable tax rate is 0.07%).

+ The within-quota land area is 400 m<sup>2</sup>, including 350 m<sup>2</sup> in Ba Vi rural district and 50 m<sup>2</sup> in Hoan Kiem or Ba Dinh urban district, depending on Mr. A's choice, and the applicable tax rate is 0.03%. If Mr. A chooses Hoan Kiem urban district, the payable tax amount is determined as follows:

$\{350 \text{ m}^2 \text{ (of land in Ba Vi)} \times \text{VND } 2 \text{ million/m}^2 + 50 \text{ m}^2 \text{ (of land in Hoan Kiem)} \times \text{VND } 50 \text{ million/m}^2\} \times 0.03\% = \text{VND } 0.96 \text{ million}$

+ The payable tax amount for the out-of-quota land area of 130 m<sup>2</sup>, including the remaining land area in Ba Dinh and Hoan Kiem district, with the tax rate of 0.07% is:

$\{30 \text{ m}^2 \text{ (of land in Hoan Kiem)} \times \text{VND } 50 \text{ million/m}^2 + 100 \text{ m}^2 \text{ (of land in Ba Dinh)} \times \text{VND } 40 \text{ million/m}^2\} \times 0.07\% = \text{VND } 3.85 \text{ million}$

The tax amount to be additionally paid:  $\text{VND } 0.96 \text{ million} + 3.85 \text{ million} - 2.61 \text{ million} = 2.2 \text{ million}$ .

Example 5: Cases in which a taxpayer has many land plots in different districts and one of these land plots exceeds the residential land quota applicable in the locality in which the taxpayer has land use rights. Specifically:

Mr. B inherits from his parents a land plot of 100 m<sup>2</sup> in Hoan Kiem urban district (which applies a land quota of 100 m<sup>2</sup> and a land price of VND 50 million/m<sup>2</sup>). Mr. B has another land plot of 120 m<sup>2</sup> in Ba Vi rural district (which applies a land quota of 400 m<sup>2</sup> and a land price of VND 2 million/m<sup>2</sup>).

- Mr. B shall calculate tax for each land plot and pay tax at district-level Tax Departments of the localities where exist his taxable land areas as follows:

+ In Hoan Kiem urban district: The payable tax amount is determined as follows: 100 m<sup>2</sup> of within-quota land is subject to the tax rate of 0.03%, while 50 m<sup>2</sup> of out-of-quota land is subject to the tax rate of 0.07%. specifically:

$100 \text{ m}^2 \times \text{VND } 50 \text{ million/m}^2 \times 0.03\% + 50 \text{ m}^2 \times \text{VND } 50 \text{ million/m}^2 \times 0.07\% = \text{VND } 3.25 \text{ million};$

+ In Ba Vi rural district: The payable tax amount is:  $120 \text{ m}^2 \times \text{VND } 2 \text{ million} \times 0.03\% = \text{VND } 0.072 \text{ million};$

- Mr. B shall make a general declaration for the out-of-quota land area as follows:

Mr. B shall choose the land quota applicable in Hoan Kiem district for determining the out-of-quota land area. Accordingly, the payable tax amount is determined as follows:

+ The taxable out-of-quota land area is  $150 \text{ m}^2 + 120 \text{ m}^2 - 100 \text{ m}^2 = 170 \text{ m}^2$

+ The payable tax amount is determined as follows: 100 m<sup>2</sup> of within-quota land (in Hoan Kiem district) is subject to the tax rate of 0.03%, while 170 m<sup>2</sup> of out-of-quota land, including the land plot in Ba Vi rural district and the remainder of the land plot in Hoan Kiem urban district) is subject to the tax rate of 0.07%. specifically:

$100 \text{ m}^2 \times \text{VND } 50 \text{ million/m}^2 \times 0.03\% + \{50 \text{ m}^2 \times \text{VND } 50 \text{ million/m}^2 + 120 \text{ m}^2 \times \text{VND } 2 \text{ million/m}^2\} \times 0.07\% = \text{VND } 3.418 \text{ million}$

