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## LOCAL TAX ACT

[Enforcement Date 01. Jan, 2019.] [Act No.16194, 31. Dec, 2018., Partial Amendment]

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### CHAPTER I GENERAL PROVISIONS

**Article 1 (Purpose)** The purpose of this Act is to prescribe taxation requirements of respective items of local tax imposed by local governments, imposition and collection thereof, and other necessary matters.

**Article 2 (Definitions)** Except as otherwise provided for, the terms used in this Act shall be defined according to the provisions of the Framework Act on Local Taxes and the Local Tax Collection Act. <Amended by Act No. 14476, Dec. 27, 2016>

**Article 3 (Tax-Levying Authority)** A local government which imposes and collects a local tax pursuant to this Act shall be the tax-levying authority of the relevant local tax according to each local government's classification of tax items under Articles 8 and 9 of the Framework Act on Local Taxes.

**Article 4 (Assessed Value of Real Estate)** (1) Assessed values of land and houses applicable in this Act shall be the publicly announced values pursuant to the Act on the Public Announcement of Real Estate Values: Provided, That where officially assessed individual land prices or individual housing prices have not been publicly announced, the assessed values shall be determined by the competent Special Self-Governing City Mayor or Special Self-Governing Province Governor or the head of the relevant Si/Gun/Gu (the head of the relevant Gu means the head of the relevant autonomous Gu; hereinafter the same shall apply) by applying the standard comparison table of land prices or the standard comparison table of housing prices provided by the Minister of Land, Infrastructure and Transport pursuant to the said Act, but, where prices for multi-family housing units have not been publicly announced, such prices shall be determined by the competent Special Self-Governing City Mayor or Special Self-Governing Province Governor or the head of the relevant Si/Gun/Gu in accordance with the standards prescribed by Presidential Decree. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 13796, Jan. 19, 2016; Act No. 14475, Dec. 27, 2016>

(2) Assessed values of buildings (including a building exclusive of its land as a house, the individual housing price or collective housing price of which has not been publicly announced as at the time of construction due to

its new construction), other than those stipulated under paragraph (1), ships and aircraft, and other objects of taxation shall be those determined by the head of the competent local government according to the standards prescribed by Presidential Decree in consideration of characteristics of each object of taxation, such as the kind, structure, use, number of years elapsed, etc. based on the standard price determined considering a transaction price, importation price, costs to be incurred in newly constructing, building or manufacturing such buildings, ships or aircraft, and other matters.

(3) If the Minister of the Interior and Safety deems it necessary to conduct a survey or research in order to determine appropriate standards for the assessed values under paragraph (2), he/she may request a related specialized institution specified by Presidential Decree to conduct such survey or research. <Newly Inserted by Act No. 13636, Dec. 29, 2015; Act No. 14839, Jul. 26, 2017>

(4) The determination of the assessed values under paragraphs (1) and (2) shall be deliberated upon by the Local Tax Deliberative Committee under Article 147 of the Framework Act on Local Taxes. <Amended by Act No. 14474, Dec. 27, 2016>

**Article 5 (Application of the Framework Act on Local Taxes and the Local Tax Collection Act)** Except as otherwise provided for in this Act and other statutes, the Framework Act on Local Taxes and the Local Tax Collection Act shall apply to the imposition and collection of local taxes. <Amended by Act No. 14476, Dec. 27, 2016>

## CHAPTER II ACQUISITION TAX

### SECTION 1 Common Provisions

**Article 6 (Definitions)** The terms used in relation to acquisition tax shall be defined as follows: <Amended by Act No. 11617, Jan. 1, 2013; Act No. 11690, Mar. 23, 2013; Act No. 12153, Jan. 1, 2014; Act No. 12738, Jun. 3, 2014; Act No. 12844, Nov. 19, 2014; Act No. 13636, Dec. 29, 2015; Act No. 14475, Dec. 27, 2016; Act No. 14839, Jul. 26, 2017>

1. "Acquisition" means original acquisition (excluding acquisition of a taxable asset that has already existed, such as acquisition by a decision of expropriation), acquisition by succession, or all other acquisitions with or without compensation which include acquisitions resulting from sale, exchange, inheritance, donation, contribution, investment in kind to a corporation, construction, repair, reclamation of public waters, creation, etc. of land through reclamation, and any other acquisition similar thereto;
2. "Real estate" means any land and building;
3. "Land" means any land subject to registration in cadastral records under the Act on the Establishment, Management, etc. of Spatial Data and the land actually used;
4. "Building" means any building under Article 2 (1) 2 of the Building Act (including buildings similar thereto), leisure facility, storage facility, docking facility, berthing facility, conduit facility, water supply/drainage facility, energy supply facility, and any other similar facility fixed to the ground, or installed underground or on other structures (including facilities annexed thereto) prescribed by Presidential Decree;
5. "Construction" means construction stipulated under Article 2 (1) 8 of the Building Act;
6. "Repair" means any of the following:
  - (a) Substantial repair under Article 2 (1) 9 of the Building Act;
  - (b) Repair of facilities prescribed by Presidential Decree, such as leisure facilities, storage facilities, docking facilities, berthing facilities, conduit facilities, water supply/drainage systems, energy supply facilities, and other facilities similar thereto (including facilities attached thereto), among buildings;
  - (c) Establishment or repair of at least one type of facilities prescribed by Presidential Decree, among facilities attached to a building;

7. "Vehicle" means all vehicles equipped with a motor, trailers, and all machinery carrying passengers or freight on the track;
8. "Mechanical equipment" means mechanical equipment used for construction works, freight loading and landing, and mining, prescribed by Ordinance of the Ministry of the Interior and Safety, among construction machinery stipulated under the Construction Machinery Management Act and mechanical equipment similar thereto;
9. "Aircraft" means an airplane, airship, glider, rotorcraft, and any other flight equipment similar thereto prescribed by Presidential Decree which a person boards and pilots for aviation;
10. "Ship" means any steamship, sailing ship, barge, and all other ships, regardless of their names;
11. "Standing timber" means any fruit tree, forest tree, and bamboos on the ground;
12. "Mining right" means a mining right stipulated under the Mining Industry Act;
13. "Fishing right" means a fishing right stipulated under the Fisheries Act or the Inland Water Fisheries Act;
14. "Golf course membership" means a right to use a golf course as a member of a golf course operated in a membership system under the Installation and Utilization of Sports Facilities Act;
15. "Riding club membership" means a right to use a riding club as a member of a riding club operated in a membership system under the Installation and Utilization of Sports Facilities Act;
16. "Condominium membership" means a right to use facilities prescribed by Presidential Decree which include a condominium under the Tourism Promotion Act and other recreational facilities similar thereto;
17. "Sports complex membership" means a right to use a sports complex operated in a membership system under the Installation and Utilization of Sports Facilities Act;
18. "Yacht club membership" means a right to use a marina as a member of a membership-based yacht club under the Installation and Utilization of Sports Facilities Act;
19. "Base rate for heavy taxation" means the tax rate of 20/1000, which shall be added to or subtracted from the tax rate under Article 11 or 12 or which shall be the standard for applying the special exception to the tax rate under Article 15 (2);
20. "Annual installment" means that a price that cannot be fully paid in a lump sum shall be paid in equal installments over at least two years under a sale and purchase agreement in the form of an annual installment contract.

**Article 7 (Persons Liable to Pay Tax)**(1) Acquisition tax shall be imposed on a person who has acquired real estate, a vehicle, mechanical equipment, aircraft, ships, standing trees, mining right, fishing right, golf membership, riding club membership, condominium membership, sports complex membership, or yacht club membership (hereafter referred to as "real estate, etc." in this Chapter). [<Amended by Act No. 12153, Jan. 1, 2014>](#)

(2) Real estate, etc. is deemed acquired when it is practically acquired even if the acquisition of such real estate, etc. is not registered or recorded under the relevant statutes, such as the Civil Act, the Motor Vehicle Management Act, the Construction Machinery Management Act, the Aviation Safety Act, the Ship Act, the Standing Timber Act, the Mining Industry Act, and the Fisheries Act, and thus the owner or transferee of the relevant article shall be deemed an acquirer, respectively: Provided, That the same shall apply only to acquisition by succession in the case of vehicles, mechanical equipment, aircraft, and custom-built ships. [<Amended by Act No. 14116, Mar. 29, 2016>](#)

(3) With respect to parts belonging to mechanical facilities and other incidental facilities of a building, which constitute utility value as a building together with its main structure, even where a person other than the acquirer of the main structure has installed such parts, the acquirer of the main structure shall be deemed to have acquired such parts together with the main structure. [<Amended by Act No. 11617, Jan. 1, 2013>](#)

- (4) Where the value of a ship, vehicle and mechanical equipment has increased due to the change of its kind, or the value of land has increased due to the actual change in its land category, such increased value shall be deemed to have been acquired.
- (5) Where a person becomes an oligopolistic stockholder as defined by subparagraph 2 of Article 46 of the Framework Act on Local Taxes (hereinafter referred to as "oligopolistic stockholder") by acquiring stocks of or a stake in a corporation, the oligopolistic stockholder shall be deemed to have acquired real estate, etc. (including real estate, etc. registered or recorded in the name of a trustee as property entrusted by the corporation under the Trust Act) of the relevant corporation (where he/she becomes the oligopolistic stockholder by acquiring stocks or a stake issued at the time the corporation is incorporated, he/she shall not be deemed to have acquired such real estate, etc.). In such cases, Article 44 of the Framework Act on Local Taxes shall apply mutatis mutandis to an oligopolistic stockholder's joint and several liability to pay taxes. [<Amended by Act No. 12153, Jan. 1, 2014; Act No. 13636, Dec. 29, 2015; Act No. 14474, Dec. 27, 2016>](#)
- (6) Where a person imports any article subject to acquisition tax which is held by a foreigner (limited to a vehicle, mechanical equipment, aircraft, and ship) on lease for the purpose of directly using it or lending it to local users of leased facilities, the importer of such article shall be deemed to have acquired it.
- (7) Where acquisition is made through inheritance (including bequest and universal bequest made by an ancestor to his/her heir, and inheritance of trust property; hereafter the same shall apply in this Chapter and Chapter III), each heir shall be deemed to have acquired the article to be inherited (referring to the acquired article equivalent to shares, if a stake is acquired). In such cases, Article 44 (1) and (5) of the Framework Act on Local Taxes shall apply mutatis mutandis to the heir's duty to make a payment. [<Amended by Act No. 10416, Dec. 27, 2010>](#)
- (8) The real estate that a housing association under Article 11 of the Housing Act or a reconstruction association or a small reconstruction association under Article 35 (3) of the Act on the Improvement of Urban Areas and Residential Environments and Article 23 of the Act on Special Cases concerning Unoccupied House or Small-Scale Housing Improvement (hereafter referred to as "housing association, etc." in this Chapter) acquires to provide housing (referring to multi-family housing, auxiliary facilities, welfare facilities and the land annexed thereto) to members of such association shall be deemed to be acquired by the members of such association: Provided, That real estate which does not belong to members of an association (hereafter referred to as "real estate for non-members" in this Chapter) shall be excluded. [<Amended by Act No. 13805, Jan. 19, 2016; Act No. 14569, Feb. 8, 2017>](#)
- (9) Even where a lessor under the Specialized Credit Finance Business Act leases facilities, such as construction machinery or vehicles, and where registration is made in the name of the lessee pursuant to Article 33 (1) of the same Act, such construction machinery or vehicles shall be deemed acquired by the lessor. [<Newly Inserted by Act No. 10416, Dec. 27, 2010>](#)
- (10) Even where the title to any mechanical equipment or vehicle is registered in the name of a mechanical equipment leasing company or a transportation company (limited to where such mechanical equipment or vehicle is registered for business use), the mechanical equipment or vehicle shall be deemed to have been acquired by the person who paid the acquisition price, if it is proved in a purchase contract, a tax invoice, the ledger of vehicle owners, etc. for the relevant mechanical equipment or vehicle that any other person paid the price to acquire the mechanical equipment or vehicle. [<Newly Inserted by Act No. 10416, Dec. 27, 2010; Act No. 13427, Jul. 24, 2015>](#)
- (11) Where a person acquires real estate, etc. of his/her spouse or lineal ascendant or descendant, he/she shall be deemed to have acquired real estate, etc. through the donation thereof: Provided, That where his/her acquisition falls under any of the following, he/she shall be deemed to have acquired real estate, etc. with compensation: [<Newly Inserted by Act No. 12153, Jan. 1, 2014; Act No. 13636, Dec. 29, 2015>](#)

1. Where he/she acquires real estate, etc. through public auction (including an auction; hereinafter the same shall apply);
2. Where he/she acquires real estate, etc. disposed of due to a declaration of bankruptcy;
3. Where he/she exchanges real estate, etc. that needs to be registered or recorded with another person for the transfer or exercise of the right therein;
4. Where it is proved through any of the following methods that he/she has paid the price in order to acquire the relevant real estate, etc:
  - (a) Where the acquirer's income for the payment of the price is verified;
  - (b) Where the person acquires the relevant real estate with the amount procured by disposing of his/her own property or by offering his/her own property as security;
  - (c) Where inheritance tax or gift tax has already been imposed (including cases where such tax is non-taxable or reduced or exempted) or the person has already filed a tax return and paid the price with the price for the property transferred by inheritance or gift;
  - (d) Where it is proved that the price has been paid with the acquirer's property in a case similar to those under items (a) through (c).

(12) In the case of a conditional donation that requires a person to assume debts of a donor, the person shall be deemed to acquire real estate, etc. with compensation for the portion equivalent to the amount of such debts: Provided, That paragraph (11) shall apply to a conditional donation of real estate from a spouse or a lineal ascendant or descendant. [<Newly Inserted by Act No. 12153, Jan. 1, 2014; Act No. 15292, Dec. 26, 2017>](#)

(13) After a share of inherited property of each heir is determined by registration, registry, transfer of title, etc. for inherited property (hereinafter referred to as "registration, etc."), and the registration, etc. therefor is accepted after the commencement of inheritance, the value of property acquired by a specific person in excess of the original share of inherited property as a result of redivision of inherited property by an agreement among coheirs shall be deemed acquired through donation from an heir whose share of inherited property is reduced by redivision: Provided, That in any of the following cases, this shall not apply: [<Newly Inserted by Act No. 12153, Jan. 1, 2014; Act No. 16194, Dec. 31, 2018>](#)

1. Where the heir acquires inherited property by redivision and completes registration, etc. therefor within a period for reporting and payment under Article 20 (1);
2. Where changes are made to heirs and inherited property in accordance with the court's final ruling due to a lawsuit claiming the recovery of inheritance;
3. Where inherited property registered in accordance with a legal share of inherited property of coheirs by exercising the right of subrogation of creditors under Article 404 of the Civil Act is redivided by division in consultation among heirs.

(14) Where the value of land is increased as a result of an actual change of the category of land after completion of a housing site construction project under the National Land Planning and Utilization Act or any other relevant statute in a building site referred to in Article 67 of the Act on the Establishment, Management, etc. of Spatial Data, such increase shall be deemed acquisition. [<Newly Inserted by Act No. 13636, Dec. 29, 2015>](#)

(15) Where the status of a trustor of trusted property is transferred to another person under Article 10 of the Trust Act, the new trustor shall be deemed to acquire the relevant trust property: Provided, That this shall not apply to where it is hard to hold that a change has actually occurred to the ownership of trust property in spite of the transfer of the status of the trustor, as prescribed by Presidential Decree. [<Newly Inserted by Act No. 13636, Dec. 29, 2015>](#)

**Article 8 (Places for Tax Payment)**(1) Places for payment of acquisition tax shall be stipulated as follows:  
[<Amended by Act No. 10416, Dec. 27, 2010; Act No. 12153, Jan. 1, 2014; Act No. 14475, Dec. 27, 2016>](#)

1. Real estate: The location of real estate;
2. Vehicles: A place registered under the Motor Vehicle Management Act: Provided, That, if the registered place is different from the principal place of use, the place for tax payment shall be deemed the principal place of use, while the location of a railway vehicle base, in which railway vehicles are mainly cleaned, kept, arranged, inspected, repaired, shall be deemed the place for tax payment in the case of railway vehicles;
3. Mechanical equipment: A place registered under the Construction Machinery Management Act;
4. Aircraft: The location of the aircraft shed;
5. Ships: The location of the port of registry;
6. Standing timber: The location of standing timber;
7. Mining rights: The location of a mining area;
8. Fishing rights: The location of fishing grounds;
9. Golf course membership, riding club membership, condominium membership, sports complex membership, or yacht club membership: The location of the relevant golf course, riding club, condominium, sports complex, or marina.

(2) Where a place for tax payment stipulated under paragraph (1) is unclear, the location of the relevant article acquired shall be deemed the place of tax payment.

(3) Where the same article acquired extends over at least two local governments, acquisition tax shall be apportioned according to its location, as prescribed by Presidential Decree.

**Article 9 (Non-Taxation)**(1) No acquisition tax shall be imposed on any acquisition by the State or a local government (excluding a corporation legally regarded as the State or a local government in other Acts; hereinafter the same shall apply), local government association, foreign government, or international organization in Korea: Provided, That acquisition tax shall be levied on any acquisition by a foreign government which imposes taxes on any acquisition by the government agencies of the Republic of Korea. [<Amended by Act No. 12153, Jan. 1, 2014>](#)

(2) No acquisition tax shall be imposed on any real estate acquired on condition of attribution or donation (including attribution of such real estate in the method stipulated under subparagraph 3 of Article 4 of the Act on Public-Private Partnerships in Infrastructure; hereafter referred to as "attribution, etc." in this paragraph) to the State, a local government, or a local government association (hereinafter referred to as "state, etc.") or on an infrastructure facility specified in any item of subparagraph 1 of Article 2 of the Act on Public-Private Partnerships in Infrastructure: Provided, That acquisition tax shall be imposed on the relevant part in either of the following cases: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 13427, Jul. 24, 2015; Act No. 13636, Dec. 29, 2015>](#)

1. Where the condition is changed not to perform the condition of attribution, etc. to the State or other entity but to sell or transfer real estate to another person or not to perform the condition of attribution, etc.;
2. Where real estate or an infrastructure facility owned by the State or other entity is transferred free of charge or the right to use the donated property free of charge is granted, in return for attribution, etc. to the State or other entity.

(3) No acquisition tax shall be imposed on the acquisition of any trust property through trust (limited to trust under the Trust Act, the trust registration of which is filed for) in any of the following cases: Provided, That this shall not apply to the acquisition of real estate between a housing association, etc. and its members, and the acquisition of real estate for non-members by the housing association, etc. with respect to the acquisition of the trust property: [<Amended by Act No. 10924, Jul. 25, 2011>](#)

1. Where a trustor transfers any trust property to a trustee;
2. Where the trust property is transferred from a trustee to a trustor following the expiration of trust;
3. Where the trust property is transferred to a new trustee due to a change of a trustee.

(4) No acquisition tax shall be imposed on the acquisition of any real estate purchased by exercising the right of redemption on the expropriation and use of land in areas to be mobilized pursuant to the Act on Special Measures for Readjustment of Requisitioned Properties or paragraph (2) of the Addenda to the repealed Act on Special Measures for National Integrity.

(5) No acquisition tax shall be imposed on the acquisition of a temporary building, such as a temporary stage for shows and a construction site office (excluding objects of taxation under Article 13 (5)): Provided, That acquisition tax shall be imposed if the duration exceeds one year. <Amended by Act No. 10416, Dec. 27, 2010>

(6) No acquisition tax shall be imposed on the acquisition of a housing unit resulting from improvement related to a housing unit with a value not higher than the price prescribed by Presidential Decree, among the acquisition resulting from improvement (excluding substantial repair under Article 2 (1) 9 of the Building Act) of multi-family housing under subparagraph 3 of Article 2 of the Housing Act. <Newly Inserted by Act No. 10416, Dec. 27, 2010; Act No. 11617, Jan. 1, 2013; Act No. 12153, Jan. 1, 2014; Act No. 13805, Jan. 19, 2016>

(7) No acquisition tax shall be imposed on the inheritance of any of the vehicles determined by presidential Decree to have become unusable by a natural disaster, fire, traffic accident, disuse, or the expiration of a specified vehicle age before inheritance commences. <Newly Inserted by Act No. 14475, Dec. 27, 2016>

## SECTION 2 Tax Bases and Tax Rates

**Article 10 (Tax Base)**(1) The tax base for acquisition tax shall be the value as at the time of acquisition:

Provided, That if acquisition is made in annual installments, the tax base shall be the amount of annual installments (referring to the amount actually paid out on each occasion and including the contract deposit included in the acquisition money; hereafter the same shall apply in this Section). <Amended by Act No. 10416, Dec. 27, 2010>

(2) The value as at the time of acquisition under paragraph (1) shall be the value reported by the acquirer: Provided, That if no report is filed or the reported value is not indicated, or the reported value is less than the assessed value determined pursuant to Article 4, the assessed value shall be the value as at the time of acquisition.

(3) Where a building is constructed (excluding new construction and reconstruction) or repaired, or a type of ship, vehicle, or mechanical equipment prescribed by Presidential Decree is changed, or the actual category of land is changed, the increased value resulting therefrom shall be the tax base, respectively. In such cases, if no report is filed or the reported value is not indicated as stipulated in paragraph (2), or the reported value is less than the assessed value prescribed by Presidential Decree, the assessed value shall apply.

(4) The tax base on real estate, etc. of the relevant corporation deemed to have been acquired by an oligopolistic stockholder pursuant to the main sentence of Article 7 (5) shall be determined by dividing the total value of such real estate, etc. by the total number of the stocks and shares of the corporation, and then multiplying the number of the stocks or shares acquired by the oligopolistic stockholder. In such cases, the oligopolistic stockholder shall report the tax base and other necessary matters, as stipulated by the relevant municipal ordinance, but where no report is filed or the reported value is not indicated, or the reported value is less than the tax base, the tax base shall be the amount calculated by the head of the competent local government according to the aforesaid method based on the total amount of property subject to acquisition tax as indicated in the settlement of accounts, other accounting books, etc. of the relevant corporation.

(5) The tax base of any of the following acquisitions (excluding donation, contribution, other gratuitous acquisitions, or acquisition through a transaction under Article 101 (1) of the Income Tax Act or Article 52 (1) of the Corporate Tax Act) shall be the actual price of acquisition and the amount of annual installments, notwithstanding the proviso to paragraph (2) and the latter part of paragraph (3): <Amended by Act No. 13427, Jul. 24, 2015; Act No. 13797, Jan. 19, 2016>

1. Acquisition from the State, a local government or a local government association;
  2. Acquisition through imports from a foreign country;
  3. Acquisition, the price of which is proved through a court decision or accounting books of a corporation, whichever prescribed by Presidential Decree;
  4. Acquisition through a public auction;
  5. Acquisition verified under Article 5 of the Act on Report on Real Estate Transactions, Etc. after submitting a report under Article 3 of the same Act.
- (6) Where a person, other than a corporation, acquires a building after construction or remodeling, and not less than 90/100 of price of acquisition is verified through the accounting books of the corporation, the tax base shall be the price of acquisition calculated, as prescribed by Presidential Decree, notwithstanding the proviso to paragraph (2), and paragraphs (3) and (5).
- (7) The scope of the value, price or amount of annual installments which serves as the tax base for acquisition tax under paragraphs (1) through (6), its application and the time of acquisition shall be prescribed by Presidential Decree.

**Article 11 (Tax Rates on Acquisition of Real Estate)**(1) The amount of acquisition tax on real estate shall be calculated by applying the following standard tax rates to the tax base referred to in Article 10: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 12118, Dec. 26, 2013; Act No. 13427, Jul. 24, 2015; Act No. 14475, Dec. 27, 2016; Act No. 16194, Dec. 31, 2018>](#)

1. Acquisition through inheritance:
  - (a) Farmland: 23/1000;
  - (b) Anything other than farmland: 28/1000;
2. Gratuitous acquisition, other than those under subparagraph 1: 35/1000: Provided, That it shall be 28/1000 in the case of acquisition by a non-profit business entity prescribed by Presidential Decree;
3. Original acquisition: 28/1000;
4. Deleted; [<by Act No. 12153, Jan. 1, 2014>](#)
5. Acquisition due to the division of property under co-ownership, or due to the transfer of shares to dissolve the co-ownership of real estate prescribed under subparagraph 1 (b) of Article 2 of the Act on the Registration of Real Estate under Actual Titleholder's Name (excluding cases of any part exceeding the share of a person himself/herself on the certified copy of register): 23/1000;
6. Acquisition due to the division of property under partnership or collective ownership: 23/1000;
7. Acquisition due to any other reason:
  - (a) Farmland: 30/1000;
  - (b) Anything other than farmland: 40/1000;
8. Notwithstanding subparagraph 7 (b), where a person acquires, pursuant to Article 10 through a transaction for consideration, a house [referring to a residential house as defined in subparagraph 1 of Article 2 of the Housing Act, which is a building registered as a residential house in the building register, the written approval for use, or the written approval for temporary use under the Building Act; or in the register under the Registration of Real Estate Act {even a house which could be built without obtaining a building permit or filing a building report under the Building Act (referring to the same Act before its amendment by the Act No. 7696; including cases where it is deemed to have obtained a building permit or filed a building report under Article 3 of the Addenda to the partial amendment (Act No. 7696) to the Building Act) and which is not registered in the building register, shall be also deemed to have been registered as a house in the building register} and the land appurtenant thereto; the same shall apply hereafter in this Article], if its value at the time of acquisition is not more than 600 million won, the tax rate of 10/1000 shall apply to its value; if its value is more than 600 million won but not more than 900 million won, the tax rate of 20/1000 shall apply;



and if its value is more than 900 million won, the tax rate of 30/1000 shall apply, respectively. In such cases, the value at the time of acquisition of a share in a house shall be determined by the value at the time of acquisition calculated by the following formula for the whole house:

(2) Where the real estate under paragraph (1) 1, 2, 7, and 8 is co-owned property, the value of the acquired shares shall be the tax base and the appropriate tax rate shall apply, accordingly. <Amended by Act No. 10416, Dec. 27, 2010; Act No. 12118, Dec. 26, 2013>

(3) Where the area of a building increases due to construction (excluding new construction and reconstruction) or repair under Article 10 (3), such increased portion is deemed the original acquisition and thus, the tax rate under paragraph (1) 3 shall apply.

(4) Paragraph (1) 8 shall not apply where the owner (including his/her spouse or any of his/her lineal ascendants and descendants) of the relevant residential building acquires the land appurtenant to the house after the house is newly built or extended. <Newly Inserted by Act No. 13636, Dec. 29, 2015>

**Article 12 (Tax Rates on Acquisition of Objects, other than Real Estate)**(1) The amount of acquisition tax on any of the following real estate, etc. shall be calculated by applying the following standard tax rates to the tax base stipulated under Article 10: <Amended by Act No. 10416, Dec. 27, 2010; Act No. 12153, Jan. 1, 2014; Act No. 14116, Mar. 29, 2016>

1. Ships:

(a) Ships subject to registration (excluding small ships falling under item (b)):

(i) Acquisition through inheritance: 25/1000;

(ii) Gratuitous acquisition, other than acquisition through inheritance: 30/1000;

(iii) Original acquisition: 20.2/1000;

(iv) Acquisition through importation and acquisition through construction of custom-built ships: 20.2/1000;

(v) Deleted; <by Act No. 12153, Jan. 1, 2014>

(vi) Acquisition due to any other reason: 30/1000;

(b) Small ships:

(i) Small ships defined in Article 1-2 (2) of the Ship Act: 20.2/1000;

(ii) Engine-powered leisure watercraft registered under Article 30 of the Water-Related Leisure Activities Safety Act: 20.2/1000;

(c) Ships, other than those falling under items (a) and (b): 20/1000;

2. Vehicles:

(a) Passenger automobiles for non-business use: 70/1000: Provided, That the tax rate shall be 40/1000 in the case of compact cars;

(b) Any other automobiles:

(i) Non-business use: 50/1000: Provided, That the tax rate shall be 40/1000 in the case of compact cars;

(ii) Business use: 40/1000;

(iii) Two-wheel automobiles provided for in the Motor Vehicle Management Act and prescribed by Presidential Decree: 20/1000;

(c) Vehicles, other than those falling under items (a) and (b): 20/1000;

3. Mechanical equipment: 30/1000: Provided, That the tax rate shall be 20/1000 for mechanical equipment not subject to registration under the Construction Machinery Management Act;

4. Aircraft:

(a) Aircraft referred to in the proviso to Article 7 of the Aviation Safety Act: 20/1000;

(b) Any other aircraft: 20.2/1000: Provided, That the tax rate shall be 20.1/1000 in the case of aircraft, the maximum takeoff weight of which is at least 5,700 kilograms;

5. Standing timber: 20/1000;

6. Mining rights or fishing rights: 20/1000;
7. Golf course membership, riding club membership, condominium membership, sports complex membership, or yacht club membership: 20/1000.

(2) Where a ship referred to in paragraph (1) 1 or machinery equipment referred to in subparagraph 3 of the same paragraph are co-owned property, the value of the acquired shares shall be the tax base and the appropriate tax rate shall apply accordingly. [<Amended by Act No. 10416, Dec. 27, 2010>](#)

**Article 13 (Heavy Taxation on Acquisition in Over-Concentration Control Regions)**(1) Where real estate for business purposes of the head or main office prescribed by Presidential Decree (limited to a building newly built or extended for the head office or the principal place of business and the land appurtenant thereto, but including real estate that a trustee uses for the business of the trustor's head office or principal place of business during the period of trust or after the expiration of trust among the trust property acquired by the trustee under the Trust Act) is acquired in an over-concentration control region under Article 6 of the Seoul Metropolitan Area Readjustment Planning Act, or any object of taxation for business purposes is acquired in order to build a new factory or extend an existing factory in an over-concentration control region under the same Article (excluding an industrial complex and a promotional zone subject to the Industrial Cluster Development and Factory Establishment Act, and an industrial area subject to the National Land Planning and Utilization Act), the applicable rate of acquisition tax shall be the tax rate determined by adding 200/100 of the base rate for heavy taxation to the tax rate under Article 11 or 12. [<Amended by Act No. 13636, Dec. 29, 2015; Act No. 14475, Dec. 27, 2016>](#)

(2) The rate of acquisition tax applicable when acquiring any of the following real estate shall be 300/100 of the standard tax rates under Article 11 (1) minus 200/100 of the base rate for heavy taxation: Provided, That where a person acquires a house falling under Article 11 (1) 8, an acquisition tax rate calculated by adding 200/100 of the base rate for heavy taxation to the standard tax rate referred to in paragraph (1) of the said Article shall apply, and the relevant tax rate for acquisition tax under Article 11 shall apply to the acquisition of real estate for the direct use of the types of businesses prescribed by Presidential Decree (hereafter referred to as "type of business excluded from heavy taxation in large cities" in this Article) that need to be inevitably established in an over-concentration control region under Article 6 of the Seoul Metropolitan Area Readjustment Planning Act (excluding an industrial complex subject to the Industrial Cluster Development and Factory Establishment Act; hereafter referred to as "large city" in this Article and Article 28) and to the acquisition of residential real estate (hereafter referred to as "real estate for the residence of employees" in this Article) prescribed by Presidential Decree for the direct use by a corporation to parcel out or lease to its employees: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 12118, Dec. 26, 2013; Act No. 14475, Dec. 27, 2016>](#)

1. Where a corporation is founded in a large city [including where acquiring a dormant corporation prescribed by Presidential Decree (hereinafter referred to as "dormant corporation"); hereafter the same shall apply in this subparagraph], a branch or sub-office is established, or real estate in a large city is acquired to relocate the head office, principal place of business, branch or sub-office of a corporation to a large city (relocation from any area in the Seoul Metropolitan Area under Article 2 of the Seoul Metropolitan Area Readjustment Planning Act to Seoul Special Metropolitan City shall also be deemed relocation to a large city; hereafter the same shall apply in this paragraph and Article 28 (2)) from the outside of the large city (including the acquisition of real estate after the foundation, establishment, or relocation of any of such offices);
2. Where real estate is acquired after a new factory is built or an existing factory is extended in a large city (excluding promotional zones subject to the Industrial Cluster Development and Factory Establishment Act, and industrial areas subject to the National Land Planning and Utilization Act).

(3) Notwithstanding the proviso to paragraph (2), with the exception of tis subparagraphs, in any of the following cases, the main sentence of paragraph (2) shall apply to the relevant part: [<Newly Inserted by Act](#)

[No. 10416, Dec. 27, 2010](#)>

1. Where the real estate acquired pursuant to the proviso to paragraph (2), with the exception of its subparagraphs, falls under any of the following cases: Provided, That in the case of the types of business prescribed by Presidential Decree, from among the types of business excluded from heavy taxation in large cities, a deadline by which the real estate shall be directly used or a period for which the use or joint use for another type of business or another use may be prescribed by Presidential Decree by up to three years:
    - (a) Where real estate is not directly used for the type of business excluded from heavy taxation in large cities, by the time one year elapses from the date of acquisition of such real estate, without good cause;
    - (b) Where real estate is not directly used as real estate for the residence of employees, by the time one year elapses from the date of acquisition of such real estate, without good cause;
    - (c) Where real estate is used or jointly used for another type of business or another use within one year from the date of acquisition of such real estate;
  2. Where the real estate acquired pursuant to the proviso to paragraph (2), with the exception of its subparagraphs, falls under any of the following cases:
    - (a) Where real estate is sold after being not directly used for the relevant type of business or use for at least two years from the date of acquisition of such real estate;
    - (b) Where real estate is used or jointly used for another type of business or another use after being not directly used for the relevant type of business or use for at least two years from the date of acquisition of such real estate.
- (4) In applying paragraph (3), real estate shall be deemed directly used in the case of the types of business prescribed by Presidential Decree, in which lease is deemed unavoidable. [<Newly Inserted by Act No. 10416, Dec. 27, 2010>](#)
- (5) The amount of acquisition tax applicable when acquiring any of the following real estate, etc. (including the acquisition of a portion of a villa, etc. by dividing it) shall be calculated by applying the tax rates under Articles 11 and 12 plus 400/100 of the base rate for heavy taxation. In such cases, the aforesaid rate shall apply not only to golf courses registered as an athletic facility business under the Installation and Utilization of Sports Facilities Act (including where facilities are extended and changes of such facilities are registered subsequently; hereafter the same shall apply in this paragraph) but those which are virtually used for golf courses without registration, and if the boundary of land annexed to a villa, a high-end residential house, or a high-end recreation center is unclear, the land equivalent to ten times the floor area of the building is deemed the land annexed thereto: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 11137, Dec. 31, 2011; Act No. 14475, Dec. 27, 2016; Act No. 16194, Dec. 31, 2018>](#)
1. Villas: Residential buildings used for recreation, summering, amusement, etc. and not used for permanent residence, and land annexed thereto (excluding houses in agricultural and fishery areas and land annexed thereto located in Eup or Myeon under Article 3 (3) and (4) of the Local Autonomy Act and fall under scopes and standards prescribed by Presidential Decree). In such cases, the scope of and applicable standards for villas shall be prescribed by Presidential Decree;
  2. Golf courses: Land, buildings and standing timbers on the land subject to divisional registration among real estate for membership golf courses under the Installation and Utilization of Sports Facilities Act;
  3. High-end houses: Residential buildings and land annexed thereto, the area and value of which exceed standards prescribed by Presidential Decree, or in which appurtenant facilities prescribed by Presidential Decree, such as a swimming pool of at least 67 square meters, are installed: Provided, That this shall not apply where a residential building is used for non-residential purposes and a construction work for altering its use commences to use it as a non-high-end residence within 60 days from the date of its acquisition [respectively six months from the last day of the month in which the commencement date of inheritance falls

in the case of inheritance, and from the last day of the month in which the adjudication date of disappearance falls in the case of disappearance (respectively nine months, if a person liable to pay tax has established his/her domicile in a foreign country)];

4. High-end recreation centers: Buildings prescribed by Presidential Decree and land annexed thereto, among buildings used for casinos, amusement and tavern quarters, special baths, or other similar purposes: Provided, That this shall not apply where a building for a high-end recreation center is used for purposes other than its original purpose and a construction work for altering its use commences to use it for purposes other than its original purpose within 60 days from the date of its acquisition [respectively six months from the last day of the month in which the commencement date of inheritance falls in the case of inheritance, and from the last day of the month in which the adjudication date of disappearance falls in the case of disappearance (respectively nine months if a person liable to pay tax has established his/her domicile in a foreign country)];
5. High-end ships: Private ships for non-business purposes which exceed standards prescribed by Presidential Decree.

