

# Real estate ownership transfer tax guide

prepared by  
**Real estate ownership transfer tax**  
department

## **Introduction**

The transferring ownership income tax occupies special importance compared with other income sources, because it is imposed on transferring ownership of real state or getting benefit of its usage. Citizens suffer a lot because they don't know the sequences of the procedures to be followed in order to complete their transactions. Therefore the commission of taxes realized that it is very important to publish a guidance handbook to fulfill the needs of citizens in order to follow the legal procedures and to ensure the transparency between the commission of taxes and the taxpayers.

One of the most important targets that the commission of taxes wants to achieve is improving the education of the taxpayers. This could be achieved by using this book properly, because it contains definitions, tax laws, tax calculation and types of transactions and their flow charts. All of these have been illustrated in a clear and simple manner which leads eventually to a prosperous developed country.

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Director General  
General Commission for Taxes  
Baghdad March 2004**

## **General Directions for Citizens**

### **Dear Citizen**

The general commission of taxes looks forward to provide you with the best services and to ensure your safe position (by protecting yourself against penalties due to tax avoidances) the following instructions have to be taken into consideration:

1. The correct reporting and paying tax at the right time allows you to avoid you penalties.
2. Contact the tax office by yourself, if it is not possible, try to choose somebody you trust and provide him with a limited attorney which is legally issued by a public notary.
3. Do not depend on brokers (middle men).
4. Contact the branches when you need. If there is no reply, contact the general commission of taxes.
5. The general commission of taxes provides you with a various types of services, such as telephone service, and computer facilities.

Thanks for your cooperation

### **What is tax?**

a. Tax is a determined amount which is collected under the law to correspond unseen benefits to achieve social, fiscal and economical goals according to the theory of social cooperation.

b. Tax considered being one of the power signs of the state .The state has the right to impose taxes, to carry out its duties, in order to fulfill the society needs. Therefore cooperation of citizens and their state is required.

c. The purpose behind the tax should be designed in a way that serves the society to achieve economic and social goals such as:

First: Increase the individual income and achieve the maximum degree of economic growth as much as possible within society capabilities, resources and skills.

Second: Achieve justice regarding wealth and real income distribution to reduce class differences among society.

### **Services provided by real estate ownership transfer tax department and sections for citizens**

1. Completing transactions received from real estate registration office.
2. Providing information about real estate value assessment in any of the commission branches.
3. Responding verbal and written inquiries of the branches.
4. Interviewing with commission director general according to request submitted by the citizens to relation and media section to solve problems in any commission branch.
5. Publishing advertisements by media of updated instructions about the section facilities.
6. Providing telephone facilities to respond to citizen inquiries regarding real estate ownership transfer issues.

### **Functional structure of real estate ownership transfer sections in tax branches:**

The functional structure consists of the following tasks:

1. Real estate estimator (Job description):
  - a) Daily auditing of inspection decisions coming from real estate registration office and decide whether they meet the adopted regulations, to pass on the next day to the branch director for finalization.
  - b) Organizing the (land card) and forms for real estate transferring ownership, calculating tax and then certifying the completed forms.

- c) Supervising sections correspondences and performance of its employees. In case there is more than one estimator, the head of the branch should choose one of them to be the head of the section.
2. Land auditor (Job description):

Auditing tax calculation for real estate transferring ownership including of inspection report to be sure that tax calculation, legal conditions and administration instructions are correct.
  3. Stamp clerk ( Job description):
    - a) Receiving completed transactions from land estimator exclusively, stamping, and registering the forms in a special record before distributing them.
    - b) Organizing a table containing real estate transferring ownership forms. Then to be sent to the general commission of taxes.
  4. Land cleric ( Job description):
    - a) Receiving inspection reports from the real estate registration office to be registered.
    - b) Handing over the inspection decisions to the specialized estimator.
    - c) Receiving completed and certified transactions to be sent to the real estate registration office.
  5. Preliminaries office ( Job description):
    - a) Receiving transactions Preliminaries from stamping clerk for reservation.
    - b) Reintroducing the initials when required.
  6. IT office ( Job description):
    - a) Auditing the seller name only in income tax payer system to identify his position in lands card.
    - b) Introducing the information for real estate transferring ownership system, when required by the authorized employee.

