

# China Matters

China Taxation

China Administration



# Disposal/transfers of assets

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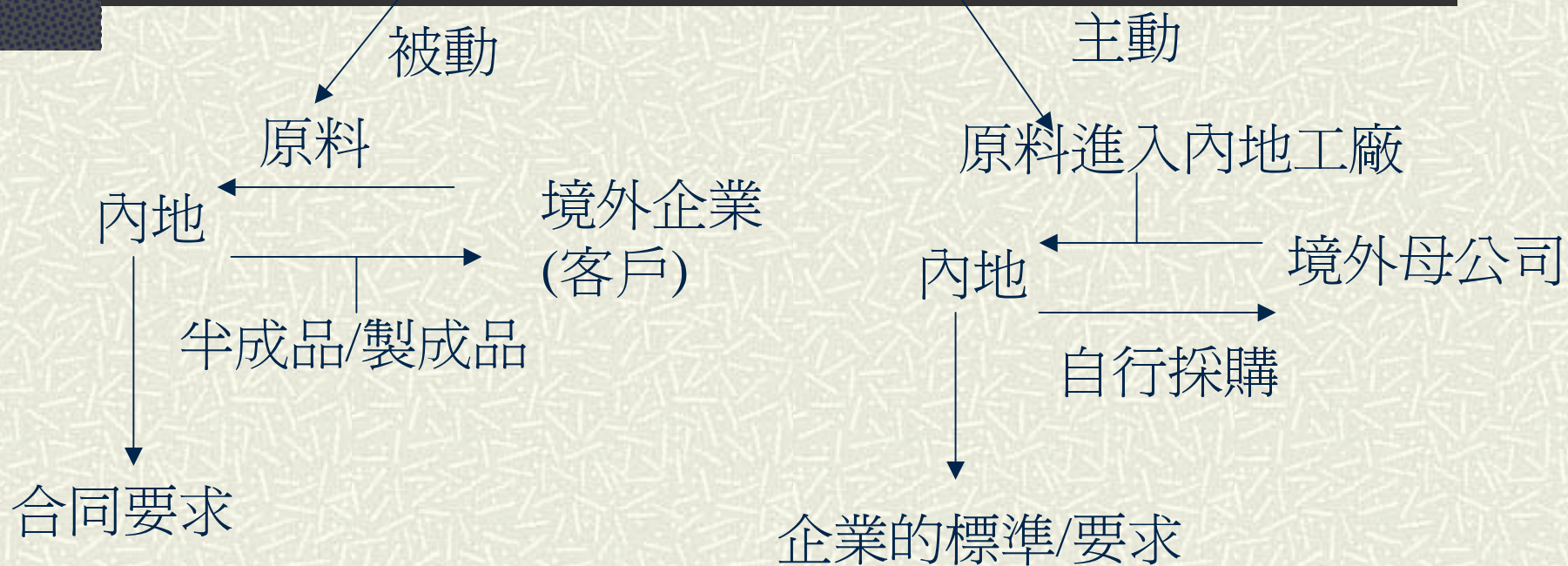
- # Disposal of assets – immovable assets :  
Business tax : 5%
  - # Sale of movable assets : VAT
  - # Sale of entire of business : No Tax involved
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# Rental Income

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- # Business Tax : Co/ individual
- # 所得稅 : Co – net profits – 33%
- # 個人所得稅: individuals – 80% of income  
(tax rate : 20%)
- # 城鎮房產稅

# 來料加工 vs 進料加工



# 出版單位

- 國務院收到申請90日內,作出批准與否,并由省.自治區.直轄市人民出版部門以書面通知主辦單位
- 不批准,應當說明理由
- 主辦單位自收到批准決定之日起60日內,向所在地登記,領取出版許可證
- 登記後,持出版許可證向工商行政管理部門登記,依法領取營業執照

# 合資外貿公司

- 有限責任公司
- 2003/12/11, 中方不低 51% (申請不受理)
- 外方：
- 註冊資本 - > 25%
- 申請前三年年均對華貿易額：>USD3000萬
- 中西部：>USD2000萬

# 合資外貿公司

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- # 中方：
- # 外貿經營權
- # 申請前三年年均進出口額： $>USD3000$ 萬
- # 中西部： $>USD2000$ 萬