(6) The rate of acquisition tax on any object of taxation to which paragraphs (1) and (2) concurrently apply shall be 300/100 of the standard tax rates under Article 11 (1), notwithstanding the provisions of Article 16 (5).

(7) Notwithstanding Article 16 (5), the tax rate for acquisition tax on taxable objects to which paragraphs (2) and (5) are concurrently applicable shall be determined by adding 200/100 of the base rate for heavy taxation to 300/100 of the standard tax rate under Article 11: Provided, That the tax rate determined by adding 600/100 of the base rate for heavy taxation to the relevant tax rate shall apply where a house under Article 11 (1) 8 is acquired. <Newly Inserted by Act No. 10416, Dec. 27, 2010; Act No. 13636, Dec. 29, 2015>

(8) The scope of heavy taxation and applicable standards under paragraph (2) and other necessary matters shall be prescribed by Presidential Decree while the scope of factories and applicable standards under paragraphs (1) and (2) shall be prescribed by Ordinance of the Ministry of the Interior and Safety. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>

**Article 14 (Adjustment of Tax Rates according to Municipal Ordinance)** The head of a local government may increase or decrease the tax rates of acquisition tax within the extent of 50/100 of the tax rates under Article 11 and 12, as stipulated by the relevant municipal ordinance.

**Article 15 (Special Cases concerning Tax Rates)** (1) The amount of acquisition tax on any of the following acquisitions shall be calculated by applying the tax rate determined by subtracting the base rate for heavy taxation from the tax rate determined under Article 11 or 12, but the amount of acquisition tax on the acquisition of a house under Article 11 (1) 8 shall be calculated by multiplying the relevant tax rate by 10/500: Provided, That, if the acquired property falls under Article 13 (2), 300/100 of the tax rate calculated using the formula specified in the main sentence of this paragraph, with the exception of its subparagraphs, shall apply: <Amended by Act No. 10416, Dec. 27, 2010; Act No. 13427, Jul. 24, 2015; Act No. 13636, Dec. 29, 2015; Act No. 15292, Dec. 26, 2017>

1. Where a vendor repurchases the real estate accompanied by a repurchase registration within the period of repurchase: Acquisition of any real estate by a vendor and vendee;
2. Any of the following acquisitions through inheritance:
  - (a) Acquisition of one house per household prescribed by Presidential Decree;
  - (b) Acquisition of farmland subject to reduction of or exemption from acquisition tax pursuant to Article 6 (1) of the Restriction of Special Local Taxation Act;
3. Acquisition by a merger of corporations under Article 44 (2) or (3) of the Corporate Tax Act: Provided, That this shall not apply where the taxable objects acquired by the merger of corporations become taxable objects

- defined by Article 16 after the merger or where the event specified in either subparagraph of Article 44-3 (3) of the Corporate Tax Act (excluding cases that fall under the proviso to the same paragraph with the exception of its subparagraphs) arises within three years from the date of registration of the merger;
4. Acquisition due to the division of property under co-ownership or partnership-ownership, or due to the transfer of shares to dissolve the co-ownership of real estate prescribed under subparagraph 1 (b) of Article 2 of the Act on the Registration of Real Estate under Actual Titleholder's Name (excluding cases of any part exceeding the share of a person himself/herself on the certified copy of register);
  5. Acquisition through the relocation of a building: Provided, That if the value of the relocated building exceeds that of the building in its previous location, this shall not apply to such excess value;
  6. Acquisition through the division of property under Article 834, 839-2, or 840 of the Civil Act;
  7. Any other acquisition prescribed by Presidential Decree, such as pseudo acquisition, etc.

(2) The amount of acquisition tax on any of the following acquisitions shall be calculated by applying the base rate for heavy taxation: Provided, That 300/100 of the base rate for heavy taxation and 500/100 of the base rate for heavy taxation shall each apply to any acquired article falling under Article 13 (1) and Article 13 (5), respectively: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 13427, Jul. 24, 2015; Act No. 14475, Dec. 27, 2016>](#)

1. Acquisition through repairs (excluding cases falling under Article 11 (3)). In such cases, the tax base shall be in accordance with Article 10 (3);
2. Increase in the value of ships, vehicles, mechanical equipment, and land under Article 7 (4) and (14). In such cases, the tax base shall be in accordance with Article 10 (3);
3. Acquisition by an oligopolistic stockholder under Article 7 (5). In such cases, the tax base shall be in accordance with Article 10 (4);
4. Acquisition by leasing and then importing (limited to acquisition by annual installments) objects of taxation (limited to vehicles, machinery equipment, aircraft and ships) of acquisition tax owned by foreigners under Article 7 (6);
5. Acquisition of construction machinery or vehicles of a lessor under Article 7 (9);
6. Acquisition of mechanical equipment or vehicles by a person who paid the acquisition price under Article 7 (10): Provided, That this shall apply only to the cases where the title to the mechanical equipment or vehicles so acquired is registered in the name of a mechanical equipment leasing company or transportation company;
7. Any other acquisition prescribed by Presidential Decree, such as the acquisition, etc. of leisure facilities.

**Article 16 (Application of Tax Rates)**(1) Where any land or building falls under any of the following cases within five years from the acquisition of such land or building, acquisition tax shall be additionally collected by applying the tax rate stipulated under the provisions cited in each subparagraph: [<Amended by Act No. 10416, Dec. 27, 2010>](#)

1. Real estate for the business purposes of the head or main office under Article 13 (1) (limited to the new construction and extension of a building to be used for the head or main office, and land annexed thereto);
2. Real estate for the extension or new construction of a factory under Article 13 (1);
3. Villas, golf courses, high-end houses or high-end recreation centers under Article 13 (5).

(2) Where a high-end house, villa, golf course or building for a high-end recreation center is extended, rebuilt or repaired, or an ordinary building is extended, rebuilt or repaired into a high-end house or high-end recreation center, the rate of acquisition tax applicable to the increased value of the building shall be in accordance with Article 13 (5). [<Amended by Act No. 10416, Dec. 27, 2010>](#)

(3) As to the extension or new construction of a factory under Article 13 (1), if the owner of an object of taxation for business purposes is not a person who has built a new factory or extended an existing factory, the

owner of an object of taxation for business purposes is deemed to have built the new factory or extended the existing factory, and the tax rate stipulated under the same paragraph shall apply accordingly: Provided, That this shall not apply to any object of taxation for business purposes if five years have elapsed from the date of its acquisition to the date on which the new construction or extension of a factory was commenced.

(4) Where the acquired real estate becomes an object of taxation under Article 13 (2) during a period prescribed by Presidential Decree, acquisition tax shall be additionally collected by applying the tax rate under the same paragraph.

(5) Where two or more tax rates are applicable to the same acquired object, the higher tax rate shall apply.

(6) Where paragraph (1) 1 or 2, and paragraph (4) apply concurrently to acquired real estate, acquisition tax shall be additionally collected by applying the tax rate under Article 13 (6), notwithstanding paragraph (5).

<Amended by Act No. 10416, Dec. 27, 2010>

**Article 17 (Requirement for Tax Exemption)**(1) No acquisition tax shall be imposed if such acquisition is valued at 500,000 won or less.

(2) Where a person who has acquired a piece of land or a building acquires another piece of land or a building adjacent thereto within one year from the date of the original acquisition, the acquisition of land or the building before and after shall each be deemed one acquisition of land or a building, and paragraph (1) shall apply thereto accordingly.

### SECTION 3 Imposition and Collection

**Article 18 (Methods of Collection)** Acquisition tax shall be collected by means of tax return and payment.

**Article 19 (Notification, etc.)** Where any of the following persons has sold an object subject to acquisition tax (including sale in annual installments), he/she shall notify or report to the head of the local government having jurisdiction over the location of such article within 30 days from the date of sale, as prescribed by Presidential Decree: <Amended by Act No. 13427, Jul. 24, 2015>

1. The State, a local government or a local government association;
2. The State or a local government-invested institution (including a reinvested institution);
3. Deleted. <by Act No. 13427, Jul. 24, 2015>
4. Other institutions and organizations specified by Presidential Decree, from among institutions and organizations equivalent to those under subparagraphs 1 and 2.

**Article 20 (Tax Returns and Payment)**(1) A person who has acquired an object subject to acquisition tax shall file a return on and pay an amount of tax calculated by applying the tax rates under Articles 11 through 15 to the relevant tax base within 60 days [respectively six months from the last day of the month in which the commencement date of inheritance falls in the case of inheritance, and from the last day of the month in which the date of adjudication of disappearance falls in the case of disappearance (nine months each if an heir has his/her domicile in a foreign country)] from the date of acquisition (where he/she has paid the whole amount of a transaction before obtaining permission to enter into a land contract under Article 11 of the Act on Report on Real Estate Transactions, Etc., such as cases where he/she acquires land in an area where a land contract is subject to permission under Article 10 (1) of the said Act, referring to the date of such permission, the date of the revocation of designation as an area where a land contract is subject to permission or the date of the reduction of an area where a land contract is subject to permission), as prescribed by Presidential Decree.

<Amended by Act No. 11137, Dec. 31, 2011; Act No. 12153, Jan. 1, 2014; Act No. 13797, Jan. 19, 2016; Act No. 14475, Dec. 27, 2016>

(2) When an object of taxation of the acquisition tax becomes subject to any tax rate under Article 13 (1) through (7) after its acquisition, an amount of tax less the already paid amount of tax (excluding additional tax) from an amount calculated by applying the tax rates under Article 13 (1) through (7) shall be returned and paid,

as prescribed by Presidential Decree, within 60 days from the date prescribed by Presidential Decree.

[<Amended by Act No. 10416, Dec. 27, 2010; Act No. 16194, Dec. 31, 2018>](#)

(3) Notwithstanding paragraph (1), when any object of taxation on which acquisition tax has been tax-free, exempted or reduced pursuant to this Act or other statutes becomes subject to imposition and additional collection of acquisition tax, an amount of tax [referring to an amount of tax less the already paid amount of tax (excluding additional tax) in the case of reduction] calculated by applying the tax rates under Articles 11 through 15 to the relevant tax base shall be returned and paid, as prescribed by Presidential Decree, within 60 days from the date on which the relevant ground arises. [<Amended by Act No. 16194, Dec. 31, 2018>](#)

(4) Where a person intends to register or record (including listing; hereinafter the same shall apply) matters concerning the acquisition or transfer of a property right and any other rights in an official register by the deadline specified in any provision of paragraphs (1) through (3) for filing a tax return and paying the tax, he/she shall file an acquisition tax return and pay the tax by the date he/she submits an application for registration or recording to a registry office. [<Amended by Act No. 13636, Dec. 29, 2015; Act No. 16194, Dec. 31, 2018>](#)

**Article 20-2** Deleted. [<by Act No. 13427, Jul. 24, 2015>](#)

**Article 21 (Additional Collection of Amount of Tax Shortfall and Additional Tax)**(1) Where a person liable to pay acquisition tax fails to fulfill his/her duty to file a return or pay tax under Article 20, the amount calculated by adding the amount of additional tax calculated pursuant to Articles 53 through 55 of the Framework Act on Local Taxes to the amount of tax calculated pursuant to Articles 10 through 15 (hereafter referred to as "calculated amount of tax" in this Chapter), or to the amount of tax shortfall shall be collected as the amount of tax by means of ordinary collection: [<Amended by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>](#)

1. and 2. Deleted. [<by Act No. 11617, Jan. 1, 2013>](#)

(2) Where a person liable to pay tax sells an taxable object of acquisition tax without filing a return under Article 20 after he/she has essentially acquired such object, notwithstanding paragraph (1) above and Articles 53 and 55 of the Framework Act on Local Taxes, the amount calculated by adding 80/100 of the calculated amount of tax to the said amount of tax shall be collected as the amount of tax by means of ordinary collection: Provided, That this shall not apply to taxable objects prescribed by Presidential Decree, such as taxable objects not needed to be registered or recorded. [<Amended by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>](#)

**Article 22 (Notification of Registration Data)**(1) Where the head of a registry office discovers that acquisition tax is not paid or insufficiently paid, he/she shall notify the head of a local government having jurisdiction over a place for tax payment thereof, as prescribed by Presidential Decree.

(2) When the head of the registry office has completed the registration or filing procedure, he/she shall provide the head of a local government having jurisdiction over the place for payment of the acquisition tax with a notice on the duplicate of an application for registration or filing wherein the date and receipt number are entered within seven days from the date of registration or filing: Provided, That where the registration or filing affairs are processed by computer systems, the computer-processed registration or filing information shall be notified, as prescribed by Ordinance of the Ministry of the Interior and Safety. [<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>](#)

(3) Where the head of a local government that does not have jurisdiction over a principal area where an automobile is used has conducted affairs concerning the registration of automobiles (referring to new registration, registration of change, and registration of transfer) pursuant to Article 5 of the Motor Vehicle Management Act, he/she shall notify the head of a local government having jurisdiction over a principal area where the automobile is used, of matters prescribed by Ordinance of the Ministry of the Interior and Safety,

such as the acquisition value of an automobile, by the tenth day of the following month. <Newly Inserted by Act No. 12153, Jan. 1, 2014; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>

**Article 22-2 (Preparation and Keeping of Accounting Books, etc.)**(1) A corporation liable to pay acquisition tax shall prepare and keep accounting books that can prove the value at the time of acquisition and related evidentiary documents.

(2) Where a corporation liable to pay acquisition tax fails to perform its duty under paragraph (1), the head of a local government shall add the amount equivalent to 10/100 of the calculated amount of tax or the amount of tax shortfall to the amount of tax required to be collected.

[This Article Newly Inserted by Act No. 11617, Jan. 1, 2013]

## CHAPTER III REGISTRATION AND LICENSE TAX

### SECTION 1 Common Provisions

**Article 23 (Definitions)**The terms used in relation to registration and license tax shall be defined as follows: <Amended by Act No. 10416, Dec. 27, 2010; Act No. 13636, Dec. 29, 2015; Act No. 15292, Dec. 26, 2017>

1. The term "registration" means registering or filing matters concerning the creation, alteration or extinguishment of property rights and any other rights in the public register: Provided, That the registration or filing made based on the acquisition stipulated in Chapter II shall be excluded, but any of the following registrations or filings shall be included:
  - (a) Registration based on the acquisition of mining rights and fishing rights;
  - (b) Registration based on the acquisition of objects (limited to vehicles, machinery equipment, aircraft and ships) subject to acquisition tax owned by foreigners, on an annual installment basis, under Article 15 (2) 4;
  - (c) Registration of property after the expiration of the period of exclusion for the imposition of acquisition tax under Article 38 of the Framework Act on Local Taxes;
  - (d) Registration of property under Article 17;
2. The term "license" means an act of an administrative agency (including acts deemed to be conducted by legal fiction under relevant provisions of an Act), including the creation of a right, the cancellation of prohibition, or the acceptance of a report with respect to specific business facilities or actions, such as licensing, permission, authorization, registration, designation, examination, inspection, review, prescribed by various statutes. In such cases, the types of licenses shall be divided into classes 1 through 5, as prescribed by Presidential Decree, considering the type, scale, etc, of business.

**Article 24 (Persons Liable to Pay Tax)**Any of the following persons shall be liable to pay a registration and license tax:

1. A person who files for registration;
2. A person who obtains a license (including a person who obtains an altered license). In such cases, a person liable to pay tax shall pay registration and license tax for each type of license he/she obtains.

**Article 25 (Places for Tax Payment)**(1) The place for payment of registration and license tax on registration or filing shall be specified as follows: <Amended by Act No. 10416, Dec. 27, 2010; Act No. 11137, Dec. 31, 2011; Act No. 13636, Dec. 29, 2015>

1. Registration of real estate: The seat of the real estate;
2. Registration or filing of a ship: The seat of the port of registry;
3. Registration of an automobile: The place of registration under the Motor Vehicle Management Act: Provided, That where the place of registration is different from the principal place of use, the principal place of use shall become the place for tax payment;



4. Registration of construction machinery: The place of registration under the Construction Machinery Management Act;
5. Registration of aircraft: The seat of aircraft shed;
6. Registration of a corporation: The seat of the head office, branch office, principal office, sub-office, etc. related to the registration of the corporation;
7. Registration of a trade name: The seat of the place of business;
8. Registration of a mining right and mining right by lease: The seat of the mining area;
9. Registration of a fishing right: The seat of the fishing grounds;
10. Registration of a copyright, publication right, neighboring copyright, computer program copyright, or database producer's right: The domicile of the person who holds a copyright, publication right, neighboring copyright, computer program copyright, or database producer's right;
11. Registration of a patent right, utility model right, or design right: The domicile of the registrant;
12. Registration of a trademark or service mark: The seat of the principal office;
13. Registration of a business license: The seat of the place of business;
14. Registration of a security right on intellectual property right: The seat of a person who holds the intellectual property right;
15. Any other registration: The seat of the administrative agency where registration is made;
16. If registration and license tax cannot be imposed by each local government as the property related to the same registration is located within the jurisdictions of two or more local governments, the place for tax payment shall be the location of the administrative agency where registration is made;
17. Where two or more mortgages created for securing the same credit are registered, such registration shall be deemed one registration, and thus the place for tax payment shall be the location of the administrative agency where such registration-related property is first registered;
18. If the place for tax payment under subparagraphs 1 through 14 is unclear, the location of the administrative agency where registration is made shall be the place of tax payment.

(2) The place for payment of registration and license tax on a license shall be stipulated as follows: [<Amended by Act No. 13636, Dec. 29, 2015>](#)

1. A license for which a place of business or office exists for the relevant license: The place where the place of business or office is located;
2. A license for which no separate place of business or office exists for the relevant license: The address of the person who has obtained the license;
3. If the place for tax payment under subparagraph 1 or 2 is unclear or if there is no place for tax payment within the Republic of Korea, the seat of the licensing authority shall be deemed the place for tax payment.

**Article 26 (Non-Taxation)**(1) No registration and license tax shall be imposed on any registration or license the State, a local government, local government association, foreign government or international organization in Korea obtains for its sake: Provided, That registration and license tax shall be imposed on any registration or license obtained by a foreign government which imposes a tax on any registration or license obtained by the government agencies of the Republic of Korea.

(2) No registration and license tax shall be imposed on registration, filing, or license in any of the following cases: [<Amended by Act No. 13636, Dec. 29, 2015>](#)

1. Registration or filing at the request of a court on the reorganization or special liquidation of a company: Provided, That registration or filing following the payment of capital of or an investment in a corporation, a capital increase, or conversion of investment shall be excluded herefrom;
2. Registration or filing of a simple change in the indication, restoration or correction of an address, name, resident registration number, lot number, or unit of measurement due to a change in an administrative

- district, a resident registration number, a lot number by a cadastral authority, a unit of measurement, or an error made by a public officer in charge of registration or filing, or any other similar reason;
3. Any other registration prescribed by Presidential Decree on land, etc., the category of which is a graveyard;
  4. A license determined by Presidential Decree to be inappropriate for the imposition of registration and license tax, such as a simple change in the indication of a license.

## SECTION 2 Registration and License Tax on Registration

**Article 27 (Tax Base)**(1) The tax base for registration and license tax on the registration of any real estate, ship, aircraft, automobile and construction machinery (hereafter referred to as "registration and license tax" in this Section) shall be the value as at the time of registration.

(2) The tax base under paragraph (1) shall be according to the value reported by the registrant, as stipulated by the relevant municipal ordinance: Provided, That where no report is filed or the reported value is lower than the assessed value under Article 4, the assessed value shall be the tax base.

(3) In the cases under Article 10 (5) and (6), the actual price of acquisition under Article 10 (5) and the acquisition price calculated under paragraph (6) of the same Article shall be the tax base, notwithstanding paragraph (2): Provided, That where the value changes as at the time of registration due to the revaluation of property, depreciation or any other reason, the changed value shall be the tax base. [<Amended by Act No. 10416, Dec. 27, 2010>](#)

(4) Where there is no specific amount of credit when determining an amount of tax based on the amount of credit, the value which is the object of such credit or the amount which is the object of restriction of disposition of such credit shall be the amount of such credit.

(5) The scope of the value which is the tax base under paragraphs (1) through (4), and necessary matters for its application shall be prescribed by Presidential Decree.

**Article 28 (Tax Rates)**(1) The amount of registration and license tax on registration shall be calculated by applying any of the following tax rates to the tax base under Article 27: Provided, That the tax rate for other registration or filing shall apply if the tax amount calculated in accordance with any provision of subparagraphs 1 through 5 and 5-2 is smaller than the amount calculated at the tax rate for any other registration or filing under the relevant subparagraph: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 10469, Mar. 29, 2011; Act No. 11110, Dec. 2, 2011; Act No. 11137, Dec. 31, 2011; Act No. 11617, Jan. 1, 2013; Act No. 11690, Mar. 23, 2013; Act No. 12153, Jan. 1, 2014; Act No. 12844, Nov. 19, 2014; Act No. 13425, Jul. 24, 2015; Act No. 13636, Dec. 29, 2015; Act No. 14033, Feb. 29, 2016; Act No. 14475, Dec. 27, 2016; Act No. 14839, Jul. 26, 2017; Act No. 15292, Dec. 26, 2017>](#)

1. Registration of real estate:

(a) Registration to preserve ownership: 8/1000 of the value of real estate;

(b) Registration of ownership transfer:

(i) Registration of ownership transfer at a cost: 20/1000 of the value of real estate: Provided, That the amount of the tax to be levied on a house at the tax rate provided for in Article 11 (1) 8 shall be determined by applying the tax rate calculated by multiplying the acquisition tax rate applicable to such house by 50/100;

(ii) Registration of ownership transfer on a gratuitous basis: 15/1000 of the value of real estate: Provided, That in the case of the registration of ownership transfer based on inheritance, 8/1000 of the value of real estate;

(c) Creation and transfer of a real right and leasehold, other than ownership:

(i) Superficies: 2/1000 of the value of real estate: Provided, That in the case of divided superficies, 2/1000 of the value of the relevant land calculated by the competent Special Self-Governing City Mayor or Special

- Self-Governing Province Governor or the head of the relevant Si/Gun/Gu, as prescribed by the standards determined by the Minister of the Interior and Safety, considering the inhibition rate of use of a building, the inhibition rate of use of underground part, other inhibition rate of use, etc. based on the use of underground or over-the-ground space of the relevant land;
- (ii) Mortgage (including cases where superficies or leasehold on a deposit basis is registered): 2/1000 of the amount of claim;
  - (iii) Easement: 2/1000 of the value of the dominant estate;
  - (iv) Leasehold on a deposit basis: 2/1000 of the amount of deposit;
  - (v) Leasehold: 2/1000 of the amount of a monthly rent;
- (d) Application for an auction, provisional seizure or injunction, or provisional registration:
- (i) Application for an auction: 2/1000 of the amount of claim;
  - (ii) Provisional seizure (including cases where a right to real estate is registered): 2/1000 of the amount of claim;
  - (iii) Provisional injunction (including cases where a right to real estate is registered): 2/1000 of the amount of claim;
  - (iv) Provisional registration (including cases where a right to real estate is registered): 2/1000 of the value of real estate or the amount of claim;
  - (e) Any other registration: 6,000 won per case;
2. Registration or filing of a ship (including small ships defined by Article 1-2 (2) of the Ship Act):
- (a) Registration or filing of ownership: 0.2/1000 of the value of a ship;
  - (b) Registration or filing of creation of a mortgage or registration or filing of the transfer of a mortgage: 2/1000 of the amount of claim;
  - (c) Any other registration or filing: 15,000 won per case;
3. Registration of an automobile:
- (a) Registration of ownership:
    - (i) Passenger automobiles for non-business purposes: 50/1000: Provided, That 20/1000 in the case of compact automobiles;
    - (ii) Other automobiles:
      - a. For non-business purposes: 30/1000: Provided, That 20/1000 in the case of compact automobiles;
      - b. For business purposes: 20/1000;
        - (b) Registration of the creation or transfer of a mortgage: 2/1000 of the amount of claim;
        - (c) Registration of the person who paid acquisition price or a transportation company under Article 7 (10);
          - (i) Where the title is transferred from a transportation company to another transportation company: 15,000 won per case;
          - (ii) Where the title is transferred from a transportation company to the person who paid acquisition money: 15,000 won per case;
          - (iii) Where the title is transferred from the person who paid the acquisition price to a transportation company: 15,000 won per case;
        - (d) Any other registration: 15,000 won per case;
- (b) Registration of the person who paid acquisition price or the mechanical equipment leasing company under Article 7 (10);

- (i) Where the title is transferred from a mechanical equipment leasing company to another mechanical leasing company: 10,000 won per case;
  - (ii) Where the title is transferred from a mechanical equipment leasing company to the person who paid the acquisition price: 10,000 won per case;
  - (iii) Where the title is transferred from the person who paid the acquisition price to a mechanical equipment leasing company: 10,000 won per case;
  - (d) Any other registration: 10,000 won per case;
5. Registration of factory assets and mining assets:
- (a) Registration to create a mortgage or to transfer a mortgage: 1/1000 of the amount of claim;
  - (b) Any other registration: 9,000 won per case;
- 5-2. Registration of a security right on movables, claims, or intellectual property right:
- (a) Registration or filing to create a security right or registration or filing to transfer a security right: 1/1000 of the amount of claim;
  - (b) Any other registration: 9,000 won per case;
6. Registration of a corporation:
- (a) A corporation by the establishment or merger of a commercial company or other profit-making corporations:
    - (i) Establishment and payment: 4/1000 of the paid amount of stocks, the amount of investment, or the value of investment other than cash (112,500 won when an amount of tax is less than 112,500 won; hereafter the same shall apply in items (a) through (c));
    - (ii) Increase of capital or investment: 4/1000 of the paid amount or the value of investment other than cash;
  - (b) A corporation by the establishment or merger of a non-profit corporation:
    - (i) Establishment and payment: 2/1000 of the paid gross amount of investment or value of property;
    - (ii) Increase of the gross amount of investment or gross amount of property: 2/1000 of the paid amount of investment or value of property;
  - (c) Increase of the capital or of the amount of investment by the property revaluation reserve, and increase of the gross amount of investment or property (excluding capital transfer under the Assets Revaluation Act): 1/1000 of the increased amount;
  - (d) Relocation of a head or principal office: 112,500 won per case;
  - (e) Establishment of a branch or sub-office: 40,200 won per case;
  - (f) Any other registration: 40,200 won per case;
7. Registration of a trade name, etc.:
- (a) Creation or acquisition of a trade name: 78,700 won per case;
  - (b) Appointment of a manager or extinguishment of a right of representation: 12,000 won per case;
  - (c) Appointment of a ship manager or extinguishment of a right of representation: 12,000 won per case;
8. Registration of a mining right:
- (a) Creation of a mining right (including where the duration of a mining right is extended before its expiration): 135,000 won per case;
  - (b) Change of a mining right:
    - (i) Enlargement, or enlargement and reduction of the mining area: 66,500 won per case;
    - (ii) Reduction of the mining area: 15,000 won per case;
  - (c) Transfer of a mining right:
    - (i) Inheritance: 26,200 won per case;
    - (ii) Transfer due to any other reason: 90,000 won per case;
  - (d) Any other registration: 12,000 won per case;

## 8-2. Registration of a mining right by lease:

- (a) Creation of a mining right by lease (including where the duration of a mining right by lease is extended before its expiration): 135,000 won per case;
- (b) Transfer of a mining right by lease:
  - (i) Inheritance: 26,200 won per case;
  - (ii) Transfer due to any other reason: 90,000 won per case;
- (c) Any other registration: 12,000 won per case;

## 9. Registration of a fishing right:

- (a) Transfer of a fishing right:
  - (i) Inheritance: 6,000 won per case;
  - (ii) Transfer due to any other reason: 40,200 won per case;
- (b) Transfer of shares in a fishing right:
  - (i) Inheritance: 3,000 won per case;
  - (ii) Transfer due to any other reason: 21,000 won per case;
- (c) Any other registration except the creation of a fishing right: 9,000 won per case;

## 10. Registration of a copyright, exclusive publication right (including where it is applied mutatis mutandis pursuant to Articles 88 and 96 of the Copyright Act), publication right, neighboring copyright, computer program copyright, or database producer's right (hereafter referred to as "copyright, etc." in this subparagraph):

- (a) Inheritance of a copyright, etc.: 6,000 won per case;
- (b) Registration of any kind, other than inheritance (excluding registration of a program, exclusive publication right, and publication right) under Article 54 (including where it is applied mutatis mutandis pursuant to Articles 90 and 98) of the Copyright Act: 40,200 won per case;
- (c) Registration of a program, exclusive publication right, and publication right, other than inheritance under Article 54 (including where it is applied mutatis mutandis pursuant to Articles 90 and 98) of the Copyright Act: 20,000 won per case;
- (d) Any other registration: 3,000 won per case;

## 11. Registration of a patent right, utility model right, or design right (hereafter referred to as "patent right, etc." in this subparagraph):

- (a) Transfer of a patent right, etc. due to inheritance: 12,000 won per case;
- (b) Transfer of a patent right, etc. due to any other reason: 18,000 won per case;

## 12. Registration of a trademark or service mark:

- (a) Creation of a trademark or service mark or renewal of the duration thereof under Article 82 or 84 of the Trademark Act: 7,600 won per case;
- (b) Transfer of a trademark or service mark (excluding the transfer of a trademark right based on international registration under Article 196 (2) of the Trademark Act):
  - (i) Inheritance: 12,000 won per case;
  - (ii) Transfer due to any other reason: 18,000 won per case;

## 13. Registration of any aircraft:

- (a) Registration of any aircraft, the maximum takeoff weight of which is at least 5,700 kilograms: 0.1/1000 of the value of the aircraft;
- (b) Registration of any type of aircraft not referred to in item (a): 0.2/1000 of the value of the aircraft;

## 14. Registration, other than that stipulated under subparagraphs 1 through 7: 12,000 won per case.

(2) The tax rate that shall apply to the registration of either of the following cases shall be 300/100 of the relevant tax rate specified in paragraph (1) 1 or 6 (If the tax amount calculated by applying the tax rate

specified in any provision of paragraph (1) 1 (a) through (d) is less than 6,000 won, it shall be deemed 6,000 won, while, if the tax amount calculated by applying the tax rate specified in any provision of paragraph (1) 6 (a) through (c) is less than 112,500 won, it shall be deemed 112,500 won): Provided, That this shall not apply to the types of business specified by Presidential Decree (hereafter referred to as "types of business excluded from heavy taxation in large cities" in this Article) as those for which it is unavoidable to establish business facilities in a large city: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 13427, Jul. 24, 2015; Act No. 14475, Dec. 27, 2016>](#)

1. Registration upon the incorporation of a corporation (including where capital or amount of investment increased within five years after its incorporation or take-over of a dormant corporation) or opening its branch or sub-office in a large city;
2. Registration upon the relocation of a head or principal office of a corporation into a large city (including where capital or amount of investment increased within five years after its relocation). In such cases, the relocation is deemed the incorporation of a corporation, and the tax rate shall apply accordingly.

(3) Notwithstanding the proviso to paragraph (2), with the exception of its subparagraphs, where a corporation that has completed corporate registration as a type of business excluded from heavy taxation in large cities, shifts to another type of business, other than the type of business excluded from heavy taxation in large cities, or adds a type of business, other than the type of business excluded from heavy taxation in large cities, within two years from the date of such registration, without good cause, the main sentence of paragraph (2) shall apply to relevant parts. [<Newly Inserted by Act No. 10416, Dec. 27, 2010>](#)

(4) Paragraph (2) shall not apply to cases falling under paragraph (1) 6 (f).

(5) The scope and applicable standards of heavy taxation with respect to registration and license tax under paragraph (2), and other necessary matters shall be prescribed by Presidential Decree.

(6) The head of a local government may increase or decrease the tax rates of registration and license tax within 50/100 of the standard rates stipulated under paragraph (1) 1, as stipulated by the relevant municipal ordinance.

**Article 29 (Two or More Types of Registration of Same Credit)** The method for assessing registration and license tax when seeking registration or filing of two or more different mortgages to secure the same credit shall be prescribed by Presidential Decree.

**Article 30 (Tax Returns and Payment)** (1) A person who intends to register shall file a tax return and pay an amount of tax calculated by applying the respective tax rates under Article 28 to the tax base under Article 27 to the head of the local government having jurisdiction over the place of tax payment, as prescribed by Presidential Decree, before filing a registration.

(2) When an object subject to registration and license tax becomes subject to the tax rate under Article 28 (2) after its registration, an amount of tax calculated by applying the tax rate under Article 28 (2) minus the already paid amount of tax (excluding additional tax) shall be returned and paid to the head of the local government having jurisdiction over the place of tax payment, as prescribed by Presidential Decree, within 60 days from the date prescribed by Presidential Decree. [<Amended by Act No. 16194, Dec. 31, 2018>](#)

(3) Notwithstanding paragraph (1), when any object of taxation on which registration and license tax has not been imposed, exempted or reduced pursuant to this Act or other statutes becomes subject to imposition and additional collection of the said tax, an amount of tax [referring to the amount of tax minus the amount of tax already paid in the case of reduction (excluding additional tax)] calculated by applying the respective tax rates under Article 28 to the relevant tax base, shall be returned and paid to the head of the local government having jurisdiction over the place of tax payment, as prescribed by Presidential Decree, within 60 days from the date on which the relevant ground arises. [<Amended by Act No. 16194, Dec. 31, 2018>](#)

(4) Where a person has paid the calculated amount of registration and license tax before registering an object (by the deadline for filing a return under the relevant paragraphs in cases referred to in paragraph (2) or (3)) even in a case where he/she has failed to perform his/her duty to file a tax return under paragraphs (1) through (3), he/she shall be deemed to have filed a tax return and have paid the said amount of tax pursuant to paragraphs (1) through (3). In such cases, notwithstanding Article 32, no additional tax under Articles 53 and 54 of the Framework Act on Local Taxes shall be imposed. <Amended by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>

**Article 31 (Special Collection)**(1) With respect to the registration of a patent right, utility model right, design right and trademark right (including the registration of a trademark right pursuant to Article 197 of the Trademark Act as an application for the registration of an international trademark in accordance with Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks), the Commissioner of the Korean Intellectual Property Office shall specially collect an amount of tax calculated pursuant to Article 28 (1) 11 and 12, and notify the head of the local government having jurisdiction over the relevant place of tax payment of the details thereof, in the form prescribed by Ordinance of the Ministry of the Interior and Safety, and pay registration and license tax to the aforesaid head by the end of the month following the month in which the date of registration falls. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14033, Feb. 29, 2016; Act No. 14839, Jul. 26, 2017>

(2) With respect to any registration made under the Copyright Act, the head of the competent registry shall specially collect an amount of tax calculated pursuant to Article 28 (1) 10, and notify the head of the local government having jurisdiction over the relevant place of tax payment of the details thereof, in the form prescribed by Ordinance of the Ministry of the Interior and Safety, and pay registration and license tax to the aforesaid head by the end of the month following the month in which the date of registration falls. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>

(3) Where a person liable for special collection discovers that the relevant right has not been registered, or registration and license tax is erroneously collected or over-collected, before paying the said specially-collected tax under paragraphs (1) and (2), he/she may directly refund specially-collected registration and license tax. In such cases, additional dues on local tax refunds under Article 62 of the Framework Act on Local Taxes shall not apply. <Amended by Act No. 14474, Dec. 27, 2016>

(4) Even though a person liable for special collection fails to pay or insufficiently pays the amount of tax collected or to be collected by the deadline under paragraph (1) or (2), no additional tax under Article 56 of the Framework Act on Local Taxes shall be imposed on the person liable for special collection. <Newly Inserted by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>

**Article 32 (Additional Collection of Amount of Tax Shortfall and Additional Tax)**Where a person liable to pay registration and license tax fails to fulfill his/her duty to file a return or pay tax under Article 30 (1) through (3), the amount calculated by adding the amount of additional tax calculated pursuant to Articles 53 through 55 of the Framework Act on Local Taxes to the amount of tax calculated pursuant to Articles 27 and 28, or to the amount of tax shortfall shall be collected as the amount of tax by means of ordinary collection: <Amended by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>

1. and 2. Deleted. <by Act No. 11617, Jan. 1, 2013>

**Article 33 (Notification of Registration Data)**@Article 22 shall apply mutatis mutandis to the notification of the data registered on registration and license tax.