The payable tax amount:  $\text{VND } 3.418 \text{ million} - 3.25 \text{ million} - 0.072 \text{ million} = \text{VND } 0.096 \text{ million}.$

Example 6: Cases in which a taxpayer has many land plots in different districts, one of which exceeds the residential land quota applicable in the locality in which tax taxpayer has land use rights. Specifically:

Ms. C has the rights to use 3 land plots in 3 different districts of Hanoi as follows:

Location (district)	Area (m <sup>2</sup> )	Quota (m <sup>2</sup> )	Price of a square meter of taxable land (VND million/m <sup>2</sup> )
Hoan Kiem	300	100	50
Ba Dinh	400	110	40.
BaVi	50	400	2
Total	750		

- Ms. C shall calculate tax for each land plot and pay tax at district-level Tax Departments of the localities where exist his taxable land areas as follows:

+ The payable tax amount in Hoan Kiem district shall be determined as follows: 100 m<sup>2</sup> of within-quota land (in Hoan Kiem district) is subject to the tax rate of 0.03%, while 200 m<sup>2</sup> of out-of-quota land is subject to the tax rate of 0.07%, specifically:

$100 \text{ m}^2 \times \text{VND } 50 \text{ million} \times 0.03\% + 200 \text{ m}^2 \times \text{VND } 50 \text{ million} \times 0.07\% = \text{VND } 8.5 \text{ million}$

+ The payable tax amount in Ba Dinh district shall be determined as follows: 110 m<sup>2</sup> of within-quota land (in Ba Dinh district) is subject to the tax rate of 0.03%, while 290 m<sup>2</sup> of out-of-quota land is subject to the tax rate of 0.07%, specifically:

$110 \text{ m}^2 \times \text{VND } 40 \text{ million} \times 0.03\% + 290 \text{ m}^2 \times \text{VND } 40 \text{ million} \times 0.07\% = \text{VND } 9.44 \text{ million}$

+ The payable tax amount in Ba Vi district shall be determined as follows: 50 nr of within-quota land is subject to the tax rate of 0.03%, specifically:

$50 \text{ nr} \times \text{VND } 2 \text{ million} \times 0.03\% = \text{VND } 0.03 \text{ million.}$

The total payable tax amount is: VND 17.97 million (= 9.44 + 8.5 + 0.03)

- Ms. C shall make a general declaration for out-of-quota land area as follows:

\* If she chooses the land quota applicable in Hoan Kiem district

+ The total taxable land area is 750 nr.

+ The within-quota land area: 100 m<sup>2</sup> of land in Hoan Kiem district (subject to the tax rate of 0.03%) and the land price applicable in Hoan Kiem district).

+ The out-of-quota land area is:

\* The area in excess of up to 3 times the quota is 300 nr (subject to the tax rate of 0.07%), including 200 nr of the remaining area of the land plot in Hoan Kiem district and 100 nr of another land plot (depending on the taxpayer's choice, such area may be subtracted from the area of the land plot in Ba Dinh urban district or Ba Vi rural district) However, as the land price in Ba Dinh is higher than that in Ba Vi, the taxpayer is likely to choose to subtract this area from the land plot in Ba Dinh district)

\* The area in excess of over 3 times the quota is 350 nr (subject to the tax rate of 0.15%), including 300 nr, the remaining area of the land plot in Ba Dinh district, and 50 nr, the whole area of the land plot in Ba Vi district.

The payable tax amount is:

$100 \text{ m}^2 \times \text{VND } 50 \text{ million} \times 0.03\% + \{200 \text{ nr} \times \text{VND } 50 \text{ million} + 100 \text{ m}^2 \times \text{VND } 40 \text{ million}\} \times 0.07\% + \{300 \text{ m}^2 \times \text{VND } 40 \text{ million} + 50 \text{ m}^2 \times \text{VND } 2 \text{ million}\} \times 0.15\% = \text{VND } 29.45 \text{ million.}$

The remaining payable tax amount is: VND 29.45- 17.97= 11.48 million

If Ms. C chooses the land quota applicable in Ba Dinh district:

+ The total taxable land area is 750 nr.

