

**THE MINISTRY OF  
FINANCE**

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No. 76/2014/TT-BTC

**SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness**

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*Hanoi, June 16, 2014*

**CIRCULAR**

**ON PROVIDING GUIDANCE ON DECREE NO. 45/2014/ND-CP DATED MAY 15, 2014 OF  
THE GOVERNMENT ON COLLECTION OF LAND LEVIES**

*Pursuant to the Law on land dated November 29, 2013;*

*Pursuant to the Law on government budget dated December 16, 2002;*

*Pursuant to the Law on Tax administration dated November 29, 2006; the Law on the  
amendments to the Law on Tax administration dated November 20, 2012;*

*Pursuant to the Law on prices dated June 20, 2012;*

*Pursuant to Decree No. 45/2014/ND-CP dated May 15, 2014 of the Government on collection of  
land levies;*

*Pursuant to the Government's Decree No. 215/2013/ND-CP dated December 23, 2013 defining  
the functions, tasks, entitlements and organizational structure of the Ministry of Finance;*

*At the request of Director of Public Asset Management Authority,*

*The Minister of Finance issues the Circular on providing guidance on Decree No. 45/2014/ND-CP  
dated May 15, 2014 of cp on collection of land levies.*

**Chapter I**

**GENERAL PROVISIONS**

**Article 1. Scope**

This Circular provides guidance on determination and procedures for determination, collection, or payment of land levies; exemption from or reduction in land levies; deferral of land levy payment, repayment of outstanding land levies; guidance on transitional and specific regulations in the Decree No. 45/2014/ND-CP dated May 15, 2014 of the Government on collection of land levies (hereinafter referred to as Decree No. 45/2014/ND-CP).

**Article 2. Regulated entities**

1. Any economic organizations, foreign-invested enterprises, households and individuals, or overseas Vietnamese (hereinafter referred to as economic organizations, households and individuals) who are allocated pieces of land subject to land levies; permitted to change purposes of pieces of land, recognize land use right (hereinafter referred to as the land) subject to land levies as prescribed in the Law on land and Decree No. 45/2014/ND-CP.
2. Other relevant agencies, organizations, and individuals.

**Chapter II**

**SPECIFIC PROVISIONS**

**Section 1. DETERMINATION AND COLLECTION/PAYMENT OF LAND LEVIES**

### **Article 3. Determination of land levies on the piece of land which is subject to land levies and allocated by the State**

The determination of land levies payable on the piece of land which is subject to land levies and allocated by the State shall comply with regulations in Article 4 of Decree No. 45/2014/ND-CP; in particular:

1. In case a business organization, a household or an individual is allocated a piece of land subject to land levies by the State and not through land auction, the land levy payable equals (=) the land price subject to land levies according to the purpose of the piece of land on the date of allocation multiplied by (x) area of land subject to land levies, whereby:

1.1. Land prices subject to land levies:

a) If the price of area of the piece of land which is subject to land levies and allocated by the State is VND 30 billion or more regarding the piece of land in a central-affiliated city (according to Table of land prices); or 10 VND billion or more regarding the piece of land in a mountainous province; or VND 20 billion or more regarding the piece of land in another province, the land price subject to land levies shall be specifically determined by the People's Committees of the province according to direct comparison method, subtraction method, income-based method, or surplus-based method as prescribed in the Decree of the Government on land prices.

b) If the price of area of the piece of land which is subject to land levies and allocated by the State is less than VND 30 billion regarding the piece of land in a central-affiliated city (according to the Table of land prices); or less than 10 VND billion regarding the piece of land in a mountainous province; or less than VND 20 billion regarding the piece of land in another province, the land price subject to land levies is the land price specified in Table of land prices issued by the People's Committees of the province multiplied by (x) land price adjustment coefficients (hereinafter referred to as K coefficients).

1.2. Area subject to land levies is the area of land subject to land levies stated in the Decision on land allocation.

2. The Service of Finance shall determine K coefficients used for determining land prices subject to land levies according to every division, route, or location equivalent to purposes of the piece of land and in conformable with the market and local socio-economic development condition, then confer with the Standing of People's Council of province on the coefficients and request the People's Committee of the province to announce the coefficients annually.

If the floor area ratio (building coverage ratio or height of construction) of some location where projects are carried out in the same area or route is different from general average ratio in such area or route, the People's Committee of the province shall determine the K coefficients applied to such cases and regulate specifically in the Decision on K coefficients in the administrative divisions.

### **Article 4. Determination of land levies on the piece of land whose purposes permitted to be changed paid by the economic organization**

The economic organization changes purposes of the piece of land must pay land levies as prescribed in Clause 1 of Article 5 of Decree No. 45/2014/ND-CP; in particular:

1. If purpose of the piece of land which is allocated or leased by the State is changed from agricultural land or non-agricultural land other than residential land to residential land for

housing construction for sale or combination of sale and lease, the land levies shall be paid as follows:

1.1. If the organization which is leased a piece of land subject to lump-sum payment concurrently changes purposes of the piece of land with changes from land lease to land allocation, they must pay an amount of difference between land levies determined according to purposes of the piece of land as prescribed on Clause 1 Article 3 of this Circular and lump-sum rent over remaining lease term on the date on which the permission for changes in purposes of the piece of land is made by the competent agency.

The lump-sum rent over remaining lease term prescribed in this Point shall be determined according to following formula:

$$\text{Lump-sum rent over remaining lease term} = \frac{\text{Lump-sum rent over entire lease term}}{\text{Entire lease term}} \times \text{Number of years of remaining lease term}$$

1.2. If the organization which is allocated a piece of land subject to land levies has paid land levies as prescribed before July 1, 2014 and is permitted to change purposes of the piece of land to residential land, it shall pay an amount of difference between land levies according to purposes of the piece of land after change as prescribed in Clause 1 Article 3 of this Circular and land levies according to land price of type of land before changing its purposes over remaining use term on the date on which the permission for changes in purposes of the piece of land is made.