## SECTION 3 Registration and License Tax on Licenses

**Article 34 (Tax Rates)**(1) Tax rates of registration and license tax on a license (hereafter referred to as "registration and license tax" in this Section) shall be determined based on the following classification:

<Amended by Act No. 12153, Jan. 1, 2014>

(2) In applying paragraph (1) to a Special Self-Governing City and a Si combined with functions of rural and urban communities, the Dong area of the Si (excluding any Dong area, for which the application of the tax rate applicable to the Si is stipulated by its municipal ordinance as inappropriate) shall be deemed a Si, and the Eup/Myeon area (including any Dong area, for which the application of the tax rate applicable to the Si is stipulated by its municipal ordinance as inappropriate), a Gun, and "Si with a population of at least 500,000" means a Dong area with a population of at least 500,000. <Amended by Act No. 11617, Jan. 1, 2013>

(3) For the purpose of paragraph (1), a reference to the Special Metropolitan City or a Metropolitan City shall be deemed a reference to a Si with a population of at least 500,000, and the Gun area of a Metropolitan City shall be deemed a Gun area.

(4) For the purposes of paragraphs (1) through (3), "population" means the number of residents registered pursuant to the Resident Registration Act as of January 1 of each year and the same shall apply hereafter in this Act.

(5) In applying paragraph (1), where two or more local governments are integrated pursuant to Article 4 (1) of the Local Autonomy Act and become a local government corresponding to a Si whose population is at least 500,000, the tax rate before such integration may apply for up to five years from the date such integrated local government is established (the initial date in reckoning shall be January 1 of the year following the year on which the date an integrated local government is established falls), as prescribed by the municipal ordinance of a relevant local government. <Newly Inserted by Act No. 10416, Dec. 27, 2010; Act No. 14475, Dec. 27, 2016>

**Article 35 (Tax Returns and Payment, etc.)**(1) A person who intends to obtain a new license or change the license shall file a registration and license tax return and pay tax to the head of the local government having jurisdiction over the place of tax payment under Article 25 (2) before a license certificate is issued to or served on him/her: Provided, That a person who intends to newly obtain a license, the term of validity of which is not specified or exceeds one year, or who intends to obtain the changed license may pay registration and license tax on the relevant license to be paid in the following year in lump sum when he/she obtains the new or changed license notwithstanding Article 34 of the Framework Act on Local Taxes, and in which case the amount of registration and license tax to be paid in the following year minus 10/100 of the said amount shall be paid.

(2) A license, the term of validity of which is not specified or exceeds one year, shall be deemed renewed on January 1 of each year, and thus registration and license tax shall be annually imposed by means of ordinary collection within the period for payment stipulated by the municipal ordinance of the competent local government having jurisdiction over the place of tax payment pursuant to Article 25 (2), whereas registration and license tax shall be imposed only once on a license, the term of validity of which is one year or shorter when filing such license.

(3) With respect to any of the following licenses, registration and license tax shall be imposed only once when such licenses are filed, notwithstanding paragraph (2):

1. A license for manufacturing, processing or importation respectively obtained for each item;
2. A license prescribed by Presidential Decree which includes a construction permit or any other permit equivalent thereto.

(4) Where a person liable to pay registration and license tax fails to fulfill his/her duty to file a return or pay tax under paragraph (1), the amount calculated by adding the amount of additional tax calculated pursuant to Articles 53 through 55 of the Framework Act on Local Taxes to the amount of tax calculated pursuant to Articles 34 (1) shall be collected as the amount of tax by means of ordinary collection: Provided, That when he/she has paid registration and license tax by the deadline for payment even in a case where he/she failed to file a return under paragraph (1), no additional tax under Articles 53 or 54 of the Framework Act on Local Taxes shall be imposed on him/her. <Newly Inserted by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>



**Article 36 (Effect of Tax Payment)** Registration and license tax paid by the ancestor shall be deemed paid by his/her heir, and the aforesaid tax paid by the corporation which ceases to exist due to a merger shall be deemed paid by the corporation surviving the merger or resulting from the consolidation.

**Article 37 (Measures Related to Registration and License Tax Already Paid)**(1) Where a person who has filed a registration and license tax return and paid registration and license tax withdraws an application for license or becomes unable to obtain the relevant license due to other reasons before a license certificate is issued to or served on him/her under Article 35, the head of the competent local government shall refund the registration and license tax reported and paid according to the handling procedures of local tax refunds under Article 60 of the Framework Act on Local Taxes. In such cases, Article 62 of the same Act shall not apply.

<Amended by Act No. 14474, Dec. 27, 2016>

(2) If the validity of a granted license expires due to termination of the period of validity, revocation of the license, or any other reason similar thereto, the registration and license tax already paid shall not be refunded.

**Article 38 (Verification of Tax Payment upon Granting License)**(1) Where a license-granting agency grants a license or changes a license already granted, it shall issue or deliver the license certificate to the relevant person after verifying if the registration and license tax under Article 35 has been paid.

(2) Matters concerning the method for verification of the payment of registration and license tax under paragraph (1), and other matters shall be prescribed by Presidential Decree.

**Article 38-2 (Notification regarding License)**(1) When a license-granting agency grants, changes, revokes, or suspends a license, it shall notify the competent Special Self-Governing City Mayor or Special Self-Governing Province Governor or the head of the relevant Si/Gun/Gu of such action before issuing or delivering a license certificate, as prescribed by Ordinance of the Ministry of the Interior and Safety. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14475, Dec. 27, 2016; Act No. 14839, Jul. 26, 2017>

(2) When a license-granting agency processes matters concerning the granting, changing, revoking or suspending a license under paragraph (1) by using a computer, it may notify the competent Special Self-Governing City Mayor or Special Self-Governing Province Governor or the head of the relevant Si/Gun/Gu of such processed data, in lieu of the notification under paragraph (1). <Amended by Act No. 14475, Dec. 27, 2016>  
[This Article Newly Inserted by Act No. 10416, Dec. 27, 2010]

**Article 38-3 (Perusal of Documents Related to License)**Where a tax official requests a related agency to allow the perusal or copying of documents related to the grant, change, revocation or suspension of a license for the purpose of imposition and collection of registration and license tax, the related agency shall comply therewith. <Amended by Act No. 11617, Jan. 1, 2013>

[This Article Newly Inserted by Act No. 10416, Dec. 27, 2010]

**Article 39 (Revocation, etc. of Licenses)**(1) The head of a local government may request a license-granting agency to revoke or suspend a license issued to a person who has failed to pay applicable registration and license tax.

(2) A license-granting agency, upon receipt of a request under paragraph (1), shall promptly revoke or suspend the relevant license.

(3) Where a license-granting agency has revoked or suspended a license pursuant to paragraph (2) or due to any other reason, it shall promptly notify the head of the competent local government thereof.

## CHAPTER IV LEISURE TAX

**Article 40 (Objects of Taxation)**Any of the following shall be subject to leisure tax:

1. Bicycle racing and motorboat racing under the Bicycle and Motorboat Racing Act;
2. Horse racing under the Korean Racing Association Act;

3. Selling betting tickets, horse racing tickets, etc., paying prize money, etc. to those who correctly choose a winner or winning horse under other Acts, which is prescribed by Presidential Decree.

**Article 41 (Persons Liable to Pay Tax)**A person who runs a business subject to taxation stipulated in Article 40 (hereafter referred to as "bicycle racing, etc." in this Chapter) shall be liable to pay leisure tax to the local government under the jurisdiction of which the relevant place of business subject to taxation (hereafter referred to as "bicycle racing tracks, etc." in this Chapter) and outdoor counters are located.

**Article 42 (Tax Base and Tax Rate)**(1) The tax base of leisure tax shall be the total sales of the tickets issued such as betting tickets and horse racing tickets.

(2) The tax rate of leisure tax shall be 10/100.

**Article 43 (Tax Returns and Payment)**A person liable to pay tax shall file a return and pay the amount of tax obtained by multiplying the tax base under Article 42 (1) by the tax rate under Article 42 (2) (hereafter referred to as "calculated amount of tax" in this Chapter) in proportion to the seats of bicycle racing tracks, etc. and outdoor counters respectively with/to the head of the competent local government by the tenth day of the month following that in which betting tickets, horse racing tickets, etc. are sold falls, as prescribed by Presidential Decree.

**Article 44 (Duties to Keep Account Books)**A person liable to pay tax shall enter matters concerning the operation of bike racing, etc. in an account book, and report necessary matters to the head of a competent local government, as stipulated by the relevant municipal ordinance.

**Article 45 (Additional Collection of Amount of Tax Shortfall and Additional Tax)**(1) Where a person liable to pay tax fails to fulfill his/her duty to file a return or pay tax under Article 43, the amount calculated by adding the amount of additional tax calculated pursuant to Articles 53 through 55 of the Framework Act on Local Taxes to the calculated amount of tax or to the amount of tax shortfall shall be collected as the amount of tax by means of ordinary collection. <Amended by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>

1. and 2. Deleted. <by Act No. 11617, Jan. 1, 2013>

(2) Where a person liable to pay tax fails to fulfill the duty stipulated under Article 44, an amount equivalent to 10/100 of the calculated amount of tax shall be collected by means of ordinary collection, in addition to the amount of tax to be collected.

**Article 46 (Assistance, etc. with Collection Duties)**(1) The head of a competent local government may order a person liable to pay tax to assist with his/her collection duties, as prescribed by Presidential Decree.

(2) In the cases under paragraph (1), the head of the competent local government may grant subsidies to persons liable to pay tax, as prescribed by Presidential Decree.

## CHAPTER V TOBACCO CONSUMPTION TAX

**Article 47 (Definitions)**The terms used in relation to tobacco consumption tax shall be defined as follows:

1. The term "tobacco" means tobacco stipulated under Article 2 of the Tobacco Business Act;
2. The term "import" or "export" means import or export stipulated under Article 2 of the Customs Act;
3. The term "bonded area" means a bonded area stipulated under Article 154 of the Customs Act;
4. The term "manufacturer" means a person who manufactures tobacco after obtaining a license to operate tobacco manufacturing business pursuant to Article 11 of the Tobacco Business Act;
5. The term "manufacturing place" means the factory of a manufacturer who manufactures tobacco;
6. The term "import distributor" means a person who imports and distributes tobacco for sale pursuant to Article 13 of the Tobacco Business Act;
7. The term "retailer" means a person designated as a tobacco retailer pursuant to Article 16 of the Tobacco Business Act;

8. The term "distribution for sale" means where a manufacturer, import distributor or wholesaler sells tobacco to a retailer;
9. The term "sale" means where a retailer sells tobacco to consumers.

**Article 48 (Objects of Taxation)**(1) The taxable object subject to tobacco consumption tax is tobacco.

(2) Tobacco referred to in paragraph (1) shall be classified as follows: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 12602, May 20, 2014>](#)

1. Smoking tobacco:
  - (a) Class 1 Cigarette;
  - (b) Class 2 Pipe tobacco;
  - (c) Class 3 Cigars;
  - (d) Class 4 Cut tobacco;
  - (e) Class 5 Electronic tobacco;
  - (f) Class 6 Waterpipe tobacco;
2. Chewing tobacco;
3. Snuffing tobacco;
4. Snus.

(3) The classification of tobacco under paragraph (2) shall be prescribed by Presidential Decree based on the nature, shape, manufacturing process, etc. of tobacco.

**Article 49 (Persons Liable to Pay Tax)**(1) A manufacturer shall be liable to pay tobacco consumption tax on tobacco taken out of a manufacturing place.

(2) An import distributor shall be liable to pay tobacco consumption tax on tobacco taken out of a bonded area.

(3) Where a person who enters the Republic of Korea from a foreign country (including cases where a person who enters the Republic of Korea from North Korea through the entry and exit points specified by subparagraph 1 of Article 2 of the Inter-Korean Exchange and Cooperation Act; the same shall apply hereafter in this Chapter; hereafter referred to as "entrant") brings in tobacco as his/her personal effect, consignment, or unaccompanied goods or by a consignment from a foreign country, the person shall be obliged to pay tobacco consumption tax: Provided, That, if any person, other than an entrant or an import distributor, brings in tobacco by mail from a foreign country, the addressee shall be obliged to pay tobacco consumption tax. [<Amended by Act No. 13427, Jul. 24, 2015; Act No. 13636, Dec. 29, 2015>](#)

(4) Where tobacco is manufactured in or brought into the Republic of Korea in a manner, other than those stipulated under paragraphs (1) through (3), the manufacturer or the person who brings in tobacco shall be liable to pay tobacco consumption tax.

(5) Where duty-free tobacco under Article 54 is taken out and is sold, distributed, consumed, or disposed of otherwise without being used for the intended purposes, the person who disposes of tobacco in such a manner shall be obliged to pay tobacco consumption tax, notwithstanding paragraphs (1) through (4). [<Amended by Act No. 13427, Jul. 24, 2015>](#)

**Article 50 (Places for Tax Payment)**(1) In the cases under Article 49 (1) and (2), the place for the payment of tobacco consumption tax shall be the location of a place of business of a retailer to whom tobacco is distributed for sale.

(2) In the cases under Article 49 (3), the place for the payment of tobacco consumption tax shall be the seat of the customs office through which tobacco is brought into the Republic of Korea. [<Amended by Act No. 13636, Dec. 29, 2015>](#)

(3) In the cases under Article 49 (4), the place for the payment of tobacco consumption tax shall be as follows:

1. Where tobacco is manufactured: The place where tobacco is manufactured;

2. Where tobacco is brought into the Republic of Korea: The place through which tobacco is brought into the Republic of Korea.

(4) In the cases under Article 49 (5), the place for the payment of tobacco consumption tax shall be the location of the place of business of the person who makes dispositions under the same paragraph, in which case, if the location of the place of business is unknown, the place for the payment of the said tax shall be the place where such dispositions are made.

**Article 51 (Tax Base)** Tax bases of tobacco consumption tax shall be the number of cigarettes, weight of tobacco or the volume of nicotine solution. [<Amended by Act No. 10416, Dec. 27, 2010>](#)

**Article 52 (Tax Rates)** (1) Tobacco consumption tax rates shall be as follows: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 12153, Jan. 1, 2014; Act No. 12602, May 20, 2014; Act No. 12855, Dec. 23, 2014; Act No. 14475, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>](#)

1. Smoking tobacco:

- (a) Class 1 cigarette: 1,007 won per pack of 20 cigarettes;
- (b) Class 2 pipe tobacco: 36 won per gram;
- (c) Class 3 cigars: 103 won per gram;
- (d) Class 4 cut tobacco: 36 won per gram;
- (e) Class 5 electronic tobacco:
  - (i) Where a nicotine solution is used: 628 won per milliliter of the nicotine solution;
  - (ii) Where tobacco leaves or a solid tobacco product is used:

a. Cigarette type: 897 won per 20 cigarettes;

b. Other types: 88 won per gram;

(f) Class 6 waterpipe tobacco: 715 won per gram;

2. Chewing or holding tobacco: 364 won per gram;

3. Snuffing tobacco: 26 won per gram;

4. Deleted. [<by Act No. 12855, Dec. 23, 2014>](#)

(2) Tax rates referred to in paragraph (1) may be changed by Presidential Decree by up to 30/100 of such tax rates.

**Article 53 (Taking out without Paying Tax)** No tobacco consumption tax shall be levied on tobacco in any of the following cases: [<Amended by Act No. 13636, Dec. 29, 2015>](#)

1. Tobacco taken out of a manufacturing place or bonded area for convenience in the supply of tobacco in any of the following cases;

(a) Tax-exempt tobacco under Article 54 (1), which is transferred from a manufacturing place to another manufacturing place;

(b) Tobacco from a foreign country under subparagraph 4 of Article 2 of the Customs Act, which is transferred from a bonded area to another bonded area;

(c) Tobacco on which the duty to pay tobacco consumption tax arose when it was taken out of a manufacturing place or bonded area, which is taken out of another manufacturing place or bonded area;

2. Tobacco taken out to be used as raw material for the production of another tobacco type;

3. Tobacco taken out to relocate a manufacturing place or for any other reason, as prescribed by Presidential Decree.

**Article 54 (Tax Exemption)** (1) Tobacco consumption tax shall be exempted where a manufacturer or import distributor provides tobacco for any of the following purposes: [<Amended by Act No. 13427, Jul. 24, 2015>](#)

1. Export (including tobacco samples for negotiations on exportation);

2. Sale to the following persons within the jurisdictional zone of foreign military forces in the Republic of Korea:

- (a) Military personnel of foreign military forces in the Republic of Korea;
  - (b) Civilians who hold a foreign nationality and work for foreign military forces in the Republic of Korea;
  - (c) Family members of the persons referred to in item (a) or (b).
3. Sale in bonded areas;
  4. Sale to the crew of ocean-going ships or deep-sea fishing vessels;
  5. Sale to passengers of airplanes or passenger ships servicing international lines;
  6. For any experimental analysis or research;
  7. Tobacco approved to be taken out under Article 13 of the Inter-Korean Exchange and Cooperation Act and sold to employees who work in North Korea and tourists in North Korea;
  8. Other purposes specified by Presidential Decree as those similar to the purposes of providing tobacco under subparagraphs 1 through 7.
- (2) Tobacco brought in by an entrant shall be exempted from tobacco consumption tax, if it falls within the scope prescribed by Presidential Decree. [<Amended by Act No. 13427, Jul. 24, 2015>](#)
- (3) Tobacco shall be exempted from tobacco consumption tax, if tobacco exported from the Republic of Korea is imported back due to a defect in packing or quality, poor sale, or any other unavoidable cause or event and is taken out from the bonded area in order to bring it into the manufacturing place of the tobacco storage of the import distributor. [<Newly Inserted by Act No. 13427, Jul. 24, 2015>](#)

**Article 55 (Reporting on Taking out Tobacco)** When a manufacturer or import distributor takes tobacco out of a manufacturing place or bonded area (including taking-out without paying the tax under Article 53 or for tax exemption under Article 54), he/she shall report such fact to the head of the competent local government, as prescribed by Presidential Decree. [<Amended by Act No. 13636, Dec. 29, 2015>](#)

**Article 56 (Cases Deemed Taking out of Manufacturing Places or Bonded Areas)** A manufacturer or import distributor shall be deemed to have taken tobacco out of a manufacturing place or bonded area in any of the following cases:

1. Where tobacco is consumed at the manufacturing place or bonded area;
2. Where tobacco in a manufacturing place is liquidated through public sale, auction, or bankruptcy proceeding, etc.

**Article 57 (Notification of Reports on Opening and Closure of Business)** (1) In any of the following cases, the Minister of Economy and Finance shall notify the head of the local government having jurisdiction over the manufacturing place of the relevant facts:

1. Where granting a license or revised license for a business of manufacturing tobacco under Article 11 of the Tobacco Business Act;
2. Where receiving a report on transfer, acquisition, merger, or inheritance under Article 11-3 of the Tobacco Business Act;
3. Where revoking the license for a business of manufacturing tobacco under Article 11-4 of the Tobacco Business Act.

(2) In any of the following cases, the competent Special Metropolitan City Mayor, Metropolitan City Mayor, Special Self-Governing City Mayor, Do Governor, or Special Self-Governing Province Governor shall notify the head of the local government having jurisdiction over the principal place of business of the relevant importer and distributor of the relevant facts:

1. Where registering a business of importing and distributing tobacco or revises such registration under Article 13 of the Tobacco Business Act;
2. Where revoking the registration of a business of importing and distributing tobacco under Article 15 of the Tobacco Business Act;

3. Where receiving a report on suspension of business operations or closure of business under Article 22-2 of the Tobacco Business Act.

[This Article Wholly Amended by Act No. 14475, Dec. 27, 2016]

**Article 58 (Submission of Plan for Use of Tobacco in Stock upon Business Closure)**A manufacturer or an importer and distributor shall submit a plan for the use of tobacco in stock in his/her possession to the head of the local government having jurisdiction over the manufacturing place or the principal place of business (limited to the cases of an importation and distribution business) within three days from the relevant date specified in either of the following subparagraphs:

1. The date on which the manufacturer actually suspends business operations or closes the business;
2. The date on which the importer and distributor suspends business operators or reports the closure of business pursuant to Article 22-2 of the Tobacco Business Act.

[This Article Wholly Amended by Act No. 14475, Dec. 27, 2016]

**Article 59 (Bookkeeping Duties)**A manufacturer or import distributor shall enter matters concerning the manufacturing, importation, distribution for sale, etc. in an account book, and keep such book, as prescribed by Presidential Decree.

**Article 60 (Tax Return, Payment, etc.)**(1) A manufacturer shall file a return of and pay the amount of tax calculated based on the tax base and tax rate under Articles 51 and 52 (hereafter referred to as "calculated amount of tax" in this Chapter) on the tobacco taken out of a manufacturing place from the first day to the last day of each month to the head of the competent local government by the end of the following month, according to proportional distribution standards prescribed by Presidential Decree. [<Amended by Act No. 10416, Dec. 27, 2010>](#)

(2) An import distributor shall file a return of and pay the calculated amount of tax on the tobacco taken out of a bonded area from the first day to the last day of each month to the head of the local government having jurisdiction over the location of the main office of the import distributor by the end of the following month, as prescribed by Presidential Decree. In such cases, the head of the local government having jurisdiction over the location of the main office of the import distributor shall be the person responsible for special collection of tobacco consumption tax on imported tobacco. [<Amended by Act No. 10416, Dec. 27, 2010>](#)

(3) A person liable for special collection under paragraph (2) shall pay the collected tobacco consumption tax to the head of each local government by the tenth day of the following month according to proportional distribution standards prescribed by Presidential Decree. In such cases, the person liable for special collection may deduct expenses, etc. incurred in handling administrative affairs in connection with the collection and payment of tobacco consumption tax from the amount of tax to be paid to the head of the relevant local government, as prescribed by Ordinance of the Ministry of the Interior and Safety. [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 11617, Jan. 1, 2013; Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>](#)

(4) Even though a person liable for special collection under paragraph (2) fails to pay or insufficiently pays the amount of tax he/she has collected or is to collect by the deadline under paragraph (3), no additional tax under Article 56 of the Framework Act on Local Taxes shall be imposed on the person liable for special collection. [<Newly Inserted by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>](#)

(5) A person liable to pay the tax under Article 49 (3) shall file a tobacco consumption tax return and pay tobacco consumption tax to the head of the relevant customs office, as prescribed by Presidential Decree. [<Amended by Act No. 13636, Dec. 29, 2015>](#)

(6) When the head of a customs office imposes customs duties and give notice thereof under Article 39 of the Customs Act, he/she may concurrently impose tobacco consumption tax and give notice thereof. [<Newly](#)

[Inserted by Act No. 13636, Dec. 29, 2015](#)>

(7) The head of a customs office who collects tobacco consumption tax under paragraph (5) or (6) shall be deemed to collect tobacco consumption tax after being entrusted therewith by the head of the relevant local government, and the head of the customs office shall pay the tobacco consumption tax so collected to the head of the local government having jurisdiction over the seat of the customs office by not later than the tenth day of the following month, along with the details of collection. [<Newly Inserted by Act No. 13636, Dec. 29, 2015>](#)

(8) Except as otherwise expressly provided for in this Act, the Customs Act shall apply mutatis mutandis to the collection of tobacco consumption tax under paragraphs (5) and (6). [<Newly Inserted by Act No. 13636, Dec. 29, 2015>](#)

**Article 61 (Additional Collection of Amount of Tax Shortfall and Additional Tax)**(1) In any of the following cases, the head of a local government shall collect the amount calculated by adding the amount of additional tax (in cases referred to in subparagraph 4 or 5, referring to additional tax under Article 53 or 54 of the Framework Act on Local Taxes) equivalent to 10/100 of the calculated amount of tax or the amount of tax shortfall to the amount of tax to be collected: Provided, That in the cases referred to in subparagraphs 4 and 5, where a person fails to pay the calculated amount of tax or pays less than the calculated amount of tax, the head of the local government shall collect the amount of tax calculated by further adding the amount of additional tax under Article 55 of the Framework Act on Local Taxes thereto: [<Amended by Act No. 11617, Jan. 1, 2013; Act Nos. 14474 & 14475, Dec. 27, 2016>](#)

1. Deleted; [<by Act No. 14475, Dec. 27, 2016>](#)
2. Where a person fails to submit a plan for use pursuant to Article 58;
3. Where a person fails to perform his/her bookkeeping duties pursuant to Article 59, or makes a false entry;
4. Where a person fails to file a return pursuant to Article 60, or the amount of tax reported is less than the calculated amount of tax;
5. Where a person files a fraudulent tax return for the distribution of tobacco for sale by a local government pursuant to Article 60.

(2) In any of the following cases, an amount equivalent to 30/100 of the calculated amount of tax or the amount of tax shortfall shall be collected in addition to the amount of tax to be collected: [<Amended by Act No. 13427, Jul. 24, 2015>](#)

1. Where the tobacco taken out pursuant to Article 53 is not used for its intended purpose, but distributed for sale, sold, consumed, or otherwise disposed of;
2. Where tobacco exempt from tobacco consumption tax under Article 54 (1) is not used for its intended purpose specified in any subparagraph of Article 54 (1) but is distributed for sale, sold, consumed, or otherwise disposed of;
3. Where a manufacturer or import distributor fails to file a report pursuant to Article 55;
4. Where a person receives a deduction from or refund on the amount of tax pursuant to Article 63 by improper means;
5. Where a person wholly or partially conceals or disguises the fact which serves as the basis of the tax base.

(3) The calculated amount of tax and the amount of tax shortfall under paragraphs (1) and (2) shall be calculated by applying the tax base and tax rate to the quantity of tobacco related to the relevant act.

**Article 62 (Occasional Imposition)**(1) In any of the following cases, the head of the competent local government may assess, impose, and collect the amount of tax at any time, based on the relevant evidentiary data, notwithstanding Article 60:

1. Where a person liable to pay tax under Article 49 (1) and (2) is in a state of business suspension or closure due to a slump in business or other reasons;

2. Where tobacco consumption tax is collected pursuant to Article 61.

(2) In the cases under Article 49 (4) and (5), the amount of tax shall be assessed, imposed, and collected when the relevant fact is discovered or verified.

**Article 63 (Deduction from and Refund on Amount of Tax)**(1) In any of the following cases, the relevant amount of tax shall be deducted or refunded: [<Amended by Act No. 14475, Dec. 27, 2016>](#)

1. Where the tobacco taken out of a manufacturing place or bonded area is lost or damaged due to a natural disaster or any other unavoidable cause;
2. Where the tobacco taken out of a manufacturing place or bonded area is brought back to a manufacturing place or a tobacco storage of an import distributor due to its poor packaging or quality, slowing sales, or any other unavoidable cause;
3. Where the amount of tax already filed and paid is overpaid;
4. Where tobacco consumption tax was paid in advance according to the declaration voluntarily filed before tobacco is taken out from a bonded area pursuant to Article 64 (4) but it later becomes unavailable because of destruction, damage, disuse, or any other subsequent event.

(2) The subject matters and scope of deduction and refund under paragraph (1) shall be prescribed by Presidential Decree.

**Article 64 (Security for Tax Payment)**(1) The head of the local government having jurisdiction over the location of the main office of a manufacturer or import distributor may request the manufacturer or import distributor to provide security, as prescribed by Presidential Decree, for the purpose of securing the payment of tobacco consumption tax.

(2) Where a manufacturer or import distributor requested to provide security pursuant to paragraph (1) fails to provide security or provides insufficient security, the head of the competent local government may prohibit him/her from taking out tobacco or request the head of the relevant customs office to do so.

(3) The head of the relevant customs office requested to prohibit taking out tobacco pursuant to paragraph (2) shall comply therewith.

(4) Notwithstanding Article 60 (2), an importer and distributor requested to provide an asset as security under paragraph (1) may pay tobacco consumption tax according to the declaration voluntarily filed before taking out tobacco from the bonded area without providing any asset as security. In such cases, the duty to pay tobacco consumption tax arises at the time of filing the declaration, notwithstanding Article 34 (1) 4 of the Framework Act on Local Taxes. [<Newly Inserted by Act No. 14475, Dec. 27, 2016>](#)

## CHAPTER VI LOCAL CONSUMPTION TAX

**Article 65 (Objects of Taxation)**@Article 4 of the Value-Added Tax Act shall apply mutatis mutandis to the taxable objects subject to local consumption tax. [<Amended by Act No. 11873, Jun. 7, 2013>](#)

**Article 66 (Persons Liable to Pay Tax)**Local consumption tax shall be imposed on a person who is obligated to pay valued-added tax pursuant to Article 3 of the Value-Added Tax Act in the Special Metropolitan City, Metropolitan City, Special Self-Governing City, Do, or Special Self-Governing Province having jurisdiction over the address or domicile of a person who consumes goods and services under Article 65. [<Amended by Act No. 11873, Jun. 7, 2013; Act No. 14475, Dec. 27, 2016>](#)

**Article 67 (Place of Tax Payment)**A place of payment of local consumption tax shall be the place of tax payment under Article 6 of the Value-Added Tax Act. [<Amended by Act No. 11873, Jun. 7, 2013>](#)

**Article 68 (Persons Responsible for Special Collection)**A person responsible for special collection is the head of the tax office having jurisdiction over the place of tax payment under Article 67, or the head of the customs



office who collects value-added tax on the importation of goods pursuant to Article 58 (2) of the Value-Added Tax Act. <Amended by Act No. 11873, Jun. 7, 2013>

**Article 69 (Tax Base and Amount of Tax)**(1) The tax base for local consumption tax shall be an amount of tax calculated by subtracting the reduced, exempted or deducted amount of the value-added tax prescribed in the Value-Added Tax Act and other Acts from the amount of the value-added tax paid under the Value-Added Tax Act plus additional tax.

(2) The amount of local consumption tax shall be calculated by applying 15/100 to the tax base referred to in paragraph (1). In such cases, the amount equivalent to 6/100 out of 15/100 shall be appropriated for making up for acquisition tax, local education tax, taxes allocated to local governments, and subsidies for local education, which are reduced pursuant to Article 11 (1) 8. <Amended by Act No. 12118, Dec. 26, 2013; Act No. 16113, Dec. 31, 2018>

**Article 70 (Tax Returns, Payment, etc.)**(1) Where local consumption tax and value-added tax are returned, paid, corrected or refunded, such tax return, payment, correction or refund shall be made based on the amount of local consumption tax under Article 69 (2) plus the amount of value-added tax under Article 72 of the Value-Added Tax Act, notwithstanding Article 69 (2). <Amended by Act No. 11873, Jun. 7, 2013>

(2) Where a person has filed a return of and paid value-added tax pursuant to Articles 48 through 50, 52, 66, and 67 of the Value-Added Tax Act, he/she shall be deemed to have also filed a return of and paid local consumption tax. <Amended by Act No. 11873, Jun. 7, 2013>

**Article 71 (Payment)**(1) A person responsible for special collection shall pay the collected local consumption tax to the competent Special Metropolitan City Mayor, Metropolitan City Mayor, Special Self-Governing City Mayor, Do Governor, or Special Self-Governing Province Governor specified by Presidential Decree (hereinafter referred to as "payment manager"), along with an assessment notice prescribed by Ordinance of the Ministry of the Interior and Safety, by the 20th day of the following month, considering the population, etc. of the area under his/her jurisdiction. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14475, Dec. 27, 2016; Act No. 14839, Jul. 26, 2017>

(2) Even though a person liable for special collection under paragraph (1) fails to pay or insufficiently pays the amount of tax he/she has collected or is to collect by the deadline under the said paragraph, no additional tax under Article 56 of the Framework Act on Local Taxes shall be imposed on the person liable for special collection. <Newly Inserted by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>

(3) A payment manager shall remit the local consumption tax paid pursuant to paragraph (1) to the head of each local government and the superintendent of the office of education of each City/Do within a period prescribed by Presidential Decree, according to proportional distribution standards and methods prescribed by Presidential decree in consideration of consumer spending in each area, the reduced amount of acquisition tax, etc. under Article 11 (1) 8. <Amended by Act No. 12118, Dec. 26, 2013>

(4) Where a person responsible for special collection refunds local consumption tax pursuant to Article 70 (1), he/she shall deduct an amount equivalent to the local consumption tax (hereafter referred to as "local consumption tax refund" in this paragraph) out of refunds from an amount to be paid to the payment manager: Provided, That where the local consumption tax refund exceeds the amount to be paid, the over-refunded local consumption tax shall be carried forward to the following month.

**Article 72 (Special Cases concerning Imposition, Collection, etc.)**The imposition and collection of local consumption tax, procedures for raising objections, and other relevant matters shall be dealt with in the same manner as national taxes are dealt with. In such cases, a person responsible for special collection under Article 68 shall be deemed a managing authority.

**Article 73 (Mutatis Mutandis Application of the Value-Added Tax Act)** Except as provided for in this Chapter, the Value-Added Tax Act shall apply mutatis mutandis to matters concerning local consumption tax.

## CHAPTER VII RESIDENT TAX

### SECTION 1 Common Provisions

**Article 74 (Definitions)** The terms used in relation to resident tax shall be defined as follows: [<Amended by Act No. 12153, Jan. 1, 2014; Act No. 16194, Dec. 31, 2018>](#)

1. The term "per capita portion" means resident tax imposed both on an individual or corporation pursuant to Article 78 (1);
2. The term "pro rata property portion" means resident tax imposed on the basis of the total floor area of a place of business as its tax base;
3. The term "employee portion" means resident tax imposed by regarding the total amount of employees' wages as the tax base thereof;
4. The term "place of business" means a place equipped with human resources and physical equipment where business or business affairs are continuously performed;
5. The term "business owner" means a person having a place of business under the jurisdiction of any local government;
6. The term "total floor area of a place of business" means the total floor area of a building used as a place of business prescribed by Presidential Decree;
7. The term "total amount of employees' wages" means salaries, wages, bonuses, and other allowances in the nature corresponding thereto paid to employees of the place of business, which are prescribed by Presidential Decree;
8. The term "employees" means the executive officers, employees, and other workers who work in a place of business or are paid wages from a place of business, who are prescribed by Presidential Decree.

**Article 75 (Persons Liable to Pay Tax)**(1) A person liable to pay per capita portion shall be an individual who has his/her domicile (in cases of a foreigner, referring to the place of sojourn under the Immigration Act; hereafter the same shall apply in this Chapter) within the jurisdiction of a local government (excluding individuals prescribed by Presidential Decree, who are members of a household under the Resident Registration Act and individuals corresponding thereto); a corporation, the place of business of which is located within the jurisdiction of a local government (including an unincorporated association, foundation or organization subject to imposition of corporate tax; hereafter the same shall apply in this Chapter); or an individual who has a place of business the same as or larger than a specified scale prescribed by Presidential Decree within the jurisdiction of a local government (hereinafter referred to as "individual having a place of business"). [<Amended by Act No. 16194, Dec. 31, 2018>](#)

(2) A person liable to pay pro rata property portion shall be a business owner (excluding a person who suspends his/her business continuously for at least one year as of July 1 of each year) as of July 1 of each year: Provided, That where the owner of a building for a place of business is different from a business owner, the owner of the building may be charged with secondary tax liability, as prescribed by Presidential Decree. [<Amended by Act No. 16194, Dec. 31, 2018>](#)

(3) A person liable to pay taxes on the employee portion shall be a business owner who pays wages to employees. [<Newly Inserted by Act No. 12153, Jan. 1, 2014>](#)

**Article 76 (Places of Tax Payment)**(1) A per capita portion shall be imposed on each domicile or location of a business place, respectively by a local government having jurisdiction over a place for tax payment prescribed in the following subparagraphs:

1. An individual whose domicile is within the jurisdiction of a local government: His/her domicile;
2. An individual having a place of business located within the jurisdiction of a local government: The seat of the place of business;
3. A corporation: The seat of the place of business.

(2) A pro rata property portion shall be imposed on each location of a place of business by a local government having jurisdiction over the location of a business place as of the tax base date.

(3) An employee portion shall be imposed on each place of business by a local government having jurisdiction over the location of the place of business (where the place of business is closed, referring to the location of the place of business as of the date of its closure) as of the date wages are paid (where wages are paid at least twice a month, referring to the date wages are paid lastly). [<Newly Inserted by Act No. 12153, Jan. 1, 2014; Act No. 16194, Dec. 31, 2018>](#)

**Article 77 (Non-Taxation)**(1) No resident tax shall be imposed on any of the following persons:

1. The State, local governments, and local government associations;
2. Foreign government agencies, international organizations in Korea, and foreign nongovernmental aid organizations under the Foreign Nongovernmental Aid Organizations Act located in Korea (hereinafter referred to as "foreign aid organization in Korea"), and foreigners working for foreign government agencies or international organizations in Korea: Provided, That in the case of a country imposing a tax of the same nature as resident tax on the government agencies and international organizations of the Republic of Korea, or on Korean nationals working therefor, resident tax shall be imposed on such country, foreigners having the nationality of such country, and property of the government or aid organizations of such country.

(2) No per capita portion shall be imposed on persons falling under any of the following: [<Amended by Act No. 16194, Dec. 31, 2018>](#)

1. A recipient under the National Basic Living Security Act;
2. A foreigner for whom one year has not passed as of the base date of taxation since the date the foreigner filed for registration for foreigners under Article 31 of the Immigration Act;
3. A minor under the Civil Act (excluding where the minor, with a person who is not a minor, constitutes a household under the Resident Registration Act).