+ The within-quota land area: 110 m<sup>2</sup> (subject to the tax rate of 0.03%).

+ The out-of-quota land area is:

\* The area in excess of up to 3 times the quota is 330 m<sup>2</sup> (subject to the tax rate of 0.07%), including 290 m<sup>2</sup> of the remaining area of the land plot in Ba Dinh district and 40 nr of another land plot (depending on the taxpayer's choice, such area may be subtracted from the area of the land plot in Hoan Kiem or Ba Vi; however, as the land price in Hoan Kiem district is higher than that in Ba Vi district, the taxpayer is likely to choose to subtract this area from the land plot in Hoan Kiem district).

\* The area in excess of over 3 times the quota is 310 m<sup>2</sup> (subject to the tax rate of 0.15%), including the remaining 260 m<sup>2</sup> of the land plot in Hoan Kiem district and the whole land area of 50 nr in Ba Vi district.

The payable tax amount is:

$110 \text{ m}^2 \times \text{VND } 40 \text{ million} \times 0.03\% + \{290 \text{ nr} \times \text{VND } 40 \text{ million} + 40 \text{ nr} \times \text{VND } 50 \text{ million}\} \times 0.07\% + \{260 \text{ m}^2 \times \text{VND } 50 \text{ million} + 50 \text{ nr} \times \text{VND } 2 \text{ million}\} \times 0.15\% = \text{VND } 30.49 \text{ million.}$

The remaining payable tax amount is: VND 30.49 million - 17.97 million = VND 12.52 million

Example 7: Residential land of households living in condominiums without basements. Specifically:

Ms. M's family is living in a 50-nr apartment in Block C3 of Thanh Cong living quarter, Ba Dinh district, Hanoi. The apartment building has 5 stories, each with 8 apartments of the same area.

According to records, the construction land area of the apartment building is 460 nr. The land price set by the People's Committee of Hanoi is VND 40 million/m<sup>2</sup>

The payable non-agricultural land use tax of Ms. M shall be determined as follows:

$$\text{The payable tax amount} = 50 \times \frac{460}{50 \times 8 \times 5} \times 50 \times 8 \times 5 \text{ VND } 40 \text{ million} \times 0.03\% = \text{VND } 0.138 \text{ million}$$

**Example 8: Residential land of households living in condominiums with basements**

Mr. H is living in a 100-nr apartment of an apartment building in District 3, Ho Chi Minh City. The construction land area of the apartment building is 2,000 m<sup>2</sup>, of which the total area of apartments is 1,400 m<sup>2</sup>/story. The building has 15 stories and 2 basements used as garages, of which the area of underground works used by households and individuals living in the apartment building is 1,500 nr/basement. The land price set by the People's Committee of Ho Chi Minh City is VND 35 million/m<sup>2</sup>.

The payable non-agricultural land use tax of Mr. H shall be determined as follows:

$$\text{Payable tax amount} = 100 \times \frac{2,000}{1,400 \times 15 + 50\% \times 3,000} \times \text{VND } 35 \text{ million} \times 0.03\% = \text{VND } 0.093 \text{ million}$$

### **Chapter III TAX EXEMPTION AND REDUCTION**

#### **Article 9. Principles of tax exemption and reduction**

1. Tax exemption and reduction will only apply directly to taxpayers and be calculated based on the tax amounts payable under the Law on Non-Agricultural Land Use Tax and this Circular.

2. Tax exemption and reduction for residential land shall apply only to residential land registered under the name of taxpayers in a locality chosen by themselves, except the cases specified in Clause 9, Article 10, and Clause 4, Article 11 of this Circular.

3. A taxpayer that is eligible for both tax exemption and reduction for a single land plot may enjoy tax exemption. A taxpayer eligible for tax reduction under two or more conditions specified in Article 11 of this Circular may enjoy tax exemption.