The land levies on the type of land before changing its purpose over remaining use term prescribed in this Point shall be determined according to formula below:

$$\text{Land levy on type of land before changing its purpose over remaining use term} = \frac{\text{Land levy according to land price over use term subject to land levies}}{\text{Entire land use term subject to land levies}} \times \text{Number of years of remaining land use term}$$

1.3. The lump-sum rent over remaining lease term prescribed in Point 1.1 of this Point and land levies on type of land before changing its purpose for remaining land use term prescribed in Point 1.2 of this Clause shall be determined according to land prices on the date on which competent agencies permit the organization to change purposes of the piece of land, in particular:

a) If the land price subject to land levies according to purposes of the piece of land after changing its purposes is determined according to K coefficient method, the land price subject to lump-sum rent over remaining lease term or land price subject to land levies on type of land before changing its purpose shall be determined according to K coefficient method on the date on which the permission for changing purposes of the piece of land is made.

b) If the land price subject to land levies according to purposes of the piece of land after changing its purposes is determined according to direct comparison, subtraction, income-based, or surplus-based method, the land price subject to lump-sum rent over remaining lease term or land price subject to land levies on type of land before changing its purpose shall be determined according to such method on the date on which the permission for changing purposes of the piece of land is made.

The land price subject to land levies shall be determined according to K coefficient method or other land pricing methods as prescribed in Clause 1 Article 3 of this Circular.

2. In case the economic organization lawfully receives a piece of agricultural land within the agricultural land use quota from households or individuals; a piece of agricultural or non-agricultural allocated for limited term (the former user has paid land levies on such piece of land) for housing construction for sale or combination of sale and lease, or for cemetery construction, the land levies payable shall be determined as follows:

2.1. Regarding application of K coefficient method to determine land levies in case of change in purposes of the piece of land:

a) Tax authority shall determine an amount of land levies after changing purposes of project on the date on which the permission on changes in purpose is made and land levies payable after subtracting from the amount of transferred payment from the economic organization according to cadastral documents, the Table of land prices and K coefficients issued by the People's Committees of the provinces, and the amount of transferred payment given from the economic organization determined by finance bodies within 05 working days from the day on which sufficient related documents is received.

b) The amount of payment to receive the land paid by the economic organization shall be converted into the land levies on the day on which competent agencies permit the organization to change purposes of the piece of land using the following formula:

- If the transferred land is a piece of agricultural or non-agricultural land allocated for limited term by the State and the land user has paid land levies:

$$\begin{array}{ccccccc}
 \text{Amount of payment to} & & & \text{Price of type of land} & & & \\
 \text{receive the land} & & \text{Area of} & \text{before changing} & & & \text{Number} \\
 \text{paid by} & & \text{land} & \text{purposes specified} & & \text{K} & \text{of years} \\
 \text{economic} & & \text{whose} & \text{in Table of land} & & \text{coefficient} & \text{of} \\
 \text{organization} & = & \text{purpose is} & \text{prices} & & & \text{remaining} \\
 & & \text{changed} & \text{corresponding to} & \times & & \text{land use} \\
 & & & \text{land use term} & & \times & \text{term} \\
 & & & & & & \\
 & & & \text{Land use term of transferred land} & & & \\
 \end{array}$$

Where: Area of land whose purpose is changed is the area which has been paid land levies by the former user.

- Regarding the transferred land is a piece of agricultural land which is allocated in the land use quota to households and individuals:

$$\begin{array}{ccccccc}
 \text{Amount of payment to} & & & \text{Price of land before} & & & \\
 \text{receive the land paid} & = & \text{Area of land} & \text{changing purpose} & & & \\
 \text{by the economic} & & \text{whose purpose} & \text{specified in Table of} & \times & \text{K coefficient} & \\
 \text{organization} & & \text{is changed} & \text{land prices} & & & \\
 \end{array}$$

The amount of payment to receive the land paid by the economic organization shall be determined according to the above formula, then the finance agency shall determine specific amount offsetting against land levies payable as prescribed in Point d Clause 1 Article 5 of Decree No. 45/2014/ND-CP and send it to tax authority for handling according to information

about amount of compensation for site clearance of the project which revoked sent by the People's Committees and the organization in charge of compensation for site clearance.

Procedures for circulating documents on determination of obligations to pay land levies between Natural resources and environment authorities, tax authorities and financial authorities shall conform to the Joint Circular of the Ministry of Finance and the Ministry of Natural Resources and Environment.

2.2. In case direct comparison, subtraction, income-based, or surplus-based method is used for determination of land levies when the purpose of the piece of land is changed:

According to specific price of land after changing its purpose and specific price of land before changing its purpose for remaining land use term determined by the People's Committee of the province; according to amount of payment paid by the organization to receive the land which is offset against land levies payable determined by financial authorities based on formula below and rules of Point d Clause 1 Article 5 of Decree No. 45/2014/ND-CP, the tax authority shall determine and notify the land levies payable within 05 working days from the day on which the documents on above information is received.