(3) Deleted. [<by Act No. 16194, Dec. 31, 2018>](#)

## SECTION 2 Per Capita Portion

**Article 78 (Tax Rates)**(1) The tax rates of a per capita portion shall be as follows: [<Amended by Act No. 13636, Dec. 29, 2015>](#)

1. Tax rates for individuals:
  - (a) Tax rate for an individual whose domicile is in the jurisdiction of a local government: An amount of tax determined by the head of each local government by municipal ordinance up to a limit of 10,000 won;
  - (b) Standard tax rate for an individual whose place of business is in a local government: 50,000 won;
2. Standard tax rates for corporations:

(2) The head of each local government may increase or decrease the tax rates for the per capita portion within the extent of 50/100 of the standard rates under paragraph (1) 1 (b) and subparagraph 2 of the same paragraph, as stipulated by the relevant municipal ordinance.

**Article 79 (Methods of Collection)**(1) The per capita portion shall be collected by means of ordinary collection.

(2) The base date for assessment of the per capita portion shall be July 1 of each year. [<Amended by Act No. 16194, Dec. 31, 2018>](#)

(3) The payment period of the per capita portion shall be from August 16 to August 31 of each year.

## SECTION 3 Pro Rata Property Portion

**Article 80 (Tax Base)**The tax base of the pro rata property portion shall be the total floor area of a place of business as of the tax base date.

**Article 81 (Tax Rates)**(1) The standard tax rate of the pro rata property portion shall be 250 won per square meter of the total floor area of a place of business.

(2) The head of each local government may determine the tax rate of the pro rata property portion below the rate prescribed in paragraph (1), as stipulated by municipal ordinance.

(3) The tax rate equivalent to 200/100 of the tax rate provided for in paragraph (1) shall apply to any of the business establishments specified by Presidential Decree as those emitting pollutants from among business establishments discharging effluent or wastes, etc. defined in subparagraph 3 of Article 2 of the Wastes Control Act. [<Amended by Act No. 15292, Dec. 26, 2017>](#)

**Article 82 (Requirement for Tax Exemption)**No pro rata property portion shall be imposed on any place of business, the total floor area of which is not more than 330 square meters.

**Article 83 (Methods of Collection, Payment Due Date, etc.)**(1) The pro rata property portion shall be collected by means of a tax return and payment.

(2) The tax base date of a pro rata property portion shall be July 1.

(3) A person liable to pay the pro rata property portion shall file a tax return and pay tax annually to the head of the local government having jurisdiction over the place of tax payment, as prescribed by Presidential Decree from July 1 to July 31 of a year.

(4) Where a person liable to pay the pro rata property portion fails to fulfill his/her duty to file a return or to pay tax under paragraph (3), the head of a local government shall collect the amount calculated by adding the amount of additional tax calculated pursuant to Articles 53 through 55 of the Framework Act on Local Taxes to the amount of tax calculated pursuant to Articles 80 and 81, or to the amount of tax shortfall as the amount of tax by means of ordinary collection: [<Amended by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>](#)  
1. and 2. Deleted. [<by Act No. 11617, Jan. 1, 2013>](#)

**Article 84 (Duty to Report)**(1) A person liable to pay the pro rata property portion or an owner of the building for the place of business shall file a report on necessary matters, as stipulated by the relevant municipal ordinance.

(2) Where a person liable to pay tax fails to file a report pursuant to paragraph (1), a tax official may conduct an ex officio investigation and register the findings of such investigation in the tax ledger.

## SECTION 4 Employee Portion

**Article 84-2 (Tax Base)**The tax base of the employee portion shall be the total amount of wages in the relevant month paid to employees.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 84-3 (Tax Rates)**(1) The standard tax rate of the employee portion shall be 5/1000 of the total amount of employees' wages.

(2) The head of a local government may increase or decrease a tax rate of the employee portion by up to 50/100 of the standard tax rate under paragraph (1), as prescribed by municipal ordinance.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 84-4 (Requirement for Tax Exemption)**(1) If the monthly average total amount of employees' wages in the relevant place of business for the most recent year from the month in which the duty to pay arose under Article 34 of the Framework Act on Local Taxes is less than the amount calculated by multiplying the amount

specified by Presidential Decree by 50, the employee portion shall not be imposed. <Amended by Act No. 13636, Dec. 29, 2015>

(2) Matters regarding the method for calculating the monthly average total amount of employees' wages under paragraph (1), etc. shall be prescribed by Presidential Decree. <Amended by Act No. 13636, Dec. 29, 2015>  
[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 84-5 (Support for Employment of Small and Medium Enterprises)**(1) Where the business owner of a small and medium enterprise under Article 2 of the Framework Act on Small and Medium Enterprises (hereinafter referred to as "small and medium enterprise") employs additional employees (limited to the cases where the number of employees during the relevant month exceeds 50), the amount calculated by the following formula shall be deducted from the tax base of the employee portion. In such cases, if the average monthly number of employees during the immediately preceding year is not more than 50, the number of employees shall be deemed 50 for the purpose of calculation: <Amended by Act No. 13636, Dec. 29, 2015; Act No. 14475, Dec. 27, 2016>

Amount deducted = (the number of employees in a month a report is made - the average monthly number of employees in the immediately preceding year) x amount of monthly applicable wages

(2) In any of the following cases, the amount of average monthly wages paid by a small or medium enterprise to 50 employees shall be deducted from the tax base for the employee portion only for one year from the relevant month specified in either of the following subparagraphs: <Amended by Act No. 13636, Dec. 29, 2015; Act No. 14475, Dec. 27, 2016>

1. Where the small and medium enterprise employs more than 50 employees when it establishes a new place of business: The month in which it shall report the employee portion initially;
2. Where the number of employees exceeds 50 because the small and medium enterprise employs additional employees for the place of business with not more than 50 persons per month for one year before the relevant month (excluding the place of business that had more than 50 employees at least one time during the latest five years from the month in which it makes a report): The month in which it shall report the employee portion for the relevant month.

(3) In applying paragraphs (1) and (2), the monthly wages shall be calculated by dividing the total amount of employees' wages for the month in which a report is made by the number of employees in the month in which the report is made. <Amended by Act No. 14475, Dec. 27, 2016>

(4) In applying paragraphs (1) and (2), if it is impossible to calculate the average monthly number of employees during the immediately preceding year due to the suspension of business operations, the number of employees for the month in which the number of employees is reported initially shall be deemed the average monthly number of employees during the immediately preceding year. <Amended by Act No. 14475, Dec. 27, 2016>

(5) The criteria for determining the number of employees under paragraphs (1) through (4), etc. shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 13636, Dec. 29, 2015>

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 84-6 (Methods of Collection and Period of Payment)**(1) The employee portion shall be collected by means of a tax return and payment.

(2) A person liable to pay taxes on the employee portion shall file a tax return and pay tax monthly to the head of a local government having jurisdiction over a place for tax payment by the tenth day of the following month, as prescribed by Presidential Decree.

(3) Where a person liable to pay taxes on the employee portion fails to fulfill his/her duty to file a return or pay tax under paragraph (2), the head of a local government shall collect the amount calculated by adding an additional tax calculated pursuant to Articles 53 through 55 of the Framework Act on Local Taxes to a tax

amount calculated pursuant to Articles 84-2 and 84-3 or to such amount of tax shortfall as the tax amount by means of ordinary collection. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 84-7 (Duty to Report)**(1) A person liable to pay taxes on the employee portion shall report necessary matters, as prescribed by municipal ordinance.

(2) Where a person liable to pay taxes fails to report necessary matters under paragraph (1), a tax official may investigate such matters ex officio and enter them into a tax ledger.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

## CHAPTER VIII LOCAL INCOME TAX

### SECTION 1 Common Provisions

**Article 85 (Definitions)**(1) The terms used in relation to local income tax shall be defined as follows: [<Amended by Act No. 13427, Jul. 24, 2015; Act No. 16008, Dec. 24, 2018>](#)

1. The term "personal local income" means the income of a resident or non-resident under Articles 3 and 4 of the Income Tax Act;
2. The term "corporate local income" means the income of a Korean corporation or foreign corporation under Article 4 of the Corporate Tax Act;
3. The term "resident" means a resident defined by Article 1-2 (1) 1 of the Income Tax Act;
4. The term "non-resident" means an individual who is not a resident;
5. The term "Korean corporation" means a corporation that has a head office, a principal office, or the actual place of business management in the Republic of Korea;
6. The term "non-profit Korean corporation" means any of the following corporations among Korean corporations:
  - (a) A corporation incorporated pursuant to Article 32 of the Civil Act;
  - (b) A corporation whose purpose is similar to that provided for in Article 32 of the Civil Act (excluding a corporation that may distribute profits to its stockholders, employees, or investors, other than a cooperative corporation, etc. prescribed by Presidential Decree), which is incorporated pursuant to the Private School Act or other special Acts;
  - (c) An organization deemed a corporation under Article 13 (4) of the Framework Act on National Taxes (hereinafter referred to as "organization deemed a corporation");
7. The term "foreign corporation" means a corporation meeting criteria prescribed by Presidential Decree, which is an organization that has its head office or principal office in a foreign country (only applicable to cases where it does not have an actual place of business management in the Republic of Korea);
8. The term "non-profit foreign corporation" means a foreign government, foreign local government or non-profit foreign corporation (including an organization deemed a corporation) among foreign corporations;
9. The term "business entity" means a resident who has business income;
10. The term "place of business" means a place equipped with human resources or physical facilities, in which business or office work is conducted;
11. The term "business year" means one fiscal period for which corporate income is calculated;
12. The term "consolidated tax payment method" means a method for reporting and paying corporate local income tax pursuant to Section 7 by calculating at least two Korean corporations as one unit of the tax base and tax amount;
13. The term "consolidated corporation" means a Korean corporation to which the consolidated tax payment method applies;
14. The term "consolidated group" means all consolidated corporations;

15. The term "consolidated parent corporation" means a consolidated corporation that wholly controls other consolidated corporations of the consolidated group; and the term "consolidated subsidiary" means a consolidated corporation wholly controlled by the consolidated parent corporation;
16. The term "consolidated business year" means one fiscal period for which the income of a consolidated group is calculated.

(2) Except as provided in paragraph (1), the definitions of the terms used in this Chapter shall be governed by the provisions of the Income Tax Act and the Corporate Tax Act.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 86 (Persons Liable to Pay Taxes, etc.)**(1) A person liable to pay income tax under the Income Tax Act or corporate tax under the Corporate Tax Act shall be legally obligated to pay local income tax.

(2) The scope of the legal obligations to pay local income tax under paragraph (1) shall be governed by the provisions of the Income Tax Act and the Corporate Tax Act.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 87 (Scope and Classification of Local Income)**(1) Personal local income of a resident shall be classified as follows, and the scope of the following income shall be governed by Articles 16 through 22, 94, and 95 of the Income Tax Act:

1. Global income: The sum of the following income, excluding income under subparagraphs 2 and 3 from personal local income taxable under this Act:
  - (a) Interest income;
  - (b) Dividend income;
  - (c) Business income;
  - (d) Wage and salary income;
  - (e) Pension income;
  - (f) Other income;
2. Retirement income;
3. Capital gains.

(2) Personal local income of a non-resident shall be classified pursuant to Article 119 of the Income Tax Act.

(3) Corporate local income of a Korean corporation or foreign corporation shall be classified as follows; and the scope of the following income based on the types of corporations shall be governed by Article 4 of the Corporate Tax Act: [<Amended by Act No. 13427, Jul. 24, 2015; Act No. 15335, Dec. 30, 2017; Act No. 16008, Dec. 24, 2018; Act No. 16194, Dec. 31, 2018>](#)

1. Income for each business year;
2. Liquidation income;
3. Capital gains from land, etc. under Articles 55-2 and 95-2 of the Corporate Tax Act;
4. Unappropriated earnings under Article 100-32 of the Restriction of Special Taxation Act.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 88 (Taxable Period and Business Year)**(1) The taxable period for local income tax on personal local income (hereinafter referred to as "personal local income tax") shall be a period under Article 5 of the Income Tax Act.

(2) Each business year of local income tax on corporate local income (hereinafter referred to as "corporate local income tax") shall be a period under Articles 6 through 8 of the Corporate Tax Act.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 89 (Places for Tax Payment)**(1) Places of payment of local income tax shall be as follows: [<Amended by Act No. 12505, Mar. 24, 2014; Act No. 13636, Dec. 29, 2015; Act No. 15292, Dec. 26, 2017>](#)

1. Personal local income tax: Places for tax payment under Articles 6 through 8 of the Income Tax Act as at the time an income tax return is filed;
2. Corporate local income tax: Places for tax payment under Article 9 of the Corporate Tax Act as at the end of each business year: Provided, That each place of business shall be deemed a place for tax payment, if a corporation or a consolidated corporation has places of business in areas under the jurisdiction of two or more local governments.

(2) If a corporation or a consolidated corporation has its places of business in areas under the jurisdiction of two or more local governments under the proviso to paragraph (1) 2, the corporate local income tax shall be paid, according to the tax returns filed, to the head of each local government having jurisdiction over each place of business proportionately in accordance with the criteria prescribed by Presidential Decree. <Amended by Act No. 13636, Dec. 29, 2015; Act No. 14475, Dec. 27, 2016>

(3) Notwithstanding the provisions of paragraphs (1) and (2), the head of each local government having jurisdiction over the seat of the place of tax payment prescribed in the relevant subparagraphs shall impose the following local income tax among the local income tax specially collected pursuant to Articles 103-13, 103-29, and 103-52: <Amended by Act No. 12505, Mar. 24, 2014; Act No. 13427, Jul. 24, 2015; Act No. 14475, Dec. 27, 2016>

1. Local income tax on earned income and retirement income: The place of employment of the person liable to pay tax: Provided, That the address of the person who receives retirement income shall be deemed the place for tax payment in the case of retirement income withdrawn in any manner other than annuities from a pension account (including a pension trust or insurance scheme) after retirement;
2. Local income tax on interest income, dividend income, etc., where the head office or the principal office handles all affairs related to withholding of income tax and corporate tax on such income: The place of payment of such income;
3. Local income tax on income from lottery winnings or refunds in a case where the head office or the principal office collectively pays lottery winnings of each fixed grade of the lottery winnings under Article 2 of the Lottery Tickets and Lottery Fund Act or refunds of each fixed grade of the refunds of sports promotion betting tickets under Article 2 of the National Sports Promotion Act: The place of sale of the relevant lottery ticket or sports promotion betting ticket;
4. Local income tax on pension income under Article 20-3 (1) 1 and 2 of the Income Tax Act: The place of domicile of a person who receives such income;
5. Local income tax on business income paid by the National Health Insurance Corporation under the National Health Insurance Act: The seat of a business place of a person who receives such income.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 90 (Non-Taxation)** No local income tax shall be imposed on any income on which no income tax or corporate tax is levied pursuant to the Income Tax Act, the Corporate Tax Act, and the Restriction of Special Taxation Act.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

## **SECTION 2 Local Income Tax on Global Income and Retirement Income of Residents**

**Article 91 (Tax Base)**(1) The tax base for a personal local income tax on the global income of a resident shall be the amount calculated pursuant to Article 14 (2) through (5) of the Income Tax Act (where special taxation, such as a tax reduction or exemption or heavy taxation related to the calculation of the tax base under the Restriction of Special Taxation Act and other Acts, is applied, the amount calculated according to such special taxation).



(2) The tax base for a personal local income tax on retirement income of a resident shall be the amount calculated pursuant to Article 14 (6) of the Income Tax Act (where special taxation, such as a tax reduction or exemption or heavy taxation related to the calculation of the tax base pursuant to the Restriction of Special Taxation Act and other Acts, is applied, the amount calculated according to such special taxation).

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 92 (Tax Rates)**(1) The standard tax rates of personal local income tax on global income of residents shall be as follows: <Amended by Act No. 12505, Mar. 24, 2014; Act No. 14475, Dec. 27, 2016; Act No. 15335, Dec. 30, 2017>

(2) The head of each local government may increase or decrease the tax rates of personal local income tax on global income by up to 50/100 of the standard tax rates provided for in paragraph (1), as prescribed by the relevant municipal ordinance.

(3) The calculated amount of personal local income tax on global income of residents shall be the amount obtained by applying tax rates referred to in paragraphs (1) and (2) to the tax base of the relevant year.

(4) The calculated amounts of personal local income tax on retirement income of residents shall be the amounts calculated according to the following order: <Amended by Act No. 13636, Dec. 29, 2015>

1. The amount calculated by applying the tax rate under paragraph (1) or (2) to the tax base under Article 91 (2) for the relevant taxable period;
2. The amount calculated by dividing the amount under subparagraph 1 by 12 and then multiplying the amount by the number of year of continuous service.
3. Deleted. <by Act No. 13636, Dec. 29, 2015>
- (5) Deleted. <by Act No. 14475, Dec. 27, 2016>

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

< <Enforcement Date: Jan. 1, 2020>> Article 92 (2)

**Article 93 (Order of Calculation of Tax and Special Cases)**(1) Except as provided in this Act, personal local income tax on global income and retirement income of residents shall be calculated as follows: <Amended by Act No. 14474, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>

1. The calculated amount of personal local income tax on global income and retirement income shall be calculated separately pursuant to Article 92 (3) and (4);
2. The finalized amount of personal local income tax on global income and retirement income shall be calculated respectively by applying a tax credit and a tax reduction or exemption under Article 94 to the tax amount calculated pursuant to subparagraph 1;
3. The total of the finalized amount of personal local income tax on global income and retirement income shall be calculated respectively by adding an additional tax under Article 99 hereof and Articles 53 through 55 of the Framework Act on Local Taxes to the finalized amount of tax calculated pursuant to subparagraph 2.

(2) Where interest income and dividend income (hereafter referred to as "interest income, etc." in this Article) included in the tax base for personal local income tax on global income of a resident exceed the standard amount of global taxation on interest income, etc. (hereafter referred to as "standard amount of global taxation" in this Article) under Article 14 (3) 6 of the Income Tax Act, the calculated amount of personal local income tax on global income of such resident shall be the larger of the following amounts, and where interest income, etc. does not exceed the standard amount of global taxation, the calculated amount of personal local income tax shall be the amount referred to in subparagraph 2. In such cases, where dividend income under Article 17 (1) 8 of the Income tax Act exists, the amount of such dividend income shall not be deemed interest income, etc.:

<Amended by Act No. 13427, Jul. 24, 2015; Act No. 14475, Dec. 27, 2016>

1. The amount calculated by adding the following tax amounts:

- (a) The calculated amount of personal local income tax on the amount calculated by adding up the amount exceeding the standard amount of global taxation of the amounts of interest income, etc. and the amount of global income excluding interest income, etc.;
  - (b) The tax amount calculated by applying 10/100 of the tax rate under Article 129 (1) 1 (d) of the Income Tax Act to the standard amount of global taxation: Provided, That 10/100 of the tax rate under Article 129 (1) shall apply to dividend income, if there is dividend income under Article 104-27 of the Restriction of Special Taxation Act.
2. The amount calculated by adding the following tax amounts:
- (a) The tax amount calculated by applying 10/100 of the tax rate under Article 129 (1) 1 or 2 of the Income Tax Act or Article 104-27 (1) of the Restriction of Special Taxation Act to interest income, etc.: Provided, That 10/100 of a tax rate referred to in Article 129 (1) 1 (b) or (d) of the Income Tax Act shall apply to income from which the tax is not withheld under Article 127 of the Income Tax Act;
  - (b) The calculated amount of personal local income tax on the amount of global income excluding interest income, etc.: Provided, That where the amount of such tax is less than the amount calculated by adding up the tax amount calculated by applying 10/100 of a tax rate referred to in Article 129 (1) 1 (d) of the Income Tax Act on dividend income under Article 17 (1) 8 of the Income Tax Act and the calculated amount of personal local income tax on the amount of global income excluding interest income, etc. and dividend income under Article 17 (1) 8 of the Income Tax Act (hereafter referred to as "compared amount of tax on global income" in this item), the amount of such tax shall be the compared amount of tax on global income.
- (3) In respect of excess repayment from a workplace mutual aid association under Article 16 (1) 10 of the Income Tax Act (hereafter referred to as "excess repayment from a workplace mutual aid association" in this Article), the amount calculated by multiplying the tax amount calculated by applying a tax rate under Article 92 to the amount calculated by dividing the amount calculated by deducting the amount referred to in each subparagraph of Article 63 (1) of the Income Tax Act in order from the amount of excess repayment from a workplace mutual aid association by the number of years of payment (where the number of years of payment is less than one year, it shall be regarded as one year; hereinafter the same shall apply) by the number of years of payment: Provided, That the calculation method, etc, for the tax amount on an excess repayment received from a workplace mutual aid association in installments shall be prescribed by Presidential Decree. [<Amended by Act No. 15292, Dec. 26, 2017>](#)
- (4) The calculated amount of personal local income tax on global income of a person who is a resident engaging in a real estate business (hereinafter referred to as "real estate business") prescribed by Presidential Decree (hereinafter referred to as "real estate business entity") and whose global income includes a profit margin on the purchase and sale of houses or land under any subparagraph of Article 104 (1) 4, 8 or 10 or (7) of the Income Tax Act (hereafter referred to as "profit margin on the purchase and sale of houses, etc." in this Article) shall be the greater of the following tax amounts. In such cases, other matters necessary for the calculation of profit margin on the purchase and sale of houses, etc. of a real estate business entity and the calculation of the amount of personal local income tax on global income shall be prescribed by Presidential Decree: [<Amended by Act No. 13427, Jul. 24, 2015; Act No. 15335, Dec. 30, 2017>](#)
1. The calculated amount of personal local income tax on global income;
  2. The sum of the following tax amounts:
    - (a) The sum of tax amounts calculated by applying tax rates under Article 103-3 to profit margin on the purchase and sale of houses, etc.;
    - (b) The tax amount calculated by regarding an amount calculated by deducting the total amount of profit margin on the purchase and sale of houses, etc. in the relevant taxable period from the tax base for

personal local income tax on global income as the tax base and applying a tax rate under Article 92 to such amount.

(5) Where a real estate business entity files a provisional return of profit margin on the purchase and sale of land, etc. under Article 69 (1) of the Income Tax Act, it shall file a return of profit margin and the tax amount thereon with the head of a local government having jurisdiction over a place for tax payment from the end of a month to which the date of purchase and sale belongs to the date when two months elapse, as prescribed by Presidential Decree. The same shall also apply where there exists no profit margin on the purchase and sale of land, etc. or it incurs a loss in the purchase and sale of land, etc.

(6) The calculated amount of tax on profit margin on the purchase and sale of land, etc. of a real estate business entity under paragraph (5) shall be the amount calculated by multiplying the amount calculated by deducting necessary expenses calculated by applying Article 97 of the Income Tax Act mutatis mutandis by tax rates provided for in Article 103-3: Provided, That where a period for possession of land, etc. is less than two years, notwithstanding the provisions of Article 103-3 (1) 2 and 3, the calculated amount of such tax shall be the amount calculated by multiplying the amount calculated by deducting necessary expenses calculated by applying Article 97 of the Income Tax Act mutatis mutandis by tax rates under subparagraph 1 of the said paragraph.

[<Amended by Act No. 12505, Mar. 24, 2014>](#)

(7) A real estate business entity shall pay the calculated tax amount under paragraph (6) to the head of a local government having jurisdiction over a place for tax payment by the deadline for filing a tax return under paragraph (5), as prescribed by Presidential Decree.

(8) Articles 103-6 (2) and 103-9 shall apply mutatis mutandis to the calculation, determination, and correction of the calculated amount of tax on a profit margin on the purchase and sale of land and an additional tax in the application of a conversion value. [<Amended by Act No. 15335, Dec. 30, 2017>](#)

(9) Matters necessary for the calculation of profit margin on the purchase and sale of land, etc. and the amount of tax thereon under paragraphs (5) through (8) shall be prescribed by Presidential Decree.

(10) The finalized amount of personal local income tax on global income of a resident who has house rental income subject to separate taxation under Article 14 (3) 7 of the Income Tax Act (hereafter referred to as "rental income subject to separate taxation" in this Article) shall be selected from among the following tax amounts for application: [<Newly Inserted by Act No. 13427, Jul. 24, 2015; Act No. 16194, Dec. 31, 2018>](#)

1. The finalized amount of personal local income tax on global income before applying Article 14 (3) 7 of the Income Tax Act thereto;
2. The amount calculated by adding the following tax amounts:
  - (a) The amount calculated by multiplying the business income amount related to house rental income subject to separate taxation, by 14/1000: Provided, That where a resident falling under Article 96 (1) of the Restriction of Special Taxation Act leases a rental house under the aforesaid paragraph, the amount shall be the amount calculated by subtracting the amount of tax reduced or exempted pursuant to the aforesaid paragraph from the amount calculated by multiplying the amount of business income related to house rental income subject to separate taxation, generated from the relevant rental business, by 14/1,000;
  - (b) The finalized amount of personal local income tax on global income except the amount of item (a).

(11) The amount of business income related to house rental income subject to separate taxation under paragraph (10) 2 (a) shall be the amount calculated by subtracting necessary expenses (referring to 50/100 of the amount of gross earnings) from the amount of gross earnings; but where the amount of global income except house rental income subject to separate taxation during the relevant taxable period is not more than 20 million won, such amount of business income shall be the amount calculated by additionally subtracting two million won from the amount of gross earnings: Provided, That where a resident leases a rental house

prescribed by Presidential Decree, the amount of business income generated from the relevant rental business shall be the amount calculated by subtracting necessary expenses (referring to 60/100 of the amount of gross earnings) from the amount of gross earnings; but where the amount of global income except house rental income subject to separate taxation during the relevant taxable period is not more than 20 million won, the amount of business income shall be the amount calculated by additionally subtracting 4 million won from such amount of gross earnings. <Newly Inserted by Act No. 13427, Jul. 24, 2015; Act No. 16194, Dec. 31, 2018>

(12) When a business entity falling under any of the following subparagraphs files a tax base return for the taxable period to which the date the relevant ground therefor arises belongs, he/she shall pay 10/100 of the amount falling under the following classifications for individual local income tax: <Newly Inserted by Act No. 16194, Dec. 31, 2018>

1. Where the business entity who has the amount of tax reduced or exempted pursuant to the proviso to paragraph (10) 2 (a) fails to rent the relevant rental housing for at least four years (referring to eight years, in the case of publicly supported private rental housing under subparagraph 4 of Article 2 of the Special Act on Private Rental Housing or long-term general private rental housing under subparagraph 5 of Article 2 of the aforesaid Act): The amount of tax reduced or exempted pursuant to the proviso to paragraph (10) 2 (a);
2. Where the business entity who has calculated the amount of tax by applying the proviso to paragraph (11) fails to rent the relevant rental housing for at least four years: The amount of difference between the amount of tax calculated by not applying the proviso to paragraph (11) and the amount of tax reported at first.

(13) Where a business entity pays individual local income tax pursuant to the subparagraphs of paragraph (12), he/she shall pay individual local income tax by adding 10/100 of the amount added equivalent to interest calculated pursuant to the main sentence of Article 64-2 (4) of the Income Tax Act: Provided, That this shall not apply to where there are unavoidable reasons prescribed by Presidential Decree. <Newly Inserted by Act No. 16194, Dec. 31, 2018>

(14) Necessary matters concerning methods for calculating the finalized amount of tax on global income related to housing rental income subject to separate taxation and calculating the amount of business income based on types of rental housing shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 16194, Dec. 31, 2018>

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 94 (Tax Credit and Tax Reduction or Exemption)** Matters concerning tax credit on and tax reduction of or exemption from personal local income tax on global income and retirement income shall be governed by the Restriction of Special Local Taxation Act: Provided, That where credit on or reduction of or exemption from personal local income tax on global income or retirement income exceeds the calculated tax amount, the amount in excess of the calculated tax amount shall be deemed null and void.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 95 (Final Return of Tax Base and Tax Payment)**(1) Where a resident files a final tax base return of global income or retirement income pursuant to the Income Tax Act, he/she shall file a final tax base return of personal local income tax on global income or retirement income with the head of a local government having jurisdiction over a place for tax payment and pay the amount thereof to him/her by the deadline for filing the relevant return, as prescribed by Presidential Decree.

(2) Paragraph (1) shall also apply where there exists no tax base for personal local income tax on global income or retirement income or any loss on global income is incurred in the relevant taxable period: Provided, That this shall not apply to a person who has paid a personal local income tax on retirement income pursuant to Article 103-13.

(3) Where a person files a final return and pays a tax under paragraph (1), he/she shall pay such tax to the head of a local government having jurisdiction over a place for tax payment after deducting the following tax amounts in the relevant taxable period from the calculated amount of personal local income tax on global income or retirement income in the relevant taxable period:

1. The calculated tax amount of a provisional return of profit margin on the purchase and sale of land, etc., or the finalized or corrected tax amount thereof under Article 93 (5) through (8);
2. A tax deduction or tax reduction and exemption under Article 94;
3. The occasionally imposed tax under Article 98;
4. The specially collected tax under Article 103-13;
5. The tax amount collected by a tax association under Article 103-17.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 96 (Amended Return, etc.)**(1) Where a resident who has filed a final personal local income tax return under Article 95 files an amended return to correct the reported content under the Income Tax Act pursuant to Article 45 of the Framework Act on National Taxes, he/she shall file an amended return under Article 49 of the Framework Act on Local Taxes with the head of a local government having jurisdiction over a place for tax payment, as prescribed by Presidential Decree. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

(2) Where a resident who has filed a final return pursuant to Article 95 discovers an error in a place of payment of personal local income tax he/she has reported and paid, he/she may make a request for amended tax return and payment or correction under Articles 49 and 50 of the Framework Act on Local Taxes with the head of a local government having jurisdiction over a place for tax payment before he/she gives notice of imposition by means of ordinary collection pursuant to Article 97. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

(3) Where an additional tax to be paid arises due to an amended tax return under paragraphs (1) and (2), a resident shall pay such additional tax. In cases referred to in paragraph (2), the head of a local government having jurisdiction over a place of tax payment shall not impose an additional tax under Article 54 or 55 of the Framework Act on Local Taxes on the additional tax amount to be paid. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

(4) Where a tax amount to be refunded arises due to a request for correction, etc. under paragraph (2), the head of a local government shall not pay an additional amount to a refund of local tax under Article 62 of the Framework Act on Local Taxes on the tax amount to be refunded. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 97 (Determination and Correction)**(1) Where a resident fails to file a final tax base return under Article 95 or there exists an error or omission in the reported content, the head of a local government having jurisdiction over a place for tax payment shall determine or correct the tax base and the tax amount in the relevant taxable period.

(2) Where the head of a local government having jurisdiction over a place for tax payment discovers any errors or omissions in his/her determination or correction after he/she has determined or corrected the tax base and the amount of personal local income tax, he/she shall immediately rectify such determination or correction again.

(3) Where the head of a local government having jurisdiction over a place for tax payment determines or corrects the tax base and the amount of personal local income tax pursuant to paragraphs (1) and (2), he/she shall make such determination or correction based on data, books or other evidentiary documents the head of a tax office or the head of a regional tax service having jurisdiction over a place for tax payment has determined or corrected under the Income Tax Act: Provided, That where the head of such local government cannot

calculate the amount of income based on books or other evidentiary documents for reasons prescribed by Presidential Decree, he/she may estimate the amount of income, as prescribed by Presidential Decree.

(4) Where the head of a local government has determined or corrected the tax base and the amount of personal local income tax, he/she shall notify the relevant resident of the contents thereof in writing, as prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 98 (Determination of Occasional Imposition)**(1) Where a resident falls under any of the following during the taxable period, the head of a local government having jurisdiction over a place for tax payment may occasionally impose personal local income tax on such resident (hereafter referred to as "occasional imposition" in this Article):

1. Where the resident is likely to evade personal local income tax because he/she is in a state of the suspension or closure of business for a long period due to the stagnation of trade or for other reasons;
2. Where there exist other reasonable grounds for fearing that the resident will evade tax.

(2) Paragraph (1) shall apply to a period from the date of commencement of the relevant taxable period to the date when grounds for occasional imposition occur as a period of occasional imposition. In such cases, where a resident fails to file a final tax base return for the immediately preceding taxable period, such as cases where grounds for occasional imposition have occurred before a deadline for filing a tax return under Article 95, the immediately preceding taxable period shall be included in a period of occasional imposition.

(3) Where the head of the relevant local government occasionally imposes personal local income tax pursuant to paragraph (1), Articles 53 and 54 of the Framework Act on Local Taxes shall not apply to the relevant tax amount. <Amended by Act No. 14474, Dec. 27, 2016>

(4) Matters necessary for occasional imposition under paragraphs (1) and (2) shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 99 (Additional Tax)**Where an additional tax is added to the finalized amount of income tax under Article 81 of the Income Tax Act, the amount equivalent to 10/100 of the amount to be added shall be added to the finalized amount of personal local income tax: Provided, That, if both the additional tax to personal local income tax, which is equivalent to 10/100 of the additional tax to be added under Article 81 (8) or (13) of the Income Tax Act and the additional tax under Article 53 or 54 of the Framework Act on Local Taxes are applicable, only the greater additional tax amount shall apply, while, if such additional tax amounts are the same, only the additional tax under Article 53 or 54 of the Framework Act on Local Taxes shall apply. <Amended by Act No. 14474, Dec. 27, 2016>

[This Article Wholly Amended by Act No. 13427, Jul. 24, 2015]

**Article 100 (Collection and Refund)**(1) Where a resident fails to pay all or some of the tax amount he/she is obligated to pay as personal local income tax in the relevant taxable period pursuant to Article 95, the head of a local government having jurisdiction over a place for tax payment shall collect the amount of personal local income tax that has not been paid yet pursuant to the Framework Act on Local Taxes and the Local Tax Collection Act. <Amended by Act No. 14476, Dec. 27, 2016>

(2) Where a tax amount the head of a local government having jurisdiction over a place for tax payment imposes occasionally pursuant to Article 98 or a specially collected tax amount under Article 103-13 exceeds the total amount of finalized personal local income tax, he/she shall refund such excess or take measures, such as making up for local tax, pursuant to Article 60 of the Framework Act on Local Taxes. <Amended by Act No. 14474, Dec. 27, 2016>

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 101 (Refund Following Retroactive Deductions for Losses)**(1) Where a resident applies for a refund following retroactive deductions for the loss pursuant to Article 85-2 of the Income Tax Act, he/she may apply for refund of the amount calculated as prescribed by Presidential Decree within the limits of the amount of personal local income tax imposed on business income in the immediately preceding taxable period on the relevant loss brought forward (hereinafter referred to as "retroactively deducted tax amount for loss").

(2) A person who intends to get a refund on the retroactively deducted tax amount for losses shall file an application for the refund with the head of a local government having jurisdiction over the relevant place for tax payment by the deadline for filing a final tax base return under Article 95, as prescribed by Presidential Decree: Provided, That an application filed by a resident for a refund on the retroactively deducted tax amount for losses under Article 85-2 of the Income Tax Act shall be deemed an application for the refund under paragraph (1), and in such cases, the proviso to Article 62 (1) 5 of the Framework Act on Local Taxes shall apply to the start date to calculate an additional payment on the refund. [<Amended by Act No. 13636, Dec. 29, 2015; Act No. 14474, Dec. 27, 2016>](#)

(3) Where the head of a local government having jurisdiction over a place for tax payment receives an application for refund on personal local income tax pursuant to paragraph (2), he/she shall, without delay, determine the tax amount to be refunded, and refund or make up for the tax amount pursuant to Articles 60 and 62 of the Framework Act on Local Taxes. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

(4) Paragraphs (1) through (3) shall apply only where the relevant resident files a return on the tax base and the tax amount for the taxable period during which the loss has occurred, by the deadline for filing the final tax base return under Article 95, and where the resident filed the return of the tax base and the tax amount of personal local income tax on the income for the taxable period immediately preceding the relevant taxable period or where the head of the relevant local government imposed the tax for such period. [<Amended by Act No. 14475, Dec. 27, 2016>](#)

(5) Where a person who gets a refund on personal local income tax pursuant to paragraph (3) falls under any of the following cases, the head of a local government having jurisdiction over a place for tax payment shall collect such tax amount refunded (referring to an amount equivalent to the tax amount excessively refunded in the cases under subparagraphs 1 and 2) as personal local income tax in the taxable period during which the loss brought forward has occurred, as prescribed by Presidential Decree:

1. Where the loss brought forward is decreased by correcting the tax base and the amount of personal local income tax on the taxable period during which the loss has occurred;
2. Where the refunded tax amount is decreased by correcting the tax base and the amount of personal local income tax on global income in the immediately preceding taxable period of the taxable period during which the loss has occurred;
3. Where the resident gets a refund without meeting requirements for small and medium enterprises under Article 85-2 of the Income Tax Act.

