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GOV'T NOT TO EASE PROPERTY TAX BURDENS FOR MULTIPLE HOME OWNERS DURING ITS TERM

South Korea's finance ministry on Monday rejected a request by the presidential transition team to temporarily ease property capital gain taxes for multiple home owners.

The transition team of President-elect Yoon Suk-yeol earlier asked the outgoing government to revise an ordinance to the income tax law in a bid to ease heavier capital gain tax burdens on multiple home owners starting in April for one year.

In June, the government imposed heavier property-related tax burdens on owners of two or more homes in some designated areas in a bid to curb skyrocketing housing prices. Multiple home owners should pay taxes worth as much as 75 percent of capital gains from property sales.

The finance ministry said it will be "desirable" for the incoming government to implement the measure to relax capital gain tax burdens for multiple home owners.

The transition team said the incoming government will seek to take necessary steps to implement them as soon as Yoon takes office on May 10.

During the campaign, Yoon promised to ease real estate-related taxes amid growing public complaints about the Moon Jae-in administration's housing policy.

Rep. Choo Kyung-ho, the nominee for the finance minister, said Sunday he will respect market principles and seek to ease property taxes in an order to "normalize" the housing market.

International Property Tax Institute

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The Moon administration focused on clamping down on property speculations and curbing runaway home prices by raising tax rates and tightening lending rules. But the measures led to only a short-term letup in housing prices since demand for home buying has not been easily subdued in anticipation of further price gains.

In recent months, South Korea's housing prices have shown stabilizing movements on the back of increased home supply plans and rising interest rates. But home prices in some areas in Seoul showed signs of rising in expectation of eased regulations on redevelopment and reconstruction under the incoming government.