

Law of the PRC on the Administration of Tax Collection

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Chapter I — General Provisions

Article 1 — This Law is enacted for the purpose of strengthening the administration of tax collection, standardizing tax collection and payment, safeguarding national tax revenue, protecting the lawful rights and interests of taxpayers, and promoting economic and social development.

Article 2 — This Law applies to the collection and administration of all kinds of taxes imposed by law. The collection of Customs duties, vessel tonnage tax, and the taxes collected by Customs on behalf of tax authorities shall be governed by separate laws or administrative regulations.

Article 3 — The imposition and cessation of taxation, as well as tax reductions, exemptions, refunds, and makeup payments, shall be implemented in accordance with the provisions of the law; where the State Council is authorized by law to formulate administrative regulations, they shall be implemented in accordance with the provisions of the administrative regulations. No government department, entity, or individual may violate the law or administrative regulations by making decisions regarding the imposition or cessation of taxation, tax reductions, exemptions, refunds, makeup payments, or any other decision inconsistent with tax laws or administrative regulations.

Article 4 — Entities and individuals subject to taxation under laws and administrative regulations are taxpayers. Entities and individuals obligated to withhold and remit tax or collect and remit tax under laws and administrative regulations are withholding agents. Taxpayers and withholding agents must pay tax or withhold and remit tax, or collect and remit tax in accordance with laws and administrative regulations.

Article 5 — The competent tax authorities under the State Council shall be in charge of the nationwide administration of tax collection. Local tax bureaus at various levels shall, in accordance with the State Council provisions, administer tax collection within their respective jurisdictions. Local People's Governments at various levels shall strengthen their leadership over or coordination of the administration of tax collection within their respective administrative regions, support tax authorities in performing their duties in accordance with the law, calculate tax amounts based on statutory tax rates, and collect taxes in accordance with the law. All relevant departments and entities shall support and assist tax authorities in performing their duties in accordance with the law. No entity or individual may obstruct tax authorities from performing their duties in accordance with the law.

Article 6 — The State shall, in a planned manner, equip tax authorities at various levels with modern information technology, strengthen the modernization of tax collection and administration information systems, and establish and improve information-sharing systems between tax authorities and other government administrative authorities. Taxpayers, withholding agents, and other relevant entities shall, in accordance with relevant State provisions, truthfully provide tax authorities with information related to tax payment, withholding and remittance, and collection and remittance of tax.

Article 7 — Tax authorities shall widely publicize tax laws and administrative regulations, disseminate knowledge of taxation, and provide taxpayers with tax consultation services free of charge.

Article 8 — Taxpayers and withholding agents shall have the right to learn from tax authorities about the provisions of State tax laws and administrative regulations and the procedures relating to tax payment. Taxpayers and withholding agents shall have the right to request tax authorities to keep confidential any information about them. Tax authorities shall keep confidential the information about taxpayers and withholding agents in accordance with the law. Taxpayers shall have the right to apply for tax reductions,

exemptions, and refunds in accordance with the law. Taxpayers and withholding agents shall have the right to make statements, defend themselves, apply for administrative reconsideration, and bring administrative lawsuits in accordance with the law with respect to decisions made by tax authorities. They shall also have the right to accuse and report any illegal or disciplinary conduct of tax authorities and tax officials in accordance with the law.

Article 9 — Tax authorities shall strengthen the building of their tax collection teams and enhance the political and professional quality of their tax officials. Tax authorities and tax officials must enforce the law impartially, serve the people with integrity, respect and protect the rights of taxpayers and withholding agents, and accept supervision in accordance with the law. Tax officials shall not demand or accept bribes, engage in malpractices for personal gain, neglect their duties, or fail to collect or under-collect tax payable; and they shall not abuse their power to over-collect tax or deliberately create difficulties for taxpayers or withholding agents.

Article 10 — Tax authorities at various levels shall establish and improve internal restriction and supervision and management mechanisms. Higher-level tax authorities shall supervise the law enforcement activities of lower-level tax authorities in accordance with the law. Tax authorities at various levels shall supervise and inspect the implementation of laws, administrative regulations, and self-discipline rules by their officials.

Article 11 — The functions and responsibilities of tax officials in tax collection, administration, and inspection shall be clearly defined and separated from each other, and personnel shall be designated for specific posts accordingly.

Article 12 — Tax officials who have a direct interest in a taxpayer, withholding agent, or tax-related violation case shall withdraw from handling the matter.

Article 13 — Any entity or individual shall have the right to report violations of tax laws and administrative regulations. The tax authorities receiving such reports shall maintain confidentiality of the informant and grant rewards in accordance with relevant provisions.

Article 14 — For purposes of this Law, tax authorities refer to tax bureaus at various levels, sub-bureaus, tax offices, and tax stations established in accordance with State Council provisions and publicly announced.

