

Attachment 5 Formula for Calculation of the Amount of Land value increment tax Payable (Attachment to Article 53 of the Enforcement Rules of the Land Tax Act)

Classes	Formula for Calculation
First Class	Tax Payable = Total Amount of Land Value Increment (After adjustment is made pursuant to the consumer price index, and the increment is not in excess of 100% of the original decreed value or the assessed present value of last transfer) × Rate (20%)
Second Class	<p>Tax Payable = Total Amount of Land Value Increment (After adjustment is made pursuant to the consumer price index, and the increment is in excess of 100% but less than 200% of the last transfer) × 【Rate (30%)-[(30%-20%) × Reduced Rate]】 – Cumulative Difference (original decreed value or assessed present value of last transfer as adjusted according to the consumer price index × A)</p> <p>Note: For land that has been owned for a period of not over 20 years, there is no reduction; A is 0.10. For land that has been owned for a period of over 20 years, the reduced rate is 20%; A is 0.08. For land that has been owned for a period of over 30 years, the reduced rate is 30%; A is 0.07. For land that has been owned for a period of over 40 years, the reduced rate is 40%; A is 0.06.</p>
Third Class	<p>Tax Payable = Total Amount of Land Value Increment (After adjustment is made pursuant to the consumer price index, and the increment is in excess of 200% of the original decreed value or the assessed present value of last transfer) × 【Rate (40%) -[(40%-20%) × Reduced Rate]】 – Cumulative Difference (original decreed value or assessed present value of last transfer as adjusted by the consumer price index × B)</p> <p>Note: For land that has been owned for a period of not over 20 years, there is no reduction; B is 0.30. For land that has been owned for a period of over 20 years, the reduced rate is 20%; B is 0.24. For land that has been owned for a period of over 30 years, the reduced rate is 30%; B is 0.21. For land that has been owned for a period of over 40 years, the reduced rate is 40%; B is 0.18.</p>

Note: Article 33 of the Land Tax Act was amended in the land value increment tax rates to 40%, 30%, and 20% and with a reduction for land ownership held in the long term over 20,30,40 years whereby the increment tax on the portion exceeding the lowest tax rate shall be reduced by 20%,30%.40%, promulgated on 30th January, 2005.,and Attachment 5 of Formula for Calculation of the Amount of Land value increment tax Payable was revised.