## **Resolution NO.120 Real Estate Transfer Ownership**

Date of resolution 27/6/2002

### **Firstly:**

Paragraph (4)<sup>1</sup> from article (2) and paragraph (20) from Article (7) from Income Tax Law No. 113 for the year 1982 are to be cancelled, and item (secondly) from revolutionary command council Resolution no. 520 at 20/7/1987 and items (firstly) and (secondly) from revolutionary command council Resolution no. 55 at 1/6/1998 are also to be cancelled.

### **Secondly:**

A tax is imposed with progressive rates on the value of real estate or usufruct of real estate which is estimated according to the Real Estate Value valuation Law no. 85 for year 1987 or the transfer price of the real estate, whichever is more. The tax is imposed on the real estate owner or one who owned a share of real estate when ownership is transferred, or usufruct of real estate, by any means of ownership transfer (or usufruct), such as sell, trade, gift, surrender, exchange, barter, compromise, removal of common ownership, liquidation of waqf or transfer to the lessee by contract.

### **The tax is calculated as follows:**

1. The first 20 million ID of the real estate estimated value or transfer price, whichever is greater, is exempted from tax (this amount is apportioned among partners if the land is owned jointly);
2. The amount over the exemption stated in paragraph (1) of this item is subject to the following rates:
  - A. 3% up to 30 million ID;
  - B. 4% of any amount over 30 million up to 60 million ID;
  - C. 5% of any amount over 60 million up to 90 million ID; and
  - D. 6% of any amount over 90 million ID.

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<sup>1</sup> Article 2(item 4) imposed the income tax on profits on the sale of real property; Article 7(item 20) exempted certain transfers of real estate from the income tax on profits.

**Thirdly:**

If the sale is a portion or share of real estate the tax will be calculated on the whole value of the real estate according to this resolution and be collected according to the percentage of transmitted portion or share.

**Fourthly:**

The Tax Commission may not suspend transfers of real estate based on violations of tax laws committed prior to the adoption of this resolution.

**Fifthly:**

A gift of real estate between a man and his wife or sons is exempted from the tax imposed by item (secondly) of this resolution.

**Sixthly:**

Items (firstly) and (secondly) apply to transfers of property (excluding paragraph 1 of item secondly) regarding the transfers done before enforcing this resolution without paying the tax or the differences.

**Seventhly:**

1. Income Tax Law no. 113 for the year 1982 and Resolution no. 307 at 12/3/1984 is valid unless denoted in this Resolution.
2. This resolution is not valid on tax exemption denoted by paragraph no. 23 and 25 from Article 7 from the Income Tax Law or any special resolutions.

**Eighthly:**

The Minister of Finance may issue instructions to facilitate implementing this resolution.

**Ninthly:**

This resolution is effective after 30 days from publication in the official newspaper and the agreement of general commission for taxes on listing transactions of real estate ownership transfer will remain valid for 90 days from the date of this Resolution and the



- Tax is ethical and national value, so please don't ruin this value by encouraging bribery.
- When you reject extortion you will provide a service for public wealth.
- The doors of all people in charge are opened and they are ready to handle any problem.



The regulations of real estate value estimation are available in all branches .so don't hesitate to contact the branch when you need help to avoid abuse , pressure or blackmail



You can use the telephone to contact the general commission for taxes on (8156983) two hours a day if you have any question about (income, rental, and real-estate ownership transferring and business tax) or any thing to do with the tax laws, regulations, and restrictions.

## **Fiscal Instruction no (12) on Implementing Resolution (120) in 2002**

### **Article (1)**

#### **According to item (1) of the resolution:**

- A. all the profits due to transferring real estate ownership and the estimation rules listed in paragraph (4) article (4) of income tax law (113) (amendment) in 1982 to be canceled
- B. The exemption of income tax on profits occurs on gift transactions of real estate ownership transferring between spouses and their sons as listed in resolution (520) in 1987 to be canceled.
- C. Exemption of profits occurs on real state ownership transferring transactions listed in item (1, 2) of revolution commanding council resolution (55) in 1998 to be canceled.
- D. Exemption of profits occurs on real state ownership transferring transactions listed paragraph (20) of article (7) of income tax law to be canceled.

