



Abstract

A Study of Basic Income-type Land-holding Tax System and Tax Reform

This study examines the introduction of a basic income-type land-holding tax. In connection with the introduction of the basic income type land holding tax, after analyzing the current situation of real estate and the problem of the holding tax system, a desirable direction for reorganizing the holding tax system was suggested. After confirming the suitability of the land-holding tax, the design of a specific land holding tax and its economic impact were dealt with have. Next, the scope of the research is expanding to the legislative work of basic income-type land ownership tax. These correspond specifically to the following eight contents.

First, reality of land ownership, trends in ownership inequality, impact of land inequality; Second, real estate taxation system, ownership tax, and comparison with OECD countries; Third, necessity of reorganization of the current holding tax system, direction of reorganization, role of holding tax; Fourth, legitimacy and suitability of national land ownership tax as a source of basic income; Fifth, design of basic income-type homeland holding tax, trial calculation and distribution of net benefits by scenario, economic effect; Sixth, issues surrounding basic income-type homeland ownership tax; Seventh, legislative type of land ownership tax, whether it is unconstitutional,

and consistent with other possession tax; and Eighth, review of the National Land Ownership Tax Legislation, and the Enactment of the National Land Ownership Tax Act (draft).

The contents confirmed through this study are as follows: First, in Korea, land ownership inequality is severe, and corporations' land speculation (rental pursuit), which must revitalize the entire economy through innovation, is more severe than other countries; Second, income from land is substantial, and this is one of the main causes of income inequality; Third, nevertheless, land-related tax is an inefficient system with very low effective ownership tax rate, high transaction tax and low ownership tax, and lack of consistency in taxation of buildings, land, and buildings, so effective countermeasures are urgently needed to strengthen the ownership tax; Fourth, therefore, if unearned income generated from land is recovered and used as a source of basic income, social justice can be realized by significantly reducing inequality, and at the same time, it can induce companies to focus on more productive activities.

This study reveals that the basic income-type homeland holding tax is a way to enable the reinforcement of the holding tax', which has been difficult to succeed due to tax resistance, and furthermore, it is revealed that it can serve as a resource to guarantee basic living for all citizens. In addition, we have also confirmed that if the conventional strengthening of the holding tax is “containment of speculation through burden,” the basic income type homeland holding tax induces “blocking speculation through benefits”.

There are also concerns and criticisms about the basic income-type land ownership tax. These include criticism that the policy effects aimed at by the abolition of the principle of differential taxation and reduction for each use, which has been maintained for a long time, are

halved and concerns about side effects, and concerns about a sharp decline in real estate prices. However, the differential taxation and exemption system for each application itself, rather, lowers the overall efficiency of the economy. And above all, these existing systems do not conform to the principle of fair taxation, "the same thing is the same, different things are different." Even if the real estate price plunges, a soft landing will be possible if the government acts as a stable consumer, and a drop in real estate prices will energize the entire economy. And unlike general taxes, land ownership tax is impossible to pass on and blocks speculation to induce speculative housing to appear on the market, and households who do not own a house not only benefit from land dividends, but also increase housing stability due to a decline in housing prices. Their economic level can be improved.

The conclusion of this study is that the basic income-type homeland ownership tax, which is collected as national tax and paid as basic income, is difficult to retreat when introduced, because the majority of the people are pure beneficiary households, and various concerns raised about the homeland ownership tax are sufficient. It is a tax system that can be overcome and if the principles are applied flexibly, economic efficiency increases.

This study specifically presented the "National Territory Tax Act" (draft) on the national land ownership tax as a national tax, up to and including provisions. Until the bill was presented, the issues and considerations of each article were also reviewed, and the legal controversy including the constitutional discussion of the bill itself was also dealt with. It also presents important matters in the actual legislation of the 「National Land Retention Tax Act」 (draft). First, since it is a law when it is actually legislated, a detailed additional

review is required in the future. Second, in the case of national tax, since the Ministry of Strategy and Finance is a competent department, cooperation between the relevant departments is essential for the form of government legislation. The form of legislative legislation (the enactment of the General Real Estate Tax Act has taken the form of legislative legislative legislation due to the political situation, etc.) may be possible, but in the end, cooperation with the central government is necessary when considering the relationship with the previous comprehensive real estate tax law.

Based on the above studies, this study presents important policy considerations related to the implementation of the basic income-type homeland holding tax. First, it is necessary to flexibly apply the tax rate of the basic income-type land ownership tax; Second, it is reasonable to select the “weak” progressive tax, which is the middle of the proportional tax and the progressive tax proposed in this study, as the tax rate form of the land ownership tax; Third, the principle of abolition of differential taxation and reduction of exemption by use must be adhered to; Fourth, the principle of land ownership tax should be applied gradually after presenting a roadmap; Fifth, the national land ownership tax needs to be promoted along with the public land lease system, which increases the proportion of public land.

It is necessary to consider the following as future research projects.

First, there is a need for a study to present a detailed and systematic mid- to long-term plan that can consistently apply the three principles, the principle of simplifying the taxation system, the principle of improving economic efficiency, and the principle of fair taxation; Second, the Comprehensive Real Estate Tax Act was amended in August 2020, and the tax burden on high-priced multi-homed people is expected to increase in 2021. In this situation, if the “property

tax-deposit tax” system is converted to the “property tax-national bond tax” system, a detailed study is needed on how the burden of the national security tax on the subject of the tax tax and the resulting incentive structure will change. Based on these studies, it is necessary to design a taxation system for land ownership tax in order for the incentive system to function effectively; Third, it is necessary to devise a basic income system that uses natural products that include not only land, but also natural resources and environment; Lastly, as this study establishes a new national tax as a new national tax in relation to the law, it is promoted to legislate in consideration of the enactment of the National Land Ownership Tax Act and related laws such as the Basic National Tax Act, the Restriction on Special Taxation Act, and the Rural Special Tax Act It is proposed to establish an implementation mechanism. There is a need.

Keyword

Basic Income-type land-holding Tax, Tax Reform, Legislation