In case both the taxpayer and at least one member of his/her household are eligible for a 50% reduction of tax each, the taxpayer's household may enjoy tax exemption. These persons must have grandparent-grandchild or parent-child relations and be named in the household's permanent residence registration book.

4. A taxpayer that has many investment projects eligible for tax exemption or reduction may enjoy tax exemption or reduction for each investment project.

#### **Article 10. Tax exemption**

1. Land of investment projects in the sectors eligible for special investment promotion (special investment incentives); investment projects in geographical areas with extreme socio-economic difficulties; investment projects in the sectors eligible for investment promotion (investment incentives) in geographical areas with socio-economic difficulties; and land of enterprises with over 50% of their employees being war invalids or diseased soldiers.

Lists of sectors eligible for investment promotion; sectors eligible for special investment promotion; areas with socioeconomic difficulties; and areas with extreme socio-economic difficulties comply with the investment law.

Employees being war invalids and diseased soldiers must be regularly employed in the year as specified in the Ministry of Labor, War Invalids and Social Affairs' Circular No. 40/ 2009/TT-BLDTBXH of December 3, 2009, and its amending documents.

2. Land of establishments carrying out socialized activities in education, vocational training, health, culture, sports and environmental protection. These establishments include:

2.1. Non-public establishments set up and qualified for carrying out socialized activities under regulations of competent state agencies;

2.2. Organizations and individuals operating under the Enterprises Law that have investment projects, joint-venture or associated activities or establish establishments qualified for carrying out socialized activities under regulations of competent state agencies;

2.3. Public non-business establishments that contribute capital to, or raise capital for jointly setting up independent cost-accounting units or enterprises carrying out socialized activities under decisions of competent state agencies;

2.4. Tax exemption for foreign-investment projects carrying out socialized activities shall be decided by the Prime Minister at the proposal of the Ministry of Planning and Investment and relevant line ministries.

Establishments carrying out socialized education, vocational training, healthcare, cultural, sports and environmental activities must satisfy the requirements on operation scope and standards under the Prime Minister's decisions.

3. Land for construction of gratitude houses, great-unity houses and nursing homes for lonely elderly people, people with disabilities or orphans, and social disease- treatment establishments.

4. Within-quota residential land in geographical areas with extreme socio-economic difficulties.

5. Within quota residential land of persons engaged in revolutionary activities before August 19, 1945; war invalids of 1/4 or 2/4 grade; persons entitled to policies like war invalids of 1/4 or 2/4 grade; diseased soldiers of grade 1/3; heroes of people's armed forces; heroic Vietnamese mothers; natural parents and nurturing persons of martyrs during their childhood; spouses of martyrs; martyrs' children eligible for monthly allowances; Agent Orange victims who are revolutionary activists; and disadvantaged Agent Orange victims.

6. Within-quota residential land of poor households identified under the Prime Minister's decision on poverty line. In case provincial-level People's Committees have specified a poverty line applicable in their localities according to law, poor households shall be identified under the poverty line promulgated by provincial-level People's Committees.

7. Households and individuals whose residential land is recovered by the State in a year under approved master plans or plans will be exempt from tax on recovered land and the land in the new place of residence in that year.

8. Land with garden houses certified by a competent state agency as historical-cultural relics.

9. Taxpayers facing difficulties due to force majeure circumstances, if the value of damage related to land and houses on land accounts for over 50% of the taxable price.

In this cases, certification of commune-level People's Committees of the localities where exists such land is required.

#### **Article 11. Tax reduction**

To reduce payable tax amounts by 50% in the following cases:

1. Land of investment projects in the sectors eligible for investment promotion; investment projects in geographical areas with socioeconomic difficulties; land of enterprises with between 20% and 50% of their employees being war invalids or diseased soldiers.

Lists of sectors eligible for investment promotion (investment incentives); sectors eligible for special investment promotion (special investment incentives); areas with socio-economic difficulties; and areas with extreme socio-economic difficulties comply with the investment law.