- Regarding the transferred land which is a piece of agricultural or non-agricultural land allocated for limited term by the State and the land user has paid land levies:

$$\begin{array}{r} \text{Amount of} \\ \text{payment to} \\ \text{receive the} \\ \text{land paid by} \\ \text{economic} \\ \text{organization} \end{array} = \frac{\begin{array}{r} \text{Area of land whose} \\ \text{purpose is changed} \end{array} \times \begin{array}{r} \text{Price of land before changing} \\ \text{purpose determined by the} \\ \text{People's Committee of the} \\ \text{province} \end{array}}{\text{Land use term of transferred land}} \times \begin{array}{r} \text{Number} \\ \text{of years} \\ \text{of} \\ \text{remaining} \\ \text{land use} \\ \text{term} \end{array}$$

*Where: Area of land whose purpose is the area which has been paid land levies by the former user.*

- Regarding the transferred land is a piece of agricultural land which is allocated in the land use quota to households and individuals:

$$\begin{array}{r} \text{Amount of payment to} \\ \text{receive the land paid} \\ \text{by economic} \\ \text{organization} \end{array} = \begin{array}{r} \text{Area of land whose} \\ \text{purpose is changed} \end{array} \times \begin{array}{r} \text{Price of land before changing} \\ \text{purpose determined by the} \\ \text{People's Committee of the} \\ \text{province} \end{array}$$

3. In case the purposes of a piece of non-agricultural land other than residential land (being used or be transferred) is changed to a piece of residential land as prescribed in Clause 1 and Clause 2 of this Article, the price of land before changing purpose shall be the land price applied to non-agricultural land prescribed in regulations on land prices of the Government (commercial land in rural areas; non-agricultural land other than commercial land in rural areas; commercial land in urban areas; non-agricultural land other than commercial land in urban areas).

4. The remaining land use term determined by the formula as prescribed in Point 1.1, Point 1.2 Clause 1 and Point 2.1 Clause 2 of this Article shall be expressed in months if it is not a full year; considered 01 month if is shorter than a month but not shorter than 15 days. Land levy shall not be imposed if such duration is shorter than 15 days.

**Article 5. Determination of land levies paid by households or individuals who are permitted to change its purposes of the piece of land to residential land**

If any household or individual is permitted to change its purposes of the piece of land to residential land by competent agencies, they must pay land levies as prescribed in Clause 2 Article 5 of Decree No. 45/2014/ND-CP; in particular:

1. In case the household or individual which is concurrently leased a piece of non-agricultural land (other than residential land) by the State with lump-sum rent over entire lease term concurrently changes purposes of the piece of land to residential land with changes from land lease to land allocation, the land levies payable shall be difference between land levies subject to residential land price and lump-sum rent subject to non-agricultural land price over remaining lease term on the date on which the competent agencies permit them to change purpose of the piece of land as prescribed in Point c Clause 2 Article 5 of Decree No. 45/2014/ND-CP, in particular:

The lump-sum rent over remaining lease term shall be determined according to the formula prescribed in Point 1.1 Clause 1 Article 4 of this Circular. The land price subject to the lump-sum rent over remaining lease term shall be determined according to K coefficient method if the price of area of the piece of land subject to land levies (according to residential land prices specified in the Table of land price on the day on which the competent agencies permit to change purposes of the piece of land) is less than VND 30 billion regarding the piece of land in the central-affiliated cities; less than VND 10 billion regarding the piece of land in the mountainous province; or less than VND 20 billion regarding the piece of land in the remaining provinces. In case the price of piece of land is higher than aforesaid prices, the land price subject to lump-sum rent over remaining lease term shall be determined according to direct comparison, subtraction, income-based, or surplus-based method as prescribed in regulations of the Government on land prices.

2. Regarding changes in purposes of a piece of land which is transferred from lawful land user to residential land, the land levies shall be collected as follows:

a) If the piece of land converted from gardens or ponds which are not recognized as residential land although it is in the same land plot having houses, the land levies on such piece of land shall equal 50% of difference between land levies subject to residential land price and land levies subject to agricultural land price.

b) If the transferred piece of land converted from agricultural land within agricultural land use quota allocated to households and individuals, the land levies on such piece of land shall equal difference between land levies subject to residential land price and land levies subject to agricultural land price.

c) If the transferred piece of land is converted from non-agricultural land subject to land levies, the land levies on such piece of land shall equal difference between land levies subject to residential land price and land levies subject to non-agricultural land price for remaining land use term.

The land levies on non-agricultural land for remaining land use term prescribed in this Point shall be determined using the formula prescribed in Point 1.2 Clause 1 Article 4 of this Circular.

3. The land price subject to land levies prescribed in Clause 1 and Clause 2 of this Point is the land price determined on the date on which the permission for changing purposes of the piece of land, in particular:

- a) Regarding area of land allocated within residential land quota, the land price subject to land levies before and after changing the purpose of piece of land is the land price prescribed in Table of land prices equivalent to each purpose.
- b) Regarding the area of land allocated exceeding residential land quota, the land price subject to land levies before and after changing the purpose of piece of land is the land price equivalent to each purpose and each case using methods for land pricing prescribed in Point 1.1 Clause 1 Article 3 of this Circular.
- c) In case the purposes of a piece of non-agricultural land other than residential land (being used or being transferred) is changed to residential land, the price of land before changing purpose shall be the land price applied to non-agricultural land prescribed in regulations on land prices of the Government (commercial land in rural areas; non-agricultural land other than commercial land in rural areas; commercial land in urban areas; non-agricultural land other than commercial land in urban areas).

#### **Article 6. Allocation of land levies to users in the housing complex**

With respect to multi-story buildings on the land which is allocated to users by the State, the allocation of land levies prescribed in Clause 3 Article 4 of Decree No. 45/2014/ND-CP shall be given as follows:

1. With respect to multi-story buildings, apartment buildings, or housing complexes (except for cases prescribed in Clause 2 of this Article), the land levies allocated to each user equals (=) allocation coefficient multiplied by (x) area of the house of each user, where:

- a) The allocation coefficient equals ratio floor area to total building area.
- b) With regard to house having basement, 50% of area of the basement shall be added to the total building area for determination of allocation coefficient.

If the area of the basement is under joint ownership of users in the building, it shall be equally allocated to them.

If the area of the basement is under ownership of the investor, the land levies on such area shall be collected from the investor.

2. With regard to selling state-owned houses to lessees, the land levies shall be allocated as prescribed in regulations of law on state-owned house sale.