Chapter II — Tax Administration

Section 1 — Tax Registration

Article 15 — Enterprises, branches and places of business established by enterprises in other jurisdictions, individual industrial and commercial households, and public institutions engaged in production and business operations (hereinafter collectively referred to as "taxpayers engaged in production and business operations") shall, within 30 days from the date of obtaining a business license, apply to the tax authorities for tax registration by presenting the relevant documents. Tax authorities shall complete the examination of documents and issue the tax registration certificate within 30 days from the date of receiving the application. The administrative authorities for industry and commerce shall periodically notify the tax authorities of the registration and issuance of business licenses. The scope and measures for tax registration not covered by the first paragraph of this Article shall be set out by the State Council.

Article 16 — Taxpayers engaged in production and business operations shall, when changes occur to their tax registration particulars, apply to the tax authorities for amending their tax registration within 30 days from the date of completing the amendment registration with the administrative authorities for industry and commerce or before applying to the administrative authorities for industry and commerce for deregistration, by presenting the relevant documents.

Article 17 — Taxpayers engaged in production and business operations shall, in accordance with relevant State provisions, present their tax registration certificate when opening a bank account, and shall report all

their bank account numbers to the tax authorities. Banks and other financial institutions shall record the tax registration certificate numbers in the account opening documentation of taxpayers engaged in production and business operations, and record the bank account numbers in the tax registration certificate of such taxpayers. Where tax authorities lawfully inquire about the accounts of taxpayers engaged in production and business operations, the relevant banks or other financial institutions shall provide assistance.

Article 18 — Taxpayers shall use their tax registration certificate in accordance with State Council provisions. Tax registration certificates shall not be lent, altered, forged, or transferred.

Section 2 — Administration of Account Books and Vouchers

Article 19 — Taxpayers and withholding agents shall establish account books in accordance with the provisions of relevant laws, administrative regulations, and the competent financial and taxation authorities under the State Council, and keep books based on lawful and valid vouchers, and conduct accounting.

Article 20 — Financial and accounting systems or methods and accounting software used by taxpayers engaged in production and business operations shall be submitted to the tax authorities for record. Where a taxpayer's or withholding agent's financial and accounting systems or methods contravene the relevant State Council provisions on taxation, the tax payable or the tax to be withheld and remitted or collected and remitted shall be calculated in accordance with the State Council provisions on taxation.

Article 21 — Tax authorities are the competent authorities for the administration of invoices and shall be responsible for the printing, purchase, issuance, obtaining, safekeeping, and cancellation of invoices. Entities and individuals shall, in the course of buying and selling goods, providing or receiving business services, and engaging in other business activities, issue, use, and obtain invoices in accordance with the provisions. Administrative measures for invoices shall be formulated by the State Council.

Article 22 — Special VAT invoices shall be printed exclusively by enterprises designated by the competent tax authorities under the State Council; all other invoices shall be printed by enterprises designated by the tax authorities of provinces, autonomous regions, or municipalities directly under the Central Government in accordance with the provisions of the competent tax authorities under the State Council. No invoice shall be printed without being designated by the tax authorities provided in the preceding paragraph. Measures for the administration of invoices shall be formulated by the State Council.

Article 23 — The State shall promote the use of tax-monitoring devices based on the needs of tax collection and administration. Taxpayers shall install and use tax-monitoring devices in accordance with the provisions, and shall not destroy or alter them without authorization.

Article 24 — Taxpayers engaged in production and business operations and withholding agents must maintain account books, accounting vouchers, tax payment receipts, and other relevant materials within the retention period prescribed by the competent financial and taxation authorities under the State Council. Account books, accounting vouchers, tax payment receipts, and other relevant materials shall not be forged, altered, or destroyed without authorization.

Section 3 — Tax Declaration

Article 25 — Taxpayers must truthfully file tax returns and submit tax returns, financial and accounting statements, and other tax payment materials required by tax authorities based on practical needs within the tax declaration period or the time limit prescribed by tax authorities in accordance with the law. Withholding agents must truthfully submit returns for tax withheld and remitted or collected and remitted, and other relevant materials required by tax authorities based on practical needs within the declaration period prescribed by tax authorities in accordance with the law.

Article 26 — Taxpayers and withholding agents may handle tax declaration or submission of withholding tax returns directly with the tax authorities, or may handle such declaration or submission through the post, data communication, or other means in accordance with the provisions.

Article 27 — Where a taxpayer or withholding agent is unable to file a tax return or submit a withholding tax return within the prescribed time limit due to special difficulties and requires an extension, it shall submit a written application to the tax authorities, and upon approval by the tax authorities, may extend the time limit for filing. Where a taxpayer or withholding agent that has been approved to extend the filing is unable to make tax payment within the prescribed time limit due to special difficulties as provided in the preceding paragraph, the time limit may be extended upon approval by the tax bureau of a province, autonomous region, or municipality directly under the Central Government, provided that such extension shall not exceed three months.

