

**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 30<sup>th</sup> January, 2005.,and Attachment 5 of Formula for Calculation of the Amount of Land value increment tax Payable was revised.