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INGDOM OF CAMBODIA
Nation Religion King

Ministry of Economy and Finance
No.224

July 5, 1996

Prakas
On
Collection Of Tax
On
Unused Land

State Minister

Minister of Economy and Finance

- Having seen the 1993 Constitution of the Kingdom of Cambodia,
- Having seen Royal Decree of the King dated November 1, 1993 on Appointment of the Royal Government of Cambodia,
- Having seen the Law on Organization and Functioning of the Council of Ministers promulgated by Royal Kram dated July 20, 1994,
- Having seen Royal Decree NS/RKT/1094/83 dated October 24, 1994 on Revision of Composition of the Royal Government,
- Having seen Royal Decree NS/RKT /1094/90 dated October 31, 1994 on Revision of Composition of the Royal Government,
- Having seen the Law on Creation of Ministry of Economy and Finance promulgated by Royal Kram NS/RKM/0196/18 dated January 24, 1996,
- Having seen Financial. Management Law for 1995 promulgated by Royal Kram 11/NS/94 dated December 31 1994,
- Having seen the Law Revising the Financial Management Law for 1995 promulgated by Royal Kram CS/RKM/0995/01 dated September 1' 1995,
- Having seen Sub-Decree 58 on Creation of a Committee for Valuation of Unused Land dated July 25, 1995,
- Having seen Prakas 316 on Appointment of Composition of Committee for Valuation of Unused Land dated September 2, 1995,
- Having seen Decision 01 on Creation of Sub-Committees for Valuation of Unused Land at Municipalities/Provinces dated September 27 1995,
- Referring to necessity in collection of tax on unused land,

DECIDES

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Article 1: The taxable unused land is the land which does not have anyone of the following characteristics:

- 1) Land with construction located in the residential areas where the owner uses as his/her principal place of residence for 183 days or more starting from October 1 of the past year to September 30 of the tax collection year. If in the tax collection year, the owner can fulfill the residential requirement of 183 days for that tax collection year, such owner may apply for a refund of tax already paid.
The principal place for residence of the owner is a place where such owner eats and sleeps everyday after returning from daily work. For this tax determination, an owner may not have more than one principal place of residence.
- 2) Possessed land rented with construction that generates a monthly income of more than 80% of one-twelfth of the land value in a tax collection year multiplied by coefficient which is determined by the Prakas of Ministry of Economy and Finance with land value determined by Committee for Valuation of Unused Land. $\text{Income} > 80\% \text{ of } ((1/12) \times \text{land value} \times \text{coefficient})$
- 3) Land of legitimate economic activities as determined by the state with the monthly revenue from such activities of more than 80% of one-twelfth of the land value in a tax collection year multiplied by coefficient which is determined by the Prakas of Ministry of Economy and Finance with land value determined by Committee for Valuation of Unused Land.
- 4) Land belongs to the state which is leased to a legal entity or physical person, having anyone of the three characteristics stated above.
- 5) Land under the investment contract with which the performance has not been started due to a force majeure or suffered by any reason such as insecurity and such postponement is recognized by a competent institution and Ministry of Economy and Finance.

Article 2: This tax payment is not a condition for certifying legal ownership of the land.

Article 3: In Managing the collection of tax on unused land, the word "owner" refers to a person to whom the land survey unit or territorial authority of commune/sangkat level or above issued an official document in recognition of the rights of such person for the use of land in a region permanently or temporarily.

An owner is a single family "father, mother, himself, wife, and dependant children" or head of the household and dependant members whose names are listed on the family certificate issued by competent authority.

The owner of the taxable land and a land lessee of the state stipulated in point 4 of Article 1 has duties to calculate tax according to the tax declaration procedure provided by Tax Department and shall pay the tax on unused land no later than September 30 of each tax collection year to the tax unit in the region where such land locates. For each parcel of taxable land, tax declaration shall be filed separately.

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Article 4: Ministry of Economy and Finance shall make a public announcement on value of land per square meter determined by the Committee for Valuation of Unused Land so that the taxable persons can determine their tax bases. Such public announcement shall also specify the division of regions and land value per square meter in each region. This public announcement shall be posted at city/province halls, tax branch and post offices as well as published in at least two local newspapers.

Article 5: Failure to declare tax, inadequate payment of tax, or failure to pay tax on unused land shall be subject to implementation of Article 58 and other relevant Articles of Financial Law for 1994 and penalties stipulated in Financial Laws in force.

Article 6: This Prakas is in force from the date of signature.

State Minister
Minister of Economy and Finance

Signed and Sealed

Keat Chhon

CC:

- General Secretariat of the National Assembly
- Office of the Council of Ministers
- Cabinet of First Prime Minister
- Cabinet of Second Prime Minister
- All ministries and central institutions
- All provincial and municipal offices (as information)
- All subordinate units of the Ministry of Economy and Finance (for actions)
- Committee for Valuation of Unused Land
- Sub-Committees for Valuation of Unused Land
- All tax units (for implementation)
- Chronos