Chapter III — Tax Collection

Article 28 — Tax authorities shall collect tax in accordance with the law and shall not violate the law or administrative regulations by imposing, suspending, over-collecting, under-collecting, collecting in advance, deferring collection, or apportioning tax. The collection or suspension of agricultural tax and animal husbandry tax shall be handled in accordance with the provisions of the law.

Article 29 — Apart from tax authorities, tax officials, and entities and individuals entrusted by tax authorities in accordance with the law, no entity or individual may engage in tax collection activities.

Article 30 — Withholding agents shall perform their obligations to withhold or collect tax in accordance with laws and administrative regulations. Tax authorities shall not impose tax withholding or collection obligations on entities or individuals that are not obligated by law or administrative regulations to withhold or collect tax. Where a withholding agent performs its withholding or collection obligations in accordance with the law, the taxpayer shall not refuse to accept such withholding or collection. Where a taxpayer so refuses, the withholding agent shall promptly report the matter to the tax authorities for handling. Tax authorities shall pay handling fees to withholding agents in accordance with the provisions.

Article 31 — Taxpayers and withholding agents shall pay or remit the tax within the time limit prescribed by laws and administrative regulations or as determined by tax authorities in accordance with the law. Where a taxpayer is unable to pay tax by the prescribed time limit due to special difficulties, it may, upon approval by the tax bureau of a province, autonomous region, or municipality directly under the Central Government, extend the time limit for tax payment by a maximum period of three months.

Article 32 — Where a taxpayer fails to pay tax or a withholding agent fails to remit tax within the prescribed time limit, the tax authority shall, in addition to ordering the taxpayer or withholding agent to pay or remit the tax within a prescribed time limit, impose a surcharge for overdue tax payment at the rate of 0.05% of the overdue tax amount per day from the date on which the tax payment becomes overdue.

Article 33 — Taxpayers shall apply for tax reductions or exemptions in accordance with laws and administrative regulations. Any decision on tax reductions or exemptions beyond the authority of tax authorities or in violation of laws or administrative regulations shall be null and void, and tax authorities shall not implement such a decision and shall report the matter to a higher-level tax authority.

Article 34 — When collecting tax, tax authorities must issue tax payment receipts to taxpayers. Withholding agents, when withholding or collecting tax, shall, at the request of the taxpayer, issue tax withholding or collection receipts.

Article 35 — Where a taxpayer falls under any of the following circumstances, the tax authority shall have the power to assess the amount of tax payable by the taxpayer:

- (1) the taxpayer is not required to keep account books pursuant to the law;
- (2) the taxpayer is required to keep account books pursuant to the law but has not done so;
- (3) the taxpayer destroys account books without authorization or refuses to provide tax payment materials;

(4) the taxpayer keeps account books but the accounting records are incomplete or the account books are disorderly, resulting in difficulty in auditing;

(5) the taxpayer incurs a tax obligation but fails to file a tax return within the prescribed time limit, and the tax authority orders it to file but it still fails to do so within the prescribed time limit;

(6) the basis for tax assessment declared by the taxpayer is clearly low and without justifiable reasons.

Specific procedures and methods for the tax authority to assess the amount of tax payable shall be prescribed by the competent tax authorities under the State Council.

Article 36 — Where business transactions between an enterprise or foreign enterprise's establishment or place of business in China engaged in production and business operations and its associated enterprises result in a reduction of the taxable revenue or income, the tax authority shall have the power to make reasonable adjustments. Where an enterprise or foreign enterprise's establishment or place of business in China engaged in production and business operations fails to report the transactions with its associated enterprises, or fails to provide relevant information about the transactions, or provides false or incomplete information about the transactions, the tax authority may lawfully assess the amount of its taxable income.

Article 37 — With respect to taxpayers engaging in production or business operations on a temporary basis out of town, the tax authority at the place of business may assess the tax due and compel them to provide a tax payment guarantee; where the taxpayer fails to provide a tax payment guarantee but is unable to pay the tax, the tax authority may notify the relevant bank or collection agent at the place of departure to effect a tax deduction of an amount equivalent to the tax payable.

Article 38 — Where a tax authority has grounds to believe that a taxpayer engaged in production and business operations has committed an act of tax evasion, and there is clear evidence that the taxpayer is transferring or concealing taxable goods, property, or other income before the time limit for tax payment, the tax authority may order the taxpayer to provide a tax payment guarantee. Where the taxpayer is unable to provide a tax payment guarantee, the tax authority may, with the approval of the director of a tax bureau (or sub-bureau) at or above the county level, take the following tax preservation measures in writing:

(1) notify in writing the taxpayer's bank or any other financial institution to freeze an amount of the taxpayer's deposits equivalent to the tax payable;

(2) seize or impound the taxpayer's property of a value equivalent to the tax payable.

