

LAW OF THE REPUBLIC OF ARMENIA

ON LAND TAXES

CHAPTER 1

TAXABLE OBJECT AND TAXPAYERS

Article 1.

The taxpayers for land are the landowners, the permanent or temporary users of State land. The taxes for rented land provided for use is charged from the tenant.

Article 2.

The taxable object of agricultural land is the net income from the land defined by an evaluation carried out by the land cadastre.

The taxable object of non-agricultural land is the price of the land defined by an evaluation carried out by the land cadastre.

CHAPTER 2

LAND TAXATION QUOTAS AND ASSESSMENT PROCEDURES

Article 3.

The amount of the land tax does not depend upon the result of the economic activity of the taxpayer and is calculated according to defined prices on land surface measurement units, that are paid annually.

Article 4.

The tax quota for the agricultural land (Including the lands provided for construction of residential buildings and homestead lands) is the 15% of the net income defined by the evaluation carried out by the cadastre.

Article 5.

For non-agricultural land the taxes are defined according to the following measurements: ^a

a) The taxation quota for the lands allocated to industries (Including mines and areas of expansion of the industrial activities), transportation, communication, radio-wave imaging, television, use on security purposes, gas pipe-lines, as well as water funds is defined according to the following percents of the price calculated by cadastral evaluation of the given cadastral zone:

- Inside the settlements - 1 percent
- Outside the settlements - ^a0,5 percent

b) The taxation quota for the forested lands (Except the agricultural areas located in them) is calculated by 1 percent of the average price defined by the cadastral evaluation for unused lands in the given cadastral zone

c) The taxation quota for non-agricultural land is calculated by 1 percent of the price defined by the cadastral evaluation for the given type of the land

Article 6.

The lands occupied by constructions and buildings, areas necessary for their maintenance, as well as the sanitary protective, technical and other objects are subject to taxation

Article 7.

The taxpayers charged for the utilization of agricultural land (Agricultural production) must also pay land taxes. They will be exempt from the payment of the income tax, except if dealing with those industrial agricultural activities (Greenhouse and cattle breeding economies, cattle breeding farms, agro-complex, poultry farms and etc.) the list of which is defined by the Government of the Republic of Armenia, due to an agreement from the Permanent commission of the National Assembly on financial, budgeting and economic issues.

The taxpayers, whose income from non-agricultural activities is more than 25%, will not be exempt from the income tax from those activities. In that respect, the taxpayers must maintain the accountancy for industrial and financial turnover for agricultural and non-agricultural activities.

Article 8.

The land taxes charged from a month after the obtainment of the right for privatization, permanent or temporary utilization of the land.

Article 9.

Within a financial year, the subject obtaining privileges for the land tax payment will be exempt from payment from the month during which the privileges were provided.

In case if the privileges have been determined within a financial year, the taxes will be charged in a month after the termination.

CHAPTER 3

LAND TAX EXEMPTIONS

Article 10.

The following are exempt from the land tax:

a) Budgetary institutions and organizations, as well as State preserves and forest reserves, national and dendrology parks, botanical gardens and lands of historical-cultural value, except the lands provided for rent or administrative use

b) Agricultural and collective farms formed in the processes of land reforms and privatization, starting from the month of obtainment of the right on land privatization and for two years since then

c) The owners and permanent or temporary users of the land that have obtained the land and are exempt from the income tax for a certain period of time, according to the legislation of the Republic of Armenia

d) State appropriated public lands located in the settlements (Squares, streets, subways, roads, parks, gardens, water reservoirs and etc.)

e) The educational-productive and testing lands attached to vocational educational institutions and schools

f) Newly planted, young and fertile vineyards till the full fertility of the seedlings (In agro technically defined time period for each sort of the grape), if planted at an area of 0.1 hectare or more

g) The lands of the State forest fund, except the lands rented for agricultural purposes

Article 11.

The following will be exempt from the land tax on 50%:

a) Scientific agricultural and forestry organizations, the investigative, experimental, seed raising, planting, sort testing facilities, stations and departments of the scientific-investigative and educational institutions, defined by the Government of the Republic of Armenia, for the lands that are used exceptionally on scientific, educational, agricultural and forestry plant sort testing purposes

b) Citizens that obtain the rights on privatization and are exempt from the income tax from the lands they own, according to the procedures defined by the legislation of the Republic of Armenia

CHAPTER 4

THE PROCEDURE FOR CALCULATION AND PAYMENT OF THE LAND TAX

Article 12.

The documentation proving the rights on permanent or temporary use of the land serve as the basis for the calculation of the land tax

Article 13.

The enterprises (Except rural economies), institutions and organizations calculate the land tax themselves and not later than 1st of September of each year, and present the calculation for each piece of taxable land to the State tax inspection.

The tax calculations for newly obtained land taxation must be presented in a month after the delivery of the right on land-use.

Article 14.

The citizens and rural economies calculate the land tax on their own on the basis of payment notifications calculated till the 1st of September for each year and delivered to them by the State tax inspection of the Republic of Armenia

Article 15.

The accountancy of the taxpayers and the calculation of the land tax is performed by 1st of July, each year.

The corresponding bodies of the State tax inspection perform the accountancy of the taxpayers and implement control over the correct calculation and timely payment of the taxes.

Article 16.

The citizens and rural economies must pay the amounts of the calculated taxes to the State budget not later than November 15th of the financial year and before the 15th of April of the following year. The enterprises, institutions and organizations will be charged once a trimester before the 25th of the month that follows the financial trimester.

Article 17.

The payment of the land taxes to the State budget is performed in accordance with procedures defined by the legislation of the Republic of Armenia.

CHAPTER 5

CONCLUDING PROVISIONS

Article 18.

For the violation of this law the taxpayers, as well as the officials entities of enterprises, institutions and organizations will be held liable according to procedures defined by the legislation of the Republic of Armenia.

Article 19.

The Government of the Republic of Armenia can define different tax quotas and amounts, privileges and payment procedures for certain taxpayers and taxpayer groups due to an agreement from the Permanent commission of the National Assembly on financial, budgetary and economic issues.

Article 20.

The performing functions of this law are developed and publicized by the State tax inspection of the Republic of Armenia, with the approval from the Ministries of Finance, Agriculture and Justice of the Republic of Armenia.

The President of the Republic of Armenia
L. Ter-Petrosyan

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Yerevan