#### **Article 7. Determination of residential land allocation quota for determination of land levies applied to households or individuals permitted to change purposes of land or recognized the piece of land by the State**

Any households or individuals permitted to change purposes of land or recognized the piece of land (granted the Certificate) by the State shall pay land levies as prescribed in Article 5, Article 6, Article 7, Article 8 of Decree No. 45/2014/ND-CP; the area of residential land subject to land levies within the allocation quota shall be determined as follows:

1. Each household (including households from household separation prescribed in regulations of law), or individual is only determined area of residential land within allocation quota or residential land recognition quota once within a province.

In case the households or individuals have multiple land plots in a province, the area of their land plots shall be accumulated for determination of area of residential land allocation quota or residential land recognition quota provided that such quotas do not exceed quotas in the initial province.

**Example 1:**

*Mr. A has used 02 land plots; the first land plot is a piece of residential land with houses on it but he has no documents prescribed in Clause 1 Article 100 of the Law on land dated in 2013, such piece of land has been used stably without dispute from 1997, with the area of 60 m<sup>2</sup> in district X, city Z; the second land plot is a piece of agricultural land in residential areas and subject to land-use planning of the city, with an area of 1,640 m<sup>2</sup> in district Y, city Z. The land recognition quota in district X, city Z is 100m<sup>2</sup>; the land recognition quota in district Y is 150 m<sup>2</sup>. The city Z is a central-affiliated city.*

*In 2015, the first land plot has been recognized by the State and the purposes of the second land plot have been changed to residential land. Mr. A chooses the first land plot to determine area of land within the quota.*

*When the first land plot is granted the Certificate, the 60 m<sup>2</sup> in area of the first land plot shall be determined as the area of land within the quota, thus Mr. A shall pay 50% of land levies according to the Table of land prices.*

*Then, Mr. shall follow the procedures for changing purposes of the second land plot to residential land, the land levy shall be determined as follows:*

*- The quota in arrears of the first land plot is 40 m<sup>2</sup> (=100 m<sup>2</sup> - 60 m<sup>2</sup>), such 40 m<sup>2</sup> subject to land levies shall be determined according to Table of land prices.*

*- The area exceeding quota is 1.600 m<sup>2</sup> (=1.640 m<sup>2</sup> - 40 m<sup>2</sup>). Suppose that the price of the second land plot according to Table of land prices in city Z is VND 20,000,000/ m<sup>2</sup>, the value of the second land plot according to such area exceeding quota (according to Table of land prices) is:*

$$1.600 \text{ m}^2 \times \text{VND } 20,000,000/\text{m}^2 = \text{VND } 32,000,000,000$$

*Because the value of area exceeding quota is more than VND 30 billion, the land levy imposed on such area in case of changes in purposes of the land plot shall be determined according to direct comparison, subtraction, income-based, or surplus-based method and decided by the People's Committee of the province.*

2. In case any households or individuals acquire land joint ownership on 01 land plot, the area within residential land allocation quota shall be determined as follows:

a) If households or individuals are permitted to divide a land plot into smaller plots for every household, the area of land within quota subject to land levies shall be determined according to each land plot when the procedure for application for the Certificate is conducted and every household or individual may only be determined area of land within the residential land allocation quota or residential land recognition quota once and within a province prescribed in Point a Clause 3 Article 3 of Decree No. 45/2014/ND-CP.

b) In case households or individuals do not divide land plot or are not permitted to divide land plot into smaller plots by competent agencies, the area within residential land allocation quota

shall be determined according to quotas allocated to households or individuals representing joint owners to complete procedures for issuance of the Certificate.

**Example 2:**

*Mr. A, Mr. B and Ms. C inherited from their parents 01 land plot of 210 m<sup>2</sup> in area in district X, province Y, they have no documents prescribed in Clause 1 Article 100 of the Law on land dated 2013, such land plot has houses on it and being used stably from October 15, 1993 to July 1, 2004, no dispute, and in conformity with residential land-use planning of province. Mr. A and Mr. B have never been determined area of land within quota subject to land levies; Ms. C has been determined fully area of land within quota subject to land levies regarding other land plot. The land use quota in district X is 100 m<sup>2</sup>. In 2016, the aforesaid land plot has been granted the Certificate by competent agencies, the land levy shall be determined as follows:*

*- In case Mr. A, Mr. B and Ms. C agree to divide the land plot into 03 smaller land plots, each plot is 70 m<sup>2</sup> in area:*

*+ Mr. A and Mr. B shall be granted the Certificate on each 70 m<sup>2</sup>, because their plots are determined as the area within the quota, they shall pay 50% of land levies on such plots according to Table of land prices issued by the People's Committee of the province.*

*+ The 70 m<sup>2</sup> in area of Ms. C's land plot shall be determined as the area exceeding the quota, thus Ms. C shall pay 100% of land levies according to the Table of land prices multiplied by (x) K coefficient.*

*- In case Mr. A, Mr. B and Ms. C appoint Mr. B to represent them applying for the Certificate regarding entire 210 m<sup>2</sup> land plot (in case of the competent agency does not permit them to divide the land plot), he shall pay 50% of land levy regarding area of 100 m<sup>2</sup> within the residential land quota in the province according to Table of land prices; and pay 100% of land levy on area of 110 m<sup>2</sup> exceeding the quota according to Table of land prices multiplied by (x) K coefficient in the province.*

3. In case any household or individual who inherited a piece of land not subject to land levies; is transferred a lawful piece of land not subject to land levies or obtaining valid documents on such piece of land is replaced the Certificate, the determination of their area of land within the quota is not considered as once prescribed in Point a, Clause 3 Article 3 of Decree No. 45/2014/ND-CP.