Where, after the tax authority has taken tax preservation measures within the time limit prescribed in the preceding paragraph, the taxpayer fails to pay the tax within the prescribed time limit, the tax authority may, with the approval of the director of a tax bureau (or sub-bureau) at or above the county level, notify in writing the taxpayer's bank or any other financial institution to deduct from the taxpayer's frozen deposits an amount equivalent to the tax payable, or lawfully auction or sell the seized or impounded property to offset an amount equivalent to the tax payable. Where the tax authority has not terminated the tax preservation measures after the taxpayer has already paid the tax within the time limit prescribed in the preceding paragraph, the tax authority shall immediately terminate the tax preservation measures. Where the tax preservation measures have caused losses to the lawful interests of the taxpayer, the tax authority shall bear the liability for compensation.

Article 39 — Where a taxpayer engaged in production and business operations or a withholding agent fails to pay or remit tax within the prescribed time limit, or a tax payment guarantor fails to pay the guaranteed tax within the prescribed time limit, the tax authority shall issue a notice urging payment and set a time limit for payment, which shall not exceed 15 days. Where the taxpayer or withholding agent still fails to pay the tax after the time limit expires, the tax authority may, with the approval of the director of a tax bureau (or sub-bureau) at or above the county level, take the following compulsory enforcement measures:

(1) notify in writing the taxpayer's bank or any other financial institution to deduct the tax amount from the taxpayer's deposits;

(2) seize, impound, and lawfully auction or sell goods or property of the taxpayer of a value equivalent to the tax payable, and offset the tax amount with the proceeds from such auction or sale.

When taking compulsory enforcement measures, the tax authority shall simultaneously enforce collection of the surcharge for overdue tax payment that the taxpayer or withholding agent has not paid or remitted. Personal dwellings and articles necessary for the livelihood of a taxpayer and his dependent family members shall not be included in the scope of compulsory enforcement measures.

Article 40 — The provisions of Articles 37, 38, and 39 of this Law concerning tax preservation measures and compulsory enforcement measures shall apply, *mutatis mutandis*, to withholding agents, tax payment guarantors, and tax payment agents.

Article 41 — No entity or individual shall be allowed to obstruct tax authorities from taking tax preservation measures or compulsory enforcement measures in accordance with the law.

Article 42 — Tax authorities must not take tax preservation measures or compulsory enforcement measures beyond the scope of authority prescribed by law. In taking tax preservation measures or compulsory enforcement measures, the value of the seized or frozen deposits or property shall be commensurate with the amount of tax and late payment surcharge payable by the taxpayer; tax authorities must not seize or freeze the taxpayer's daily necessities for livelihood and the housing necessary for maintaining the taxpayer's family's livelihood. Where tax preservation measures or compulsory enforcement measures are inappropriate, or the tax authority fails to promptly terminate the measures after the taxpayer has already fulfilled the tax payment obligation, resulting in damage to the lawful rights and interests of the taxpayer, the tax authority shall bear compensation liability in accordance with the law.

Article 43 — Tax authorities that abuse their power to illegally take tax preservation measures or compulsory enforcement measures, or that improperly take tax preservation measures or compulsory enforcement measures causing losses to the lawful rights and interests of taxpayers, withholding agents, or tax payment guarantors, shall bear compensation liability in accordance with the law.

Article 44 — Where a taxpayer who has not paid the tax due leaves China, it shall pay the tax due and the late payment surcharge to the tax authority, or provide a guarantee. Where the taxpayer neither pays the tax due or provides a guarantee, the tax authority may notify the exit control authority to prevent the taxpayer from exiting China.

Article 45 — Tax collection by tax authorities shall have priority over unsecured claims, except as otherwise provided by law. Where tax is owed by a taxpayer before its property is mortgaged, pledged, or subject to lien, the tax collection shall have priority over the mortgage, pledge, or lien. Where a taxpayer owes tax and is also subject to an administrative fine or confiscation of illegal gains by a government authority, the tax collection shall have priority over the fine and confiscation. Tax authorities shall periodically announce the tax arrears situation of taxpayers.

Article 46 — Where a taxpayer has outstanding tax payments and mortgages or pledges its property, it shall explain the situation to the mortgagee or pledgee. The mortgagee or pledgee may request the tax authorities to provide information about the taxpayer's tax arrears.

Article 47 — Tax authorities, when seizing goods or property, must issue a receipt. When seizing goods or property, a list of the seized goods or property shall be issued. Tax authorities shall issue receipts for the deposits that are frozen, and a notice of deduction of tax shall be delivered when tax payment is deducted from deposits.

Article 48 — Where a taxpayer undergoes merger or division, it shall report to the tax authorities and settle its tax obligations in accordance with the law. Where a taxpayer that has not discharged its tax obligations

undergoes merger, the taxpayer surviving the merger shall discharge the tax obligations. Where a taxpayer that has not discharged its tax obligations undergoes division, the divided taxpayers shall bear joint and several liability for the undischarged tax obligations.

