

REDUCING 30% OF LAND RENTAL FEES IN 2023 – A SOLUTION TO PROMOTE ECONOMIC GROWTH FROM THE GOVERNMENT OF VIETNAM

The Deputy Prime Minister, Le Minh Khai, signed Decision No. 25/2023/QD-TTg on October 3, 2023, which will take effect from November 20, 2023.

1. The beneficiaries of the land rental fee reduction

The beneficiaries of the land rental fee reduction are organizations, units, businesses, households, and individuals who are directly leased land by the state. This includes those who have been granted land use rights, ownership of houses, and other assets attached to the land by competent state agencies under the form of annual land rental payment.

This reduction applies to all cases, including those who are not eligible for exemption or reduction of land rental fees, those whose exemption or reduction of land rental fees has expired, and those who are currently receiving a reduction of land rental fees according to the provisions of land laws (Land Law and detailed documents related to the Land Law) and other relevant laws.

2. Reduction percentage

The 30% reduction in land rental fees applies to the rental fees incurred in 2023 for the lessees specified in Article 2 of Decision No. 25/2023/QD-TTg. This reduction does not apply to the outstanding land rental fees from previous years and late payment fees (if any).

The reduction rate of land rental fees specified in Article 3, Clause 1 of Decision No. 25/2023/QD-TTg is calculated based on the rental fees incurred in 2023 according to the provisions of the law. In cases where the lessees are currently receiving a reduction in land rental fees according to the regulations or/and deducting compensation and land clearance fees according to the provisions of the law, the 30% reduction in land rental fees is calculated based on the rental fees incurred (if any) after being reduced or/and deducted according to the provisions of the law (excluding the amount of land rental fees reduced according to Decision No. 01/2023/QD-TTg dated January 31, 2023, of the Prime Minister).



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3. Application dossier

The lessees are required to submit a request to reduce land rental fees for 2023 using the form provided in the Appendix accompanying this Decision.

They also need to provide a copy of the land lease decision, land lease contract, or certificate of land use rights, ownership of houses, and other assets attached to the land issued by the competent state agency.

4. Procedures for requesting a reduction in land rental fees

The lessees must submit a set of documents requesting a reduction in land rental fees (via one of the following methods: in person, electronically, by mail) to the tax authority responsible for collecting land rental fees, the management board of economic zones, the management board of high-tech zones, or other relevant agencies as prescribed by tax management laws. This must be done from the effective date of this Decision until March 31, 2024. The reduction in land rental fees specified in this Decision does not apply to cases where the lessees submit their documents after March 31, 2024.

In cases where the lessees have been granted a reduction in land rental fees by the competent authority according to the provisions of Decision No. 25/2023/QD-TTg, but later the state management agency discovers through inspection or examination that the lessees do not meet the criteria for the reduction of land rental fees as specified in Decision No. 25/2023/QD-TTg, the lessees must reimburse the state budget for the amount of land rental fees that have been reduced and the late payment fees calculated based on the reduced amount as prescribed by tax management laws.

- In case the lessee has already paid the land rental fees for 2023 and there is an excess amount after the competent authority determines and decides to reduce the land rental fees, the excess amount will be deducted from the next payment period or the following year's land rental fees according to the provisions of tax management laws and other related laws. If there is no next land rental fee payment period, the excess amount paid will be offset or refunded according to the provisions of tax management laws and other related laws.

5. Urgent implementation of the land rental fee reduction according to the Prime Minister's decision from the tax authorities

To implement Decision No. 25/2023/QD-TTg of the Prime Minister on the reduction of land rental fees for 2023, the Director General of the General Department of Taxation has issued Official Dispatch No. 08/CD-TCT directing the



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tax departments at all levels to guide organizations, units, businesses, households, and individuals who are directly leased land by the state to implement the reduction of fees according to the Prime Minister's decision.

Specifically, the General Department of Taxation requires all units in the tax sector to urgently organize extensive dissemination of the content of the land rental fee reduction policy, as specified in Decision No. 25/2023/QD-TTg, to organizations, units, businesses, households, and individuals who are directly leased land by the state based on the land lease decision, land lease contract, or certificate of land use rights, ownership of houses, and other assets attached to the land issued by the competent state agency under the form of annual land rental payment.

In each tax administration area, the tax authorities proactively coordinate with the press, branches/representative offices of the Vietnam Chamber of Commerce and Industry (VCCI), etc., to organize dissemination and promotion of the content of Decision No. 25/2023/QD-TTg.

The tax authorities will also develop guidance documents for the implementation of Decision No. 25/2023/QD-TTg and publish them on the unit's electronic portal/information page.

The local tax departments will send the guidance documents via email to organizations, units, businesses, households, and individuals who are directly leased land by the state.

The General Department of Taxation requires that the dissemination of information must be frequent and continuous in various forms to ensure that taxpayers have access to and understand the scope, subjects, deadlines, procedures, and rights when implementing the land rental fee reduction policy. This is to ensure that taxpayers comply with the state's support policies, overcome financial difficulties, and implement the policy correctly and timely.

At the same time, based on the request for a reduction in land rental fees for 2023 submitted by the lessees (as specified in Article 4 of Decision No. 25/2023/QD-TTg), the tax management authority will determine the amount of land rental fees to be reduced and issue a decision to reduce the land rental fees according to the provisions of the laws on land rental fees.

In addition, the tax authority will consolidate the situation of land rental fee reduction (according to Decision No. 25/2023/QD-TTg) in the province, city, update the information on land rental fee reduction for taxpayers, the amount of land rental fees to be paid in 2023, and adjust the late payment fees (if any) on the system.



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In case there is no next land rental fee payment period, the excess amount paid will be offset or refunded according to the provisions of tax management laws and other related laws.

The head of the tax authority is responsible for assigning relevant departments within the tax authority to update, search, review, and verify documents, and urge compliance with the provisions of the law.

In case it is discovered that the taxpayer does not meet the conditions for reducing land rental fees as prescribed, the tax authority will notify the taxpayer to comply with the provisions of the current land rental fee laws.

The tax departments will consolidate and report on the implementation of Decision No. 25/2023/QĐ-TTg, including issues and difficulties that arise during the implementation process. The tax departments will promptly report and propose recommendations to the General Department of Taxation for resolution.



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