**Example 3:**

*In 2012, Mr. A inherited a piece of land of 250 m<sup>2</sup> in area, he is granted the Certificate and has paid land levy in full, thus Mr. A may conduct procedures for replacement of name in the Certificate without any obligation on land levies. In addition, Mr. A has never been determined area of land within the quota on any land plot.*

*In 2015, Mr. A applies for changing purposes of 200 m<sup>2</sup> in area of piece of agricultural land, which is allocated by the State in 2004 as prescribed in law on land, to residential land; the competent agency permits Mr. A to change purpose of the piece of land, Mr. A shall be determined area of land within the quota subject to land levies.*

4. According to documents on cadastral information issued by the natural resources and environment agency, whereby there is information about area of land within the quota, area of land exceeding the quota prescribed in Point a Clause 3 Article 3 of Decree No. 45/2014/ND-CP; the tax authority shall calculate and notify households or individuals of land levies payable.

5. The accumulation of land plot for determination of the quota subject to land levies prescribed in Clause 1 of this Article shall apply to any households or individuals permitted to changing purposes of their land or recognized their land from July 1, 2014. In case before July 1, 2014, a household or an individual is granted the Certificate on a land plot in which the quota is chose, but such area is smaller than recognized quota or local residential land quota, then after July 1, 2014, the household or the individual applies for the Certificate for second land plot, the area of the first land within the quota in arrears shall be accumulated to the second land plot when determining the area within the quota and the portion of area in excess of the quota subject to land levies.

**Example 4:**

*Mr. A has used 02 land plots: The first land plot is a piece of land without any houses on it, he has no document prescribed in Clause 1 Article 50 of the Law on land dated 2003, such plot is used stably without dispute from 1997, without an area of 70 m<sup>2</sup> in district X, province K; the second land plot is a piece of agricultural land in residential areas and in the land-use planning of the province, with an area of 120 m<sup>2</sup> in district Y, province K.*

*In 2012, the Mr. A's first land plot has been recognized by the State. The land recognition quota in district X, province K is 100 m<sup>2</sup>. When the first land plot is granted the Certificate, total area of 70 m<sup>2</sup> determined as area of residential land within the quota.*

*In 2015, Mr. A's second land plot is changed to residential land, the land levy shall be determined as follows:*

*- The quota in arrears of the first land plot which is accumulated is 30 m<sup>2</sup> (=100 m<sup>2</sup> - 70 m<sup>2</sup>), such 30 m<sup>2</sup> subject to land levies shall be determined according to Table of land prices.*

*- The area in excess of the quota is 90 m<sup>2</sup> (=120 m<sup>2</sup> - 30 m<sup>2</sup>), such 90 m<sup>2</sup> subject to land levies shall be determined according to Table of land prices multiplied by (x) K coefficient.*

**Article 8. Determination of land levies on residential land allocated ultra vires to households and individuals before July 1, 2004 when such land is recognized (granted the Certificate)**

The land levies on residential land allocated ultra vires to households and individuals before July 1, 2004 when such land is granted the Certificate shall be determined as prescribed in Article 8 of Decree No. 45/2014/ND-CP; in particular:

Documentary evidence for payment of land levies to competent agencies prescribed in Point a and Point b Clause 1 Article 8 of Decree No. 45/2014/ND-CP shall contain:

1. Receipts or invoices for entitlement to use land or collect compensation prescribed in Decision No. 186/HĐBT dated May 31, 1990 of the Council of Ministers on compensation for damage against agricultural land or forest land in case of change in purposes.
2. Receipts or invoices prescribed in Circular No. 60/TC-TCT dated July 16, 1993 of the Ministry of Finance on providing guidance on management of collection of state-owned house sale, allocation of land for house or building construction.
3. Receipts or invoices or other documentary evidence for payment to using land issued by the People's Committee or any competent agencies in charge of land allocation ultra vires.

**Article 9. Procedures for determination and collection of land levies**

## 1. Regarding economic organizations

a) Application of K coefficient method to determine land levies: tax authority shall notify the economic organization of land levies payable according to K coefficient and Table of land prices issued by the People's Committee of provinces; compensation for resettlement or the payment of land transfer which is offset against land levies (if any) determined by finance; within 05 working days from the day on which cadastral documents are sent by the natural resource and environment agency.

b) Application of direct comparison, subtraction, income-based, surplus-based methods to determine land levies: the tax authority shall notify the economic organizations of land levies payable according to Table of land prices issued by the People's Committee of provinces; compensation for resettlement or the payment of land transfer which is offset against land levies (if any) determined by finance; within 05 working days from the day on which cadastral documents are sent by natural resource and environment agencies.

The tax authority shall compile documents on land levies paid by economic organizations using forms in Appendix 05 issued together with this Circular.

## 2. Regarding households or individuals:

a) In case the household or the individual is allocated new piece of residential land, permitted to change purposes of the piece of land to residential land, or granted the Certificate and the land price subject to land levies is determined according to K coefficient method, they shall follow the procedures below:

They shall apply for the Certificate or changing purposes of the piece of land at the Office of land registration or natural resource and environment agency (if there is no Office of land registration).

According to cadastral documents sent by the Office of land registration or natural resource and environment agency and Table of land prices and K coefficient regulated by the People's Committee of the province and area of land subject to land levies, tax authority shall determine land levies payable and notify households and individuals within 05 working days from the day on which the satisfactory application is received.

In case there are no grounds to determine land levies payable, the tax authority shall request the Office of land registration and natural resource and environment agency in writing to provide additional documents within 03 working days from the day on which the application is received.

b) In case the household or the individual is allocated the piece of land, permitted to change purposes of the piece of land, or granted the Certificate and the land price subject to land levies is determined according to income-based, surplus-based, subtraction, or comparison methods: according to cadastral documents sent by natural resource and environment agency, Table of land prices regulated by the People's Committee of the province, the tax authority shall notify the household or the individual of land levies payable within 05 working days.

The tax authority shall compile documents on payment and collection of land levies paid by households or individuals using forms in Appendix 05 issued together with this Circular.

## 3. Procedures and duration of document circulation between natural resource and environment agency, tax authority, finance agency in determination of land price as prescribed in Clause 1

and Clause 2 of this Article and guidance of the Ministry of Finance and the Ministry of Natural Resources and Environment.