Article 49 — Taxpayers in arrears of a relatively large amount of tax shall, before disposing of their immovable property or large-value assets, report to the tax authorities.

Article 50 — Where a taxpayer in arrears fails to exercise its due claims or other rights, or waives its due claims, or transfers its property free of charge, or transfers its property at an obviously unreasonable low price, and the transferee is aware of such circumstances, thereby causing damage to the State tax collection, the tax authority may exercise the right of subrogation or the right of rescission of the taxpayer pursuant to the provisions of Articles 73 and 74 of the Contract Law. Where the tax authority exercises the right of subrogation or the right of rescission in accordance with the provisions of the preceding paragraph, the taxpayer's tax arrears and late payment surcharge shall not be exempted.

Article 51 — Where a taxpayer pays tax in excess of the amount payable, the tax authority shall refund the excess tax immediately upon discovery. Where a taxpayer discovers within three years from the date of tax settlement that it has overpaid tax, it may apply to the tax authority for a refund of the overpaid tax plus the interest calculated at the same-period bank deposit rate, and the tax authority shall immediately refund the tax plus interest after examination; where the overpaid tax concerns the central treasury refund, the matter shall be handled in accordance with the provisions of laws and administrative regulations.

Article 52 — Where a taxpayer or withholding agent fails to pay or underpays tax due to default of the tax authority, the tax authority may, within three years, require the taxpayer or withholding agent to pay the tax arrears, but shall not impose a late payment surcharge. Where a taxpayer or withholding agent fails to pay or underpays tax due to its own miscalculation or other fault, the tax authority may, within three years, recover the tax arrears and late payment surcharge; under special circumstances, the recovery period may be extended to five years. For tax evasion, tax resistance, or tax fraud, the tax authority shall recover the tax not paid or underpaid, the late payment surcharge, or the tax fraudulently obtained, without being subject to the time limits prescribed in the preceding paragraph.

Article 53 — The State tax and local tax shall be administered and deposited into the State Treasury in accordance with the budget management system and the provisions on the classification of tax categories and tax items formulated by the State Council. Where the audit authority or tax authority discovers in accordance with the law that a taxpayer who has already been subject to tax collection by the tax authority and has paid the tax into the State Treasury has committed tax evasion, tax resistance, tax fraud, or other tax violation, the relevant tax authority shall handle the matter in accordance with the law.

Chapter IV — Tax Inspection

Article 54 — Tax authorities shall have the power to conduct the following tax inspections:

- (1) inspect a taxpayer's account books, accounting vouchers, statements, and relevant materials; inspect a withholding agent's account books, accounting vouchers, and relevant materials relating to tax withheld and remitted or collected and remitted;
- (2) inspect a taxpayer's taxable goods, property, and other property at the taxpayer's production and business premises and goods storage sites; inspect a withholding agent's relevant business conditions relating to tax withheld and remitted or collected and remitted at the withholding agent's business premises;
- (3) order a taxpayer or withholding agent to provide documents, evidentiary materials, and relevant information relating to tax payment or tax withheld and remitted or collected and remitted;
- (4) make inquiries of the taxpayer or withholding agent regarding issues and circumstances relating to tax payment or tax withheld and remitted or collected and remitted;

(5) visit stations, docks, airports, postal enterprises, and their branches to inspect relevant vouchers, documents, and materials relating to the transportation or mailing of a taxpayer's taxable goods, property, or other property;

(6) examine, upon the approval of the director of a tax bureau (or sub-bureau) at or above the county level, the deposit accounts of a taxpayer engaged in production or business operations or a withholding agent at any bank or other financial institution within the territory of China. When examining the deposit accounts of a taxpayer engaged in production or business operations, the tax authority shall present a nationally uniform permit for inspection of deposit accounts, and shall maintain confidentiality of the information of the person under inspection.

Article 55 — Where a tax authority investigates a taxpayer engaged in production or business operations for tax violations in a previous tax period in accordance with the law and discovers that the taxpayer has committed an act of evading tax obligations and there is clear evidence that the taxpayer is transferring or concealing taxable goods, property, or other income, the tax authority may take tax preservation measures or compulsory enforcement measures in accordance with the approval authority prescribed by this Law.

Article 56 — Taxpayers and withholding agents must accept tax inspections conducted by tax authorities in accordance with the law, truthfully report the relevant information, and provide relevant materials, and shall not refuse or conceal information.

Article 57 — When tax authorities carry out tax inspections in accordance with the law, they may make audio recordings, video recordings, photographs, and copies of information relating to the case under investigation. When tax authorities carry out tax inspections in accordance with the law, the relevant entities and individuals shall support and assist the tax authorities, truthfully provide the relevant information and evidentiary materials to the tax authorities, and truthfully reflect the actual situations.