Employees being war invalids or diseased soldiers must be regularly employed in the year as specified in the Ministry of Labor, War Invalids and Social Affairs' Circular No. 40/ 2009/TT-BLDTBXH of December 3,2009, and its amending documents.

2. Within-quota residential land in geographical areas with socio-economic difficulties.
3. Within-quota residential land of war invalids of 3/4 or 4/4 grade; persons enjoying policies like war invalids of 3/4 or 4/4 grade; martyrs' children enjoying monthly allowances,
4. Taxpayers facing difficulties due to force majeure circumstances, provided the value of damage related to their land and houses on land accounts for between 20% and 50% of the taxable price.

In this cases, certification of commune-level People's Committees of the localities where exists such land is required.

#### **Article 12. Competence to decide on tax exemption and reduction**

1. Managing tax agencies shall base on tax declaration dossiers specified in Article 15 of this Circular to determine non-agricultural land use tax amounts to be exempted or reduced and decide on tax exemption or reduction for taxpayers according to each tax period.

2. Some specific cases:

a/ For households and individuals eligible for tax exemption or reduction under Clauses 4, 5 and 6, Article 10, and Clauses 2 and 3, Article 11 of this Circular, directors of district-level Tax Departments shall, based on the list proposed by commune-level People's Committees, issue common decisions on non-agricultural land use tax exemption or reduction.

Annually, commune-level People's Committees shall revise and send a list of entities eligible for tax exemption or reduction to tax agencies for the latter to effect tax exemption or reduction according to their competence.

b/ For taxpayers eligible for tax exemption or reduction under Clause 9, Article 10, and Clause 4, Article 11 of this Circular, heads of their managing tax agencies shall issue tax exemption or reduction decisions on the basis of taxpayers' applications and certification of commune-level People's Committees of localities where exists the damaged land.

c/ For other cases, taxpayers shall send their dossiers, enclosed with papers proving their eligibility for tax exemption or reduction as required or certification of commune-level People's Committees of localities where exists the taxable land, to their managing tax agencies for settlement.

### **Chapter IV TAX REGISTRATION, DECLARATION AND PAYMENT**

#### **Article 13. Grant of tax identification numbers**

1. Tax agencies shall grant tax identification numbers to taxpayers for declaration and payment of non-agricultural land use tax according to this Circular.

2. Taxpayers who have been granted tax identification numbers under the Law on Tax Administration and its guiding documents may use these numbers to declare and pay non-agricultural land use tax.

#### **Article 14. Procedures for grant of tax identification numbers**

1. For business organizations, households and individuals, the procedures for registration for grant of tax identification numbers comply with the Law on Tax Administration and its guiding documents.

2. For non-business households and individuals:

2.1. A dossier of registration for grant of a tax identification number is the tax declaration dossier to be submitted in the first year. Such a dossier comprises:

- A declaration of non-agricultural land use tax, made according to form No. 01/TK-SDDPNN attached to this Circular (not printed herein).

- A copy of the taxpayer's people identity card or military identity card or a certified copy of passport, for foreigners.

2.2. For taxpayers that have not yet been granted tax identification numbers under the Law on Tax Administration and its guiding documents, district-level Tax Departments shall base themselves on taxpayers' dossiers of registration for grant of tax identification numbers to grant tax identification numbers and notify these numbers to taxpayers.

Tax identification numbers granted to non-business households and individuals shall be shown in non-agricultural land use tax payment notices sent to taxpayers.

2.3. A taxpayer that has more than one land plot shall submit a dossier of registration for grant of a tax identification number to any of the district-level Tax Departments of the localities where exist taxable land plots. A taxpayer that has registered permanent residence in the locality where exists a taxable land plot shall submit a dossier of application for a tax identification number to the district-level Tax Department of the locality in which he/she has registered permanent residence.