(6) Procedures for calculating the tax amount to be refunded and applying for a refund following retroactive deductions for the loss and other necessary matters shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 101-2** Deleted. [<by Act No. 12153, Jan. 1, 2014>](#)

**Article 102 (Special Provisions on Taxation on Shared Place of Business)**(1) The amount of tax specially collected on the amount of income that has occurred in the shared place of business under Article 43 of the Income Tax Act and the amount of tax related to the shared place of business, which is an additional tax under Article 99 hereof and Article 56 of the Framework Act on Local Taxes, shall be distributed according to the ratio of distribution of profits and losses of each joint business entity. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

(2) Matters necessary for taxation on the shared place of business, such as filing a return, determination, correction, or investigation of the amount of income on the shared place of business, shall be prescribed by Article 87 of the Income Tax Act.

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

### **SECTION 3 Local Income Tax on Capital Gains of Residents**

**Article 103 (Tax Base)**(1) The tax base for personal local income tax on capital gains of a resident shall be calculated separately from the tax base for personal local income tax on global income and retirement income.

(2) The tax base for personal local income tax on capital gains shall be the amount calculated pursuant to Article 92 of the Income Tax Act (where special provisions on taxation, such as tax reductions and exemptions or heavy taxation related to the calculation of the tax base, under the Restriction of Special Taxation Act and other Acts apply, the amount calculated pursuant to the special provisions on taxation).

(3) Notwithstanding the provisions of paragraph (2), the tax base for personal local income tax on capital gains on offshore assets of a resident shall be the amount calculated pursuant to Articles 118-3, 118-4, 118-6, 118-7, and 118-8 of the Income Tax Act (where special provisions on taxation, such as tax reductions and exemptions or heavy taxation related to the calculation of the tax base, under the Restriction of Special Taxation Act and other Acts apply, the amount calculated pursuant to the special provisions on taxation).

(4) The tax base for personal local income tax on capital gains of a person moving abroad under Article 118-9 of the Income Tax shall be calculated according to Article 118-10 of the same Act (where special tax provisions applicable to the calculation of a tax base, such as tax reduction or exemption or heavy taxation, shall apply pursuant to the Restriction of Special Taxation Act or any other Act, the relevant tax reduction or exemption or special tax provisions shall apply to such calculation). [<Newly Inserted by Act No. 15292, Dec. 26, 2017>](#)

[This Article Wholly Amended by Act No. 12153, Jan. 1, 2014]

**Article 103-2 (Order of Computation of Tax Amount)** Except as otherwise provided for in this Act, personal local income tax on capital gains shall be computed as follows: [<Amended by Act No. 14474, Dec. 27, 2016; Act No. 15335, Dec. 30, 2017>](#)

1. The computed amount of personal local income tax on capital gains shall be computed by applying tax rates under Article 103-3 to the tax base under Article 103;
2. Where a tax amount is reduced or exempted pursuant to Article 103-4 from the tax amount computed pursuant to subparagraph 1, the finalized amount of personal local income tax on capital gains shall be computed after deducting such tax reduction or exemption;
3. The total of the finalized personal local income tax on capital gains shall be computed by adding an additional tax under Article 103-8 or 103-9 (2) hereof and Articles 53 through 55 of the Framework Act on Local Taxes to the finalized amount of personal local income tax computed pursuant to subparagraph 2.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-3 (Tax Rates)**(1) The amount of personal local income tax on a resident's capital gains shall be calculated by applying any of the following standard tax rates to the tax base of capital gains for the relevant taxable period. In such cases, if two or more tax rates, among the following tax rates, are applicable to one asset, the greatest of the amounts of personal local income tax on capital gains as calculated by relevant tax rates shall be determined as the relevant tax amount: [<Amended by Act No. 12505, Mar. 24, 2014; Act No. 13427, Jul. 24, 2015; Act No. 13636, Dec. 29, 2015; Act No. 14475, Dec. 27, 2016; Act No. 15335, Dec. 30, 2017>](#)

1. Assets falling under Article 94 (1) 1, 2 and 4 of the Income Tax Act: Tax rates under Article 92 (1);
2. Assets [excluding a house (including land prescribed by Presidential Decree, which is attached to such house; hereafter the same shall apply in this paragraph) and a right to purchase a house as an association member]



- provided for in Article 94 (1) 1 and 2 of the Income Tax Act, the period of ownership of which is at least one year, but less than two years: 40/1000 of the tax base for personal local income tax on capital gains;
3. Assets provided for in Article 94 (1) 1 and 2 of the Income Tax Act, the period of ownership of which is less than one year: 50/1000 (in the case of a house and a right to purchase a house as an association member, 40/1000) of the tax base for personal local income tax on capital gains;
  4. The status of a person selected as eligible for the occupation of a house supplied in an area subject to adjustment under Article 63-2 (1) 1 of the Housing Act (hereafter referred to as "area subject to adjustment" in this Article), from among the assets referred to in Article 94 (1) 2 of the Income Tax Act: 50/1000 of the tax base of personal local income tax on capital gains: Provided, That this shall not apply to the cases specified by Presidential Decree where a household does not own a house;
  5. through 7. Deleted; [<by Act No. 12505, Mar. 24, 2014>](#)
  8. Land for non-business purposes under Article 104-3 of the Income Tax Act:
  9. Assets specified by Presidential Decree among the assets under Article 94 (1) 4 (c) or (d) of the Income Tax Act:
  10. Unregistered and transferred assets under Article 104 (3) of the Income Tax Act: 70/1000 of the tax base for personal local income tax on capital gains;
  11. Assets under Article 94 (1) 3 of the Income Tax Act:
    - (a) Stocks, etc. under subparagraph 2 of Article 88 of the Income Tax Act (hereinafter referred to as "stocks, etc.") transferred by a majority stockholder referred to in Article 104 (1) 11 (a) of the Income Tax Act (hereafter referred to as "majority stockholder" in this Section);
      - (i) Stocks, etc. of any corporation other than small and medium enterprises specified by Presidential Decree (hereafter referred to as "small and medium enterprises" in this Section) which has been held for less than one year: 30/1000 of the tax base of personal local income tax on capital gains;
      - (ii) Stocks, etc. that do not fall under sub-item (i):
    - (b) Stocks transferred by any person who is not a majority stockholder:
      - (i) Stocks, etc. of a small or medium enterprise: 10/1000 of the tax base of personal local income tax on capital gains;
      - (ii) Stocks, etc. that do not fall under the sub-item (i): 20/1000 of the tax base of personal local income tax on capital gains;
    - (c) Deleted. [<by Act No. 15335, Dec. 30, 2017>](#)
  12. Derivatives, etc. referred to in Article 94 (1) 5 of the Income Tax Act: 20/1000 of the tax base for personal local income tax on capital gains.
    - (2) A period of ownership of assets under paragraph (1) 2, 3 and 11 (a) shall be calculated, as prescribed by Article 104 (2) of the Income Tax Act. [<Amended by Act No. 14475, Dec. 27, 2016; Act No. 15335, Dec. 30, 2017>](#)
    - (3) Standard tax rates of personal local income tax on a resident's capital gains on assets under Article 118-2 of the Income Tax Act (hereinafter referred to as "offshore assets") shall be as follows. In such cases, where at least two of the following tax rates apply to one asset, the highest tax rate thereof shall apply thereto: [<Amended by Act No. 13427, Jul. 24, 2015>](#)
      1. Assets under subparagraphs 1, 2, and 5 of Article 118-2 of the Income Tax Act: Tax rates under Article 92 (1);
      2. Assets under subparagraph 3 of Article 118-2 of the Income Tax Act:
        - (a) Stocks, etc. of small and medium enterprises: 10/1000 of the tax base for personal local income tax on capital gains;
        - (b) Other stocks, etc.: 20/1000 of the tax base for personal local income tax on capital gains;

3. Deleted. <by Act No. 15335, Dec. 30, 2017>

(4) The head of a local government may increase or decrease tax rates of personal local income tax on capital gains within 50/100 of standard tax rates under paragraph (1), as prescribed by municipal ordinance.

(5) Where a person transfers any of the following real estate, the tax rate calculated by adding 10/1000 to a tax rate under Article 92 (1) (for a transfer under subparagraph 3, the tax rate provided for in paragraph (1) 8) shall apply. In such cases, where the period of ownership of the relevant real estate is less than two years, the greater of the amount of personal local income tax on capital gains as calculated by applying the tax rate provided for in the former part or the amount of personal local income tax on capital gains as calculated by applying the tax rate under paragraph (1) 2 or 3 shall be determined as the calculated amount of personal local income tax on capital gains: <Newly Inserted by Act No. 12505, Mar. 24, 2014; Act No. 13427, Jul. 24, 2015; Act No. 15335, Dec. 30, 2017>

1. and 2. Deleted. <by Act No. 15335, Dec. 30, 2017>

3. Land for non-business purposes under Article 104-3 of the Income Tax Act, which is real estate in a designated area under Article 104-2 (2) of the Income Tax Act;

4. Other real estate prescribed by Presidential Decree where necessary for stabilizing the prices of real estate because real estate prices have risen sharply or are likely to rise sharply.

(6) Where a person transfers two or more assets specified in Article 94 (1) 1, 2, and 4 of the Income Tax Act during the relevant taxable period, the greater of the following amounts shall be determined as the calculated amount of personal local income tax on capital gains. For the calculation of the amount under subparagraph 2 in such cases, the assets provided for in paragraph (1) 8 and 9 shall be deemed identical assets; and a portion of land for business purposes under Article 104-3 of the Income Tax Act and a portion of land for other purposes out of a parcel of land shall be deemed separate assets for the calculation of the calculated amount of personal local income tax on capital gains: <Newly Inserted by Act No. 13427, Jul. 24, 2015; Act No. 15335, Dec. 30, 2017>

1. The calculated amount of personal local income tax on capital gains as calculated by applying the tax rate under Article 92 (1) to the sum of tax bases of capital gains for the relevant taxable period;

2. The sum of the calculated amounts of personal local income tax on capital gains on each asset as calculated in accordance with paragraphs (1) through (5) and (10).

(7) If it is necessary to foster capital markets, the tax rate under paragraph (1) 12 may be reduced to not more than 75/100 of the tax rate, as prescribed by Presidential Decree. <Newly Inserted by Act No. 14475, Dec. 27, 2016>

(8) The tax rate on gains on valuation of domestic stocks, etc., which shall be deemed capital gains pursuant to Article 118-9 of the Income Tax, shall be listed as the following table: <Newly Inserted by Act No. 14475, Dec. 27, 2016; Act No. 16194, Dec. 31, 2018>

(9) The tax rates specified in paragraph (3) may be increased by applying paragraph (5) mutatis mutandis. <Newly Inserted by Act No. 14475, Dec. 27, 2016; Act No. 15335, Dec. 30, 2017>

(10) The tax rate applicable to the transfer of a house falling under any of the following subparagraphs (including land appurtenant to such house; hereafter the same shall apply in this paragraph) shall be determined by adding 10/1000 (or 20/1000 for a house falling under subparagraph 3 or 4) to the tax rate provided for in Article 92 (1). If the period of ownership of the relevant house in such cases is less than one year, the greater of the calculated tax amount of personal local income tax on capital gains as calculated by adding 10/1000 (or 20/1000 for a house falling under subparagraph 3 or 4) to the tax rate provided for in Article 92 (1) or the calculated tax amount of personal local income tax on capital gains as calculated by applying the tax rate provided for in paragraph (1) 3 shall be determined as the calculated tax amount of personal local income tax on capital gains. <Newly Inserted by Act No. 15335, Dec. 30, 2017>

1. A house located in an area subject to adjustment and identified as one of two houses owned by a household as defined by Presidential Decree;
2. A house located in an area subject to adjustment and owned by a household that owns the house and holds a right to purchase a house as an association member: Provided, That long-term rental housing units, etc. specified by Presidential Decree shall be excluded herefrom:
3. A house located in an area subject to adjustment and identified as one of three or more houses owned by a household as defined by Presidential Decree;
4. A house located in an area subject to adjustment and owned by a household that owns houses including the house and holds rights to purchase a house as an association member where the number of such houses and rights is three or more: Provided, That long-term rental housing units, etc. specified by Presidential Decree shall be excluded herefrom.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

< <Enforcement date: Jan. 1, 2019>> Article 103-3 (1) 11 (a) (ii) (limited to stocks of small and medium enterprises provided for in Article 103-3 (1) 11 (a) (i))

< <Enforcement date: Jan. 1, 2020>> Article 103-3 (8) (limited to stocks of small and medium enterprises provided for in Article 103-3 (1) 11 (a) (i))

**Article 103-4 (Tax Credit and Tax Reduction or Exemption)** Matters concerning tax credit on and reduction of or exemption from personal local income tax on capital gains shall be prescribed by the Restriction of Special Local Taxation Act: Provided, that where credit on or reduction of or exemption from personal local income tax on capital gains exceeds the calculated tax amount, such excess shall be deemed null and void.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-5 (Provisional Tax Base Return and Payment)** (1) Where a resident files a provisional tax base return of capital gains pursuant to Article 105 of the Income Tax Act, he/she shall report the tax base and the amount of personal local income tax on capital gains to the head of a local government having jurisdiction over a place for tax payment (hereafter referred to as "provisional tax return" in this Section) by the deadline for filing the relevant tax return, as prescribed by Presidential Decree.

(2) Paragraph (1) shall also apply where no profit on transfer exists or a loss from transfer occurs.

(3) Where a resident files a provisional tax return, he/she shall pay the tax amount (hereafter referred to as "provisional tax return and payment" in this Section) calculated by deducting an amount of tax reduced or exempted under the Restriction of Special Local Taxation Act or municipal ordinance and occasionally imposed tax amounts under Articles 98 and 103-9 from the calculated tax amount in a provisional personal local income tax return on capital gains under Article 103-6 to the head of a local government having jurisdiction over a place for tax payment, as prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-6 (Calculation of Tax Amount in Provisional Tax Return)** (1) A tax amount required to be paid when a resident files a provisional tax return and makes a payment shall be the amount calculated by applying tax rates referred to in Article 103-3 to the tax base for personal local income tax on capital gains.

(2) Where a resident files provisional tax returns on assets subject to application of progressive tax rates at least twice during the relevant taxable period and intends to file joint returns with the amount of capital gains he/she has already reported, the tax amount shall be calculated by applying mutatis mutandis the method for calculating a tax amount under Article 107 (2) of the Income Tax Act. In such case, the applicable tax rate shall be either of the following tax rates: <Amended by Act No. 13636, Dec. 29, 2015; Act No. 14475, Dec. 27, 2016; Act No. 15335, Dec. 30, 2017>

1. Where the tax amount shall be calculated in accordance with Article 107 (2) 1 of the Income Tax Act: The tax rate specified in Article 103-3 (1) 1;
2. Where the tax amount shall be calculated in accordance with Article 107 (2) 2 of the Income Tax Act: The tax rate specified in Article 103-3 (1) 8 or 9;
3. Where the tax amount shall be calculated in accordance with Article 107 (2) 3 of the Income Tax Act: The tax rate specified in Article 103-3 (1) 11 (a) (ii).

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-7 (Final Tax Base Return and Payment)**(1) Where a resident files a final tax base return on capital gains pursuant to Article 110 of the Income Tax Act, he/she shall file a final return on tax base for personal local income tax on capital gains with and pay the tax amount to the head of a local government having jurisdiction over a place for tax payment by the deadline for filing the tax return, as prescribed by Presidential Decree.

(2) Paragraph (1) shall also apply where no tax base exists or losses occur in the relevant taxable period.

(3) Notwithstanding the provisions of paragraph (1), a person who has filed a provisional tax return may choose not to file a final tax return on the relevant income: Provided, That this shall not apply to cases prescribed by Presidential Decree, such as cases where he/she files a provisional tax return on assets subject to application of progressive tax rates at least twice in the relevant taxable period.

(4) A resident shall pay the amount calculated by deducting a tax amount reduced or exempted pursuant to Article 103-4 from the calculated amount of personal local income tax on capital gains in the relevant taxable period to the head of a local government having jurisdiction over a place for tax payment by the deadline for filing a final tax return under Article 111 (1) of the Income Tax Act, as prescribed by Presidential Decree.

(5) Where a resident files a final tax return and makes a payment under paragraph (1), when the calculated tax amount in a provisional tax return under Article 103-6, the finalized or corrected tax amount under Article 103-9, or the occasionally imposed tax amount under Articles 98 and 103-9 exists, he/she shall pay the amount of tax after deducting such amounts.

(6) When a person moving abroad as referred to in Article 118-9 of the Income Tax Act (hereafter referred to as "person moving abroad" in this Article") files a return on the tax base of capital gains in accordance with Article 118-15 (2) of the same Act, the person shall file the return on the tax base and tax amount of personal local income tax on capital gains and shall pay the tax by the deadline set for filing the return, as prescribed by Presidential Decree. <Newly Inserted by Act No. 14475, Dec. 27, 2016>

(7) Where a person moving abroad has the payment of income tax deferred under Article 118-16 of the Income Tax Act, the person may have the payment of personal local income tax under this Act deferred. If a person has the payment of personal local income tax deferred in such case, he/she shall pay an amount equivalent to interest for the period during which the payment is deferred, in addition to personal local income tax, as prescribed by Presidential Decree. <Newly Inserted by Act No. 14475, Dec. 27, 2016>

(8) If a tax amount paid by a person moving abroad was refunded or a tax amount the payment of which has been deferred is cancelled under Article 118-17 of the Income Tax Act, the head of the local government having jurisdiction over the place for tax payment shall refund personal local income tax paid by the person or shall cancel the tax amount the payment of which has been deferred. In such case, the additional payment for local tax refunds under Article 77 of the Framework Act on Local Taxes shall not be added to the amount of refunded local taxes. <Newly Inserted by Act No. 14475, Dec. 27, 2016>

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-8 (Additional Tax on Negligent Entry)**Where an additional tax is added to the calculated amount of income tax under Article 115 of the Income Tax Act, the amount equivalent to 10/100 of the amount to be

added shall be added to the calculated amount of personal local income tax on capital gains: Provided, That only the bigger additional tax amount shall apply, if both the additional tax to personal local income tax on capital gains, equivalent to 10/100 of the additional tax to be added under Article 115 of the Income Tax Act, and the additional tax under Article 53 or 54 of the Framework Act on Local Taxes are applicable, while only the additional tax under Article 53 or 54 of the Framework Act on Local Taxes shall apply, if the additional tax amounts are the same. <Amended by Act No. 14474, Dec. 27, 2016>

[This Article Wholly Amended by Act No. 13427, Jul. 24, 2015]

**Article 103-9 (Amended Return, Determination, Correction, Occasional Imposition, Collection, Refund, Conversion Value, etc.)**(1) Articles 96 through 98 and 100 shall apply mutatis mutandis to amended

return, determination, correction, occasional imposition, collection, and refund of personal local income tax on capital gains. <Amended by Act No. 12505, Mar. 24, 2014; Act No. 15335, Dec. 30, 2017>

(2) Where the conversion value under Article 97 (1) 1 (b) of the Income Tax Act is deemed the acquisition value of a building newly built by a resident and sold within five years from the date of acquisition, the amount equivalent to 5/1000 of the conversion value of such building shall be added to the finalized amount of personal local income tax on capital gains under subparagraph 2 of Article 103-2. <Newly Inserted by Act No. 15335, Dec. 30, 2017>

(3) Paragraph (2) shall also apply where there is no calculated tax amount of personal local income tax on capital gains. <Newly Inserted by Act No. 15335, Dec. 30, 2017>

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

## SECTION 4 Local Income Tax on Income of Non-Residents

**Article 103-10 (Methods of Taxation on Non-Residents)**(1) Personal local income tax imposed on non-residents shall be calculated by classifying into cases where it is imposed on the relevant consolidated income generated in the Republic of Korea, on classified income generated in the Republic of Korea, and separately on such income generated from the Republic of Korea.

(2) Specific methods of taxation based on the types of places of business and income generated in the Republic of Korea of non-residents shall be governed by Articles 120 and 121 (2) through (6) of the Income tax Act.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-11 (General Taxation on Non-Residents)**(1) The provisions of this Act applicable to the calculation of the tax base and the amount of personal local income tax on residents shall apply mutatis mutandis to the calculation of the tax base and the amount of personal local income tax on income generated in the Republic of Korea of non-residents provided for in Articles 121 (2) or (5) of the Income Tax Act: Provided, That the deduction for any person other than the non-resident him/herself, as a personal deduction under Article 51 (3) of the Income Tax Act, the special income deduction under Article 52 of the same Act, the tax credit for children under Article 97-2 of the Restriction of Special Local Taxation Act, and the special tax credit under Article 97-4 of the same Act shall not apply to the calculation of the tax base. <Amended by Act No. 14475, Dec. 27, 2016>

(2) The provisions of this Act applicable to tax returns filed and payments made by residents shall apply mutatis mutandis to tax returns filed and payments made by non-residents who calculate the tax base and the amount of personal local income tax pursuant to paragraph (1): Provided, That where the amount of income specially collected pursuant to Article 103-18 is included in the tax base under paragraph (1), such specially collected tax amount shall be deemed the amount of tax deducted pursuant to Article 95 (3) 4.

(3) The provisions of this Act applicable to determination, correction, collection, and refund of personal local income tax on residents shall apply mutatis mutandis to determination, correction, collection, and refund concerning taxation where the head of a local government having jurisdiction over a place for tax payment

imposes a personal local income tax on consolidated income of non-residents generated in the Republic of Korea: Provided, That where the amount of income specially collected pursuant to Article 103-18 is included in the tax base under paragraph (1), such specially collected tax amount shall be deemed the amount of tax deducted pursuant to Article 95 (3) 4.

(4) Except as otherwise expressly provided for in this Act, the provisions on global taxation for non-residents under the Income Tax Act shall apply mutatis mutandis to global taxation for non-residents.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-12 (Separate Taxation on Non-Residents)**(1) The tax base for personal local income tax on non-resident's income generated in the Republic of Korea provided for in Article 121 (3) and (4) of the Income Tax Act (excluding subparagraphs 7 and 8-2 of Article 119 of the said Act) shall be governed by Article 126 (1) of the said Act.

(2) The tax amount on income generated in the Republic of Korea under paragraph (1) shall be the amount calculated pursuant to Article 103-18.

(3) The provisions on the calculation, etc. of the tax base and the amount of personal local income tax on residents of this Act shall apply mutatis mutandis to the tax base of income generated in the Republic of Korea and the calculation, return, payment, determination, correction, collection, and refund of the tax amount under subparagraphs 7 and 8-2 of Article 119 of the Income tax Act, out of incomes of non-residents generated in the Republic of Korea provided for in Article 121 (3) and (4) of the said Act: Provided, That the deduction for any person other than the non-resident him/herself, as a personal deduction under Article 51 (3) of the Income Tax Act, the special income deduction under Article 52 of the same Act, the tax credit for children under Article 97-2 of the Restriction of Special Local Taxation Act, and the special tax credit under Article 97-4 of the same Act shall not apply. <Amended by Act No. 14475, Dec. 27, 2016>

(4) Where a non-resident files an income tax return on capital gains on securities and pays such income tax pursuant to Article 126-2 of the Income Tax Act, he/she shall report and pay the amount equivalent to 1/10 of the income tax he/she pays as local income tax to the head of a local government having jurisdiction over a place for tax payment by the deadline for reporting and paying such tax provided for in the said Article. In such cases, matters necessary for reporting and paying local income tax shall be prescribed by Presidential Decree.

(5) Except as otherwise provided for in this Act, the provisions on separate taxation for non-residents under the Income Tax Act shall apply mutatis mutandis to separate taxation on non-residents.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

## SECTION 5 Special Collection concerning Personal Local Income

**Article 103-13 (Obligations to Perform Special Collection)**(1) Where a person obligated to withhold tax under the Income Tax Act or the Restriction of Special Taxation Act withholds income tax from residents, he/she shall specially collect the amount equivalent to 10/100 of income tax (where special provisions on taxation, such as a tax reduction or exemption or heavy taxation, apply pursuant to the Restriction of Special Taxation Act and other Acts, referring to income tax to which such special provisions on taxation apply) withheld as personal local income tax simultaneously with the withholding of income tax, as prescribed by Presidential Decree. In such cases, a person obligated to withhold tax under the said Act shall be a person responsible for special collection of personal local income tax (hereafter referred to as "person responsible for special collection" in the Section).

(2) Where a person responsible for special collection has specially collected personal local income tax pursuant to paragraph (1), he/she shall pay personal local income tax to the head of a local government having jurisdiction over a place for tax payment by the tenth day of the month immediately following the month to which the date of such collection belongs: Provided, That where he/she pays income tax withheld pursuant to

the proviso to Article 128 (2) of the Income Tax Act on a half-yearly basis, he/she may pay income tax by the tenth day of the month immediately following the last month of each half year.

(3) Where a person responsible for special collection of personal local income tax under paragraph (1) discovers any error in the amounts of specially collected tax paid to each local government pursuant to Article 89 (3) 3 through 5, he/she shall adjust the overpaid or underpaid portion in the specially collected tax amount he/she is required to pay to the relevant local government, as prescribed by Presidential Decree. In such cases, the head of the relevant local government shall not impose an additional tax under Article 56 of the Framework Act on Local Taxes on the specially collected tax amount the person responsible for special collection additionally pays due to addition and subtraction, and shall not make an additional payment on refund of local tax on the tax amount refunded. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

(4) Except as otherwise provided for in this Act, the provisions on withholding under the Income Tax Act shall apply mutatis mutandis to the special collection of personal local income tax.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

#### **Article 103-14 (Additional Tax on Non-Performance of Obligations to Perform Special**

**Collection)**Where a person responsible for special collection fails to pay the tax amount he/she has specially collected or should specially collect or underpays such tax amount by the deadline for payment under Article 103-13 (2), the amount calculated pursuant to Article 56 of the Framework Act on Local Taxes as an additional tax shall be imposed on such non-paid tax amount or underpaid tax amount; and in any of the following subparagraphs where a person responsible for special collection fails to perform special collection, only the amount of an additional tax shall be imposed against such person: Provided, That where the State, a local government, or any other person prescribed by Presidential Decree is a person responsible for special collection, no additional tax under the pretext of non-performance of obligations shall be imposed against such person.

[<Amended by Act No. 14474, Dec. 27, 2016; Act No. 16194, Dec. 31, 2018>](#)

1. Where the amount of personal local income subject to special collection, for which special collection has not been performed, has already been included in the amount of tax base for which a person liable to pay tax filed a tax return and payment;
2. Where the head of a local government having jurisdiction over a person liable to pay tax, directly imposes and collects personal income tax on the amount of personal local income subject to special collection, for which special collection has not been performed, against the person liable to pay tax pursuant to Article 97.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-15 (Refund upon Year-End Tax Adjustment on Special Collection, etc.)**(1) Where a person responsible for special collection makes the year-end tax adjustment pursuant to the Income Tax Act, he/she shall calculate personal local income tax by applying 10/100 to the finalized tax amount and then subtracting the local income tax specially levied and already paid during the relevant taxable period therefrom and shall specially collect the difference or refund the difference to the income earner, as prescribed by Presidential Decree.

[<Amended by Act No. 13427, Jul. 24, 2015>](#)

1. and 2. Deleted. [<by Act No. 13427, Jul. 24, 2015>](#)

(2) Deleted. [<by Act No. 13427, Jul. 24, 2015>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-16 (Refund on Specially Collected Local Income Tax on Retirement Income, etc.)**(1) Where retirement income of a resident falls under any subparagraph of Article 146 (2) of the Income Tax Act, notwithstanding the provisions of Article 103-13 (1), no personal local income tax on the relevant retirement income shall be specially collected before he/she receives pension, etc. In such cases, where personal local

income tax has already been specially collected pursuant to the said provisions, the relevant resident may apply for the refund of the specially collected tax amount.

(2) Matters necessary for the special collection of retirement income, procedures for the refund thereof, etc. under paragraph (1) shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-17 (Special Collection by Tax Associations)**(1) Where a tax association under Article 149 of the Income Tax Act collects and pays income tax pursuant to Articles 150 and 151 of the said Act, it shall specially collect the amount equivalent to 10/100 of income tax it collects and pays from its members as personal local income tax and pay such amount to the head of a local government having jurisdiction over a place for tax payment by the tenth day of the month immediately following the month to which the date of such collection belongs.

(2) Where the relevant tax association fails to pay or underpays the tax amounts it has collected or should collect by the deadline for payment, the head of a local government having jurisdiction over a place for tax payment shall impose the amount calculated pursuant to Article 56 of the Framework Act on Local Taxes as additional tax. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

(3) The head of a local government having jurisdiction over a place for tax payment may pay subsidies to tax associations that have specially collected and paid personal local income tax pursuant to paragraph (1), as prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-18 (Special Cases of Special Collection concerning Income of Non-Residents Generated in the Republic of Korea)**(1) Where a person responsible for withholding under the Income Tax Act withholds tax on the income of non-residents generated in the Republic of Korea, he/she shall specially collect the amount calculated by applying 10/100 of the income tax he/she should withhold as personal local income tax.

(2) Matters necessary for the special collection concerning personal local income of residents shall apply mutatis mutandis to matters concerning special collection of personal local income tax on the income of non-residents generated in the Republic of Korea under paragraph (1).

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

## **SECTION 6 Local Income Tax on Income of Korean Corporations in Each Business Year**

**Article 103-19 (Tax Base)**The tax base for corporate local income tax on the income of Korean corporations in each business year shall be the amount calculated pursuant to Article 13 of the Corporate Tax Act (where special taxation, such as a tax reduction or exemption or heavy taxation related to the calculation of the tax base, applies pursuant to the Restriction of Special Taxation Act and other Acts, referring to the amount calculated according to such special taxation).

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-20 (Tax Rates)**(1) Standard tax rates of corporate local income tax on the income of Korean corporations in each business year shall be as specified in the following Table: [<Amended by Act No. 15292, Dec. 26, 2017>](#)

(2) The head of a local government may increase or decrease tax rates of corporate local income tax on income in each business year within 50/100 of standard tax rates under paragraph (1), as prescribed by the relevant municipal ordinance.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]



**Article 103-21 (Computation of Tax Amount)**(1) The amount of corporate local income tax on the income of a Korean corporation for each business year shall be calculated by applying the tax rate under Article 103-20 to the tax base calculated under Article 103-19 (if there exist an amount of corporate local income tax on capital gains from land, etc. under Article 103-31 and an amount of corporate local income tax calculated by applying special taxation for promoting investment and collaborative cooperation under Article 100-32 of the Restriction of Special Taxation Act, the amount of corporate local income tax shall be the sum of such amounts; hereinafter referred to as "calculated amount of corporate local income tax"). [<Amended by Act No. 13427, Jul. 24, 2015; Act No. 15335, Dec. 30, 2017; Act No. 16008, Dec. 24, 2018>](#)

(2) Notwithstanding paragraph (1), the amount of corporate local tax on income in each business year of a Korean corporation, the business year of which is less than one year, shall be the tax amount calculated by multiplying the tax amount calculated pursuant to Article 103-20 (1) and (2), deeming the amount calculated by multiplying the amount calculated by dividing the amount calculated pursuant to Article 13 of the Corporate Tax Act in such business year by the number of months for the business year by 12 to be the tax base, by the number computed by dividing the number of months for the business year by 12. In such cases, the number of months shall be calculated, as prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-22 (Tax Credit and Tax Reduction or Exemption)**(1) Matters concerning a tax credit on and reduction of or exemption from corporate local income tax on the income of a Korean corporation in each business year shall be prescribed by the Restriction of Special Local Taxation Act. In such cases, the tax credit and reduction or exemption shall be deducted from the calculated amount of corporate local income tax (referring to the calculated amount of corporate local income tax, exclusive of the amount of corporate local income tax on capital gains from land, etc. under Article 103-31 and on unappropriated earnings under Article 100-32 (2) of the Restriction of Special Taxation Act; hereafter the same shall apply in this Article). [<Amended by Act No. 14475, Dec. 27, 2016; Act No. 15335, Dec. 30, 2017; Act No. 16008, Dec. 24, 2018>](#)

(2) Where a credit on or reduction of or exemption from corporate local income tax on income in each business year under paragraph (1) exceeds the calculated amount of corporate local income tax, such excess shall be deemed null and void.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-23 (Final Return and Payment concerning Tax Base and Tax Amount)**(1) A Korean corporation obliged to file a tax return under Article 60 of the Corporate Tax Act shall report the tax base and amount of corporate local income tax on income in the business year to the head of a local government having jurisdiction over a place for tax payment within four months from the end of a month to which the closing date of each business year belongs, as prescribed by Presidential Decree.

(2) Where a Korean corporation files a tax return under paragraph (1), it shall file such tax return along with the following documents: [<Amended by Act No. 13636, Dec. 29, 2015; Act No. 14475, Dec. 27, 2016>](#)

1. A statement of financial position, statement of comprehensive income, statement of appropriation of retained earning (or statement of disposition of deficit) of an individual Korean corporation prepared by applying financial accounting standards mutatis mutandis;
2. A statement of tax adjustment prepared as prescribed by Presidential Decree;
3. A statement of proportional distribution of corporate local income tax in the form prescribed by Presidential Decree: Provided, That this shall not apply to a corporation which has its place of business only in one Special Self-Governing City or Special Self-Governing Province, or in one Si/Gun/autonomous Gu;
4. Other documents prescribed by Presidential Decree.

(3) A Korean corporation shall pay the amount calculated by deducting the following corporate local income tax amounts (excluding an additional tax) from the calculated amount of corporate local income tax on income in each business year to the head of a local government having jurisdiction over a place for tax payment by the deadline for filing a tax return under paragraph (1) as corporate local income tax for each business year: Provided, That the tax amount specified in subparagraph 3 shall not be deducted in the cases treated as special cases concerning the calculation of the tax base under Article 104-10 (1) 1 of the Restriction of Special Taxation Act: [<Amended by Act No. 14475, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>](#)

1. The credit on, and reduction of or exemption from tax for the relevant business year under Article 103-22;
2. The occasionally imposed tax amount for the relevant business year under Article 103-26;
3. The specially collected tax amount for the relevant business year under Article 103-29;
4. The tax amount stated in the provisional tax return for the relevant business year under Article 103-32 (5).

(4) Paragraph (1) shall also apply to a Korean corporation that has no income or any loss during each business year. [<Newly Inserted by Act No. 13427, Jul. 24, 2015>](#)

(5) If a corporation has its places of business in areas under the jurisdiction of two or more local governments and the corporation submit the accompanying documents specified in paragraph (2) to the head of the local government having jurisdiction over the location of its head office, it shall be deemed to have submitted the documents to head of the local government having jurisdiction over each place of business. [<Newly Inserted by Act No. 13636, Dec. 29, 2015>](#)

(6) If a person fails to attach any of the documents specified in paragraph (2) 1 through 3 to a tax return filed under paragraph (1), such tax return shall not be deemed a tax return filed under this Act: Provided, That this shall not apply to a non-profit Korean corporation that does not engage in any profit-making business under Article 4 (3) 1 and 7 of the Corporate Tax Act. [<Newly Inserted by Act No. 13636, Dec. 29, 2015; Act No. 16008, Dec. 24, 2018>](#)

(7) If the head of a local government having jurisdiction over a place for tax payment finds a defect or an error from a tax return or any other document submitted under paragraph (1) or (2), he/she may request an amendment thereto. [<Newly Inserted by Act No. 13636, Dec. 29, 2015>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-24 (Amended Return, etc.)**(1) Where a Korean corporation that has filed a tax return pursuant to Article 103-23 files an amended return to adjust the information for a previously filed return under the Corporate Tax Act pursuant to the Framework Act on National Taxes, it shall also report the relevant matters to the head of a local government having jurisdiction over a place for tax payment, as prescribed by Presidential Decree.