Article 58 — When tax authorities investigate tax violation cases, they may record, videotape, photograph, and reproduce the documents, account books, vouchers, and other materials relating to the case. No entity or individual may obstruct such investigation.

Article 59 — When conducting tax inspections, tax officials shall present their tax inspection certificates and tax inspection notices, and there shall be two or more persons performing the inspection. Entities and individuals under inspection shall have the right to refuse inspection if the tax authority fails to present the tax inspection certificate and tax inspection notice.

Chapter V — Legal Liability

Article 60 — Where a taxpayer commits any of the following acts, the tax authority shall order it to make rectification within a time limit and may impose a fine of not more than 2,000 yuan; where the taxpayer fails to make rectification within the time limit or the circumstances are serious, a fine of not less than 2,000 yuan but not more than 10,000 yuan may be imposed:

(1) failing to apply for tax registration, amendment, or cancellation of tax registration within the prescribed time limit;

(2) failing to establish and maintain account books, or keep accounting vouchers and relevant materials in accordance with the provisions;

(3) failing to submit its financial and accounting systems or methods and accounting software to the tax authority for record in accordance with the provisions;

(4) failing to report all its bank account numbers to the tax authority in accordance with the provisions;

(5) failing to install and use tax-monitoring devices in accordance with the provisions, or destroying or altering tax-monitoring devices without authorization.

Where a taxpayer fails to complete tax registration, the tax authority shall order it to make rectification within a time limit; where it fails to make rectification within the time limit, the tax authority may request the administrative authorities for industry and commerce to revoke its business license. Where a taxpayer fails to use its tax registration certificate in accordance with the provisions, or lends, alters, forges, or transfers its tax registration certificate, a fine of not less than 2,000 yuan but not more than 10,000 yuan may be imposed; where the circumstances are serious, a fine of not less than 10,000 yuan but not more than 50,000 yuan may be imposed.

Article 61 — Where a withholding agent fails to establish and maintain account books for tax withheld and remitted or collected and remitted, or fails to keep accounting vouchers and relevant materials relating to tax withheld and remitted or collected and remitted in accordance with the provisions, the tax authority shall order it to make rectification within a time limit and may impose a fine of not more than 2,000 yuan; where the circumstances are serious, a fine of not less than 2,000 yuan but not more than 5,000 yuan may be imposed.

Article 62 — Where a taxpayer fails to file a tax return and submit tax payment materials within the prescribed time limit, or a withholding agent fails to submit a return for tax withheld and remitted or collected and remitted and relevant materials within the prescribed time limit, the tax authority shall order it to make rectification within a time limit and may impose a fine of not more than 2,000 yuan; where the circumstances are serious, a fine of not less than 2,000 yuan but not more than 10,000 yuan may be imposed.

Article 63 — Tax evasion refers to the act of a taxpayer who, by forging, altering, concealing, or destroying account books or accounting vouchers without authorization, overstating expenses or not stating or understating income in the account books, or refusing to file tax returns after being notified by the tax authority, or filing false tax returns, fails to pay or underpays the tax payable. Where a taxpayer evades tax, the tax authority shall recover the tax not paid or underpaid and the late payment surcharge, and impose a fine of not less than 50% but not more than five times the amount of tax evaded. Where a withholding agent fails to pay or underpays the tax withheld or collected by the means specified in the preceding paragraph, the tax authority shall recover the tax not paid or underpaid and the late payment surcharge, and impose a fine of not less than 50% but not more than five times the amount of tax not paid or underpaid. If the act constitutes a crime, criminal liability shall be pursued in accordance with the law.

Article 64 — Where a taxpayer or withholding agent fabricates a false basis for tax calculation, the tax authority shall order it to make rectification within a time limit and impose a fine of not more than 50,000 yuan. Where a taxpayer fails to file tax returns and fails to pay or underpays tax payable, the tax authority shall recover the tax not paid or underpaid and the late payment surcharge, and impose a fine of not less than 50% but not more than five times the amount of tax not paid or underpaid.

Article 65 — Tax resistance refers to the act of a taxpayer who, by using violence or threats, refuses to pay tax. Where a taxpayer commits tax resistance, the tax authority shall, in addition to recovering the tax refused and the late payment surcharge, pursue criminal liability in accordance with the law. Where the circumstances are minor and no crime is constituted, the tax authority shall recover the tax refused and the late payment surcharge and impose a fine of not less than one time but not more than five times the amount of tax refused.

Article 66 — Where a taxpayer, by deception, obtains from the State an export tax refund, the tax authority shall recover the tax refunded by deception and impose a fine of not less than one time but not more than five times the amount of tax refunded by deception. Where the act constitutes a crime, criminal liability shall be pursued in accordance with the law. With respect to taxpayers other than those provided in the preceding paragraph who fraudulently obtain State export tax refunds, the tax authority shall recover the tax refunded by deception to such taxpayers and impose a fine of not less than one time but not more than five times the amount of tax refunded by deception; where the act constitutes a crime, criminal liability shall be pursued in accordance with the law.

Article 67 — Where tax authorities, in the course of lawfully conducting tax inspections, are refused or obstructed by taxpayers or withholding agents, the tax authorities shall order the taxpayer or withholding agent to make rectification and may impose a fine of not more than 10,000 yuan; where the circumstances are serious, a fine of not less than 10,000 yuan but not more than 50,000 yuan may be imposed.

Article 68 — Where a taxpayer or withholding agent fails to pay or remit the tax within the prescribed time limit and the tax authority orders it to pay within a time limit but it still fails to pay within such time limit, the tax authority may, in addition to taking compulsory enforcement measures in accordance with Article 40 of this Law to recover the tax not paid or underpaid, impose a fine of not less than 50% but not more than five times the amount of tax not paid or underpaid.

Article 69 — Where a withholding agent fails to fulfill its withholding or collection obligation and the tax payable that should have been withheld or collected but was not, the tax authority shall recover the tax from the taxpayer and impose on the withholding agent a fine of not less than 50% but not more than three times the amount of tax that should have been withheld or collected but was not.

Article 70 — Where a taxpayer or withholding agent evades, refuses, or otherwise obstructs tax inspections conducted by tax authorities in accordance with the law, the tax authority shall order it to make rectification and may impose a fine of not more than 10,000 yuan; where the circumstances are serious, a fine of not less than 10,000 yuan but not more than 50,000 yuan may be imposed.

Article 71 — Whoever, in violation of the provisions of Article 22 of this Law, illegally prints invoices shall be subject to destruction of the illegally printed invoices and confiscation of the illegal gains and tools by the tax authorities, and shall be fined not less than 10,000 yuan but not more than 50,000 yuan. If the act constitutes a crime, criminal liability shall be pursued in accordance with the law.

Article 72 — Where a taxpayer or withholding agent engaged in production or business operations commits a tax violation as provided in this Law and refuses to accept the handling of the tax authority, the tax authority may confiscate its invoices or suspend the supply of invoices to it.

Article 73 — Where a bank or other financial institution at which a taxpayer or withholding agent has an account refuses to accept the tax authority's inspection of the deposit accounts of the taxpayer or withholding agent in accordance with the law, or refuses to implement the tax authority's decision to freeze deposits or deduct tax, or fails to record the tax registration certificate number in the account opening documentation of the taxpayer engaged in production or business operations, or fails to record the bank account number in the tax registration certificate of the taxpayer engaged in production or business operations upon receipt of notice from the tax authority, it shall be ordered by the tax authority to make rectification and a fine of not less than 100,000 yuan but not more than 500,000 yuan shall be imposed on the bank or other financial institution; where losses are caused to the tax collection, the bank or other financial institution shall bear the liability for compensation; and the directly liable person in charge and other directly liable persons may be fined not less than 1,000 yuan but not more than 10,000 yuan.

Article 74 — The fine items prescribed in this Law, where the fine is not more than 2,000 yuan, may be decided by the tax office.

Article 75 — The judicial organs of tax authorities and financial institutions involved in tax-related cases shall maintain the confidentiality of the taxpayer's or withholding agent's information that comes to their knowledge in the course of handling such cases.

Article 76 — Tax authorities that, in violation of the provisions, arbitrarily change the administrative system for tax collection and the tax rates shall be ordered to make rectification by the tax authority at a higher level.

Article 77 — Where a taxpayer or withholding agent commits an act as provided in Articles 63, 65, 66, 67, or 71 of this Law, which constitutes a suspected crime, the tax authority shall transfer the case to the judicial authority for criminal liability in accordance with the law. Tax officials who engage in malpractices for

personal gain and fail to transfer cases that should be transferred to judicial authorities for criminal liability shall be subject to criminal liability in accordance with the law if the circumstances are serious.

Article 78 — Where a taxpayer or withholding agent fraudulently obtains tax reductions or exemptions by deception, concealment, or other improper means without the approval of the tax authority, the tax authority shall recover the amount of tax that should not have been reduced or exempted and impose a fine of not less than 50% but not more than five times the amount of tax not paid or underpaid.

Article 79 — Any tax authority or tax official that, in violation of the provisions, seizes or freezes the daily necessities for livelihood of a taxpayer or housing necessary for maintaining the taxpayer's family's livelihood shall be ordered to return such items and shall be subject to administrative sanctions in accordance with the law; where the act constitutes a crime, criminal liability shall be pursued in accordance with the law.

Article 80 — Where a tax official colludes with a taxpayer or withholding agent to instigate or assist the taxpayer or withholding agent in committing any act as provided in Articles 63, 65, or 66 of this Law and the act constitutes a crime, criminal liability shall be pursued in accordance with the law; where the act does not constitute a crime, administrative sanctions shall be imposed in accordance with the law.

Article 81 — Where a tax official, by taking advantage of his position, accepts or demands property from a taxpayer or withholding agent or seeks other improper benefits, and the act constitutes a crime, criminal liability shall be pursued in accordance with the law; where the act does not constitute a crime, administrative sanctions shall be imposed in accordance with the law.

Article 82 — Where a tax official, by engaging in malpractices for personal gain or neglecting his duties, fails to collect or under-collect tax payable, thereby causing significant losses to the national tax revenue, criminal liability shall be pursued in accordance with the law; where the act does not constitute a crime, administrative sanctions shall be imposed in accordance with the law. Where a tax official abuses his power and deliberately creates difficulties for taxpayers or withholding agents, he shall be transferred from the tax collection post and shall be subject to administrative sanctions in accordance with the law. Where a tax official retaliates against a taxpayer, withholding agent, or other informant who accuses or reports tax violations, administrative sanctions shall be imposed in accordance with the law; where the act constitutes a crime, criminal liability shall be pursued in accordance with the law. Tax officials who, in violation of the provisions of laws and administrative regulations, deliberately overestimate or underestimate the agricultural tax taxable output, thereby causing over-collection or under-collection of tax, infringing upon the lawful rights and interests of farmers, or harming national interests, which constitutes a crime, shall be held criminally liable in accordance with the law; where the act does not constitute a crime, administrative sanctions shall be imposed in accordance with the law.

Article 83 — Where a tax authority fails to collect tax in accordance with laws and administrative regulations and, in violation of the provisions of laws and administrative regulations, arbitrarily imposes, suspends, over-collects, under-collects, collects in advance, defers collection of, or apportions taxes, its superior tax authority or the relevant administrative supervisory authority shall order it to make rectification and return the tax illegally collected. The directly liable person in charge and other directly liable persons shall be subject to administrative sanctions in accordance with the law; where the act constitutes a crime, criminal liability shall be pursued in accordance with the law.

Article 84 — Whoever, in violation of the provisions of laws and administrative regulations, arbitrarily makes a decision on tax imposition, cessation, reduction, exemption, refund, makeup payment, or any other decision that contravenes tax laws or administrative regulations shall, in addition to having the decision revoked in accordance with this Law, be required to pay back the tax that should have been collected, and the superior tax authority shall recover the tax that should not have been collected; the person who made the decision shall also be subject to administrative sanctions by the tax authority at a higher level; where the act constitutes a crime, criminal liability shall be pursued in accordance with the law.

Article 85 — Where a tax official fails to withdraw as required by this Law when he has an interest in the taxpayer, withholding agent, or in a tax violation case, the directly liable person in charge and other directly liable persons shall be subject to administrative sanctions in accordance with the law.

Article 86 — Where a tax violation is not discovered within five years, administrative penalties shall no longer be imposed.

Article 87 — Where there is any discrepancy between the tax amount or the type of tax as stated in the tax payment receipt issued by the tax authority and the tax actually paid, and the tax official who issues the receipt is responsible for the discrepancy, the tax official shall be ordered to make rectification and shall be subject to administrative sanctions in accordance with the law; where the act constitutes a crime, criminal liability shall be pursued in accordance with the law.

Article 88 — In the case of a tax dispute between a taxpayer, withholding agent, or tax payment guarantor and a tax authority, the taxpayer, withholding agent, or tax payment guarantor must first pay or remit the tax amount and the late payment surcharge determined by the tax authority, or provide the corresponding guarantee, before applying for an administrative reconsideration in accordance with the law. A party that disagrees with the administrative reconsideration decision may file a lawsuit with a People's Court in accordance with the law. A party may also file a lawsuit directly with a People's Court against a punishment decision or compulsory enforcement measure taken by a tax authority or a tax preservation measure taken by a tax authority.

Chapter VI — Supplementary Provisions

Article 89 — Taxpayers and withholding agents may entrust tax agents to handle tax matters on their behalf.

Article 90 — The specific measures for the collection of farmland occupation tax, deed tax, agricultural tax, and animal husbandry tax shall be formulated separately by the State Council. The administration of the collection of Customs duties and vessel tonnage tax, and tax collected by Customs on behalf of tax authorities shall be implemented in accordance with the provisions of laws and administrative regulations.

Article 91 — Where the provisions of international treaties on taxation that the PRC has concluded or acceded to differ from those of this Law, the provisions of the international treaties shall apply, except for articles to which the PRC has declared reservations.

Article 92 — Where the time limit for payment of tax or for submitting tax materials is stipulated by laws or administrative regulations or determined by tax authorities in accordance with laws or administrative regulations, and the last day of such time limit falls on a Sunday or a statutory holiday, the day immediately following the Sunday or statutory holiday shall be the last day of the time limit.

Article 93 — The State Council shall formulate detailed implementing rules for this Law.

Article 94 — This Law shall come into force on the date of promulgation.

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