2.4. In case many persons are named in a certificate as co-owners of a land plot, a tax identification number shall be granted to the lawfully authorized representative of these co-owners. The representative may use such tax identification number to declare and pay tax for all of his/her own taxable land plots in the same locality as well as those in other localities.

#### **Article 15. Dossiers of declaration of non-agricultural land use tax**

1. A dossier of declaration of non-agricultural land use tax payable in a year comprises:

- A declaration of non-agricultural land use tax for each taxable land plot, made according to form No. 01/TK-SDDPNN, for households or individuals, or No. 02/TK-SDDPNN, for organizations, attached to this Circular (not printed herein);

- Copies of papers related to the taxable land plot such as: land use rights certificate, land allocation decision, land lease decision or contract; decision permitting the change of land use purpose;

- Copies of papers proving the taxpayer's eligibility for tax exemption or reduction (if any).

2. A dossier of general declaration of non-agricultural land use tax comprises:

- A general declaration of non-agricultural land use tax, made according to form No. 03/TKTH-SDDPNN attached to this Circular (not printed herein).

#### **Article 16. Tax declaration**

1. Tax declaration principles:

1.1. Taxpayers shall accurately declare their personal information such as name, identity card number, tax identification number, address for receiving tax notices; and information on the taxable land plot such as area and use purpose in the tax declaration. For a land plot for which a certificate has been granted, information on serial number and date of issue of the certificate, serial number of the map, land area and land quota (if any) must be fully declared.

For dossiers of declaration of tax on residential land of households and individuals, commune-level People's Committees shall fill in the declaration forms' items reserved for functional agencies and transfer these declarations to district-level Tax Departments for use as a basis for tax calculation.

When necessary to clarify some items in tax declaration dossiers of organizations which serve as tax bases at the request of tax agencies, natural resources and environment agencies shall make and send certifications to tax agencies.

1.2. Annually, taxpayers are not required to make re-declaration if there is no change in taxpayers and elements that lead to changes in payable tax amounts.

Upon occurrence of an event that leads to a change in the taxpayer, the new taxpayer shall declare and submit a tax declaration dossier under this Circular within 30 (thirty) days after the date when such event occurs. In case of arising elements leading to a change in the payable tax amount (except change of the price of a square meter of taxable land), the taxpayer shall declare and submit tax declaration dossier within 30 (thirty) days after the date when such elements arise.

1.3. General declaration of non-agricultural land use tax is required only for residential land.

Taxpayers who are required to make general declarations under this Circular shall make and submit general declarations to the district-level Tax Departments they have chosen and registered.

2. Tax declaration in some specific cases

2.1. For organizations:

Taxpayers shall declare and submit tax declaration dossiers to district-level Tax Departments of localities where exists their taxable land.

2.2. For households and individuals:

a/ For residential land

a.1/ In case a taxpayer has the right to use one or more than one land plot in a district within the total taxable land area not exceeding the residential land quota applicable in the locality in which the taxpayer has land use rights, the taxpayer shall make a tax declaration for each land plot and submit these declarations to the commune-level People's Committee. In this case, the taxpayer is not required to make a general tax declaration.

Example 9; Mr. Nguyen Van A has 2 residential land plots in Ba Dinh district, Hanoi. Specifically as follows:

- The first plot is 50 m<sup>2</sup> (the applicable quota is 200 m<sup>2</sup>);
- The second plot is 50 m<sup>2</sup> (the applicable quota is 100 m<sup>2</sup>).

In this case, Mr. A shall make two separate tax declarations and submit them to the People's Committees of wards where exist these land plots. He is not required to make a general tax declaration.

a.2/ In case a taxpayer has the right to use many residential land plots in different districts but none of these land plots exceeds the set quota and the total area of taxable land plots does not exceed the residential land quota applicable in the localities in which the taxpayer has land use rights, the taxpayer shall make tax declarations for each land plot and submit them to commune-level People's Committees of localities where exist these taxable land plots, and make and submit a general tax declaration to the district-level Tax Department which the taxpayer has chosen to carry out general declaration procedures. Example 10:

Mr. Nguyen Van C has two land plots, one in Hoan Kiem urban district and the other in Ba Vi rural district, Hanoi city as follows:

- The land plot in Hoan Kiem urban district is 50 m<sup>2</sup> (the applicable quota is 80 m<sup>2</sup>);
- The land plot in Ba Vi rural district is 170 m<sup>2</sup> (the applicable quota is 200 m<sup>2</sup>).