# 合資外貿公司

- # 條件:
- # 註冊資本：>5000萬人民幣
- # 註冊資本：>3000萬人民幣 (中西部)
- # 自己名稱.組織機構
- # 對外貿易經營活動相應的營業場所.專業人員.其他必備的物質條件

# 外企辦事處

- # 經費支出換算收入法
- # 代表處收入(A) = 經費支出 x 117.65%
- # 營業稅 = (A) x 5%
- # 企業所得稅 = (A) x 0.1 x 33%/15%

# 直接減免增值稅

Purchases  
(VAT : 272

purchases : 1600

Sales : VAT 255 &  
Sales amount 1500

Exempt VAT Sales  
Total : 1170

# For Purchases

# Dr. Purchases 1600

# Dr. Tax Payable(Purchases VAT) 272

# Cr. Bank 1872

# 直接減免增值稅

# For Sales

# Dr. Bank 1755

# Cr. Income(主營業務收入) 1500

# Cr. Tax Payable(Sales VAT) 255

# For Direct reduce VAT

# Dr. Bank 1170

# Cr. Income 1000

# Cr. Tax Payable (Sale VAT) 170

# 直接減免增值稅

- # For reduce VAT
- # Dr. Tax Payable – VAT payable 61.2
- # CR. Income (補貼收入) 61.2
- # Not reduction for Purchases VAT
- #  $272 \times 1000 / (1500+1000) = 108.8$
- #  $170 - 108.8 = 61.2$
- # Tax payable for this month
- #  $255+170-272- 61.2 = 91.8$  or  $255-(272-108.8)$

# 免抵退

- # 期抵稅額 = 當期退稅額 = 0
- # Export (CIF): Sales=USD100K Freight=USD800, insurance=USD200
- # Ex rate=8.27, VAT=17%, refund VAT=15%
- # Sales to China : RMB600K (VAT=102K)
- # Purchases VAT = RMB80,000
- # FOB export =  $(100,000 - 800 - 200) * 8.27 = 818,730$
- # Not reduce VAT =  $818730 * (17\% - 15\%) = 16374.6$
- # Tax payable for the mth =  $102000 - (80000 - 16374.6) - 0 = 38374.6$
- # Tax refund for the mth =  $818370 * 15\% = 122,809.5$

# 免抵退

- # For export
- # Dr. A/R 827,000
- # CR. Income-export 818,730
- # Cr. Prepayment-export expenses 8,270
- # Not reduce VAT
- # Dr. Cost 16,374.6
- # Cr. Tax payable – VAT 16374.6
- # Sales to china
- # Dr. A/R 702,000
- # Cr. Sales 600,000 and tax payable 102,000

# 免抵退

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- # Applying for refund VAT
  - # Dr. Tax Payable(Export reduce inland sales)
  - # Cr. Tax Payable(Export refund)
  - # Amount = 122,809.5
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# 免抵退

Tax Payable – VAT tax payable

Dr.

Cr.

Purchases VAT 80000	Not reduce VAT 16374.6
Transfer to Not paid VAT 38374.6	Sales VAT 102000
Mth end reduce VAT 0	
Export reduce VAT 122809.5	免抵退 122809.5
Trf to next period for reduce VAT 0	

# 免抵退

- # 期 抵稅額  $\geq$  當期退稅額  $> 0$
- # Consider the above example, except
- # Sales inland : 200,000 (Sales VAT = 34000)
- # Not reduce VAT = 16374.6
- # Tax payable for the mth = **34000** - (80000 - 16374.6) - 0 = -29625.4
- # 抵 : 80000 - 16374.6
- # 29625.4 < 122809.5
- # 當期退稅額 = 29625.4
- # 當期免抵稅額 = 122809.5 - 29625.4 = 93184.4

# 免抵退

- # Applying for Export refund
- # Dr. Tax Payable – Export VAT 29625.4
- # DR. Tax Payable (Export reduce VAT)  
93184.4
- # Cr. Tax Payable – Export refund 122809.5

# 免抵退

- # 期留抵稅額 > 當期免抵稅額
- # Consider the above example, except:
- # Purchases VAT = 180,000
- # Not reduce VAT = 16374.6
- # Tax payable for the mth =  $34000 - (180000 - 16374.6) - 0 = -129625.4$
- #  $129625.4 > 122809.5$
- # 當期免退稅額 = 122809.5
- # C/f to next period :  $129625.4 - 122809.2 = 6815.9$