(2) Where a Korean corporation that filed a tax return and paid the tax pursuant to Article 103-23 discovers any error in the tax amount proportionally distributed to each place of payment of corporate local income tax or each local government from the tax return, such corporation may file with the head of the competent local government an amended tax return, a request for correction, etc. or a tax return after the deadline pursuant to Articles 49 through 51 of the Framework Act on Local Taxes before the head of the competent local government gives notice of the imposition of the tax by means of ordinary collection under Article 103-25. [<Amended by Act No. 14474, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>](#)

(3) A person shall additionally pay an amount of tax that shall be paid due to an amended tax return or a tax return filed after the deadline pursuant to paragraph (1) or (2). In such cases, the additional tax under Articles 53 through 55 of the Framework Act on Local Taxes shall not be imposed for the amount of tax additionally payable under paragraph (2). [<Amended by Act No. 15292, Dec. 26, 2017>](#)

(4) Where a tax amount shall be refunded according to a request for correction, etc. under paragraph (2), the additional payment on local tax refunds under Article 62 of the Framework Act on Local Taxes shall not be paid. [<Amended by Act No. 14474, Dec. 27, 2016; Act No. 14475, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>](#)

(5) A corporation that has its places of business in areas within jurisdiction of two or more local governments may request the correction, etc. under Article 50 of the Framework Act on Local Taxes collectively to the head of the local government having jurisdiction over its head office or principal place of business as at the end of the relevant business year with regard to the tax base stated on the tax return filed under Article 103-23. In such cases, the head of the local government having jurisdiction over its head office or principal place of business shall notify the head of the local government having jurisdiction over any of the rest of its places of business of the details of the request from the corporation. <Newly Inserted by Act No. 14475, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>

(6) If a corporation that has places of business in areas within jurisdiction of two or more local governments does not file a tax return and does not pay the tax to the head of the local government having jurisdiction over each place of business separately pursuant to Article 89 (2) but files a final return (or an amended return) on the tax base and the tax amount collectively with the head of one of such local governments, the latter part of paragraph (3) shall not apply to such corporation, but paragraph (4) shall apply to the corporation. <Newly Inserted by Act No. 14475, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>

(7) Other matters necessary for amended return and payment of corporate local income tax shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-25 (Determination and Correction)**(1) In any of the following cases, the head of the local government having jurisdiction over the place for tax payment shall determine or correct the tax base and the tax amount for the relevant business year: <Amended by Act No. 14474, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>

1. If a Korean corporation fails to file a return in accordance with Article 103-23;
2. If an error or omission is found in a return filed by a Korean corporation pursuant to Article 103-23.

(2) Where the head of a local government having jurisdiction over a place for tax payment discovers errors or omissions in his/her determination or correction after he/she has determined or corrected the tax base and the amount of corporate local income tax, he/she shall immediately correct such determination or correction again.

(3) Where the head of a local government having jurisdiction over a place for tax payment determines or corrects the tax base and the amount of corporate local income tax pursuant to paragraphs (1) and (2), he/she shall make such determination or correction based on data, books or other evidentiary documents the head of a tax office or the head of a regional tax service having jurisdiction over a place for tax payment has determined and corrected pursuant to the Corporate Tax Act: Provided, That where he/she cannot calculate the amount of income by means of books or other evidentiary documents for reasons prescribed by Presidential Decree, he/she may estimate the amount of income, as prescribed by Presidential Decree.

(4) Where the head of a local government has determined or corrected the tax base and the amount of corporate local income tax, he/she shall notify the relevant Korean corporation of the content thereof in writing, as prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-26 (Determination of Occasional Imposition)**(1) Where the head of a local government having jurisdiction over a place for tax payment deems that a Korean corporation could evade a corporate local income tax in the business year for reasons prescribed by Presidential Decree (hereafter referred to as "reasons for occasional imposition" in the Article), he/she may occasionally impose a corporate local income tax on such Korean corporation. Even in such cases, the Korean corporation shall file a tax return under Article 103-23 on income in each business year.

(2) Paragraph (1) shall apply, regarding a period from the date of commencement of the business year to the date reasons for occasional imposition arise as the period of occasional imposition: Provided, That where grounds for occasional imposition have arisen before the deadline for filing a tax return under Article 103-23 in the immediately preceding business year (excluding where a Korean corporation has reported the tax base on the immediately preceding business year), a period from the date of commencement of the immediately preceding business year to the date reasons for occasional imposition arise shall be the period of occasional imposition.

(3) Matters necessary for occasional imposition under paragraphs (1) and (2) shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-27 (Collection and Refund)**(1) Where a Korean corporation fails to pay all or part of a tax amount it should pay as corporate local income tax for each business year pursuant to Article 103-23, the head of a local government having jurisdiction over a place for tax payment shall collect such unpaid portion of the amount of corporate local income pursuant to the Framework Act on Local Taxes and the Local Tax Collection Act.

<Amended by Act No. 14476, Dec. 27, 2016>

(2) Where a tax amount occasionally imposed pursuant to Article 103-26 or specially collected pursuant to Article 103-29 exceeds the sum of the amounts under subparagraphs 1 through 5 (hereinafter referred to as "total levied amount of corporate local income tax"), the head of the local government having jurisdiction over the place for tax payment shall refund it or appropriate it for local taxes under Article 60 of the Framework Act on Local Taxes: <Amended by Act No. 14474, Dec. 27, 2016; Act No. 14475, Dec. 27, 2016>

1. The amount of corporate local income tax calculated by applying the tax credit and tax reduction or exemption under Article 103-22;
2. The penalty tax under this Act and the Framework Act on Local Taxes;
3. The additional tax under this Act and the Restriction of Special Local Taxation Act;
4. The tax amount carried forward as defined in subparagraph 14 of Article 2 of the Restriction of Special Local Taxation Act (including the amount equivalent to interest thereon);
5. The additional amount equivalent to interest for the extension of the deadline for filing a return of a foreign corporation under Article 103-51.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-28 (Refund on Retroactive Deduction of Losses)**(1) Where a Korean corporation applies for a refund on retroactive deduction for any loss pursuant to Article 72 of the Corporate Tax Act, it may apply for a refund on the amount (hereinafter referred to as "retroactively deducted tax amount for loss") calculated as prescribed by Presidential Decree within the limits of a corporate local income tax (referring to the corporate local income tax prescribed by Presidential Decree) imposed on income in the immediately preceding business year on the relevant loss. <Amended by Act No. 14475, Dec. 27, 2016>

(2) A Korean corporation that intends to get a refund on the retroactively deducted tax amount for losses shall file an application for a refund with the head of a local government having jurisdiction over a place for tax payment by the deadline for filing a tax return under Article 103-23, as prescribed by Presidential Decree: Provided, That an application filed by a Korean corporation for a refund on the retroactively deducted tax amount for losses under Article 72 of the Corporate Tax Act with the head of a tax office or the head of a regional tax service having jurisdiction over a place for tax payment shall be deemed an application filed for a refund under this Act, and in such cases the proviso to Article 62 (1) 5 of the Framework Act on Local Taxes shall apply to the start date for calculating the additional payment on refund. <Amended by Act No. 13636, Dec. 29, 2015; Act No. 14474, Dec. 27, 2016>

(3) Where the head of a local government having jurisdiction over a place for tax payment receives an application for a refund on corporate local income tax pursuant to paragraph (2), he/she shall without delay determine the tax amount to be refunded and make a refund or appropriation pursuant to Articles 60 and 62 of the Framework Act on Local Taxes: Provided, That where at least two local governments have imposed corporate local income tax pursuant to Article 89 (2), each local government having jurisdiction over a place for tax payment shall make a refund or appropriation, as prescribed by Presidential Decree. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

(4) Paragraphs (1) through (3) shall apply only where the relevant Korean corporation reports the tax base and the amount of corporate local income tax for the business year during which a loss was incurred and reported the tax base and amount of corporate local income tax on the income for the immediately preceding business year or where the head of the relevant local government imposed the tax thereon. [<Amended by Act No. 14475, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>](#)

(5) Where a Korean corporation that gets a refund on corporate local income tax pursuant to paragraph (3) falls under any of the following cases, the head of a local government having jurisdiction over a place for tax payment shall collect such tax refund (in cases falling under subparagraphs 1 and 2, referring to the amount equivalent to the overpaid tax refund) as corporate local income tax for the business year during which the loss brought forward has occurred, as prescribed by Presidential Decree:

1. Where the loss is decreased by correcting the tax base and the amount of corporate local income tax for the business year during which the loss has occurred;
2. Where a tax refund is decreased by correcting the tax base and the amount of corporate local income tax for the immediately preceding business year of the business year during which the loss has occurred;
3. Where a Korean corporation under paragraph (1) receives a corporate local income tax refund though it does not fall within small and medium enterprises.

(6) The calculation of a tax refund on retroactive deduction for loss and other necessary matters shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-29 (Responsibility for Special Collection)**(1) Where a withholding agent referred to in Articles 73 and 73-2 of the Corporate Tax Act withholds a corporate tax from a Korean corporation, he/she shall specially collect the amount equivalent to 10/100 of the corporate tax (where special taxation, such as tax reduction or exemption, or heavy taxation, applies pursuant to the Restriction of Special Taxation Act and other Acts, referring to corporate tax to which such special taxation applies) withheld, as corporate local income tax. [<Amended by Act No. 16008, Dec. 24, 2018>](#)

(2) A person who should be held responsible for special collection pursuant to paragraph (1) shall be referred to as "person responsible for special collection."

(3) A person responsible for special collection shall pay local income tax he/she has specially collected to the competent local government by the tenth day of the month immediately following the month in which the date of such collection falls, as prescribed by Presidential Decree.

(4) Where a person responsible for special collection fails to pay or underpays a tax amount he/she has collected or should collect by the deadline for payment under paragraph (3), the amount calculated pursuant to Article 56 of the Framework Act on Local Taxes as an additional tax shall be imposed on such non-paid tax amount or underpaid tax amount; and where a person responsible for special collection fails to perform special collection, but a person liable to pay tax has already paid the amount of corporate local income tax, only the amount of additional tax shall be imposed on the person responsible for special collection: Provided, That where the State, a local government, or any other person prescribed by Presidential Decree is a person responsible for special

collection, no additional tax under the pretext of non-performance of obligations shall be imposed on such person. <Amended by Act No. 14474, Dec. 27, 2016; Act No. 16194, Dec. 31, 2018>

(5) Except as otherwise provided in this Act, the provisions on withholding under the Corporate Tax Act shall apply mutatis mutandis to the special collection of corporate local income tax.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-30 (Additional Tax)**(1) When the head of a tax office having jurisdiction over a place for tax payment collects an additional tax relating to corporate tax pursuant to Articles 75 and 75-2 through 75-9 of the Corporate Tax Act, the head of a local government having jurisdiction over a place for tax payment shall collect the amount equivalent to 10/100 of the collected amount, as the additional tax relating to corporate local income tax: Provided, That, the head of the competent local government shall collect the additional tax relating to corporate local income tax, which is equivalent to 10/100 of the additional tax to be collected under Article 75-3 of the Corporate Tax Act, or the additional tax under Article 53 or 54 of the Framework Act on Local Taxes, whichever is greater, if both additional taxes are applicable at the same time; and That, if both additional taxes are the same, the head of the competent local government shall collect only the additional tax under Article 53 or 54 of the Framework Act on Local Taxes. <Amended by Act No. 14474, Dec. 27, 2016; Act No. 16008, Dec. 24, 2018>

(2) Where a corporation has its places of business in two or more areas within jurisdiction of different local governments and thus the heads of the local governments having jurisdiction over each place of business shall impose and collect taxes proportionately under Article 89 (2), the additional tax relating to corporate local income tax to be collected under paragraph (1) shall also be collected proportionately.

[This Article Wholly Amended by Act No. 13427, Jul. 24, 2015]

**Article 103-31 (Special Taxation on Capital Gains from Land and Corporate Local Income Tax on Unappropriated Earnings of Enterprises)**(1) Where a Korean corporation transfers land and buildings referred to in Article 55-2 of the Corporate Tax Act (hereinafter referred to as "land, etc."), it shall pay the tax amount calculated pursuant to the following provisions as corporate local income tax on capital gains from land, etc. in addition to corporate local income tax on income in each business year. In such cases, where one asset falls under at least two of the following provisions, the highest tax amount thereof shall apply thereto: <Amended by Act No. 12505, Mar. 24, 2014>

1. Where the Korean corporation transfers a house (including land attached thereto) prescribed by Presidential Decree, the tax amount calculated by multiplying capital gains from land, etc. by 10/1000 (40/1000 for capital gains on unregistered land, etc.);
2. Where the Korean corporation transfers land for non-business purposes (referring to land for non-business purposes provided for in Article 55-2 (2) and (3) of the Corporate Tax Act), the tax amount calculated by multiplying capital gains from land, etc. by 10/1000 (40/1000 for capital gains on unregistered land, etc.).

(2) Paragraph (1) shall not apply to capital gains from land, etc. falling under any of the subparagraphs of Article 55-2 (4) of the Corporate Tax Act: Provided, That this shall not apply to capital gains from unregistered land, etc. (referring to unregistered land, etc. provided for in Article 55-2 (5) of the Corporate Tax Act).

(3) Capital gains from land, etc. shall be the amount calculated by subtracting the book value of the land, etc. as at the time of transfer from the amount of transfer of land, etc.

(4) The scope of farmland, forest land, and pasture land, criteria for judgment of major business, methods of calculating capital gains where any loss is incurred due to the transfer of land, etc. in the relevant business year, the business year to which profits and losses resulting from the transfer of land, etc. belong, and other matter necessary for applying paragraphs (1) through (3) shall be prescribed by Presidential Decree.

(5) Where a Korean corporation (including consolidated corporations) pays corporate tax on unappropriated earnings under Article 100-32 (2) of the Restriction of Special Taxation Act, the amount equivalent to 10/100 of the tax amount payable shall be paid in addition to the amount of corporate local income tax as calculated by applying the tax rate under Article 103-20 to the tax base under Article 103-19. [<Newly Inserted by Act No. 13427, Jul. 24, 2015; Act No. 15335, Dec. 30, 2017; Act No. 16008, Dec. 24, 2018>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-32 (Special Taxation on Nonprofit Korean Corporations)**(1) Notwithstanding the provisions of Article 103-23, a nonprofit Korean corporation may choose not to report the tax base on interest income specially collected pursuant to Article 103-29, which are interest, the discounted amount, and profits (excluding profits on non-business proceeds referred to in Article 16 (1) 11 of the Income Tax Act, but including profits on investment trust; hereafter referred to as "interest income" in this Article) under Article 4 (3) 2 of the Corporate Tax Act. In such cases, no interest income on which a tax base return is not filed shall be included when the amount of income for each business year is calculated pursuant to Article 103-19. [<Amended by Act No. 16008, Dec. 24, 2018>](#)

(2) Matters necessary for a return of tax base for corporate local income tax on interest income of a nonprofit Korean corporation and the collection thereof under paragraph (1) shall be prescribed by Presidential Decree.

(3) Where a nonprofit Korean corporation pays corporate tax on capital gains on assets pursuant to Article 62-2 (2) of the Corporate Tax Act, it shall pay the amount calculated by applying the tax rate under Article 103-3 to the tax base calculated pursuant to Article 103 as corporate local income tax. [<Amended by Act No. 13427, Jul. 24, 2015>](#)

(4) The provisions concerning the tax base return, payment, determination, correction, and collection of corporate local income tax on income for each business year, to which the date of the transfer of an asset belongs, shall apply mutatis mutandis to the tax base return, payment, determination, correction, and collection of corporate local income tax under paragraph (3), and such corporate local income tax shall be reported, paid, determined, corrected, and collected by adding it to the amount of other corporate local income taxes.

[<Amended by Act No. 13427, Jul. 24, 2015>](#)

(5) With regard to the corporate local income tax calculated under paragraph (3), a provisional tax return on the tax base of capital gains shall be filed and the tax shall be voluntarily paid by applying Articles 103-5 and 103-6 mutatis mutandis. [<Newly Inserted by Act No. 13427, Jul. 24, 2015>](#)

(6) If a nonprofit Korean corporation has filed a provisional tax return on the tax base of capital gains under paragraph (5), it shall be deemed to have filed a tax return on the tax base under paragraph (4): Provided, That in the case of the proviso to Article 103-7 (3), the corporation shall file a tax return on the tax base under paragraph (4). [<Newly Inserted by Act No. 13427, Jul. 24, 2015>](#)

(7) Except as provided in paragraphs (3) through (6), Article 62-2 of the Corporate Tax Act shall apply mutatis mutandis to special taxation on capital gains on assets of a nonprofit Korean corporation. [<Amended by Act No. 13427, Jul. 24, 2015>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

## **SECTION 7 Local Income Tax on Income of Korean Corporations in Each Consolidated Business Year**

**Article 103-33 (Application, etc. of Methods of Consolidated Tax Payment)**(1) A Korean corporation to which the consolidated tax payment method applies pursuant to Article 76-8 of the Corporate Tax Act may apply the methods of consolidated tax payment to corporate local income tax.

(2) The provisions of Articles 76-8 through 76-12 of the Corporate Tax Act shall apply mutatis mutandis to the application of the consolidated tax payment method, the cancellation and abandonment of the consolidated tax

payment method, addition of and exclusion from consolidated subsidiaries.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-34 (Tax Base)**The tax base for corporate local income tax on income in each consolidated business year shall be the amount calculated pursuant to Article 76-13 of the Corporate Tax Act (where special taxation, such as tax reduction or exemption or heavy taxation, related to the calculation of the tax base pursuant to the Restriction of Special Taxation Act and other Acts applies, referring to the amount calculated accordingly).

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-35 (Calculated Amount of Consolidated Tax)**(1) The calculated amount of consolidated corporate local income tax on income in each consolidated business year shall be the amount calculated by applying tax rates under Article 103-20 to the tax base under Article 103-34.

(2) Where a consolidated corporation transfers land, etc. referred to in Article 103-31 (1) (including where Article 76-14 (1) 3 of the Corporate Tax Act shall apply to a consolidated corporation who acquires such land, etc. from another consolidated corporation) or where a consolidated corporation has unappropriated earnings under Article 103-31 (5), the consolidated tax amount payable by such consolidated corporation shall be calculated by aggregating the amounts of corporate local income tax on capital gains from such land, etc. or on such unappropriated earnings. [<Amended by Act No. 15335, Dec. 30, 2017>](#)

(3) Article 103-21 (2) shall apply mutatis mutandis where corporate local income tax on income in each consolidated business year is calculated.

(4) Methods of the calculation of the amount belonging to each consolidated corporation (hereafter referred to as "calculated amount of corporate local income tax of each consolidated corporation" in this Chapter) of the calculated consolidated tax amounts shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-36 (Tax Credit and Tax Reduction or Exemption)**(1) Matters concerning credit on and reduction of or exemption from corporate local income tax on income in the consolidated business year of a consolidated corporation shall be governed by the Restriction of Special Local Taxation Act. In such cases, the tax credit and reduction or exemption shall be deducted from the calculated amount of consolidated corporate local income tax.

(2) When applying paragraph (1), the amount of a tax deduction and a tax reduction or exemption for each consolidated corporation shall be the amount calculated by applying tax credit and tax reduction or exemption under the Restriction of Special Local Taxation Act by regarding the calculated amount of corporate local income tax of each consolidated corporation as the calculated amount of corporate local income tax referred to in Article 103-21.

(3) When calculating the tax credit and tax reduction or exemption for each consolidated corporation, matters necessary for the calculation, etc. of the tax amount shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-37 (Consolidated Tax Base Return and Payment of Consolidated Corporate Local Income Tax Amount)**(1) A consolidated parent corporation shall report the tax base for corporate local income tax on income for each consolidated business year under Article 103-34 and the calculated amount of corporate local income tax of each consolidated corporation on income for each consolidated business year under Article 103-35 (4) to the head of a local government having jurisdiction over a place for tax payment of each consolidated corporation in the tax return form prescribed by Presidential Decree within five months from the end of the month to which the expiry date of each consolidated business year belongs, along with the following documents. In such cases, Article 103-23 (4) shall apply mutatis mutandis. [<Amended by Act No. 13427, Jul. 24, 2015; Act No. 13636, Dec. 29, 2015>](#)

1. Documents specified in Article 103-23 (2) 1 through 3 for each consolidated corporation;



2. Documents specified by Presidential Decree as those accompanying a statement of tax adjustment.
- (2) The calculated amount of corporate local income tax for each consolidated corporation in each local government shall be prescribed by Article 89 (2).
- (3) Where business places of a consolidated corporation are located in at least two local governments, it shall report to the head of a local government having jurisdiction over a place for tax payment under Article 89 (1), respectively.
- (4) A consolidated parent corporation shall pay the amount after deducting the tax amount deducted and reduced or exempted pursuant to Article 103-36 and the tax amount specially collected pursuant to Article 103-29 from the calculated amount of corporate local income tax of each consolidated corporation to the head of a local government having jurisdiction over a place for tax payment under Article 89 (1) by the deadline for filing a tax return under paragraph (1).
- (5) Where a consolidated parent corporation reports and pays local income tax pursuant to paragraph (1), each consolidated subsidiary shall pay the amount equivalent to local income tax calculated for each consolidated corporation pursuant to Article 89 (2) to the consolidated parent corporation.
- (6) If the accompanying documents under paragraph (1) have been submitted to the head of the local government having jurisdiction over the location of the head office of the consolidated parent corporation, the corporation shall be deemed to have also submitted them to the head of the local government having jurisdiction over the place for tax payment for each consolidated corporation. [<Newly Inserted by Act No. 13636, Dec. 29, 2015>](#)
- (7) If a person fails to attach any of the documents specified in paragraph (1) 1 to a tax return filed under paragraph (1), such tax return shall not be deemed to be a tax return under this Act. [<Newly Inserted by Act No. 13636, Dec. 29, 2015>](#)
- (8) If the head of a local government having jurisdiction over a place for tax payment finds a defect or an error from a tax return or any other document submitted under paragraph (1) or (3), he/she may request an amendment thereto. [<Newly Inserted by Act No. 13636, Dec. 29, 2015>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-38 (Modified Tax Return, Determination, Correction, Collection, etc.)**@Articles 103-24, 103-25, and 103-27 shall apply mutatis mutandis to the modified tax return, determination, correction, collection, and refund of corporate local income tax on income for each consolidated business year. [<Amended by Act No. 13427, Jul. 24, 2015>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-39 (Additional Tax)**A consolidated corporation shall pay the amount calculated by applying Article 103-30 mutatis mutandis in addition to the amount of corporate local income tax on income in each consolidated business year.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-40 (Application of Provisions Related to Small and Medium Enterprises)**When calculating the amount of corporate local income tax on income in each consolidated business year, Article 76-22 of the Corporate Tax Act shall apply mutatis mutandis to the application of the provisions related to small and medium enterprises.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

## **SECTION 8 Local Income Tax on Income from Liquidation of Korean Corporations**

**Article 103-41 (Tax Base)**The tax base for corporate local income tax on income from liquidation of a Korean corporation shall be the amount of income from liquidation computed under Article 79 of the Corporate Tax Act

(where special taxation related to the calculation of the amount of income from liquidation pursuant to the Restriction of Special Taxation Act and other Acts applies, referring to the amount calculated accordingly).

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-42 (Tax Rates)**The amount of corporate local income tax on income from liquidation of a Korean corporation shall be the amount calculated by applying tax rates under 103-20 to the tax base under Article 103-41.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-43 (Tax Return on Tax Base and Payment of Tax Amount)**(1) A Korean corporation obliged to file a final tax return or an interim tax return under Article 84 or 85 of the Corporate Tax Act shall report the tax base and the amount of corporate local income tax on income from liquidation to the head of a local government having jurisdiction over a place for tax payment by the deadline for filing the relevant tax return, as prescribed by Presidential Decree. <Amended by Act No. 13427, Jul. 24, 2015>

(2) A Korean corporation that has filed a final return under paragraph (1) shall pay a corporate local income tax on income from liquidation to the head of a local government having jurisdiction over a place for tax payment by the deadline for filing the relevant final return.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-44 (Determination and Correction)**(1) Where a Korean corporation fails to file a tax return under Article 103-43 or there is any error or omission in the reported matters, the head of a local government having jurisdiction over a place for tax payment shall determine or correct the tax base and the tax amount on the relevant income from liquidation.

(2) Where the head of a local government having jurisdiction over a place for tax payment discovers errors or omissions in his/her determination or correction after he/she has determined or corrected the tax base and the amount of corporate local income tax on income from liquidation, he/she shall immediately correct such errors or omissions again.

(3) Where the head of a local government having jurisdiction over a place for tax payment has determined or corrected the tax base and the amount of corporate local income tax on income from liquidation, he/she shall notify the relevant Korean corporation or liquidator of the details thereof: Provided, That where he/she cannot notify such corporation or liquidator of the details thereof, public announcement may take the place of such notification.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-45 (Collection)**(1) Where a Korean corporation fails to pay all or some of a corporate local income tax on income from liquidation he/she should pay pursuant to Article 103-43, the head of a local government having jurisdiction over a place for tax payment shall collect such unpaid corporate local income tax pursuant to the Framework Act on Local Taxes and the Local Tax Collection Act. <Amended by Act No. 14476, Dec. 27, 2016>

(2) Where the amount of corporate local income tax paid by a Korean corporation pursuant to Article 103-43 or collected by the head of a local government having jurisdiction over a place for tax payment pursuant to paragraph (1) is less than the amount of corporate local income tax he/she has determined or corrected, he/she shall collect corporate local income tax equivalent to such shortfall.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-46 (Special Taxation on Income from Liquidation)**(1) Where the head of a local government having jurisdiction over a place for tax payment collects corporate local income tax on income from liquidation,

he/she shall not collect an additional charge or an increased additional charge under Article 30 or 31 of the Local Tax Collection Act. <Amended by Act No. 13427, Jul. 24, 2015; Act No. 14476, Dec. 27, 2016>

(2) Where there are organizational changes under the subparagraphs of Article 78 of the Corporate Tax Act in a Korean corporation, the head of a local government having jurisdiction over a place for tax payment shall not impose a corporate local income tax on income from liquidation.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

## **SECTION 9 Local Income Tax on Income of Foreign Corporation in Each Business Year**

**Article 103-47 (Tax Base)**(1) The tax base for corporate local income tax on income in each business year of a foreign corporation that has a place of business in the Republic of Korea and a foreign corporation that has income under subparagraph 3 of Article 93 of the Corporate Tax Act shall be the amount calculated pursuant to Article 91 (1) of the Corporate Tax Act (where special taxation, such as tax reduction or exemption or heavy taxation, related to the calculation of the tax base pursuant to the Restriction of Special Taxation Act and other Acts applies, referring to the amount calculated accordingly).

(2) In the case of a foreign corporation that does not fall under paragraph (1), the tax base shall be the amount under Article 91 (2) of the Corporate Tax Act (where special taxation, such as tax reduction or exemption or heavy taxation, related to the calculation of the tax base pursuant to the Restriction of Special Taxation Act and other Acts applies, referring to the amount calculated accordingly).

(3) The tax base for corporate local income tax on income withheld pursuant to Article 98 (1), 98-3, 98-5 or 98-6 of the Corporate Tax Act, which is income generated by a foreign corporation falling under paragraph (1), shall be the amount under Article 91 (3) of the Corporate Tax Act (where special taxation, such as tax reduction or exemption or heavy taxation, related to the calculation of the tax base pursuant to the Restriction of Special Taxation Act and other Acts applies, referring to the amount calculated accordingly).

(4) Article 91 (1) 3 of the Corporate Tax Act shall also apply to a foreign corporation that does not have a place of business in the Republic of Korea.

(5) Matters concerning the calculation of the amount of income of a foreign corporation generated in the Republic of Korea, classification of incomes generated in the Republic of Korea, and places of business of a foreign corporation in the Republic of Korea shall be governed by Articles 92 through 94 of the Corporate Tax Act.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-48 (Tax Rates)**Corporate local income tax on income in each business year of a foreign corporation that has income generated in the Republic of Korea under subparagraph 7 of Article 93 of the Corporate Tax Act, which is a foreign corporation under Article 103-47 (1) and a foreign corporation under paragraphs (2) and (3) of the said Article, shall be the amount calculated by applying tax rates under Article 103-20 to the amount of the tax base under Article 103-47 (where there is the amount of corporate local income tax on capital gains on land, etc. under Article 103-49, referring to the amount including such tax amount).

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-49 (Special Taxation on Capital Gains on Land, etc. of Foreign Corporations)**@Article 103-31 shall apply mutatis mutandis to the payment of corporate local income tax on capital gains on land, etc. of a foreign corporation referred to in Article 103-47 (1) and a foreign corporation referred to in paragraph (2) of the said Article. In such cases, capital gains on land, etc. of a foreign corporation referred to in Article 103-47 (2) shall be the amount calculated by applying mutatis mutandis Article 92 (3) of the Corporate Tax Act.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-50 (Special Taxation on Business Places of Foreign Corporations in Republic of Korea)**A

business place of a foreign corporation (excluding a nonprofit foreign corporation) in the Republic of Korea shall pay 1/10 of the tax amount it is required to calculate and additionally pay pursuant to Article 96 of the Corporate Tax Act in addition to corporate local income tax under Article 103-48.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-51 (Reporting, Payment, Determination, Correction, Collection, and Special Cases)**(1)

Except as otherwise expressly provided for in this Section, Section 6 hereof and Article 97 of the Corporate Tax Act shall apply mutatis mutandis to a return, payment, determination, correction, and collection of corporate local income tax on income in each business year of a foreign corporation falling under Article 103-47 (1) and a foreign corporation that has domestic source income under subparagraph 7 of Article 93 of the Corporate Tax Act, which falls under Article 103-47 (2) or (3). In such cases, when applying mutatis mutandis Article 103-23 (3), where the amount of tax on income specially collected pursuant to Article 103-52 is included in the tax base for corporate local income tax on income in each business year of a foreign corporation under Article 103-47 (1), such specially collected tax amount shall be the tax amount deducted pursuant to Article 103-23 (3) 3.

(2) Where a foreign corporation required to report the tax base for corporate local income tax on income in each business year pursuant to paragraph (1) fails to file a tax return by the deadline for filing a tax return for reasons prescribed by Presidential Decree, notwithstanding paragraph (1), it may extend the deadline for filing a tax return after obtaining approval from the head of a local government having jurisdiction over a place for tax payment, as prescribed by Presidential Decree.

(3) Where a foreign corporation that has obtained approval for extending a deadline for filing a tax return pursuant to paragraph (2) pays the tax amount it has reported, it shall pay the tax amount including the amount calculated by applying an interest rate prescribed by Presidential Decree considering the interest rates of financial companies, etc. to the number of days so extended.

(4) The number of days extended when calculating the amount to be added pursuant to paragraph (3) shall be the number of days from the date immediately following the deadline for filing a tax return under Article 103-23 to the date a foreign corporation obtains approval for extension: Provided, That where the foreign corporation files a tax return and pays the tax amount by the extended deadline, it shall be the number of days until such date.

(5) A foreign corporation required to file a tax return and pay the amount of tax on capital gains, etc. on securities pursuant to Article 98-2 of the Corporate Tax Act shall report and pay the amount equivalent to 10/100 of the amount that it should report and pay, to the head of a local government having jurisdiction over a place for tax payment within one month from a deadline for filing a tax return and payment of the tax amount provided for in the said Article.

(6) A foreign corporation from which income referred to in subparagraph 6 of Article 93 of the Corporate Tax Act is specially collected may file a tax return and pay the tax amount calculated by applying Article 103-48 to the tax base calculated pursuant to Article 99 (1) of the said Act, to the head of a local government having jurisdiction over the place for tax payment of a person responsible for special collection within four month from the expiry date of a period for providing services. In such cases, where the specially collected income is included in the tax base, the specially collected tax amount shall be deducted as the tax amount already paid.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-52 (Special Cases of Special Collection or Collection from Foreign Corporations)**(1) Where a

corporate tax on the income of a foreign corporation generated in the Republic of Korea is withheld pursuant to Articles 98 through 98-6 of the Corporate Tax Act, the amount equivalent to 10/100 of the corporate tax withheld shall be specially collected as corporate local income tax. In such cases, a person responsible for

withholding under the Corporate Tax Act shall be regarded as a person responsible for special collection of corporate local income tax.

(2) Article 103-29 (3) and (4) shall apply mutatis mutandis to the payment, etc. of a person responsible for special collection under paragraph (1), and Articles 98 through 98-6 of the Corporate Tax Act shall apply mutatis mutandis to other matters not provided for in this Act concerning special cases of special collection or collection from foreign corporations.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

## **SECTION 10 Special Taxation on Partnership Enterprises**

**Article 103-53 (Partnership Enterprises' and Business Partners' Obligations to Pay Taxes)**(1) Among partnership enterprises (hereinafter referred to as "partnership enterprise") and business partners (hereinafter referred to as "business partner") to which special taxation on partnership enterprises applies pursuant to Article 100-15 (1) of the Restriction of Special Taxation Act, a business partner shall be obliged to pay personal local income tax or corporate local income tax on a partnership enterprise income distributed pursuant to Article 100-18 of the said Act, and a corporation converted to a partnership enterprise under Article 100-16 (3) of the said Act shall be obliged to pay the amount calculated by applying tax rates under Article 103-20 (1) of the Local Tax Act to the tax base calculated pursuant to Article 100-16 (3) of the said Act as corporate local income tax (hereinafter referred to as "corporate local income tax on income from quasi-liquidation").

(2) Procedures for reporting and paying corporate local income tax on income from quasi-liquidation and other necessary matters shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-54 (Distribution of Partnership Enterprises)**(1) The following amounts related to a partnership enterprise shall be distributed to business partners according to the ratio of distribution of profits and losses among business partners at the expiry date of each tax year: Provided, That the amount referred to in subparagraph 4 shall be distributed to business partners who are Korean corporations or foreign corporations:

1. The amount of tax credit and tax reduction or exemption under the Restriction of Special Local Taxation Act;
2. The amount of tax specially collected pursuant to Article 103-29 on income generated in a partnership enterprise;
3. An additional tax under Article 103-30 and an additional tax under Article 103-57;
4. Corporate local income tax on capital gains on land, etc. under Article 103-31.

(2) Where a business partner reports and pays local income tax for the tax year to which the expiry date of the tax year of a partnership enterprise belongs, he/she shall deduct amounts referred to in paragraph (2) 1 and 2 out of the amounts distributed pursuant to paragraph (2) from local income tax levied on the relevant business partner and add amounts referred to in paragraph (2) 3 and 4 to local income tax of the relevant business partner.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-55 (Transfer of Equity Stakes in Partnership Enterprises)**Where a capital gains tax or corporate tax is imposed pursuant to Article 100-21 (1) of the Restriction of Special Taxation Act, a personal local income tax or corporate local income tax shall be imposed on capital gains under this Act.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-56 (Special Collection from Business Partners who are Non-Residents or Foreign Corporations)**Where a partnership enterprise withholds income tax or corporate tax on the income distributed to business partners who are nonresidents or foreign corporations pursuant to Article 100-24 (1) of the Restriction of Special Taxation Act, it shall specially collect the amount equivalent to 10/100 of income tax or corporate tax to withhold as local income tax and shall pay the amount to the head of the local government

having jurisdiction over the place for tax payment by the deadline for filing a tax return under Article 100-23 (1) of the Act. [<Amended by Act No. 13427, Jul. 24, 2015>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-57 (Additional Tax on Partnership Enterprises)** Where an additional tax is collected from a partnership enterprise pursuant to Article 100-25 of the Restriction of Special Taxation Act, the amount equivalent to 10/100 of the amount required to be collected shall be collected as an additional tax levied alongside local income tax.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-58 (Provisions to be Applied Mutatis Mutandis)** The provisions of Articles 100-14 through 100-26 of the Restriction of Special Taxation Act shall apply mutatis mutandis to matters not provided for in this Act concerning special taxation on partnership enterprises.