**Article 10. Collection of land levies in case of adjustments to specific construction planning**

1. In case an economic organization which is allocated the piece of land not through land use right auction, or permitted to change purposes of the piece of land to carry out investment project has paid land levies and the competent agency permit them to adjust specific construction planning leads to change the floor area ratio (building coverage ratio or height of construction), they shall follow procedures below:

In case the economic organization apply for adjustments to specific construction planning (building coverage ratio or height of construction) and the competent agency permit such adjustments leading to increase floor area ratio, they must pay additional land levies (if any) following the rules below:

a) In case the land price subject to land levies is determined according to direct comparison, subtraction, income-based, or surplus-based methods, the difference between land levies determined according to such methods of specific construction planning before adjustments and land levies determined after adjustments at the same date on which the competent agency permit the adjustments to the planning shall be collected.

b) In case the land price subject to land levies is determined according to K coefficient methods, the difference between land levies determined according to such method of specific construction planning before adjustments and land levies determined after adjustments at the same date on which the competent agency permit to change the planning shall be collected.

1.2. In case the State adjusts specific construction planning due to some requirements in terms of management leading to decrease floor area ratio (building coverage ratio and height of construction) then leading to decrease in land levies, the economic organization may claim a refund of land levies which equal difference between land levies determined of specific construction planning before adjustments and land levies determined after adjustments at the same date on which the competent agency permit the adjustments to the planning. The amount of difference shall be determined as prescribed in Point 1.1 of this Clause.

The refund of land levies prescribed in this Clause shall be made by direct refund or offset against outstanding financial obligation of the economic organization towards the State as prescribed in regulations of law on government budget and law on tax administration.

2. In case the economic organization which is allocated the piece of land through land use right auction for investment project has paid land levies and apply for adjustments to specific construction planning leading to change the floor area ratio (building coverage ratio or height of construction), they shall pay additional land levies (if any) following rules prescribed in Clause 1 of this Clause, in particular:

a) In case the reserve price of land use right auction is determined according to direct comparison, subtraction, income-based, or surplus-based methods, the difference between land levies determined according to aforesaid methods of specific construction planning before adjustments and land levies determined after adjustments at the same date on which the competent agency permit to change the planning shall be collected.

b) In case the reserve price of land use right auction is determined according to K coefficient methods and Table of land prices, K coefficient and rule for adjustments to this coefficient regulated by the People's Committee of the province, the difference between land levies determined according to such method of specific construction planning before adjustments and land levies determined after adjustments at the same date on which the competent agency permit to change the planning shall be collected.

3. Determination of land levies in case of changes in targets of specific construction planning concerning cases in which the economic organization is allocated, permitted to change purposes of the piece of land and has paid the land levies before July 1, 2014.

a) With regard to cases in which the land levy is paid according to targets on specific construction planning of project (floor area ratio, building coverage ratio, height of construction), when competent agency permit the economic organization to change targets on project planning, the land levy must be determined again and the difference of land levies shall be collected (if any) as prescribed in regulations of law on the date on which competent agency makes a decision on adjustments to planning targets.

b) With regard to cases in which the land levy is paid not according to targets on planning of project, when the competent agency permit to adjust targets on planning of project, it is not required to collect the difference of land levies (if any).

#### **Article 11. Settlement of compensation or site clearance**

The settlement of compensation or site clearance shall be offered as prescribed in Article 15 Decree No. 45/2014/ND-CP, in particular:

1. If the piece of land is allocated through auction, the refund of compensation or site clearance shall be allocated by government budget as prescribed in law on government budget.

2. If the piece of land is allocated not through auction, the refund of compensation or site clearance shall be allocated by the person who receives the piece of land as prescribed in law on government budget. The land user shall be offset this amount of refund against land levies payable (if any) or shall be included in investment capital of the project (if the land owner is not required to pay land levies).

3. In case the land user voluntarily pay an advance of compensation or site clearance as prescribed in Clause 2 Article 15 of Decree No. 45/2014/ND-CP, the finance agency shall record receipts and expenditures on amount of compensation or site clearance which is offset against land levies payable as prescribed in law on government budget.

#### **Article 12 Deferral of land levy payment and payment of outstanding land levies.**

Any household or individual who is permitted to change purposes of the piece of land; granted the Certificate must pay land levies as prescribed in this Decree and any household or individual who is allocated the piece of land for relocation faces financial difficulties and wish to defer land levy payment, the land levy payment shall be deferred as prescribed in Article 16 Decree No. 45/2014/ND-CP; in particular:

1. Procedures for deferral of land levy payment and repayment of outstanding land levies

a) Any household or individual entitled to defer land levy payment as prescribed in Article 16 of Decree No. 45/2014/ND-CP may apply for the Certificate or changing purposes of land or

allocating land for relocation; or apply for deferral of land levy payment when they receive a Notice about land levy payment which is paid to the Office of land registration or Office of natural resource and environment (if there is no Office of land registration) in the People's Committees of districts where the piece of land located.

b) According to cadastral documents, whereby there is application for deferral of land levy payment submitted by the household or the individual and sent by the Office of land registration (of Office of natural resource and environment), the tax authority shall determine land levies payable paid by the household or the individual as prescribed and compile a logbook on outstanding land levies (the logbook shall be made according to area of land within the quota and area of land exceeding the quota); and send the information about land levies payable to the Office of land registration and the natural resource and environment agency.

c) According to land levies determined by the tax authority, the Office of land registration (or the Office of natural resource and environment) shall request the People's Committee of district to grant the Certificate to households or individuals, whereby the land levy payment which are deferred must be stated in the Certificate. In case, the household or the individual receives the Notice about land levies before applying for deferral of land levy payment and they are granted the Certificate, whereby the amount of land levies which is deferred is stated, the Office of land registration shall send information about deferral of land levy payment to tax authority of district to make a logbook on outstanding land levies and repayment as prescribed.

## 2. Repayment of outstanding land levies:

a) When repaying outstanding land levies, the households or individuals shall declare repayment of outstanding land levies at the tax authority using form in Appendix 03 issued together with this Circular, the tax authority shall complete the procedures for repayment of outstanding land levies according to the logbook on debts.

If the households or individuals repay outstanding land levy for after 5 years from the date on which deferral is recorded in the Certificate or fail to repay outstanding land levies, the outstanding land levies imposed on area of land within the quota or exceeding the quota shall be converted to rate (%) of failure to pay land levies and the households or individuals must pay land levies on such area:

Land levy payable equals (=) outstanding land levy divided by (:) total land levy determined according to land prices on the day on which the Certificate is granted multiplied by (x) land levy determined according to land prices on the repayment date.

b) After the land user repay debts, the tax authority shall recognize repayment according to debt logbook using form in Appendix No. 04 issued together with this Circular, then the land user shall follow the procedures for debt cancelation in the Certificate at the Office of land registration.

3. Any household or individual entitled to defer land levy payment must pay the outstanding land levies in full if they transfer such piece of land. In case they are permitted to transfer a portion of land plot, tax authority shall determine land levies in proportion to transferred area according to documents on permission to divide land plot into smaller plots. In case the heir inherited a piece of land which has been not repay outstanding land levies by the deceased person, the heir must keep repaying outstanding land levies as prescribed in law on inheritance.

## **Section 2. LAND LEVY EXEMPTION AND REDUCTION**

### **Article 13. Exemption from land levies**

The exemption from land levies shall comply with regulations in Article 11 of Decree No. 45/2014/ND-CP; in particular:

1. Land levies shall be exempt within the residential land quota regarding cases in which the State allocate land, permit to change purposes of the piece of land, grant the Certificate to people with meritorious services to the Resolution as prescribed in corresponding regulations of law. The people with meritorious services to the Resolution shall be exempt from land levies when the competent agency makes a decision on permission for exemption from land levies as prescribed.
2. Any poor household or ethnic minority household which is exempt from land levies must have permanent residence in severely disadvantaged areas; border or island areas as prescribed in List of severely disadvantaged areas, border or island areas.
3. Any person who is allocated a new piece of residential land together with the project moved to another place because of disaster shall be exempt from land levies when he/she is not paid compensation for the old piece of land.

### **Article 14. Reduction in land levies**

The reduction in land levies shall comply with regulations in Article 12 of Decree No. 45/2014/ND-CP; in particular:

1. If any poor household or ethnic minority household which is not in the severely disadvantaged areas prescribed in the List of severely disadvantaged areas, border or island areas and is not exempt from land levies as prescribed in Clause 2 Article 11 of Decree No. 45/2014/ND-CP is allocated land, granted the Certificate for the first time or permitted to change purposes of land from agricultural land or non-agricultural land (other than residential land) to residential land, their land levy payment shall be reduced 50% within the residential land quota. The poor household or ethnic minority household who is given reduction in land levy payment must have permanent residence in the administrative division where their piece of land which is granted the Certificate or changed purpose of land is located.
2. The reduction in land levy payment given to the people with meritorious services to the Resolution prescribed in Clause 2 Article 12 of Decree No. 45/2014/ND-CP shall not be applied until the competent agency make a permission for reduction in land levy payment as prescribed in law on the meritorious services to the Resolution (the People's Committee of the province or authorized agencies)

### **Article 15. Application for reduction in or exemption from land levies and agency in charge**

1. An application for reduction in or exemption from land levies shall contain:
  - 1.1 An application form for reduction in or exemption from land levies; in which area, reasons for reduction or exemption shall be clarified;
  - 1.2. Documentary evidence for reduction in or exemption from land levies (certified true copy), in particular:
    - a) Regarding the people with meritorious services to the Resolution, documents on reduction in or exemption from land levies prescribed in Clause 1 Article 13 and Clause 2 Article 14 of this Circular are required;

- b) Regarding the poor people, the Certification issued by competent agencies as prescribed in regulation of the Ministry of Labor, War Invalids and Social Affairs is required;
- c) Regarding the ethnic minority household in the disadvantaged areas, severely disadvantaged areas, or border or island areas, their permanent residence or the Certification issued by the People's Committee of the commune is required;
- d) Regarding the construction project on social housing prescribed in law on housing, the approval for the project and exemption from land levies issued by competent agencies is required;
- dd) Regarding the piece of land which is used for housing construction for people moved by disaster, the Certification on the no compensation and support for movement issued by the competent agencies is required;

1.3. Other documents related to the land plot (if any).

2. The land user shall submit an application for reduction in or exemption from land levies as follows:

- a) Regarding economic organizations: Within 15 working days from the day on which the permission for land allocation or change in purpose of land, the economic organization shall submit an application for reduction in or exemption from land levies to the tax authority where the piece of land located.
- b) Regarding households or individuals: The application for reduction in or exemption from land levies shall be submitted together with application for the Certificate or change in purposes of land to the Office of land registration or the natural resource and environment agency.

#### **Article 16. Procedures for reduction in or exemption from land levies**

According to application for reduction in or exemption from land levies sent from the economic organization or the natural resource and environment agency, the tax authority shall determine and issue the Decision on reduction in or exemption from land levies within 15 working days, in particular:

1. Regarding cases in which the land price is determined according to direct comparison, subtraction, income-based, or surplus-based methods: the tax authority shall determine the amount given exemption/reduction which equals (=) area of land subject to land levies multiplied by (x) land price in the Table of land prices multiplied by (x) K coefficient and state the specific amount given exemption/reduction in the Decision on exemption from or reduction in land levies; and the following statement must be written: “Trường hợp tổ chức kinh tế chuyển nhượng quyền sử dụng đất đối với diện tích đất đã được miễn, giảm tiền sử dụng đất thì phải nộp số tiền sử dụng đất đã được miễn, giảm cho Nhà nước; số tiền sử dụng đất được ghi tại Quyết định này sẽ được tính lại theo quy định của pháp luật tại thời điểm chuyển nhượng”. (If the economic organization transfer the piece of land whose area is exempt from or reduce in land levies, the organization must pay the amount of reduced land levy to the State; the amount of land levies stated in such Decision must be re-calculated as prescribed in regulations of law on the transferred date).
2. Regarding cases in which the land price is determined according to Table of land prices: the tax authority shall determine the amount given exemption/reduction which equals (=) area of land subject to land levies multiplied by (x) land price in the Table of land prices multiplied by

(x) K coefficient and state the specific amount given exemption/reduction in the Decision on exemption from or reduction in land levies.