Mr. C shall make two separate declarations for these land plots and send them to the People's Committees of the ward of Hoan Kiem urban district and the commune of Ba Vi rural district where exist these land plots, respectively. Concurrently, he shall register and choose a tax agency (district-level Tax Department) to carry out general declaration procedures.

If Mr. C chooses the residential land quota applicable in Hoan Kiem urban district, he shall submit the general tax declaration to the Tax Department of Hoan Kiem urban district to carry out general declaration procedures.

If Mr. C chooses the residential land quota applicable in Ba Vi rural district, he shall submit the general tax declaration to the Tax Department of Ba Vi rural district to carry out general declaration procedures.

a.4/ In case a taxpayer has the rights to use many residential land plots in different districts and only one of these land plot exceeds the residential land quota applicable in the locality in which the taxpayer has land use rights, the taxpayer shall make tax declarations for each land plot and submit them to the People's Committees of communes where exist the taxable land plots and make and submit a general declaration to the district-level Tax Department of the locality where exists the out-of-quota land plot.

Example 11:

Mr. Nguyen Van B has 2 land plots, one in Hai Ba Trung urban district and the other in Gia Lam rural district, Hanoi, as follows:

- + The land plot in Hai Ba Trung urban district is 50 m<sup>2</sup> (the applicable quota is 80 m<sup>2</sup>);
- + The land plot in Gia Lam rural district is 200 m<sup>2</sup> (the applicable quota is 150 m<sup>2</sup>).

Mr. Nguyen Van B shall make two separate declarations for these land plots and send them to the People's Committees of the ward of Hai Ba Trung urban district and the commune of Gia Lam rural district where exist these land plots, respectively. Concurrently, he shall make a general declaration at the Tax Department of Gia Lam rural district.

a.5/ In case a taxpayer has the rights to use many residential land plots in different districts and some of these land plots exceed the residential land quotas applicable in the localities in which the taxpayer has land use rights, the taxpayer shall make declarations for each land plot and submit them to the commune-level People's Committees of the localities where exist the taxable land plots; and concurrently, choose a district-level Tax

Department of the locality where exists the out-of-quota taxable land plot to make general declaration;

a.6/ By March 31 of the subsequent year at the latest, the taxpayer shall make a general tax declaration according to form No. 03/TKTH-SDDPNN (not printed herein) and send it to the district-level Tax Department at which the taxpayer makes a general declaration, and determine the difference between the payable tax amount according to regulations and the payable tax amount as indicated in the declarations submitted to the district-level Tax Departments of the localities where exist the taxable land plots.

b/ For non-agricultural production and business land and non-agricultural land specified in Article 2 of this Circular which is used for commercial purposes

Taxpayers shall submit tax declaration dossiers to district-level Tax Departments of localities where exist taxable land plots or to organizations or individuals authorized by tax agencies according to law.

2.3. Additional tax declaration:

a/ In case of arising elements leading to a change in tax bases which result in an increase or a decrease in the payable tax amount, the taxpayer shall make an additional declaration according to form No. 01/TK-SDDPNN or form No. 02/TK-SDDPNN within thirty (30) days after the date such elements arise;

b/ When detecting any errors or mistakes in the tax declaration dossier already submitted to the tax agency, which affect the payable tax amount, a taxpayer may make an additional declaration;

In case a taxpayer detects an error or a mistake in the tax declaration dossier already submitted to the tax agency after March 31 of the subsequent year, the taxpayer may make an additional declaration (for annual declaration and general declaration) in this year.