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

## SECTION 11 Supplementary Provisions

**Article 103-59 (Notification of Tax Amount, etc. Related to Local Income Tax)**(1) The head of a tax office or the head of a regional tax service (hereafter referred to as "head of a tax office, etc." in this Article) shall notify the head of a local government prescribed by Presidential Decree of data on the imposition and collection of income tax within a deadline based on the following classification, as prescribed by Ordinance of the Ministry of the Interior and Safety: [<Amended by Act No. 12844, Nov. 19, 2014; Act No. 13636, Dec. 29, 2015; Act No. 14839, Jul. 26, 2017>](#)

1. Where the head of a tax office, etc. receives a return of the income tax base and the income tax amount (excluding a return filed after the deadline) under the Framework Act on National Taxes or the Income Tax Act: The 15th day of the month immediately following the month to which the date he/she receives a tax return belongs: Provided, That in the case of a final return of the tax base under Article 70, 71, 74, or 110 of the Income Tax Act, a provisional return on profit margin from the purchase and sale of land, etc. under Article 69 of the same Act, or a provisional return of the tax base on capital gains under Article 105 of the same Act, the deadline shall be two months from the first day of the month immediately following the month to which the date he/she receives a tax return belongs, but the deadline for an amended return filed under Article 45 of the Framework Act on National Taxes shall be three months from the first day of the month immediately following the month to which the date he/she receives a tax return belongs;
2. Where the head of a tax office, etc. determines or corrects the income tax base and the income tax amount (excluding the correction of a reduction) pursuant to the Framework Act on National Taxes or the Income Tax Act: The 15th day of the month immediately following the month to which the date he/she determines or corrects the income tax base and the income tax amount belongs;
3. Where the head of a tax office, etc. is paid income tax withheld pursuant to Income Tax Act: The 15th day of the month immediately following the month to which the paid date belongs: Provided, That he/she may omit the notification on the withheld tax amount he/she has been paid according to a notice of tax payment under subparagraph 4;
4. Where the head of a tax office, etc. gives notice on tax payment in order to collect income tax withheld or to be withheld from a person responsible for withholding under the Income Tax Act because the person responsible for withholding fails to pay income tax withheld or to be withheld by the deadline for the payment thereof or pays the less amount thereof: The 15th day of the month immediately following the month to which the date he/she gives such notice belongs;
5. Where the head of a tax office, etc. refunds income tax pursuant to the Framework Act on National Taxes or the Income Tax Act: The 15th day of the month immediately following the month to which the date he/she

refunds income tax belongs: Provided, That where he/she refunds income tax according to a final return of the tax base under Articles 70, 71, 74, and 110 of the Income Tax Act, two months from the first day of the month immediately following the month to which the date he/she receives such final return belongs.

(2) The head of a tax office, etc. shall notify the head of a local government prescribed by Presidential Decree of data on the imposition and collection of corporate tax within a deadline based on the following classification, as prescribed by Ordinance of the Ministry of the Interior and Safety: [<Amended by Act No. 12844, Nov. 19, 2014; Act No. 14475, Dec. 27, 2016; Act No. 14839, Jul. 26, 2017>](#)

1. Where the head of a tax office, etc. receives a return or amended return of the corporate tax base and the corporate tax amount pursuant to the Framework Act on National Taxes or the Corporate Tax Act: Two months from the first day of the month immediately following the month to which the date he/she receives a return belongs;
2. Where the head of a tax office, etc. determines or corrects the corporate tax base and the corporate tax amount (excluding the correction of a reduction) pursuant to the Framework Act on National Taxes or the Corporate Tax Act: The 15th day of the month immediately following the month to which the date he/she makes such determination or correction belongs;
3. Where the head of a tax office, etc. is paid corporate tax withheld pursuant to Corporate Tax Act: The 15th day of the month immediately following the month to which the paid date belongs: Provided, That he/she may omit the notification on the withheld tax amount he/she has been paid according to a notice of tax payment under subparagraph 4;
4. Where the head of a tax office, etc. gives notice on tax payment in order to collect corporate tax withheld or to be withheld from a person responsible for withholding under the Corporate Tax Act because the person responsible for withholding fails to pay corporate tax withheld or to be withheld by the deadline for the payment thereof or pays the less amount thereof: The 15th day of the month immediately following the month to which the date he/she gives such notice belongs;
5. Where the head of a tax office, etc. refunds corporate tax pursuant to the Framework Act on National Taxes or the Corporate Tax Act: The 15th day of the month immediately following the month to which the date he/she refunds corporate tax belongs;
6. Where a partnership firm reports details of calculation and allocation of its income pursuant to Article 100-23 of the Restriction of Special Taxation Act: The 15th day of the month in which the report is filed.

(3) Upon receipt of the notice under paragraph (1) 5, the head of a local government shall calculate local income tax again according to the same tax base as that of the relevant income tax and shall pay an amount refundable out of local income tax, if such amount is refundable as a result of the calculation. [<Amended by Act No. 15292, Dec. 26, 2017>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-60 (Exemption from Collection of Small Amount)** Where the amount of tax to be collected as local income tax is less than 2,000 won per notice for payment of tax, the head of a local government shall not collect such local income tax. [<Amended by Act No. 16194, Dec. 31, 2018>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-61 (Special Cases of Application of Additional Tax)** Where no additional tax on under-stated tax returns under Article 47-3 of the Framework Act on National Taxes is imposed pursuant to Article 13 (1) of the Adjustment of International Taxes Act, no additional tax on under-stated tax returns under Article 54 of the Framework Act on Local Taxes shall be imposed. [<Amended by Act No. 14474, Dec. 27, 2016>](#)

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 103-62 (Special Cases on Settlement of Specially Collected Corporate Local Income Tax)**(1) If the place for tax payment for corporate local income tax specially collected under this Act (hereinafter referred to "place of special collection") at the time the specially collected tax amount is deducted under Article 103-23 (3) 3 is different from the place for tax payment at the time the final return is filed (hereinafter referred to as "filing place"), the specially collected tax amount shall be deemed corporate local income tax paid to the head of the local government having jurisdiction over the filing place.

(2) In the case of paragraph (1), the head of the local government having jurisdiction over the place of special collection shall make a correction to reduce the specially collected tax amount and shall pay the specially collected tax amount to the head of the local government having jurisdiction over the location of the head office or principal place of business of the relevant corporation (referring to the location of the head office or principal place of business of the consolidated parent corporation in the case of a consolidated corporation; hereafter referred to as "location of the head office" in this Article).

(3) Upon receipt of the specially collected tax amount under paragraph (2), the head of the local government having jurisdiction over the location of the head office shall distribute the settled amount as prescribed by Presidential Decree to the local government having jurisdiction over the filing place, based on the details stated by the reporting corporation in the tax return on proportional distribution under Article 89 (2), and shall notify the details thereof. In such cases, the head of the local government having jurisdiction over the filing place shall collect the distributed amount, deeming it the corporate local income tax paid by the person liable to pay tax.

(4) If the refundable tax amount, out of the specially collected tax amount under Article 103-29, exceeds the total levied amount of corporate local income tax when the settled amount is distributed under paragraph (3), the head of the local government having jurisdiction over the domicile of the head office shall refund the refundable tax amount to the person liable to pay tax or appropriate the amount for local taxes, as prescribed by Presidential Decree. In such cases, if there are two or more cases of delinquent charges, the amount shall be appropriated for the charges of which the prescriptive period expires first, out of delinquent charges owed to the local government having jurisdiction over the filing place. [<Amended by Act No. 14475, Dec. 27, 2016>](#)

(5) The heads of local governments may enter into an agreement among local governments for the settlement under paragraphs (1) through (4). In such cases, the written agreement shall stipulate matters concerning the details and scope of settlement and the method, procedure, etc. therefor.

(6) The appropriation and refund under the Framework Act on Local Taxes shall apply after the settlement in accordance with the procedure under paragraphs (2) through (5) is completed.

[This Article Newly Inserted by Act No. 13636, Dec. 29, 2015]

**Article 103-63 (Additional and Payment of Corporate Local Income Tax)**(1) If special taxation concerning the calculation of tax base under the Restriction of Special Taxation Act or other Acts is applicable to the calculation of the tax base for corporate tax or income tax and corporate tax or income tax (including the additional amount equivalent to interest) shall be additionally paid, the amount equivalent to 10/100 of the additionally paid tax amount shall be additionally paid as local income tax, and matters regarding the persons subject to the additional payment and the calculation of a tax amount shall be prescribed by Presidential Decree.

(2) Where the expenses and paid interest not related to business under Articles 27 and 28 of the Corporate Tax Act are not included in deductible expenses and an amount shall be paid in addition to corporate tax at the date of transfer, the amount equivalent to 10/100 of the payable tax amount shall be paid additionally as corporate local income tax.

(3) If corporate tax is paid additionally pursuant to Article 73-2 of the Corporate Tax Act, in a case falling under cases prescribed by Presidential Decree, where the relevant bonds, etc. are sold during the period in which interest accruing from bonds, etc., a discounted amount, and profits from investment trust are calculated under



Article 46 (1) of the Income Tax Act, the amount equivalent to 10/100 of the amount of the tax to be paid additionally shall be paid additionally as corporate local income tax; and matters necessary to calculate the amount of such tax shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 16194, Dec. 31, 2018>

[This Article Newly Inserted by Act No. 13636, Dec. 29, 2015]

**Article 103-64 (Special Cases concerning Correction of False Accounting Entries)**(1) If a Korean corporation has its tax base or tax amount corrected on the ground that the tax base and the tax amount were overstated due to its wrong accounting entries that meet all the criteria provided for in Article 58-3 (1) of the Corporate Tax Act, the overpaid tax amount shall not be refunded but shall be subtracted from the amount of corporate local income tax payable for each business year subsequent to the business year in which such correction is made. In such cases, the amount to be subtracted in each business year shall not exceed 20/100 of the overpaid tax amount (referring to the amount of the balance after subtraction under paragraph (2)); and the balance of the overpaid tax amount after subtraction shall be carried over to subsequent business years for subtraction. <Amended by Act No. 15292, Dec. 26, 2017; Act No. 16194, Dec. 31, 2018>

(2) If a payable tax amount accrues from an amended tax return filed under Article 49 of the Framework Act on Local Taxes in the business year preceding the business year in which a correction was made in connection with wrong accounting entries made by a Korean corporation, 20/100 of the overpaid tax amount referred to in paragraph (1) shall be subtracted first from the payable tax amount in applying paragraph (1). <Amended by Act No. 14474, Dec. 27, 2016; Act No. 14475, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>

(3) Where a Korean corporation which has an overpaid tax amount subtracted under paragraph (1) or (2) dissolves, the balance of the overpaid tax amount shall be disposed of as follows: <Newly Inserted by Act No. 15292, Dec. 26, 2017>

1. Where a corporation dissolves due to a merger or division: The balance of the overpaid tax amount shall be transferred to the merging corporation of the new corporation incorporated after the merger (including the counterpart corporation of a division and merger) for successive subtraction under paragraph (1);
2. Where a corporation dissolves by any method other than the methods referred to in subparagraph 1: The head of the local government having jurisdiction over the place of tax payment shall immediately refund the amount left over after subtracting the amount of corporate local income tax payable for the liquidation income under Article 103-41 from the balance of the overpaid tax amount.

(4) The methods and procedures for subtracting an overpaid tax amount under paragraphs (1) through (2) shall be prescribed by Presidential Decree. <Amended by Act No. 15292, Dec. 26, 2017>

[This Article Newly Inserted by Act No. 14475, Dec. 27, 2016]

**Article 103-65** Deleted. <by Act No. 15292, Dec. 26, 2017>

## CHAPTER IX PROPERTY TAX

### SECTION 1 Common Provisions

**Article 104 (Definitions)**The terms used in relation to property tax shall be defined as follows: <Amended by Act No. 12738, Jun. 3, 2014>

1. The term "land" means land subject to registration in cadastral records under the Act on the Establishment, Management, etc. of Spatial Data and the land actually used;
2. The term "building" means a building stipulated in subparagraph 4 of Article 6;
3. The term "housing" means housing stipulated in subparagraph 1 of Article 2 of the Housing Act. In such cases, housing shall be excluded from the scope of land and buildings;
4. The term "aircraft" means aircraft stipulated in subparagraph 9 of Article 6;
5. The term "ship" means any ship stipulated in subparagraph 10 of Article 6;

6. Deleted. <by Act No. 10416, Dec. 27, 2010>

**Article 105 (Objects of Taxation)** Objects of taxation of the property tax are land, buildings, housing, aircraft, and ships (hereafter referred to as "property" in this Chapter).

**Article 106 (Classification of Land and Houses Subject to Taxation)**(1) Objects of taxation of the property tax on land shall be classified into objects of general aggregate taxation, objects of special aggregate taxation, and objects of separate taxation as follows: <Amended by Act No. 10416, Dec. 27, 2010; Act No. 13636, Dec. 29, 2015; Act No. 14475, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>

1. Objects of general aggregate taxation: The land owned by a person liable to pay tax as of the tax base date, excluding land subject to special aggregate taxation or separate taxation: Provided, That none of the following land shall be deemed objects of general aggregate taxation:
    - (a) Any land on which property tax is not assessed or exempted under this Act or relevant statutes;
    - (b) Any land to which the reduction rate for land on which property tax may be reduced is applicable under this Act or other statutes;
  2. Objects of special aggregate taxation: Any of the following land owned by a person liable to pay tax as of the tax base date: Provided, That no land referred to in subparagraph 1 (a) and (b) shall be deemed objects of special aggregate taxation:
    - (a) The land annexed to buildings prescribed by Presidential Decree, such as land annexed to a building to be used as a factory;
    - (b) The land prescribed by Presidential Decree to be used for business or economic purposes as vacant land or by installing facilities, etc. necessary for the use of the relevant land, such as land for garages, land for bonded warehouses, land for examinations, research or tests, or land for logistics complex facilities;
    - (c) Appurtenant land prescribed by Presidential Decree as land appurtenant to a demolished or destroyed building or house;
  3. Objects of separate taxation: Land specified in any of the following items as the land that needs the protection and assistance of the State or on which a heavier tax shall be levied among the lands owned by a person liable to pay tax as at the tax base date:
    - (a) Land prescribed by Presidential Decree as a factory site, field, rice field, orchard or a stock farm site;
    - (b) Forests prescribed by Presidential Decree as those necessary for the protection and afforestation of forests, and those owned by a clan;
    - (c) Land prescribed by Presidential Decree as a site for a golf course under Article 13 (5) and for a high-end recreation center under the same paragraph;
    - (d) Land prescribed by Presidential Decree as land annexed to a factory under subparagraph 1 of Article 2 of the Industrial Cluster Development and Factory Establishment Act, the acquisition of which has been completed before it is designated as a development restricted zone;
    - (e) Land specified by Presidential Decree as that for a special purpose project for the support of the State or a local government;
    - (f) Land specified by Presidential Decree as that for infrastructure for the supply of energy and resources, broadcasting, telecommunications, transportation, etc.;
    - (g) Land specified by Presidential Decree as that for a development project for the efficient use of the national land;
    - (h) Land specified by Presidential Decree on any other reasonable ground for separate taxation in consideration of the development of local economy, the level of public interest, etc.
- (2) The method for classifying the scope of housing with respect to a building used both for residential and non-residential purposes, and the calculation of the scope of land annexed to the housing shall be classified as

follows:

1. Where one building is used both for residential and non-residential purposes, only the portion used for a residential purpose shall be deemed housing. In such cases, the land annexed to a building shall be classified into the land annexed to housing and the land annexed to the building in proportion to the rate of areas used for a residential and non-residential purposes in the building;
2. Where a block of land of a building is used both for residential and non-residential purposes, such building is deemed housing if the area used for residential purposes is at least 50/100 of the total area;
3. Presidential Decree shall govern matters concerning the calculation of the scope of the land annexed to housing where the boundary of the land annexed to housing is unclear.

(3) Methods for aggregating land subject to general aggregate taxation and land subject to special aggregate taxation belonging to trust property under the Trust Act shall be as follows: [<Newly Inserted by Act No. 12153, Jan. 1, 2014>](#)

1. Land belonging to trust property and land belonging to inherent property of a trustee shall not be added together;
2. In the case of land belonging to trust property classified for each trustor, such land shall be added together for each trustor.

**Article 107 (Persons Liable to Pay Tax)**(1) A person who virtually owns property as of the property tax base date is liable to pay property tax: Provided, That in any of the following cases, a person referred to in the relevant subparagraph shall be deemed a person liable to pay property tax: [<Amended by Act No. 12153, Jan. 1, 2014>](#)

1. In the case of co-owned property: For the portion corresponding to an equity stake (where there is no indication of the equity stake, the equity stake shall be deemed equal), a person who holds the equity stake;
2. Where the owner of a building of a house is different from the owner of land attached to the house: For the portion proportionately calculated in the ratio of the calculated amount of tax on the house to the assessed value of the building and land attached to the house under Article 4 (1) and (2), the owner thereof;
3. In the case of trust property registered or entered in the name of a trustee pursuant to the Trust Act: For property classified for each trustor, the trustee thereof. In such cases, a person liable to pay tax on property classified for each trustee shall be deemed a person liable to pay tax on each different property.

(2) Notwithstanding the provisions of paragraph (1), any of the following persons as of the tax base date for property tax is liable to pay property tax: [<Amended by Act No. 11617, Jan. 1, 2013; Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14567, Feb. 8, 2017; Act No. 14839, Jul. 26, 2017; Act No. 16194, Dec. 31, 2018>](#)

1. Where the de facto owner is unascertainable as the owner on the public register has failed to report a change in ownership occurring due to reasons, such as purchase and sale: The owner on the public register;
2. With regard to property for which the inheritance has been commenced, when registration of inheritance is not filed and the de facto owner is not reported: The principal heir prescribed by Ordinance of the Ministry of the Interior and Safety;
3. With regard to property actually owned by a clan, but registered in the names of individuals, etc. on the public register, when a report that such property is owned by a clan is not filed: The owner on the public register;
4. Where a contract to sell property subject to imposition of property tax in annual installments is concluded with the State, local governments and local government associations, and the right to use such property is granted for no consideration: The vendee;
5. Deleted; [<by Act No. 12153, Jan. 1, 2014>](#)

6. Where the specific land is designated not as the substitute land but as the development recompense land or reserve land in a land substitution plan pursuant to the execution of an urban development project in the land substitution mode to be performed under the Urban Development Act, and an improvement project under the Act on the Improvement of Urban Areas and Residential Environments (limited to a redevelopment project): The project operator;
  7. Where a person rents and imports aircraft or a ship owned by a foreigner: the person who imports such airplane or ship.
- (3) Where the de facto owner is unascertainable as the reversion of ownership is unclear as of the tax base date of property tax, its user is liable to pay property tax.

< [Enforcement Date: Jan. 1, 2020](#)>>

**Article 108 (Places for Tax Payment)** Property tax shall be imposed by the local government having jurisdiction over the following places for tax payment: <[Amended by Act No. 14116, Mar. 29, 2016](#)>

1. Land: The location of the land;
2. A building: The location of the building;
3. Housing: The location of the houses;
4. A ship: The location of the port of registry under the Ship Act: Provided, That where no port of registry exists, it refers to the location of the regular mooring place (where the regular mooring place is not fixed, the domicile of the ship owner);
5. Aircraft: The location of the aircraft station entered on the original aircraft register under the Aviation Safety Act (where no registration is filed under the Aviation Act, the domicile of the owner).

**Article 109 (Non-Taxation)**(1) No property tax may be imposed on any property which belongs to the State, local governments, local government associations, foreign governments, or international organizations in Korea: Provided, That property tax shall be imposed on any of the following:

1. Property of a foreign government which imposes a tax on any property of the government agencies of the Republic of Korea;
2. Property, the tax liability for which rests on a vendee under Article 107 (2) 4.

(2) No property tax shall be imposed on any property used by the State, a local government or a local government association, for any official or public purpose for at least one year (including cases where it is proved that the property is to be used for at least one year by a written contract, etc.): Provided, That where property tax shall be imposed in any of the following cases: <[Amended by Act No. 16194, Dec. 31, 2018](#)>

1. Where the property is used in return for payment;
2. Where the property is used in advance before the property is acquired, in which case an agreement on the transfer of ownership in return for payment has been made.

(3) No property tax shall be imposed on any of the following property (excluding objects of taxation referred to in Article 13 (5)): Provided, That property tax shall be imposed on the property where it is used for a for-profit business prescribed by Presidential Decree, or where the relevant property is used for consideration (excluding any property under subparagraphs 3 and 5), and on part of the property where a part of the relevant property is not directly used for its proper purpose: <[Amended by Act No. 10416, Dec. 27, 2010](#)>

1. Roads, rivers, embankments, conduits, reserving ponds, and graves prescribed by Presidential Decree;
2. Forest protection zones under Article 7 of the Forest Protection Act and other land having reasonable grounds for not imposing property tax for public interest, which are prescribed by Presidential Decree;
3. Buildings constructed for a temporary use which fall short of one year as at the base date of property tax;
4. Ships used for rescue in times of emergency, for ferries with no charge, for composition of a floating bridge or for barges belonging to the mother ship;

5. Buildings or houses (limited to building parts under Article 2 (1) 2 of the Building Act) prescribed by Presidential Decree on which it is inappropriate to impose property tax, such as buildings ordered to be removed by an administrative agency.

## SECTION 2 Tax Bases and Tax Rates

**Article 110 (Tax Base)**(1) The tax base for property tax on land, buildings and housing shall be the prices calculated by multiplying the assessed values under Article 4 (1) and (2) by the fair market price rates prescribed by Presidential Decree within the extent stipulated as follows, considering the trends in the real estate market, regional financial conditions, and other relevant matters:

1. Land and buildings: From 50/100 to 90/100 of the assessed values;
2. Housing: From 40/100 to 80/100 of the assessed values.

(2) The tax base for property tax on ships and aircraft shall be the assessed values under Article 4 (2).

**Article 111 (Tax Rates)**(1) The amount of property tax shall be calculated by applying the following standard tax rates to the tax bases computed under Article 110: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 14475, Dec. 27, 2016>](#)

1. Land:

- (a) Objects of general aggregate taxation:
- (b) Objects of special aggregate taxation:
- (c) Objects of separate taxation:
  - (i) A field, rice field, orchard and stock farm site and forest: 0.7/1000 of the tax base;
  - (ii) A golf course and land for a high-end recreation center: 40/1000 of the tax base;
  - (iii) Any other land: 2/1000 of the tax base;

2. Buildings:

- (a) A golf course and a building for a high-end recreation center referred to in Article 13 (5): 40/1000 of the tax base;
- (b) A building used as a factory prescribed by Presidential Decree within a residential area designated pursuant to the National Land Planning and Utilization Act and other relevant statutes or an area designated by municipal ordinance of the relevant local government in the area within the jurisdiction of the Special Metropolitan City a Metropolitan City (excluding Gun areas), a Special Self-Governing city (excluding Eup and Myeon areas), or a Si (excluding Eup and Myeon areas): 5/1000 of the tax base;
- (c) Any other building: 2.5/1000 of the tax base;

3. Housing:

- (a) A villa referred to in Article 13 (5) 1: 40/1000 of the tax base;
- (b) Any other housing:

4. Ships:

- (a) A high-end ship referred to in Article 13 (5) 5: 50/1000 of the tax base;
- (b) Any other ship: 3/1000 of the tax base;

5. Aircraft: 3/1000 of the tax base.

(2) Where a building is a newly-built factory or extended factory prescribed by Ordinance of the Ministry of the Interior and Safety in the over-concentration control region referred to in Article 6 of the Seoul Metropolitan Area Readjustment Planning Act (excluding industrial complexes and promotional zones subject to the Industrial Cluster Development and Factory Establishment Act, and industrial areas subject to the National Land Planning and Utilization Act), the tax rate of property tax on such building shall be 500/100 of the tax rate referred to in paragraph (1) 2 (c) for five years from the first tax base date. [<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>](#)

(3) Where the head of a local government deems it unavoidable to adjust property tax rates due to special financial demand or the occurrence of a disaster, etc., he/she may increase or decrease them within the extent of 50/100 of the standard tax rates under paragraph (1), as stipulated by the relevant municipal ordinance: Provided, That the increased or decreased tax rate shall apply only in the pertinent year.

**Article 112 (Property Tax on Urban Areas)**(1) The head of a local government may impose an amount of tax calculated by adding the amount of tax under subparagraph 1 to that under subparagraph 2 as the amount of property tax on land, a building or housing unit (hereafter referred to as "land, etc." in this Article) prescribed by Presidential Decree in an area publicly announced following a resolution by the relevant local council (hereafter referred to as "area subject to application of property tax on urban areas" in this Article), among the urban areas under subparagraph 1 of Article 6 of the National Land Planning and Utilization Act, as stipulated by the relevant municipal ordinance: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 11617, Jan. 1, 2013>](#)

1. An amount of tax calculated by applying a tax rate under Article 111 to the tax base under Article 110;

2. An amount of tax calculated by applying 1.4/1000 to the tax base on land, etc. under Article 110.

(2) The head of a local government may separately set a tax rate under paragraph (1) 2 for the year concerned within the extent not exceeding 2.3/1000, as stipulated by the relevant municipal ordinance.

(3) Notwithstanding paragraph (1), a site for public facilities, the topographic maps of which is publicly announced pursuant to the National Land Planning and Utilization Act, from among any land in an area subject to application of property tax for urban areas, or any land on which a ground structure, golf course, recreation park or other user facilities do not exist, from among land designated as a development restricted zone, shall be excluded from objects of taxation under paragraph (1) 2. [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 11617, Jan. 1, 2013>](#)

**Article 113 (Application of Tax Rates)**(1) The rates of property tax on land shall apply as stipulated in the following:

1. Objects of general aggregate taxation: Apply the tax rate under Article 111 (1) 1 (a) to the tax base which is the aggregate prices of land owned by a person liable to pay tax which is located within the jurisdiction of the relevant local government and which is subject to general aggregate taxation;

2. Objects of special aggregate taxation: Apply the tax rate under Article 111 (1) 1 (b) to the tax base which is the aggregate prices of the land owned by a person liable to pay tax which is located within the jurisdiction of the relevant local government and which is subject to special aggregate taxation;

3. Objects of separate taxation: Apply the tax rate under Article 111 (1) 1 (c) to the tax base which is the prices of the relevant land subject to separate taxation.

(2) The tax rates stipulated under Article 111 (1) 3 shall apply to property tax on housing for each housing. In such cases, matters concerning the standards for classification of housing and other relevant matters shall be prescribed by Presidential Decree.

(3) Where the house is co-owned by two or more persons, or the owner of land is different from that of the building, the tax rates under Article 111 (1) 3 shall apply to the tax base which adds up the prices of land and the building concerned, in applying the tax rates to the relevant housing.

(4) Deleted. [<by Act No. 14475, Dec. 27, 2016>](#)

(5) Where two or more local governments are integrated pursuant to Article 4 (1) of the Local Autonomy Act, paragraph (1) 1 and 2 may apply to the area under the jurisdiction of each local government before such integration for up to five years, as prescribed by municipal ordinance of the integrated local government.

[<Newly Inserted by Act No. 10416, Dec. 27, 2010; Act No. 14475, Dec. 27, 2016>](#)

## SECTION 3 Imposition and Collection

**Article 114 (Tax Base Date)**The tax base date of property tax shall be the 1st day of June of each year.

**Article 115 (Payment Period)**(1) The period for payment of property tax shall be as follows: <Amended by Act No. 10416, Dec. 27, 2010; Act No. 11617, Jan. 1, 2013; Act No. 15292, Dec. 26, 2017>

1. Land: From 16th to 30th day of September of each year;
2. Building: From 16th to 31st day of July of each year;
3. Housing: The payment period of a half of the amount of tax to be imposed and collected in the relevant year shall be from 16th to 31st day of July of each year, and the remaining one half from 16th to 30th day of September of each year: Provided, That where the amount of tax to be imposed in the relevant year is not more than 200,000 won, the amount of tax may be imposed and collected at the same time during the payment period from 16th to 31st day of July, as stipulated by the relevant municipal ordinance:
4. Ships: From 16th to 31st day of July of each year;
5. Aircraft: From 16th to 31st day of July of each year.

(2) Notwithstanding paragraph (1), where grounds for changing an already-imposed amount of tax or occasional imposition of the tax arise due to omission of objects of taxation, illegality, error or other grounds, the head of a local government may occasionally impose and collect the tax.

**Article 116 (Collection Methods, etc.)**(1) Property tax shall be calculated by the head of the competent local government, and imposed and collected by means of ordinary collection.

(2) Where the head of the competent local government intends to collect property tax, he/she shall issue a tax payment notice stating the tax base and amount of tax as classified into land, building, housing, ship and aircraft no later than five days prior to the commencement of the payment period.

(3) Matters concerning the general aggregating method, special aggregation method by objects of taxation of property tax, calculation of the amount of tax, and other imposition procedures, methods of collection, etc. shall be prescribed by Ordinance of the Ministry of the Interior and Safety. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>

**Article 117 (Payment in Kind)**Where an amount of property tax to be paid exceeds 10 million won, the head of a local government may, upon receipt of the application of a person liable to pay tax, permit him/her to pay in kind only for the real estate located in the jurisdiction of the local government, as prescribed by Presidential Decree.

**Article 118 (Payment in Installments)**Where an amount of property tax to be paid exceeds five million won, the head of a local government may permit some amount of such tax to be paid in installments within two months from the date on which the payment due date falls, as prescribed by Presidential Decree. <Amended by Act No. 15292, Dec. 26, 2017>

**Article 119 (Non-Collection of Small Amount)**No property tax shall be collected where the amount of property tax to be collected per payment notice is less than 2,000 won.

**Article 119-2 (Special Cases concerning Trust Property)**Where there is property tax in arrears on trust property registered in the name of a trustee pursuant to the Trust Act, notwithstanding the provisions of Article 33 of the Local Tax Collection Act, only the relevant property with the property tax in arrears may be seized: Provided, That where there is other property in trust to which property with the property tax in arrears belongs, the other property may also be seized. <Amended by Act No. 14476, Dec. 27, 2016>

[This Article Newly Inserted by Act No. 12153, Jan. 1, 2014]

**Article 120 (Duty to Report)**(1) Any of the following persons shall report to the head of the local government having jurisdiction over the location of property within ten days of the tax base date, along with evidentiary materials substantiating the relevant fact:

1. Where the reasons for changes in the ownership of the property or for changes in the property subject to taxation have occurred, but where the registration thereof is not made by the tax base date, the owner of the property on the public register;
2. Where the registration of the property for which the inheritance has commenced is not made: The principal heir under Article 107 (2) 2;
3. The owner on the public register of the property actually owned by a clan, but registered in the name of an individual on the public register;
4. The trustee of the trust property registered in the name of the trustee under the Trust Act.

(2) Reporting procedures and methods under paragraph (1) shall be prescribed by Ordinance of the Ministry of the Interior and Safety. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>

(3) Where a report filed under paragraph (1) is incorrect, or no report is filed, the head of a local government may conduct an ex officio investigation and register the outcome of such investigation in the tax ledger.

**Article 121 (Keeping Property Tax Ledgers, etc.)**(1) Local governments shall keep a property tax ledger and record necessary matters therein. In such cases, it shall be deemed to keep a tax ledger if relevant matters are computerized. <Amended by Act No. 13636, Dec. 29, 2015>

(2) The property tax ledger shall be prepared by subclassifying into the tax ledger of land, buildings, housing, ships and aircraft.

**Article 122 (Ceiling of Tax Burden)**Where the amount of property tax calculated on the property concerned (referring to the amount of each tax set forth in the subparagraphs of Article 112 (1) and in Article 112 (2)) exceeds 150/100 of the amount equivalent to the property tax on the property concerned in the immediately preceding year as calculated according to the method prescribed by Presidential Decree, the amount equivalent to 150/100 shall be the amount to be collected in the year concerned: Provided, That in the case of a house, the amount calculated pursuant to the following subparagraphs shall be the amount to be collected in the year concerned: <Amended by Act No. 11137, Dec. 31, 2011; Act No. 14475, Dec. 27, 2016>

1. In the case of a house, the officially announced housing price under Article 4 (1) (hereafter referred to as "officially announced house price" in this Article), or the price of which calculated by the competent Special Self-Governing City Mayor or Special Self-Governing Province Governor or the head of the relevant Si/Gun/Gu is not more than 300 million won: An amount equivalent to 105/100 where the amount of property tax calculated on the house concerned exceeds 105/100 of the amount equivalent to the property tax on the house concerned in the immediately preceding year;
2. In the case of a house, the officially announced housing price, or the price of which calculated by the competent Special Self-Governing City Mayor or Special Self-Governing Province Governor or the head of the relevant Si/Gun/Gu exceeds 300 million won, but is not more than 600 million won: An amount equivalent to 110/100 where the amount of property tax calculated on the house concerned exceeds 110/100 of the amount equivalent to the property tax on the house concerned in the immediately preceding year;
3. In the case of a house, the officially announced housing price, or the price of which calculated by the competent Special Self-Governing City Mayor or Special Self-Governing Province Governor or the head of the relevant Si/Gun/Gu exceeds 600 million won: An amount equivalent to 130/100 where the amount of property tax calculated on the house concerned exceeds 130/100 of the amount equivalent to the property tax on the relevant house in the immediately preceding year.

**Article 123 (Establishment of Organization Exclusively Responsible for Taxation Data for Global Real Estate Tax, etc.)**(1) An organization exclusively responsible for taxation data for global real estate tax shall be established under the control of the Ministry of the Interior and Safety in order to collect, process, and provide



the data on taxation of property tax required for the taxation of global real estate tax, and other basic data for taxation, etc. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12153, Jan. 1, 2014; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>

(2) Matters regarding the organization and operation of the organization exclusively responsible for the management of real estate information under paragraph (1), notification of data by the organization and other matters shall be prescribed by Presidential Decree.

(3) To reform property tax, the Minister of the Interior and Safety may request a related central administrative agency or local government to submit taxation data related to property tax or global real estate tax and data related to real estate. <Newly Inserted by Act No. 10416, Dec. 27, 2010; Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>

(4) The head of a related central administrative agency or local government, upon receipt of a request to submit data under paragraph (3), shall comply therewith, except in extenuating circumstances. <Newly Inserted by Act No. 10416, Dec. 27, 2010>

## CHAPTER X AUTOMOBILE TAX

### SECTION 1 Automobile Tax on Possession of Automobile

**Article 124 (Definition of Automobile)**The term "automobile" in this Section means a vehicle registered or reported under the Motor Vehicle Management Act, and construction machinery similar to the vehicle and prescribed by Presidential Decree, registered under the Construction Machinery Management Act.

**Article 125 (Persons Liable to Pay Tax)**(1) The automobile tax for the possession of an automobile (hereafter referred to as "automobile tax" in this Section) shall be imposed on a person who possesses an automobile registered or reported in the jurisdiction of a local government.

(2) Where the inheritance of an automobile has commenced as of the tax base date, but the transfer of the ownership thereof has yet to be registered in the name of the de facto owner, the automobile tax thereon shall be paid according to the following order:

1. A person who holds the largest share of the inheritance under the Civil Act;
2. The oldest person.

(3) With respect to any automobile, the purchase price of which is paid after being sold at a public auction as of the tax base date, but the transfer of the ownership of such automobile has yet to be registered in the name of the purchaser, the purchaser shall be liable to pay automobile tax.

**Article 126 (Non-Taxation)**No automobile tax shall be imposed on a person who owns any of the following automobiles:

1. An automobile provided by the State or a local government for the purposes of national defense, convoy, security, traffic patrol, or fire fighting;
2. An automobile provided by the State or a local government for the purposes of transporting patients, cleaning, garbage removal, or road construction;
3. Other automobiles prescribed by Presidential Decree, such as automobiles used by foreign diplomatic agencies in Korea.

**Article 127 (Tax Bases and Tax Rates)**(1) The standard tax rates of automobile tax shall be classified as follows: <Amended by Act No. 11110, Dec. 2, 2011>

1. Passenger automobiles:

The amount of tax calculated by multiplying engine displacement by the amount of tax per cubic centimeter (cc) according to the following table shall be the annual amount of tax per automobile:

2. Among passenger automobiles for non-business use under subparagraph 1, for an automobile, the age of which prescribed by Presidential Decree (hereafter referred to as "age of automobile" in this subparagraph) is at least three years, notwithstanding the provisions of subparagraph 1, the sum of the first term portion (January to June) and the second term portion (July to December) of the automobile tax calculated according to the following formula shall be the annual automobile tax amount. In such cases, for the age of an automobile exceeds 12 years, its age shall be deemed 12 years:

Amount of tax for each term portion per automobile =  $A/2 - (A/2 \times 5/100) (n-2)$

A: Annual amount of tax under subparagraph 1

n: Age of automobile ( $2 \leq n \leq 12$ )

3. Any other passenger automobile:

The following amount of tax shall be the annual amount of tax per automobile:

4. Automobiles:

The following amount of tax shall be the annual amount of tax per automobile:

5. Freight automobiles:

The following amount of tax shall be the annual amount of tax per automobile: Provided, That for a freight automobile exceeding 10,000 kilograms in payload weight, the annual amount of tax per freight automobile shall be the amount calculated by adding 10,000 won in the case of the freight automobile for business use, and 30,000 won in the case of the freight automobile for non-business use, every time it exceeds 10,000 kilograms, to the amount of tax which is applied for a freight automobile not more than 10,000 kilograms in payload weight:

6. Special automobiles:

The following amount of tax shall be the annual amount of tax per automobile:

7. Compact automobiles with three or less wheels:

The following amount of tax shall be the annual amount of tax per automobile:

(2) Matters necessary for the classification, etc. of automobiles provided for in each subparagraph of paragraph (1) into those for business and those not for business and of kinds shall be prescribed by Presidential Decree.

