

# Extra tax for lip jobs in South Korea

SEOUL, SOUTH KOREA: The South Korean government plans to exploit the country's obsession with plastic surgery by extending taxes to popular procedures like lip jobs to help fund spiralling social welfare costs.



The proposed new tax codes slap a 10% value added tax on procedures like lip augmentation, double-jaw surgery and body hair removal starting from next year the finance ministry said.

Until now, VAT has only been levied on the so-called "big five" treatments, nose jobs, liposuction, facelifts, breast augmentation and double-eyelid surgery.

"Our taxes on medical treatments for cosmetic purposes are revised in line with global standards," the ministry said in a statement, adding that most advanced nations tax all medical treatments performed for aesthetic purposes.

But few countries can match the per capita spending on cosmetic surgery of South Korea, where one in every five women is estimated to have undergone at least one procedure.

The new code will have an impact on previously untaxed religious leaders like monks and priests who will face a 4.0% levy on religious honorariums beginning from 2015, the finance ministry said.

The government estimates the changes, once approved by lawmakers, will help reap an additional 2.49trn won (US\$2.23bn) in tax revenue over the next five years.

"Our fiscal conditions face a very challenging situation," Finance Minister Hyun Oh-Seok said. "The new tax revenues will be used to offer more welfare support for people who need help," he said.

South Korean President Park Geun-Hye, who took office in February, promised a horde of new welfare programmes for the poor and the elderly during her presidential campaign.

The export-reliant South faces an uphill struggle to fund the burgeoning social welfare costs that come with having one of the world's most rapidly ageing populations.

Source: AFP via I-Net Bridge

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