Additional tax declaration dossiers may be submitted to tax agencies on any working day.

Additional tax declaration dossiers of institutional taxpayers must be submitted before tax agencies announce decisions on tax examination or inspection at their head offices.

#### **Article 17. Tax payment**

##### **1. For households and individuals**

1.1. Tax agencies shall base themselves on taxpayers' declarations containing certifications of competent state agencies to calculate and make tax payment notices according to form No. 01/TB-SDDPNN attached to this Circular (not printed herein).

Tax agencies shall send tax payment notices to taxpayers no later than September 30 every year.

Within 10 (ten) working days after receiving tax agencies' tax payment notices, taxpayers may give feedbacks on (modifications or additions) information indicated in such notices to tax officers receiving their tax declaration dossiers. Within 10 working days after receiving taxpayers' feedbacks, tax agencies shall give replies. In case taxpayers make no feedbacks, the tax amounts indicated in the notices are the payable tax amounts.

Taxpayers shall fully pay taxes into the state budget within the time limit prescribed in Clause 3 of this Article.

For cases subject to general declaration:

Based on general declarations, taxpayers shall immediately pay the positive difference into the state budget. Any overpaid tax amounts shall be handled according to the Law on Tax Administration and its guiding documents.

For organizations

Taxpayers shall calculate and pay non-agricultural land use tax within the time limit prescribed in Article 3 of this Article.

Tax payment deadlines

3.1. The deadline for annual tax payment is December 31.

Taxpayers may select to pay tax once or twice a year and shall fulfill tax obligations by December 31 every year.

The deadline for payment of the difference as determined by taxpayers in the general declarations is March 31 of the subsequent year.

3.2. During a 5-year stabilization period, if the taxpayer wishes to make a single tax payment for several years, the tax payment deadline is December 31 of the year of application.

3.3. Upon occurrence of events that lead to a change in taxpayers, land use rights transferors shall pay tax into the state budget of the locality where exists the taxable land plot before carrying out other legal procedures. In case of inheritance, heirs shall pay tax into the state budget if tax has not been paid.

4. Tax collection and payment:

4.1. Taxpayers shall pay tax and fines (if any) into the state budget at the address stated in tax agencies' tax payment notices within the prescribed tax payment time limit.

4.2. For residential land of households and individuals, tax agencies may authorize commune-level People's Committees to collect tax. The scope of authorization, responsibilities of tax agencies and authorized units comply with the Law on Tax Administration and its guiding documents.

4.3. After receiving tax money from taxpayers, tax agencies or authorized tax-collectors shall issue a receipt, made according to the form issued together with this Circular (not printed herein), or a paper on remittance of money into the state budget according to the form provided by the Ministry of Finance.

4.4. Tax agencies shall supervise the fulfillment of tax obligations by taxpayers.

## **Chapter V ORGANIZATION OF IMPLEMENTATION**

### **Article 18. Handling of existing problems**

1. Tax agencies shall further monitor and collect housing tax from organizations, households and individuals liable to housing and land tax but, have not yet fully paid the arisen tax amount by December 31, 2011.

2. For those eligible for exemption from or reduction of housing and land tax of the 2011 tax year but tax agencies have not yet carried out tax exemption or reduction procedures, taxpayers shall have to-be-exempted or -reduced tax amounts cleared against the payable non-agricultural tax amounts of the subsequent year.

### **Article 19. Effect**

1. This Circular takes effect on January 1, 2012.

2. All previous regulations on housing and land tax are hereby annulled.

3. For the 2012 non-agricultural land use tax:

- Tax agencies shall complete the receipt of tax declarations from taxpayers no later than June 30, 2012;

- Tax agencies shall make and send tax payment notices to taxpayers no later than September 30, 2012.

- The tax payment deadline is December 31, 2012.

Any problems arising in the implementation should be promptly reported to the Ministry of Finance for study and settlement.

**FOR THE. MINISTER OF FINANCE  
DEPUTY MINISTER**

**Do Hoang Anh Tuan**