### **Chapter III**

## **IMPLEMENTATION**

### **Article 17. Transitional provisions**

1. In case the People's Committee of the province has not regulated K coefficients as prescribed in Decree No. 45/2014/ND-CP and this Circular, the K coefficients prescribed in Circular No. 93/2011/TT-BTC dated April 29, 2011 of the Ministry of Finance shall be applied in 2014 up to December 31, 2014 to determine land price subject to land levies.

2. If any document on determination of land levies is received by a competent agency before July 1, 2014, such agency shall keep in charge of such documents.

3. If any application for determination of land levies is submitted by the household or the individual at the Office of land registration or the Natural resource and environment authority or the People's Committee of district or the tax authority before July 1, 2014, they shall be handled according to policy on land price on the day on which the satisfactory application is submitted.

If any application for determination of land levies is submitted by the household or the individual at the Office of land registration or the Natural resource and environment authority or the People's Committee of district or the tax authority before July 1, 2014, it shall be handled according to policy and land price on the date on which any decision on land allocation or changes in land's purpose is made or the piece of land is actually transferred as prescribed in law on land levy collection before July 1, 2014.

4. If any project on housing, new urban areas is permitted to collect and pay land levies by competent agencies shall keep complying with regulations in Resolution No. 33/2008/NQ-CP dated December 31, 2008 of the Government and guidance in Circular No. 192/2009/TT-BTC dated October 1, 2009 of the Ministry of Finance on providing guidance on pilot payment of land levies on projects on new urban areas, housing or infrastructural industrial zones prescribed in Resolution No. 33/2008/NQ-CP dated July 1, 2014. Since July 1, 2014, any project on housing, new urban areas which is not determined land price and collection and payment of land levies as prescribed in Resolution No. 33/2008/NQ-CP dated December 31, 2008 of the Government shall comply with regulations in Decree No. 45/2014/ND-CP and guidance in this Circular.

5. Regarding the household or the individual who is permitted to change purposes of their piece of land or grant the Certificate from July 1, 2014 shall pay land levies on the day on which the permission on change in purpose or grant of Certificate is made by the competent agency.

In case the household or the individual has submitted satisfactory application for change purposes of piece of land or for the Certificate, but the competent agency lately issue the permission, land levies paid by households and individuals on shall be determined according to policy and land price on the deadline on which competent agencies must issue the permission as prescribed in Joint Circular on providing guidance on circulation of documents on fulfillment of land owner's obligations to pay land levies issued by the Ministry of Finance and the Ministry of Natural Resources and Environment.

### **Article 18. Implementation**

1. The People's Committee of the province must:

- a) Direct financial agencies to take charge and cooperate with local governments in formulation of K coefficient to apply before January 1, 2015.
- b) Direct finance, tax, State treasury, or natural resource and environment agencies to cooperate with local governments in determination and collection of land levies prescribed in this Circular.
- c) Handle violations and complaints or denunciation within their competence as prescribed.
- d) Regulate process of cooperation between local governments in the document circulation, determination of financial obligation on land levies prescribed in this Circular in accordance with relevant documents and condition of local governments; whereby time limit, responsibility borne by each agency or land owner in the declaration, determination and collection of land levies must be clarified.

2. General Department of Taxation must direct implementation of determination and collection of land levies following process of administrative procedure reform; direct the consideration and decision on land levy exemption or reduction as prescribed in Decree No. 45/2014/ND-CP and guidance in this Circular.

3. State Treasuries must direct land levy-collecting agency to follow process of government budget collection and cooperate with tax authority in collection of land levy collection, enable payer to pay land levies into government budget.

#### **Article 19. Effect**

1. This Circular shall come into force from August 1, 2014.

2. Any obligations to pay land levies are arisen from July 1, 2014 shall comply with regulations in Decree No. 45/2014/ND-CP dated May 15, 2014 of the Government on land levy collection and guidance in this Circular.

3. The Circular No. 117/2004/TT-BTC dated December 7, 2004 on providing guidance on Decree No. 198/2004/ND-CP dated December 3, 2004 of the Government on collection of land levies; the Circular No. 70/2006/TT-BTC dated August 2, 2006 of the Ministry of Finance on providing guidance on Circular No. 117/2004/TT-BTC dated December 7, 2004; the Circular No. 93/2011/TT-BTC dated June 29, 2011 of the Ministry of Finance on providing guidance on the Circular No. 117/2004/TT-BTC dated December 7, 2004 shall be annulled.

4. The content of collection of land levies prescribed in Form No. 01/TKTH-SDDPNN, Form No. 02/TSDD, Form No. 03/MGTH issued together with the Circular No. 156/2013/TT-BTC dated November 5, 2013 of the Ministry of Finance on providing guidance on the Law on Tax administration, the Law on the amendments to the Law on Tax administration and Decree No. 83/2013/ND-CP dated July 22, 2013 of the Government; advertisement Form No. 23/QTr-KK issued together with Declaration procedure No. 1864/QĐ-TCT dated December 21, 2011 on procedures for tax management, declaration, payment and tax accounting.

Difficulties that arise during the implementation of this Circular should be reported to the Ministry of Finance for consideration.

**PP. MINISTER  
DEPUTY MINISTER**

**Nguyen Huu Chi**

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