

Understanding the Scope of Individual Income under the Individual Income Tax Law

1. Income from wages and salaries

Income obtained by individuals from wages, salaries, bonuses, year-end salary bonuses, labor dividends, allowances, subsidies and other income from their job or related to their employment;

2. Income from remuneration for personal services

Income obtained by individuals from personal services includes income from design, decoration, installation, mapping, chemical examination, testing, medical treatment, law, accounting, consulting, lecturing, translation, proof-reading, painting and calligraphy, sculpture, film and television, audio and video recording, performance, advertisement, exhibition, technical service, go-between service, brokerage, agency service and other labor services.

3. Income from author's remuneration

Income obtained by individuals from written workers after publication in books, newspapers or other forms.

4. Income from royalties



Income obtained by individuals from providing patent rights, trademark rights, copyrights, rights to use non-patented technologies and rights to use other proprietary rights. Income from providing copyright rights does not include income from author's remuneration.

5. Income from business operation

1. Income from production and business operations by individual households engaging in industry and commercial activity, and income of owners and investors in sole proprietorships and individual partners of partnership enterprises derived from the production and business activities of sole proprietorships and partnerships registered inside China;

2. Income obtained by individuals from running schools or providing medical treatment, consulting or other paid services;

3. Income obtained by individuals from the contracted operation and leased operation of enterprises and public institutions and subcontracting and subleasing;

4. Income obtained by individuals from engaging in other production and business activities.

6. Income from interest, dividends and bonuses

The income of interest, dividends and bonuses obtained by individuals from their ownership of creditor's rights and equities.

7. Income from the lease of property

Income obtained by individuals from leasing of their real estate, machinery and equipment, motor vehicles and ships and other property.

8. Income from the conveyance of property

Income obtained by individuals from transfer of negotiable securities, equities, property shares in partnership enterprises, real estate, machinery and equipment, motor vehicles and ships and other property.

9. Contingent income



Income obtained by individuals from getting awards, winning prizes in lotteries and other windfalls.

When it is difficult to define the categories of the taxable income obtained by an individual, it shall be determined by the taxation department of the State Council.