(3) Notwithstanding the provisions of paragraph (1), the head of a local government may raise the rate of automobile tax within 50/100 of the standard tax rates under paragraph (1), as stipulated by the relevant municipal ordinance in consideration of the engine displacement, etc. of automobiles.

**Article 128 (Payment Period and Collection Methods)**(1) The amount of tax divided into one half of the annual automobile tax amount per automobile (the amount of tax of each period portion calculated pursuant to Article 127 (1) 2 in the case of non-business passenger automobiles) shall be collected from an owner of automobile by the local government having jurisdiction over its seat as of the 1st day of the month in which the payment period falls, within the following periods: Provided, That if a person liable to pay tax applies for the payment of the annual amount of tax in quarterly installments (one half of the amount of tax for each term in the case of non-business passenger automobiles), one half of the amount of tax for the first quarter and one half of the amount of tax for the second quarter may be collected from March 16 to March 31 and from September 16 to September 30, respectively. In such cases, the amount of tax to be collected by the local government within each payment period shall be the amount remaining after deducting the amount of tax already collected in installments:

(2) The head of a local government shall issue a tax payment notice not later than five days prior to the commencement of tax payment period, in every tax payment period under paragraph (1): Provided, That in any of the following cases, the head of a local government may occasionally impose automobile tax, notwithstanding paragraph (1): <Amended by Act No. 13427, Jul. 24, 2015; Act No. 14475, Dec. 27, 2016>

1. Where an automobile is newly registered or the registration of any automobile is cancelled;

2. Where an automobile subject to taxation becomes subject to non-taxation or tax reduction and exemption, or an automobile subject to non-taxation or tax reduction and exemption becomes subject to taxation;
3. Where an automobile for business use becomes one for non-business use, or an automobile for non-business use becomes one for business use;
4. Where automobile tax is imposed and collected on a daily basis on an automobile acquired by succession;
5. Deleted. <by Act No. 14475, Dec. 27, 2016>

(3) Notwithstanding paragraphs (1) and (2), if a person liable to pay tax intends to pay the annual amount of tax in lump sum, he/she may file a return and pay the amount after deducting 10/100 of the annual amount of tax (referring to the amount of tax for the period after the deadline for payment in lump sum) as the annual amount of tax within the following periods, as prescribed by Presidential Decree: <Amended by Act No. 11617, Jan. 1, 2013>

1. Where the person files a return on and pays it in January: From January 16 to January 31;
2. Where the person files a return on and pays it during the payment period of the first term portion: From June 16 to June 30;
3. Where the person files a return on and pays it during the period of installment payment under the proviso to paragraph (1): From March 16 to March 31 or from September 16 to September 31.

(4) Notwithstanding paragraphs (1) and (2), where the annual amount of automobile tax does not exceed 100,000 won, it may be imposed and collected in full at the time the portion for the first term is imposed. In such cases, the amount remaining after deducting 10/100 of the amount of tax for the second term shall be the annual amount of tax.

(5) Where a person registers the transfer of an automobile or cancels the registration of an automobile, the transferor or the person cancelling the registration may file a return and pay the amount of tax for the relevant term on a daily basis on the date of registration, based on the date of registration of transfer or the date of cancellation of registration, as prescribed by Presidential Decree, notwithstanding paragraphs (1) and (2).

<Newly Inserted by Act No. 11617, Jan. 1, 2013; Act No. 13427, Jul. 24, 2015; Act No. 14475, Dec. 27, 2016>

**Article 129 (Obligation to Pay Tax for Acquisition by Succession)** Where a person who has acquired an automobile by succession through purchase and sale, donation, etc. registers the ownership transfer of the automobile during the taxation period under Article 128 (1), automobile tax shall be imposed on and collected from the transferor and the transferee according to the period of possession after calculating automobile tax on a daily basis, notwithstanding the same paragraph.

**Article 130 (Calculation of Amount of Tax Imposed Occasionally)**(1) Where an automobile is newly registered or the registration of an automobile is cancelled, a local government shall respectively collect the amount of automobile tax for the term during which the date of acquisition or the date of disuse falls, calculated on a daily basis as prescribed by Presidential Decree.

(2) Where an automobile subject to taxation becomes subject to non-taxation or tax reduction or exemption, or an automobile subject to non-taxation or tax reduction or exemption becomes subject to taxation and any automobile for business use becomes one for non-business use, or any automobile for non-business use becomes one for business use, the amount of tax calculated on a daily basis, as prescribed by Presidential Decree, shall be collected as the amount of automobile tax portion for the relevant term.

(3) Where automobile tax is calculated on a daily basis according to the period of ownership under Article 129, an amount calculated on a daily basis, as prescribed by Presidential Decree, based on the date on which the transfer of ownership is registered shall be collected: Provided, That if the transferor or transferee requests calculation on a daily basis, attaching documents verifying the fact that a change in the ownership occurs to an application prescribed by Ordinance of the Ministry of the Interior and Safety, automobile tax shall be calculated

on a daily basis based on the date of transfer verified by the documents, and where a transferor or ancestor pays the annual amount of tax in lump sum, a transferee (only applicable where the transferor gives his/her consent) or inheritor shall be deemed to have paid the annual amount of tax. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12153, Jan. 1, 2014; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>

(4) No automobile tax shall be collected where the amount of tax calculated pursuant to paragraphs (1) through (3) is less than 2,000 won.

**Article 131 (Seizure of Vehicle Registration Plates)**(1) If any person fails to fulfill the obligation to pay automobile tax, the head of the relevant Si/Gun shall request the competent Special Metropolitan City Mayor, Metropolitan City Mayor or Do Governor not to issue a registration certificate for the relevant automobile or to seize the vehicle registration plate of the relevant automobile, as prescribed by Presidential Decree: Provided, That a Special Self-Governing City Mayor or a Special Self-Governing Province Governor or the head of a Si/Gun/Gu to whom the authority for the registration of automobiles is delegated may determine not to issue a registration certificate for the automobile at issue or may seize the vehicle registration plate of the automobile at issue. <Amended by Act No. 14475, Dec. 27, 2016; Act No. 15292, Dec. 26, 2017>

(2) Where it is deemed that a person liable to pay tax is impractical to maintain livelihood if his/her vehicle registration plate is seized pursuant to paragraph (1), because the person liable to pay tax uses the relevant automobile for the purpose of directly maintaining livelihood, the competent Special Self-Governing City Mayor, Special Self-Governing Province Governor or head of a Si/Gun/Gu may return the vehicle registration plate to the person liable to pay tax and temporarily cancel the seizure of the vehicle registration plate or may request the relevant Special Metropolitan City Mayor, Metropolitan City Mayor or the Do Governor to return the vehicle registration plate and temporarily cancel the seizure thereof. <Newly Inserted by Act No. 16194, Dec. 31, 2018>

(3) When the head of a Si/Gun makes a request under paragraphs (1) and (2), a Do Governor shall comply therewith. <Amended by Act No. 14475, Dec. 27, 2016; Act No. 16194, Dec. 31, 2018>

(4) Matters concerning the method for seizing the vehicle registration plate, the period and requirements for temporary cancellation of the seizure thereof and other relevant matters shall be prescribed by Presidential Decree. <Amended by Act No. 15292, Dec. 26, 2017; Act No. 16194, Dec. 31, 2018>

**Article 132 (Presentation of Tax Payment Certificate, etc.)**Any of the following persons shall submit or present a certificate of payment of automobile tax, such as receipt of automobile tax, for the relevant motor vehicle to the competent registry: Provided, That the foregoing shall not apply where it is possible to verify the payment of automobile tax by inquiring into administrative information available for sharing under Article 36 (1) of the Electronic Government Act: <Amended by Act No. 13427, Jul. 24, 2015>

1. A person who intends to register a transfer pursuant to Article 12 of the Motor Vehicle Management Act;
2. A person who intends to apply for the cancellation of registration pursuant to Article 13 (1) of the Motor Vehicle Management Act;
3. A person who intends to report a change pursuant to Article 5 of the Construction Machinery Management Act (limited to the reports on a change following the transfer of ownership of construction machinery);
4. A person who intends to apply for the cancellation of registration pursuant to Article 6 of the Construction Machinery Management Act (excluding where a Mayor/Do Governor, ex officio, cancels registration).

**Article 133 (Disposition on Default)**Where impositions by a local government on automobiles stipulated under Articles 127 through 130 are not paid or the amount paid falls short of the impositions, the disposition on default may be immediately taken to the relevant automobile without any procedures for demanding payment.

**Article 134 (Exclusion from Tax Exemption Provisions)**Provisions concerning tax exemption provided for in other Acts, except the Restriction of Special Local Taxation Act, shall not apply to impositions by a local

government on automobile tax.

## SECTION 2 Automobile Tax on Driving of Automobiles

**Article 135 (Persons Liable to Pay Tax)**Automobile tax on driving an automobile (hereafter referred to as "automobile tax" in this Section) shall be imposed on a person liable to pay traffic, energy and environment tax (referring to any person liable to pay tax under Articles 3 and 11 of the Traffic, Energy and Environment Tax Act) on gasoline, diesel, and alternative fuel similar thereto (hereafter referred to as "taxable goods" in this Section) by a local government having jurisdiction over a place for payment of automobile tax on non-business passenger automobiles prescribed in Section 1 of this Chapter. [<Amended by Act No. 12153, Jan. 1, 2014>](#)

**Article 136 (Tax Rates)**(1) The automobile tax rate shall be 360/1000 of the amount of traffic, energy and environment tax on taxable goods.

(2) The tax rate under paragraph (1) may be adjusted, as prescribed by Presidential Decree, within the extent of 30/100 of the relevant tax rate, if necessary, to reflect changes, etc. in traffic, energy and environment tax rate.

**Article 137 (Tax Returns, Payment, etc.)**(1) A person liable to pay automobile tax shall file a return on the tax base and the amount of automobile tax on taxable goods under Article 8 of the Traffic, Energy and Environment Tax Act to the head of a local government having jurisdiction over a place for payment of traffic, energy and environment tax and shall pay the traffic, energy and environment tax by a due date for paying traffic, energy and environment tax, as prescribed by Presidential Decree. In such cases, the head of a local government having jurisdiction over a place of payment of traffic, energy and environment tax shall become the person responsible for special collection of automobile tax to be imposed by each local government (hereafter referred to as "person responsible for special collection" in this Section). [<Amended by Act No. 12801, Oct. 15, 2014>](#)

(2) Where a person liable to pay tax fails to fulfill his/her duty to file a return or pay tax under paragraph (1), the relevant person liable for special collection shall collect the amount by adding the amount of additional tax calculated pursuant to Articles 53 through 55 of the Framework Act on Local Taxes to the amount of tax calculated pursuant to Article 136 or to the tax shortfall as the amount of tax by means of ordinary collection:

[<Amended by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>](#)

1. and 2. Deleted. [<by Act No. 11617, Jan. 1, 2013>](#)

(3) A person responsible for special collection shall pay the collected automobile tax (including interest thereon) to each local government by the 25th day of the following month according to the proportional distribution standards and methods prescribed by Presidential Decree, in consideration of the amount of automobile tax collected by each local government under Section 1 of this Chapter and other relevant matters. In such cases, the person responsible for special collection may deduct expenses, etc. incurred in handling administrative affairs with respect to the collection and payment from the amount of tax to be paid to the relevant local government, as prescribed by Ordinance of the Ministry of the Interior and Safety. [<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>](#)

(4) The additional tax under Article 56 of the Framework Act on Local Taxes shall not be imposed on a person responsible for special collection, even if the person responsible for special collection fails to pay, or insufficiently pays, the amount of tax he/she has collected or is to collect by the deadline under paragraph (3). [<Newly Inserted by Act No. 11617, Jan. 1, 2013; Act No. 12801, Oct. 15, 2014; Act No. 14474, Dec. 27, 2016>](#)

(5) A person who intends to take out any taxable goods before an import declaration is accepted pursuant to the Customs Act shall provide a person responsible for special collection with security equivalent to the relevant amount of automobile tax.

**Article 137-2 (Security for Tax Payment, etc.)**(1) A person responsible for special collection may request a person liable to pay tax under Article 3 of the Traffic, Energy and Environment Tax Act to provide security, as prescribed by Presidential Decree, in order to secure the payment of automobile tax.

(2) If a person liable to pay tax fails to provide security under paragraph (1) or if the security provided is insufficient, the person responsible for special collection may prohibit the person liable to pay tax from taking out taxable goods from a manufacturing place or bonded area or may request the head of the relevant customs office to prohibit such person from taking out the goods.

(3) Upon receipt of a request to prohibit taking out taxable goods under paragraph (2), the head of a customs office shall comply therewith.

[This Article Newly Inserted by Act No. 12801, Oct. 15, 2014]

**Article 138 (Special Cases concerning Raising Objections, etc.)**(1) Where a person intends to raise an objection, etc. against the imposition or collection of automobile tax, the person responsible for special collection shall be deemed the relevant disposition agency. <Amended by Act No. 12801, Oct. 15, 2014>

(2) Where a local tax refund of automobile tax is made, a person responsible for special collection shall refund the relevant amount, and deduct such amount from the amount of tax to be paid to the relevant local government.

**Article 139 (Mutatis Mutandis Application of the Traffic, Energy and Environment Tax Act)**The Traffic, Energy and Environment Tax Act shall apply mutatis mutandis to matters not provided for in this Section with respect to the imposition and collection of automobile tax. In such cases, the head of a tax office or the head of a customs office under the Traffic, Energy and Environment Tax Act shall be deemed a person responsible for special collection. <Amended by Act No. 12801, Oct. 15, 2014>

**Article 140 (Notification of Amount of Tax)**Where the head of a tax office or the head of a customs office has determined or corrected an amount of traffic, energy and environment tax, or has received a return or payment thereof, he/she shall notify the head of a local government having jurisdiction over a place for the payment of traffic, energy and environment tax of such amount of tax by the end of the following month, as prescribed by Presidential Decree.

## CHAPTER XI LOCAL RESOURCE AND FACILITY TAX

### SECTION 1 Common Provisions

**Article 141 (Purposes)**Local resource and facility tax may be imposed in order to secure financial resources necessary for protecting and developing local resources, such as underground and marine resources, tourism resources, water resources and special geographical features, for conducting safety management projects, such as fire-fighting activities and prevention of specific disasters in a region, and for performing projects for environment protection and improvement and projects for balanced regional development, or in order to cover the expenses associated with fire-fighting facilities, waste disposal facilities, irrigation facilities and other public facilities.

[This Article Wholly Amended by Act No. 13427, Jul. 24, 2015]

**Article 142 (Objects of Taxation)**(1) Local resource and facility tax shall be levied on the following: <Amended by Act No. 10469, Mar. 29, 2011>

1. Water used for power generation (excluding water for pumped storage hydropower generation), underground water (including spring water; hereinafter the same shall apply), underground resources, containers using wharves where containers are handled, and nuclear power generation and thermal power generation (hereafter referred to as "specific resources" in this Chapter), which are prescribed by Presidential Decree;
2. A building, ship and land owned by a person who benefits from fire-fighting facilities, garbage disposal facilities, irrigation facilities, or any other public facilities (hereafter referred to as "specific real estate" in this Chapter).

**Article 143 (Persons Liable to Pay Tax)**A person liable to pay local resource and facility tax shall be as follows:

<Amended by Act No. 10469, Mar. 29, 2011>

1. Water used for power generation: A person who directly produces hydroelectric power (excluding pumped storage hydropower generation) using flowing water;
2. Underground water: A person who pumps up underground water to use it, such as exploiting the underground water to manufacture and sell it as potable water, or to utilize it as bathing water;
3. Underground resources: A person who mines underground resources;
4. Container: A person who causes containers to enter or depart from ports using wharves where containers are handled;
5. Nuclear power generation: A person who generates power by harnessing the nuclear power;
6. Thermal power generation: A person who generates power by harnessing fossil fuels including coal, oil and natural gas;
7. Specific real estate: An owner of the specific real estate.

**Article 144 (Places for Tax Payment)**Local resource and facility tax shall be imposed by a local government having jurisdiction over the place for tax payment stipulated as follows: <Amended by Act No. 10469, Mar. 29, 2011>

1. Specific resources:
  - (a) Water used for power generation: The location of the electric power station;
  - (b) Underground water: The location of the water-pumping hole;
  - (c) Underground resources: The location of the land for which the mining right is registered: Provided, That where such land extends over the boundaries of two or more local governments, local resource and facility tax shall be divided in proportion to the area of such land;
  - (d) Containers: The location of the wharf where containers are handled;
  - (e) Nuclear power generation: The location of the relevant nuclear power station;
  - (f) Thermal power generation: The location of the relevant thermal power station.
2. Specific real estate:
  - (a) Buildings: The location of the relevant building;
  - (b) Ships: The location of the port of registry under the Ship Act: Provided, That where no port of registry exists, it refers to the location of the regular mooring place (where the regular mooring place is not fixed, the domicile of the ship owner);
  - (c) Land: The location of the relevant land.

**Article 145 (Non-Taxation)**(1) Where any of the following cases arises, no local resource and facility tax on specific resources shall be imposed:

1. Special resources directly exploited and used by the State, a local government, or a local government association;
2. Special resources provided to the State, a local government, or a local government association for no consideration.

(2) No local resource and facility tax shall be imposed on specific real estate (only applicable to buildings and ships) exempt from property tax under Article 109.

## SECTION 2 Tax Base and Tax Rate

**Article 146 (Tax Bases and Tax Rates)**(1) The tax bases and standard tax rates of local resource and facility tax on specific resources shall be as follows: <Amended by Act No. 10469, Mar. 29, 2011; Act No. 12954, Dec. 31, 2014>

1. Water used for power generation: Two won per ten cubic meters of water used for power generation;

2. Underground water:
  - (a) Water pumped to be sold as potable water: 200 won per cubic meter;
  - (b) Hot spring water pumped to be used for bathing: 100 won per cubic meter;
  - (c) Water, other than hot spring water, pumped to be used for any purpose, other than those referred to in items (a) and (b), or to be used for bathing water: 20 won per cubic meter;
3. Underground resources: 5/1000 of the value of mined minerals;
4. Container: 15,000 won per 1 TEU of container;
5. Nuclear power generation: 1 won per kilowatt-hour (kWh) of electricity;
6. Thermal power generation: 0.3 won per kilowatt-hour (kWh) of electricity.

(2) The tax base and tax rates of local resource and facility tax on specific real estate shall be stipulated as follows: [<Amended by Act No. 10416, Dec. 27, 2010; Act No. 12153, Jan. 1, 2014>](#)

1. The amount of local resource and facility tax appropriated for fire-fighting facilities shall be calculated by applying the following standard tax rates to the tax base which is the value or the assessed value of the relevant building (including the building portion of housing; hereafter the same shall apply in this Chapter) or the relevant ship (excluding a local government with no fireboat):
2. For buildings vulnerable to fire prescribed by Presidential Decree, such as oil reservoirs, gasoline stations, oil refineries, amusement centers, theaters, and buildings with at least four stories, but not more than ten stories, 200/100 of the amount calculated pursuant to subparagraph 1 shall be the tax amount;
- 2-2. For large buildings vulnerable to fire prescribed by Presidential Decree, such as large-scale marts, multiplex theaters (excluding theaters under subparagraph 2), department stores, hotels, buildings with at least 11 stories, 300/100 of the amount calculated pursuant to subparagraph 1 shall be the tax amount;
3. Local resource and facility tax appropriated for garbage disposal facilities, irrigation facilities, or other public facilities shall be imposed according to the tax base which is the value of all or part of the relevant land and buildings, and the standard tax rate shall be 2.3/10000 of the value of the land or building.

(3) The scope of the land, building, or ship under paragraph (2) shall be such land, building, or ship prescribed in subparagraphs 1 through 3 and 5 of Article 104, and the appropriate tax base shall be the value or the assessed value under Article 110: Provided, That the tax base of the building portion of the housing shall be the value calculated by multiplying the value calculated by the head of a local government applying mutatis mutandis Article 4 (2) by the fair market price rate under Article 110 (1) 2. [<Amended by Act No. 10416, Dec. 27, 2010>](#)

(4) The head of a local government may adjust the tax rates of local resource and facility tax by up to 50/100 of the standard tax rates under paragraphs (1) and (2), as stipulated by the relevant municipal ordinance: Provided, That this shall not apply to the tax rate under paragraph (1) 5 and 6. [<Amended by Act No. 10469, Mar. 29, 2011>](#)

## SECTION 3 Imposition and Collection

**Article 147 (Imposition and Collection)**(1) The payment period and method for collection of local resource and facility tax on specific resources shall be stipulated as follows: [<Amended by Act No. 11617, Jan. 1, 2013; Act No. 14474, Dec. 27, 2016>](#)

1. Local resource and facility tax on specific resources shall be collected by means of a tax return and payment: Provided, That local resource and facility tax on underground water under Article 146 (1) 2 may be collected by means of ordinary collection, as stipulated by the relevant municipal ordinance;
2. Where a person liable to pay tax files a return on and pays the local resource and facility tax pursuant to the main sentence of paragraph (1), he/she shall file a return and pay the amount calculated pursuant to Article



- 146 (hereafter referred to as "calculated amount of tax" in this Article) to the head of a local government having jurisdiction over the place for tax payment, as stipulated by the relevant municipal ordinance;
3. Where a person liable to pay tax fails to fulfill his/her duty to file a return or pay tax under subparagraph 2, the head of a local government shall collect the amount calculated by adding the amount of additional tax calculated pursuant to Articles 53 through 55 of the Framework Act on Local Taxes to the calculated amount of tax or to the tax shortfall from him/her as the amount of tax by means of ordinary collection:
- (a) and (b) Deleted. <by Act No. 11617, Jan. 1, 2013>
- (2) Articles 114, 115 and 122 (limited to the main sentence of Article 122, with the exception of its subparagraphs) concerning property tax shall apply mutatis mutandis to local resource and facility tax on specific real estate. <Amended by Act No. 10416, Dec. 27, 2010; Act No. 16194, Dec. 31, 2018>
- (3) The head of the relevant local government shall calculate the amount of local resource and facility tax on specific real estate, and impose and collect such tax by means of ordinary collection. <Newly Inserted by Act No. 16194, Dec. 31, 2018>
- (4) Where the head of the relevant local government intends to collect local resource and facility tax on specific real estate, he/she shall issue a tax payment notice stating the tax base and the amount of tax as classified into buildings, ships and land, at least five days before the commencement of the payment period. <Newly Inserted by Act No. 16194, Dec. 31, 2018>
- (5) Necessary matters concerning the calculation of the amount of tax on items subject to taxation of local resource and facility tax on specific real estate, procedures for imposing such tax and methods for collecting such tax shall be prescribed by Ordinance of the Ministry of the Interior and Safety. <Newly Inserted by Act No. 16194, Dec. 31, 2018>
- (6) Matters concerning regions subject to local resource and facility tax, and imposition and collection thereof shall be as stipulated by the relevant municipal ordinance
- (7) In the cases under paragraph (6), any municipal ordinance stipulating matters concerning the imposition and collection of local resource and facility tax on containers may include matters concerning the designation, etc. of the person responsible for special collection. <Amended by Act No. 16194, Dec. 31, 2018>
- (8) Local resource and facility tax on specific real estate shall be imposed by indicating the items of relevant facilities.

**Article 148 (Non-Collection of Small Amount)** No local resource and facility tax shall be collected where the amount of tax to be collected per payment notice is less than 2,000 won.

## CHAPTER XII LOCAL EDUCATION TAX

**Article 149 (Purpose)** Local education tax shall be imposed in order to secure financial resources to fund the expansion of local education necessary for improving its quality.

**Article 150 (Persons Liable to Pay Tax)** A person liable to pay local education tax shall be as follows:  
<Amended by Act No. 10416, Dec. 27, 2010>

1. A person liable to pay acquisition tax on the acquisition of real estate, mechanical equipment (excluding an automobile falling under Article 124), aircraft, and ships;
2. A person liable to pay registration and license tax on registration (excluding registration and license tax on an automobile falling under Article 124);
3. A person liable to pay leisure tax;
4. A person liable to pay tobacco consumption tax;
5. A person liable to pay a per capita portion of resident tax;
6. A person liable to pay property tax (excluding the amount of property tax under Article 112 (1) 2 and (2));

7. A person liable to pay automobile tax on a non-business passenger automobile under Article 127 (1) 1 or 3 [excluding the State, a local government, and educational foundation which manages a school pursuant to the Elementary and Secondary Education Act (limited to automobiles directly used for the proper business)].

**Article 151 (Tax Bases and Tax Rates)**(1) The amount of local education tax shall be calculated as follows:  
<Amended by Act No. 10416, Dec. 27, 2010; Act No. 11617, Jan. 1, 2013; Act No. 12153, Jan. 1, 2014; Act No. 12855, Dec. 23, 2014; Act No. 13427, Jul. 24, 2015>

1. On acquired articles (excluding cases falling under Article 15 (2)): 20/100 of the amount calculated (in cases falling under Article 11 (1) 8, the amount calculated by applying a tax rate calculated by multiplying the relevant tax rate by 50/100) by applying the tax rates derived by subtracting 20/1000 of the tax rates stipulated under Articles 11 (1) 1 through 7 and 12 (referring to the separated finalized tax rate by the relevant municipal ordinance pursuant to Article 14, if any; hereinafter the same shall apply) from said tax rates to the tax base under Article 10: Provided, That where any of the following cases arises, the amount of tax shall be stipulated as follows:
  - (a) Cases falling under Article 13 (2), (3), (6), or (7): 300/100 of the amount of local education tax calculated, as provided for in the main sentence of this subparagraph;
  - (b) Where acquisition tax is reduced or exempted pursuant to the Restriction of Special Local Taxation Act, the Restriction of Special Taxation Act and municipal ordinance on Local Tax Reduction or Exemption (hereinafter referred to as "statutes on local tax reduction or exemption"):
    - (i) Where a statute concerning the reduction or exemption of local taxes specifies the reduction or exemption rate of acquisition tax: The amount remaining after reducing or exempting the amount of local education tax as calculated by the formula prescribed in the main sentence of this subparagraph at the relevant reduction and exemption rate of acquisition tax;
    - (ii) Where a statute concerning the reduction or exemption of local taxes specifies the reduction or exemption rate of acquisition tax and provides that the tax rate under the main sentence of Article 13 (2) or 13 (3) of this Act shall not apply: The amount remaining after reducing or exempting the amount of local education tax as calculated by the formula prescribed in the main sentence of this subparagraph at the relevant reduction or exemption rate of acquisition tax;
    - (iii) Where a statute concerning the reduction or exemption of local taxes specifies an acquisition tax rate different from the rate specified in this Act, other than those specified in sub-items (i) and (ii): The amount of local education tax as calculated by the formula specified in the main sentence of this subparagraph, notwithstanding the relevant acquisition tax rate: Provided, That, if the specified tax rate is 20/1000, acquired articles shall be excluded from taxable objects;
  - (c) Where items (a) and (b) (i) are concurrently applicable: The amount remaining after reducing or exempting the amount of local education tax as calculated by applying item (a) at the relevant reduction or exemption rate of acquisition tax;
2. 20/100 of the amount of registration and license tax on registration payable under this Act and statutes on local tax reduction and exemption;
3. 40/100 of the amount of leisure tax payable under this Act and statutes on local tax reduction and exemption;
4. 4,399/10,000 of the amount of tobacco consumption tax payable under this Act and statutes on local tax reduction and exemption;
5. 10/100 of the amount of a per capita portion of resident tax payable under this Act and statutes on local tax reduction and exemption: Provided, That 25/100 in the case of a Si with a population of at least 500,000;
6. 20/100 of the amount of property tax (excluding the amount of property tax computed under Article 112 (1) 2 and paragraph (2) of the same Article) payable under this Act and statutes on local tax reduction and

exemption;

7. 30/100 of the amount of automobile tax payable under this Act and statutes on local tax reduction and exemption.

(2) The head of a local government may increase or decrease the rate of local education tax within 50/100 of the standard tax rates provided for in paragraph (1) (excluding subparagraph 3 of the same paragraph), as stipulated by the ordinance of the relevant local government, where necessary for raising funds to invest in local education.

(3) In applying paragraph (1) 5 to a Si combined with functions of rural and urban communities, "Si with a population of at least 500,000" means a Dong area with a population of at least 500,000, and the tax rate applicable to Eup/Myeon areas within such Si shall be 10/100.

(4) In applying paragraph (1) 5, where two or more local governments are integrated pursuant to Article 4 (1) of the Local Autonomy Act and become a local government corresponding to a Si with a population of at least 500,000, the tax rate before such integration may apply for up to five years, as prescribed by the ordinance of the relevant local government. <Newly Inserted by Act No. 10416, Dec. 27, 2010; Act No. 14475, Dec. 27, 2016>

**Article 152 (Tax Returns, Payment, Imposition and Collection)**(1) When a person liable to pay local education tax files an acquisition tax return and pay the tax, registration and license tax on registration, leisure tax or tobacco consumption tax under this Act, he/she shall also file a return and pay local education tax thereon. In such cases, where the head of a local government having jurisdiction over the location of the main office of a person (limited to manufacturers or import distributors) liable to pay tobacco consumption tax requests the provision of security pursuant to Article 64 (1), he/she may also request the provision of security for local education tax on a tobacco consumption tax portion.

(2) When the head of a local government imposes the per capita portion of resident tax, property tax, and automobile tax upon a person liable to pay and collects them under this Act or the head of a customs office imposes tobacco consumption tax upon a person liable to pay and collects under Article 60 (6), he/she shall additionally impose and collect local education tax proportionate to such taxes. <Amended by Act No. 13636, Dec. 29, 2015>

(3) Matters concerning the imposition and collection of local education tax, including notice of tax payment, etc., shall be prescribed by Presidential Decree.

**Article 153 (Additional Collection of Insufficient Amount of Tax and Additional Tax)**(1) Even though a person liable to file a local education tax return and pay tax pursuant to Article 152 (1) fails to fulfill his/her duty to file a return, the head of a local government shall not impose on the person an additional tax under Article 53 or 54 of the Framework Act on Local Taxes. <Amended by Act No. 14474, Dec. 27, 2016>

(2) Where a person liable to file a local education tax return and pay tax pursuant to Article 152 (1) fails to fulfill his/her duty to pay tax, the head of a local government shall collect the amount calculated by adding the amount of additional tax calculated pursuant to Article 55 of the Framework Act on Local Taxes to the amount of tax calculated pursuant to Article 151 (1) or to the tax shortfall from him/her as the amount of tax by means of ordinary collection. <Amended by Act No. 14474, Dec. 27, 2016>

[This Article Wholly Amended by Act No. 11617, Jan. 1, 2013]

**Article 154 (Refund)**Local tax refunds on local education tax shall be refunded by the head of the relevant local government or a public official to whom his/her authority is delegated in the same manner as the amount of tax constituting the tax base for local education tax for each tax item is refunded.

**+** **ADDENDA <Act No. 10252, Apr. 12, 2010>**

**Article 1 (Enforcement Date)**

- + ADDENDA <Act No. 10340, Jun. 4, 2010>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 10361, Jun. 8, 2010>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 10416, Dec. 27, 2010>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 10469, Mar. 29, 2011>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 10924, Jul. 25, 2011>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 11108, Dec. 2, 2011>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 11110, Dec. 2, 2011>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 11124, Dec. 31, 2011>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 11137, Dec. 31, 2011>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 11617, Jan. 1, 2013>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 11690, Mar. 23, 2013>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 11873, Jun. 7, 2013>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 12118, Dec. 26, 2013>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 12153, Jan. 1, 2014>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 12505, Mar. 24, 2014>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 12602, May 20, 2014>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 12738, Jun. 3, 2014>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 12801, Oct. 15, 2014>  
Article 1 (Enforcement Date)**

- + ADDENDA <Act No. 12844, Nov. 19, 2014>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 12855, Dec. 23, 2014>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 12954, Dec. 31, 2014>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 13425, Jul. 24, 2015>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 13427, Jul. 24, 2015>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 13636, Dec. 29, 2015>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 13796, Jan. 19, 2016>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 13797, Jan. 19, 2016>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 13805, Jan. 19, 2016>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 14033, Feb. 29, 2016>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 14116, Mar. 29, 2016>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 14474, Dec. 27, 2016>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 14475, Dec. 27, 2016>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 14476, Dec. 27, 2016>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 14567, Feb. 8, 2017>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 14569, Feb. 8, 2017>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 14839, Jul. 26, 2017>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 15292, Dec. 26, 2017>  
Article 1 (Enforcement Date)**
- + ADDENDA <Act No. 15335, Dec. 30, 2017>**

**Article 1 (Enforcement Date)****+ ADDENDA <Act No. 16008, Dec. 24, 2018>****Article 1 (Enforcement Date)****+ ADDENDA <Act No. 16113, Dec. 31, 2018>****Article 1 (Enforcement Date)****- ADDENDA <Act No. 16194, Dec. 31, 2018>****Article 1 (Enforcement Decree)**

This Act shall enter into force on January 1, 2019: Provided, That the amended provision of Article 131 (2) shall enter into force on July 1, 2019, and the amended provision of Article 103-3 (8) (limited to stocks, etc. of small and medium-sized enterprises provided for in Article 103-3 (1) 11 (a) i)) shall enter into force on January 1, 2020.

**Article 2 (General Applicability)**

This Act shall begin to apply from the first portion for which tax liability is incurred after this Act enters into force.

**Article 3 (Applicability to Extension of Deadline for Filing Acquisition Tax Return and Payment thereof)**

(1) The amended provision of the proviso to Article 13 (5) 3 shall also apply to where a person uses a residential building for which 30 days have not passed since the date he/she acquired the residential building as at the time this Act enters into force, for any purpose other than a residential purpose, or where the person commences construction work to alter the building not to use it as a high-end house, after this Act enters into force.

(2) The amended provision of the proviso to Article 13 (5) 4 shall also apply to where a person uses a building for a high-end recreation center for which 30 days have not passed since the date he/she acquired the building for a high-end recreation center as at the time this Act enters into force, for any purpose other than the original purpose of a high-end recreation center, or where the person commences construction work to alter the building not to use it as a high-end recreation center, after this Act enters into force.

(3) The amended provision to Article 20 (2) shall also apply to where a tax return and payment is filed pursuant to the aforesaid paragraph after this Act enters into force, for an object of taxation for which 30 days have not passed from the date prescribed by Presidential Decree under the aforesaid paragraph as at the time this Act enters into force.

(4) The amended provision to Article 20 (3) shall also apply to where a tax return and payment is filed pursuant to the aforesaid paragraph after this Act enters into force, for an object of taxation subject to imposition or additional collection of acquisition tax pursuant to the aforesaid paragraph as at the time this Act enters into force, for which 30 days have not passed from the date a ground for such imposition or additional collection arises.

**Article 4 (Applicability to Reporting and Payment of Registration and License Tax)**

(1) The amended provision to Article 30 (2) shall also apply to where a tax return and payment is filed pursuant to the aforesaid paragraph after this Act enters into force, for an object of taxation for which 30 days have not passed from the date prescribed by Presidential Decree under the aforesaid paragraph as at the time this Act enters into force.

(2) The amended provision to Article 30 (3) shall also apply to where a tax return and payment is filed pursuant to the aforesaid paragraph after this Act enters into force, for an object of taxation subject to imposition or additional collection of registration and license tax pursuant to the aforesaid paragraph as at the time this Act enters into force, for which 30 days have not passed from the date a ground for such imposition or additional collection arises.

**Article 5 (Applicability to House Rental Income Subject to Separate Taxation)**

The amended provisions to Article 93 (10) through (14) shall begin to apply from the first portion of house rental income generated after January 1, 2019.

**Article 6 (Applicability to Personal Local Income Tax on Capital Gains from Domestic Stocks at Time of Departure of Residents from Republic of Korea)**

The amended provision of Article 103-3 (8) shall begin to apply from the first cases that a resident departs from the Republic of Korea after this Act enters into force.

**Article 7 (Applicability to Exemption from Collection of Small Amount of Local Income Tax)**

The amended provision of Article 103-60 shall begin to apply from the first portions of tax payment notices given after this Act enters into force.

**Article 8 (Applicability to Additional Payment of Corporate Local Income Tax)**

The amended provision of Article 103-63 (3) shall begin to apply from the first portions of bonds, etc. sold after July 1, 2019.

**Article 9 (Applicability to Temporary Cancellation of Seizure of Vehicle Registration Plates)**

The amended provision of Article 131 (2) shall also apply to a person liable to pay tax whose vehicle registration plate is being seized as at the time this Act enters into force.

**Article 10 (General Transitional Measures)**

The former provisions shall apply to local tax which was imposed or reduced or exempted or which should be imposed or reduced or exempted pursuant to the former provisions as at the time this Act enters into force.