### **Article (2)**

According to item (2) of resolution, a tax to be imposed with progressive rates on the value of real estate or usufruct (right of dispose) of real estate which is estimated according to the real estate value assessment law no. (85) In 1978. Or price of the real estate on real estate transferring ownership such as ; sale , exchange, gift , compromise, concede , removal of common ownership , liquidation of ' waqf ' and land lease, This tax is calculated according to :

- A. the first (20) million I.D. from the real estate estimated value or real price is exempted and this amount should be distributed among partners according to their percentages if the real estate is owned by many.
- B. The amount that exceeds over the exemption amount noted in item above from this article should be liable to tax according to the following percentages;
  - 1. (3) % until reaching (30) million I.D.
  - 2. (4) % for any amount exceeds over (30) million I.D. until reaching (60) million I.D.

3. (5) %for any amount exceeds over (60) million I.D. until reaching (90) million I.D.
4. (6) % for any amount exceeds over (90) million I.D and whatever more.

### **Article (3)**

The rules of this resolution are valid for all real estates regardless of their types, uses and areas for transactions such as (gift, conveyance, court sale, agreement sale, unifying property (removal of common property), division and agreement distribution, judicial distribution, land lease, right of use and others) for transactions that are nether registered nor taxed before the validity date of resolution.

### **Article (4)**

Article (1) and (2) from this resolution except the exemption (20 million ID) denoted by item (1) from article (2) of this resolution is valid on real estate owner-ship transmission or usufruct of real estate which has accrued before the validity date of this resolution for unpaid tax or estimated differences imposed on it.

### **Article (5)**

The rules of this resolution are valid for transactions of unifying property (removal of common property) owned by partners ,if some of them did not pay tax in the period before date of resolution validity ,they should be taxed by taking article (4) into consideration.

### **Article (6)**

- A. If the real estate is owned as a common property, the tax should be calculated on the whole value of the real estate according to item (2) and to be distributed among partners according to their percentages of transferred portions or shares.
- B. If the transferred ownership was consisted of portions or shares of the real estate then tax will be calculated on the whole value of real estate according to this resolution and be collected according to the percentages of transferred portions or shares.

- C. If agricultural land is owned as a common property, and there are buildings belong to some partners (according to ownership document), were constructed on it the tax should be computed as follows:
1. The value of the (buildings don't belong to the seller) should be excluded from the whole value of the land, then tax is computed on the remained value and to be collected according to the percentage of the (sold shares to the total shares).
  2. For the buildings that belong to the seller, tax should be calculated according to article (2) of these instructions, to be considered as an independent real estate. For his portion of the common property, the tax should be computed according to item (1) of this paragraph.

### **Article (7)**

Gift transaction between spouses or their children is exempted from the imposed tax according to the article (5) from this resolution, regardless of the repetitive transactions, type and use of the real estate.

### **Article (8)**

To facilitate the procedures of completing the transactions included in this resolution, according to article (4) General commission of taxes is not allowed to suspend licensing transaction which is included by this resolution and verification of tax frauds committed before the date of the resolution validity. What is meant by verification is all the procedures that are based on doubt and must be implemented to figure out whether the frauds are true or false. If it is approved for the financial authority that the taxpayer has committed a tax fraud, then all the problems must be solved before licensing the transaction included in this resolution.

### **Article (9)**

The rules of articles (57, 58, 59 and 59 repeated) of income tax law are still valid for tax frauds committed before the date of resolution validity.

### **Article (10)**

Since the tax according to this resolution is fixed and imposed on the whole value of real estate and not on the profits occurred on selling it, therefore it is not included in the deductions and allowances listed in articles (8, 12) of income tax law .also the changes in the income sources must not be taken into consideration on progressive tax accounting.

### **Article (11)**

The rules of this resolution are valid for real estates owned by the resident and non resident taxpayers and regardless of their nationalities.

### **Article (12)**

- A. Permissions for the real estate ownership transferring transactions and right of dispose transactions issued by the general commission for taxes and its branches before the resolution validity date remain valid until the end of the estimation year 2002, whether they were taxed or absolutely exempted.
- B. The tax should be recalculated according to the rules of this resolution for the transactions denoted in paragraph (A) of this article if their transfer of ownership was not completed in the registration office after the end of the period denoted in the paragraph above , and the taxpayer payments should not be refunded if there is any tax differences.

### **Article (13)**

According to paragraph (1) article (7) of the resolution, Income tax law (113) in 1982 and resolution (307) at 12/3/1987 which imposes interests on taxes for real estate ownership transferring transactions is valid unless denoted in this decision.

### **Article (14)**

According to paragraph (2) article (7), tax exemption still valid under the items (23, 25) article (7) of income tax law which deals with the

exemption of conveyance transactions between the inheritants of martyrs or any special resolution.

### **Article (15)**

All the instructions mentioned above should be implemented on 7/8/2002 (the resolution validity date).

## **Inspection and estimation**

When a request of inspection is submitted to the real estate registration office, the owner is informed with the date of inspection (the day/hour), therefore the following points have to be noticed:

1. a combined inspection team of three members (representative of general tax commission, representative of real estate registration and a surveying engineer from real estate registration office) carry out the inspection and the assessment of the real estate of the owner by measuring the area of land and building and estimating the value of each in the following manner:
  - A. The value of land: estimated by multiplying the area by the price of squared meter according to specified considerations.
  - B. The value of building: estimated by determining the type of building and its area, then the total value equals (area  $\times$  cost of one squared meter according to specified considerations).

The total value of the real state equals to the sum of the land value and the building value.

2. Before having inspection completed, a specified considerations should be noticed in estimating the price of one meter squared of both (land + building) which must reflect the actual prices of the real estates in that location. In the excellent locations, inspection team is authorized to over estimate up to 10% above the price for the ordinary location, while in the critical (bad) location the team is authorized to under estimate to 10% below the price for the ordinary location. The team should classify the

location if it is excellent, ordinary or critical and list the reasonable justification for that classification. The estimation of building value depends on the class, land price and type of usage (residential, industrial, agricultural, commercial).the restrictions which governs the estimation should be revised annually by a combined committee for updating.

3. The taxpayer has the right to object on the value estimated by the team according to the law within 7 days after the date of inspection.
4. The objection has to be taken into consideration when the phrase (object on the inspection result) is written on the form.
5. The objection application form should be submitted to the real estate office on the next day.
6. The inspection result is valid for one year and to one transition only.

### **Tax calculation of real state transaction**

Tax calculation of real state transactions depends on the total value of the real state. This value can be estimated by one of these following cases:

1. Value estimated either by combined inspection team or by permissible allowance (the higher value is adopted) for agreement sales.
2. Value stated at the date of remove from inheritance (altakharuj) or by its allowance (the higher value is adopted).
3. value at the date of filing a case or its allowance (the higher value is adopted) for court sales according to law 1198 in 1977 if the date of the case on or after 19 Feb. 95 (date of validity), if the date of the case was before 19 Feb. 95 then the allowance stated by court is adopted as tax accounting basis.
4. Allowance for unifying real state transactions.
5. Allowance for executive sales or by bedding.

Tax calculation is carried out after determining the total value of real state according to the following table:

**Table of tax rates according to article (2) paragraph (B) of law (120) in 2002 for real state transactions.**

<b>No</b>	<b>Real state value/allowance</b>	<b>Tax rates</b>	<b>Final accumulated tax</b>
1.	First 20000000	exempted	
2.	21000000	3%	30000
3.	22000000	3%	60000
4.	23000000	3%	90000
5.	24000000	3%	120000
6.	25000000	3%	150000
7.	26000000	3%	180000
8.	27000000	3%	210000
9.	28000000	3%	240000
10.	29000000	3%	270000
11.	30000000	3%	300000
12.	31000000	3%	330000
13.	32000000	3%	360000
14.	33000000	3%	390000
15.	34000000	3%	420000
16.	35000000	3%	450000
17.	36000000	3%	480000
18.	37000000	3%	510000
19.	38000000	3%	540000
20.	39000000	3%	570000
21.	40000000	3%	600000
22.	41000000	3%	630000
23.	42000000	3%	660000
24.	43000000	3%	690000
25.	44000000	3%	720000
26.	45000000	3%	750000
27.	46000000	3%	780000
28.	47000000	3%	810000

29.	48000000	3%	840000
30.	49000000	3%	870000
31.	50000000	3%	900000
32.	51000000	4%	940000
33.	52000000	4%	980000
34.	53000000	4%	1020000
35.	54000000	4%	1060000
36.	55000000	4%	1100000
37.	56000000	4%	1140000
38.	57000000	4%	1180000
39.	58000000	4%	1220000
40.	59000000	4%	1260000
41.	60000000	4%	1300000
42.	61000000	4%	1340000
43.	62000000	4%	1380000
44.	63000000	4%	1420000
45.	64000000	4%	1460000
46.	65000000	4%	1500000
47.	66000000	4%	1540000
48.	67000000	4%	1580000
49.	68000000	4%	1620000
50.	69000000	4%	1660000
51.	70000000	4%	1700000
52.	71000000	4%	1740000
53.	72000000	4%	1780000
54.	73000000	4%	1820000
55.	74000000	4%	1860000
56.	75000000	4%	1900000
57.	76000000	4%	1940000
58.	77000000	4%	1980000
59.	78000000	4%	2020000
60.	79000000	4%	2060000
61.	80000000	4%	2100000
62.	81000000	5%	2150000
63.	82000000	5%	2200000
64.	83000000	5%	2250000

65.	84000000	5%	2300000
66	85000000	5%	2350000
67.	86000000	5%	2400000
68.	87000000	5%	2450000
69.	88000000	5%	2500000
70.	89000000	5%	2550000
71.	90000000	5%	2600000
72.	91000000	5%	2650000
73.	92000000	5%	2700000
74.	93000000	5%	2750000
75.	94000000	5%	2800000
76.	95000000	5%	2850000
77.	96000000	5%	2900000
78.	97000000	5%	2950000
79.	98000000	5%	3000000
80	99000000	5%	3050000
81	100000000	5%	3100000
82.	101000000	5%	3150000
83.	102000000	5%	3200000
84.	103000000	5%	3250000
85.	104000000	5%	3300000
86.	105000000	5%	3350000
87.	106000000	5%	3400000
88.	107000000	5%	3450000
89.	108000000	5%	3500000
90	109000000	5%	3550000
91.	110000000	5%	3600000
92.	111000000	6%	3660000
93.	112000000	6%	3720000
94.	113000000	6%	3780000
95.	114000000	6%	3840000
96	115000000	6%	3900000
97.	116000000	6%	3960000
98.	117000000	6%	4020000
99.	118000000	6%	4080000
100.	119000000	6%	4140000

101.	120000000	6%	4200000
A fixed tax rate of 6% for over 120000000			

**Tax scale according to item (2) paragraph (1) (2) of law (120) in 7/8/2002**

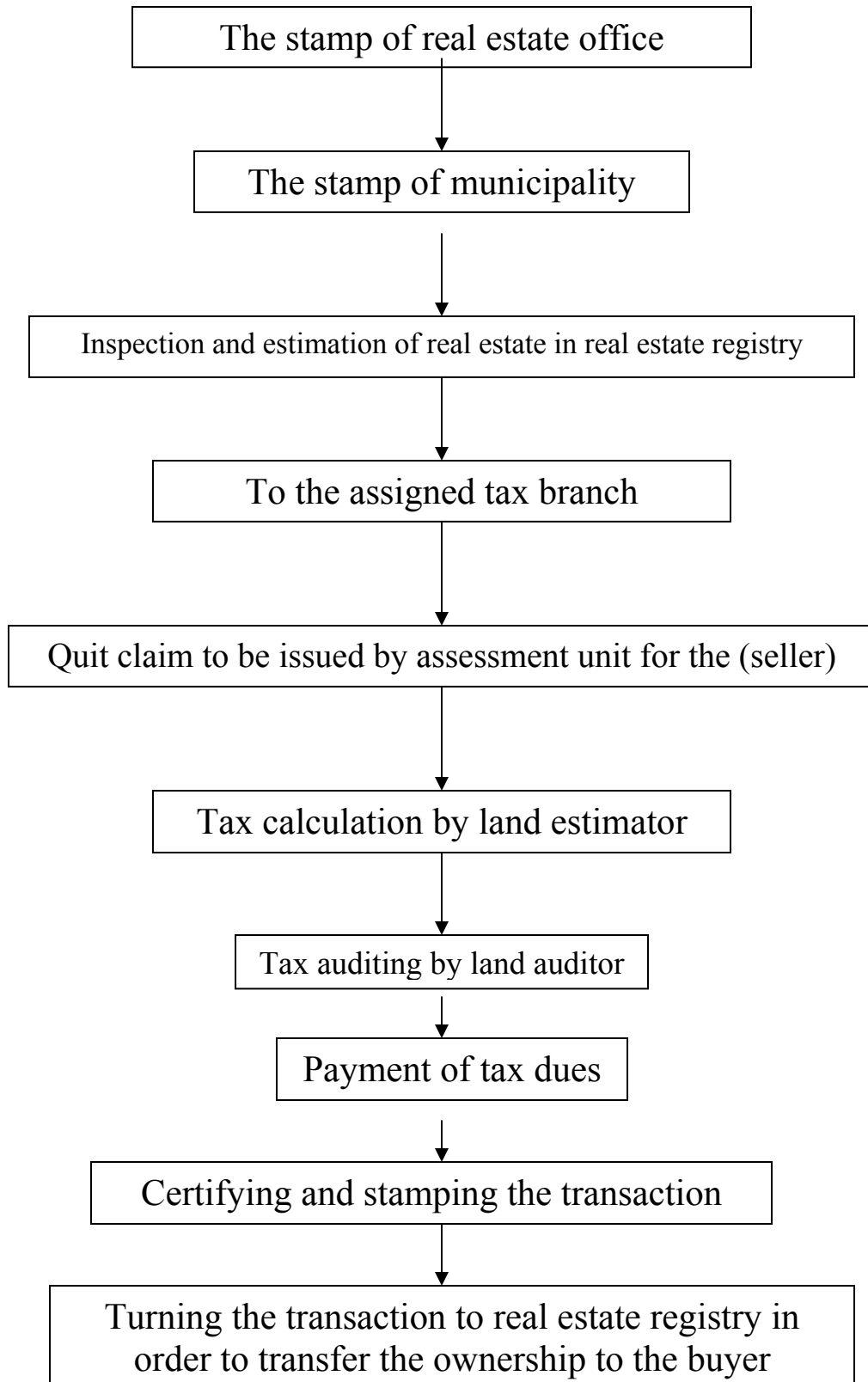
The first 20000000 of the (value/allowance) of the real state is exempted, the rest is taxable according to the to the following progressive tax rates:

accumulation		rates		Tax amount after deducting exempted amount (2000000)
30000000	30000000	3%	900000	900000
60000000	30000000	4%	1200000	2100000
90000000	30000000	5%	1500000	3600000
Over than the above		6%		

Note:

The exemption deduction which equals to (2000000) from the total value of the real state or its allowance is suspended in contraventions before the date of validity of law 120. And the sane principle is applied for any illegally registered transaction to avoid tax accounting. For the unpaid taxes of transactions before the date of validity such as (agreement sale, court sale, executive sale, exchange, conciliation, dedication, concede (waive), liquidation, land lease, the right of benefit) are included in the exemption.

## **Flow chart of real estate transaction**



## Illustrative examples on tax calculation for real estate transactions

### Example (1) on satisfactory sale

A taxpayer sold a real estate at a price of (100000000) hundred million ID, the estimated value of that real estate by the inspection team is (110) million ID, thus the tax calculation according to resolution 120 in 2002 would be as follows:

110000000	ID the total estimated value of the real estate
20000000	The first 20 million is exempted according to paragraph (1) item (2) of resolution 120.
90000000	Liable to tax according to tax rates listed in paragraph (2) item (2) resolution 120
	3% × 30000000=900000
	4% × 30000000=1200000
	5% × 30000000=1500000
	-----
	The total tax is 3600000

#### Note

If the real estate is a common property (owned by more than one person), the total tax is computed as mentioned above. Then the tax distributed among the partners according to the percentages of their portions.

$$\text{tax imposed on partner} = \frac{\text{sold shares}}{\text{total shares}} \times \text{total tax}$$

## **Example (2) : sale by combinable land removal**

A real estate of a dead man was transferred to inheritants in 2/1/1995. then they applied for removal of common property (inheritance distribution deed) .the court transferred the property (real estate) to the buyer in 1/10/1999 at a price of (120000000). The transaction was registered in the real estate registration office in 2/7/2002 .before inheritants contact the tax branch. The tax calculation according to resolution (120) would be as follows:

120000000	the total value of the real estate which is not exempted according to paragraph (1) item (2) , because it was registered in real estate registration office before the validity date of resolution (120)
120000000	Liabile to tax according to the tax rates listed in paragraph (2) item (2) of resolution 120.
	$3\% \times 30000000 = 900000$
	$4\% \times 30000000 - 60000000 = 1200000$
	$5\% \times 60000000 - 90000000 = 1500000$
	$6\% \times \text{more than } 90000000 = 1800000$
	-----
	total tax is 5400000 to be distributed according to the inheritance distribution deed

## **Example (3) : Satisfactory division transactions**

Partners (x) & (y) divided a real estate evenly in 15/8/1994 with allowance of (3000000) three million ID and total value of (5000000) five million ID .Later, the real estate estimated value for partner (x) is (30000000) thirty million ID and that for partner (y) is (40000000) fourty million. Therefore the tax calculation would be as follows:

30000000	The real estate estimated value for partner (x) after division
40000000	The real estate estimated value for partner (y) after division
70000000	The sum
	$70000000 \div 2 = 35000000$ the value of each before division
1.partner (x):	35000000 the value before division
	30000000 the value after division
	-----
	(+) 5000000 liable to tax as a seller
2.partner (y):	35000000 the value before division
	40000000 the value after division
	-----
	(-) 5000000 liable to tax as a buyer

Therefore tax calculation according t resolution (120) would be as follows

<b><u>The total value</u></b>	<b><u>Tax</u></b>
70000000	1700000
5000000	E

X = 121429 ID the tax for the sold shares

**Note**

For the court division, the real estate estimated value is adopted at the date of filing a case

**Example (4): Sale by court transactions (law No.1198)**

A real estate was sold by court according to revolution commanding council resolution (1198) and its amendments by resolution (198) in 1994 with an allowance of (47000000) fourty seven million ID. The estimated value by inspection team was (55000000) fifty five million ID in 13/10/2000. The real estate is transferred to the buyer in 2/1/1995 with allowance of (1000000) one million ID .And the

real estate was registered in the real registration office. Then tax calculation would be:

55000000	The total value estimated by inspection team in 13/10/2000 which is not exempted according to paragraph (2) item (2) of resolution 120.
55000000	Liable to tax according to the tax rates listed in paragraph (2) item (2) of resolution 120.
	3% × 30000000= 900000
	4% × 25000000= 1000000
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	total tax is 1900000

**Note**

The allowance estimated by court decision was considered to be tax accounting base according to resolution of 120 in 2002 for cases before 19/2/1995.

**Example (5): on agricultural land sale**

A taxpayer sold his shares of an agricultural land (which is shared by government) .the allowance of the land was (2000000) and the sum of the sold shares is 20000/100 share. The land contains a house that belongs to the seller and five more houses belong to the other partners. The total value for the whole land was (400000000)

ID

The estimated value of the house that belongs to the seller is 5000000

The estimated value of the second house is 6000000

The estimated value of the third house is 8000000

The estimated value of the fourth house is 7000000

The estimated value of the fifth house is 6000000

The estimated value of the sixth house is 8000000

Tax calculation on sold shares would be as follows:

1. tax calculation for the real estate that belongs to seller:

5000000 ID real estate estimated value  
 20000000 ID the exemption according to resolution (120) in 2002 ,  
 therefore the real estate is not liable to tax

2. tax calculation on the total value of the whole land would be :

400000000 the total value according to inspection decision  
 200000000 exempted  
 380000000 Liable to tax  
 $3\% \times 30000000 = 900000$   
 $4\% \times 30000000 = 1300000$   
 $5\% \times 30000000 = 1500000$   
 $6\% \times 290000000 = 17400000$

total tax is 210000000 ID

The tax imposed on seller =  $210000000 \times (100 \div 20000) = 10500$  ID

Example 5- b: a taxpayer sold his shares of an agricultural land of total area 25 donums. The sold shares are 150/6000 and the allowance was 10000000

80000000 ID estimated value for (right to dispose of)  
 20000000 ID estimated value for the house and the grinder  
 100000000 the total value for the whole land  
 The tax calculation would be:

100000000	the total value for (right to dispose of) land+house+grinder
20000000	exempted
80000000	Liable to tax
	$3\% \times 30000000 = 900000$
	$4\% \times 30000000 = 1200000$
	$5\% \times 20000000 = 1000000$
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	total tax is whole land	3100000 ID imposed on the
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Tax to be paid =  $3100000 \times (150 \div 6000) = 775500$  ID

### **Note**

If the houses do not belong to the seller, then they should be excluded from the total value and the tax calculation would be:  
 $100000000 - 20000000 = 80000000$  the value of land excluding the (buildings)

20000000	exempted	
60000000	Liable to tax	
	$3\% \times 30000000 =$	900000
	$4\% \times 30000000 =$	1200000
		-----
	total tax is whole land	2100000 ID imposed on the

Tax to be paid =  $2100000 \times (150 \div 6000) = 52500$  ID

### **Documents required for real estate transactions**

- Declaration form certified (stamped) by municipality.
- Updated certificate of ownership.
- Decision of real estate inspection and estimation
- Identification card.
- Inheritance distribution deeds in agreement sales, court decision in for court sales, executive note and bedding statement for executive sales, building establishing license for annex.