A Comparative Study of Real Estate Taxation Systems: Centering on the Future Direction of Real Estate Taxation Systems in Korea

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This paper examines a rational taxation model that ensures a balance between the efficient use of real estate and fair incidence of taxation. On the investigation focuses on reasonable taxation models tailored to fit each stage of acquisition, holding, and transfer, while taking into account the overall implications for real estate taxation.

The progress of globalization brought about tax competition to attract foreign capital & talented people to their respective countries and provides backup international competitiveness of their fellow enterprises. As a result, these are reducing the rate of income tax and corporate tax. On the other hand, it is increasing the general consumption tax (i.e. VAT). In this regard, the division of income and wealth is increasingly widening.

For this reason, it is necessary to impose tax more strongly on assets centering on real estate. I conducted a comparative study of the real estate taxation systems of Korea, Japan, U.S.A., England, Germany, and France.

In conclusion, it is important to rebuild a real estate tax system as follows: unification and reduction of tax in the stage of acquiring real estate, simplification and increase of tax in the stage of holding of real estate, simplification and improvement of equity of tax in capital gains, reinforcement of inheritance and gift. In addition, shifting from a step-up basis to a carry-over basis on inheritance and gift without compensation of real estate.