

Current Tax System (China)

Serial Number	Taxes	Taxpayers	Objects of Taxation (Base of Taxation)	Tax Rates
Goods and Services Taxes				
1	VAT	Entities and individuals that sell goods or provide processing, repair and installation services, or sell services, intangible assets and immovable property within China, those that import goods into China	Selling and importing goods; providing processing, repair and installation services; selling services, intangible assets and immovable property	Tax rates :13%,9%,6% Collection rates :3%,5%
2	Excise Tax	Entities and individuals that engage in production, consigned processing within China, or importing taxable consumer goods into China, Other entities and individuals that sell taxable consumer goods designated by the State Council	Fifteen types of consumer goods such as tobacco, alcohol, car, refined oil, etc.	Ad valorem, specific duty, or combination of both
3	Vehicle Purchase Tax	Entities and individuals that purchase taxable vehicles within China	Purchase of cars, motorcycles with displacement of more than 150 ml, trams and trailers	10%
4	Customs Duty	Consignee of imported goods, consignor of exported goods, and owners of articles entering China	Goods allowed to be imported into and exported from China, and articles entering China	Ad valorem, specific duty, or combination of both

Serial Number	Taxes	Taxpayers	Objects of Taxation (Base of Taxation)	Tax Rates
Income Taxes				
5	Enterprise Income Tax	Enterprises within China, including resident and non - resident enterprises	Taxable income received by resident and non - resident enterprises	25% for resident enterprises, and reduced rate 10% (standard rate 20%) for non - resident enterprises
6	Individual Income Tax	Resident taxpayers: individuals with a domicile in China or having resided in China for a period aggregating 183 days or more in a taxable year	Income derived from inside China or outside china	Comprehensive income: progressive rates from 3% to 45%; Business income: progressive rates from 5% to 35%; Income derived from interests, dividends and bonuses, leasing or transfer of property, and incidental income: 20%
		Non-resident taxpayers: individuals having no domicile or residence in China or having aggregating no more than 183 days in a taxable year	Income derived from inside China	

Serial Number	Taxes	Taxpayers	Objects of Taxation (Base of Taxation)	Tax Rates
Property and Behavior Taxes				
7	Land Appredation Tax	Entities and individuals that transfer the right to use State-owned land, above-ground structures and their attached facilities within China, and obtain income from such transfer	The incremental value of such transfer	Four-level progressive rates(30%,40%,50%,60%)
8	Real Estate Tax	Owners of houses within cities, county towns, administrative towns and industrial and mining districts within China	Houses within cities, county towns, administrative towns and industrial and mining districts	Taxes for self-occupied houses are calculated on the basis of the residual value with a tax rate of 1.2%; Taxes for rented houses are calculated on the basis of the rental income, and the applicable tax rate is 12%
9	Urban and Township Land Use Tax	Entities and individuals that use land in cities, county towns, administrative towns and industrial and mining districts	Actual area of the land occupied by the taxpayer	Land use tax per square meter per year: 1.5~30 RMB for big cities; 1.2-24 RMB for medium-sized cities, 0.9~18 RMB for small cities, and 0.6~12 RMB for county towns, administrative towns and industrial and mining districts
10	Farmland Occupation Tax	Entities and individuals who use arable land to build houses or for other non-agricultural construction purposes with-in China	Actual area of the arable land occupied by the tax-payer	Differentiated tax rates for different locations
11	Deed Tax	The transferee (entities and individuals) of land and houses within China	Market price for the transferred right to use the land or the right of ownership of the house, or the price margin resulting from the exchange of the land use right and house ownership	3%~5%
12	Resource Tax	Entities and individuals engage in exploiting various taxable mineral resources or salt	Crude oil, natural gas, coal, other non-metal ores, ferrous ores, non-ferrous ores and salt	Ad valorem tax or per unit tax for different resources, for example, 5%~10% of the sales for crude oil and natural gas

Serial Number	Taxes	Taxpayers	Objects of Taxation (Base of Taxation)	Tax Rates
13	Vehicle and Vessel Tax	Owners or managers of the taxable vehicles and vessels within China	Vehicles and vessels	Differentiated fixed amount tax
14	Stamp Tax	Entities and individuals who conclude or receive taxable documents and transact securities in China.Entities and individuals who conclude or receive taxable documents outside China for use within the territory of China.	Taxable documents concluded or received, securities transactions	0.005%,0.03%,0.1%,0.05%,0.025 %
15	Urban Maintenance and Construction Tax	Entities and individuals that pay value added tax, consumption tax and Business Tax	Amounts of value added tax, excise tax and Business Tax paid by taxpayers	Three tax rates depending on the taxpayers' location, i. e. 7% (urban area), 5%(county towns,towns)and 1% (areas other than the urban area,county towns or towns)
16	Tobacco Tax	Entities that engage in the purchasing of tobacco leaves within China in accordance with the provisions of the Tobacco Monopoly Law of the Peoples Republic of China	Tobacco leaves purchased within China	20%
17	Vessel Tonnage Tax	Vessels entering Chinese ports from overseas ports	Vessels	Fixed Volume tax, including preferential rates and normal rates
18	Environmental Protection Tax	Enterprises, public institutions and other producers and operators that directly discharge pollutants to the environment within the territory of the People's Republic of China and other sea areas under the jurisdiction of the People's Republic of China	Air pollutants, water pollutants, solid waste and noise pollution as prescribed in the Schedule of Tax Items and Tax Amounts of Envionmental Protection Tax and the Schedule of Taxable Pollutants and Equivalent Values of the Environmental Protection Tax Law of the People's Republic of China	Govemed by the Schedue of Tax Items and Tax Amounts of Environmental Protection Tax attached to the Environmental Protection Tax Law

Note: The customs authorities are responsible for the administration of Customs Duty and Vessel Tonnage Tax,and also taking the responsibility for the collection of VAT and Excise Tax on imported goods.

displacement of more than 150 mi , trams and trailers .

10%

Tax

vehicles within China

Consignee of imported goods , consignor of exported goods , and owners of articles entering China

Goods allowed to be imported into and exported from China , and articles entering China

Ad valorem , specific duty , or combination of both

Customs

4

Duty

Income Taxes

Enterprise

Enterprises within China ,

Taxable income

25% for resident enterprises ,20% and 25% for non - resident enterprises

Income

including resident and non -

received by resident and non - resident enterprises

5

Tax

resident enter prises

Resident taxpayers : individuals

with a domicile in China or Income derived from having resided in China for al inside China or on
period aggregating 183 days china

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or more in a taxable year

Individual

Income

to 35%

Tax

Non - resident taxpayers

individuals ha

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outside