

# **Income Tax on House and Land Transactions**

## **- At a Glance**

The main reasons about the amendment to the Income Tax Act, which introduces the tax system of Income Tax on the Consolidated Income from House and Land Transactions and became effective from January 1, 2016, are as follows:

1. Resolve the shortcomings about income tax which is levied separately on income from house and land transactions, such as no tax on land transactions in the part of the real price over the assessed present value or requiring and transacting land in the same year, and improperly evading or reducing the tax burden by operating the price between house and land.
2. Continue the principal purpose of the Specifically Selected Goods and Services Tax Act (SSGST Act), namely to restrain real estate speculation, and coordinate with regulations related to real estate in the SSGST Act which were suspended from January 1, 2016.
3. Improve income inequality and attain the expectation of justice in housing with the resultant income tax revenues distributed to expenditures on housing policy and long-term social care services.

From January 1, 2016, an individual or a profit-seeking enterprise who has any income derived from transactions of house, the share of land associated with the house or any land which can be issued a construction permit which comply with any one of the following conditions, shall be subject to assessment of income tax in accordance with the new tax system:

