

Provisional Regulations on Resource Tax of the PRC

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Unofficial English translation prepared for reference only. The official Chinese text prevails.

Promulgated by Decree No. 139 of the State Council of the People's Republic of China on December 25, 1993
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Amended in accordance with the Decision of the State Council on Amending the Provisional Regulations of the PRC on Resource Tax on November 1, 2011

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Article 1 — All work units and individuals that exploit taxable mineral products or produce salt within the territory of the People's Republic of China and within the sea areas under the jurisdiction of the People's Republic of China (hereinafter referred to as "taxpayers") shall pay resource tax in accordance with these Regulations.

Article 2 — The taxable items and tax amount rates for resource tax shall be in accordance with the Table of Taxable Items and Tax Amount Rates for Resource Tax attached to these Regulations, as well as the relevant provisions of the Ministry of Finance. Any adjustments to the taxable items and tax amount rates shall be decided upon by the State Council.

Article 3 — Where a taxpayer exploits or produces taxable products of different taxable items, it shall separately account for the sales amounts of taxable products of different taxable items. Where it fails to separately account or fails to accurately provide the sales amounts of taxable products of different taxable items, the higher applicable tax rate shall apply.

Article 4 — The tax amount payable for resource tax shall be calculated in accordance with the taxable amount of the taxable products and the prescribed unit tax amount. The formula for calculating the tax amount payable is: Tax amount payable = taxable amount x unit tax amount. The taxable amount shall be: (1) in the case of a taxpayer that exploits or produces taxable products for sale, the sales amount shall be the taxable amount; or (2) in the case of a taxpayer that exploits or produces taxable products for its own use, the amount used for its own use shall be the taxable amount.

Article 5 — The unit tax amount for resource tax shall be implemented in accordance with the prescribed tax amount rate schedule. Taxable products for which the tax amount rate is specified as an interval range: for crude oil and natural gas, the specific applicable tax rate shall be determined by the Ministry of Finance in conjunction with the relevant departments based on the grade of the resources of the taxpayer and the mining conditions; for other taxable products, the specific applicable tax amount shall be determined by the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government within the range of the tax amounts specified in the tax amount table, based on the resource conditions of the mines or saltworks, and shall be filed with the Ministry of Finance and the State Administration of Taxation for the record.

Article 6 — A taxpayer that falls under any of the following circumstances may be eligible for a reduction or exemption of resource tax: (1) crude oil used for heating or repairing wells during the exploitation of crude oil shall be exempt from resource tax; (2) a taxpayer that suffers serious losses due to an accident, natural disaster, or other reason during the exploitation or production of taxable products may be eligible for a

reduction or exemption of resource tax as determined by the people's government of the province, autonomous region, or municipality directly under the Central Government; (3) other reduction or exemption items provided for by the State Council. The reduction or exemption of tax under Item (2) of this Article shall be subject to examination by the tax authorities. Where a taxpayer concurrently enjoys both tax reduction and tax exemption items, it shall separately account for the sales amounts or the amounts used for its own use of the tax reduction and tax exemption items; where it fails to separately account or fails to accurately account, no tax reduction or exemption shall be granted.

Article 7 — Where a taxpayer exploits or produces taxable products and uses them for its own continuous production of taxable products, no resource tax shall be paid; where they are used for its own production of other non-taxable products, resource tax shall be paid according to the prescribed unit tax amount based on the amount used for its own use.

Article 8 — A taxpayer that exploits or produces taxable products shall pay resource tax to the tax authorities at the place of exploitation or production. Where a taxpayer exploits or produces taxable products within the territory of the province, autonomous region, or municipality directly under the Central Government, and the tax payment location needs to be adjusted, the decision shall be made by the tax authorities of the province, autonomous region, or municipality directly under the Central Government.

Article 9 — The period for payment of resource tax by a taxpayer shall be 1 day, 3 days, 5 days, 10 days, 15 days, or 1 month, to be determined by the competent tax authorities based on the actual circumstances. Where the tax payable cannot be calculated on a fixed period basis, the tax may be calculated and paid on a transaction-by-transaction basis. Where a taxpayer adopts a period of 1 month as the tax payment period, it shall file a tax return and pay the tax within 15 days from the expiry of the period; where a taxpayer adopts a period of 1 day, 3 days, 5 days, 10 days, or 15 days as the tax payment period, it shall prepay the tax within 5 days from the expiry of the period and file a tax return and settle the tax within 15 days from the 1st day of the following month.

Article 10 — The collection and administration of resource tax shall be carried out in accordance with the Law of the People's Republic of China on the Administration of Tax Collection and the relevant provisions of these Regulations.

Article 11 — The Ministry of Finance shall be responsible for the interpretation of these Regulations, and the Detailed Rules for the Implementation of these Regulations shall be formulated by the Ministry of Finance and the State Administration of Taxation.

Article 12 — Where a taxpayer of resource tax that had been approved for tax reduction or exemption before the implementation of these Regulations shall continue to enjoy the treatment of tax reduction or exemption; where the tax reduction or exemption period has not been specified, the tax reduction or exemption shall be subject to re-examination and approval by the tax authorities in accordance with the relevant provisions of the State. Where the resource tax has been included in the product price by the State and a taxpayer with difficulties in tax payment has been approved by the State for a reduction or exemption of the resource tax payable before the implementation of these Regulations, the reduction or exemption of the resource tax shall be implemented in accordance with the provisions of the State Council.

Article 13 — Provisional regulations on resource tax, if any, formulated by the people's congresses and their standing committees of the provinces, autonomous regions, and municipalities directly under the Central Government, shall be formulated afresh in accordance with the provisions of these Regulations.

Article 14 — The resource tax rates applicable to Sino-foreign cooperative exploitation of onshore and offshore petroleum resources shall be implemented in accordance with the relevant provisions of the State Council.

Article 15 — These Regulations shall be implemented as of January 1, 1994. The Regulations of the People's Republic of China on Resource Tax (Draft) and the Interim Provisions on the Payment of Royalties for the Exploitation of Offshore Petroleum Resources by Foreign Enterprises in Cooperation with China, which were promulgated by the State Council on September 18, 1984, shall be repealed simultaneously.

Article 16 — The Table of Taxable Items and Tax Amount Rates for Resource Tax (for crude oil and natural gas, the tax rates shall be 5% to 10% of sales revenue; for coal, the tax amount per ton shall be determined by province; for other non-metal, ferrous metal, non-ferrous metal ores, and salt, the tax amounts shall be prescribed in the schedule).

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