Regulations on the Implementation of the Environmental Protection Tax Law of the PRC

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

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Article 1 — These Regulations are formulated in accordance with the Environmental Protection Tax Law of the People's Republic of China (hereinafter referred to as the "Environmental Protection Tax Law").

Article 2 — For purposes of the Environmental Protection Tax Law, "enterprises, public institutions, and other producers and operators that directly discharge taxable pollutants into the environment within the territory of the PRC and other sea areas under its jurisdiction" are taxpayers of the environmental protection tax.

Taxpayers of environmental protection tax shall pay the environmental protection tax in accordance with the provisions of the Environmental Protection Tax Law and these Regulations.

Article 3 — The taxable air pollutants referred to in the Environmental Protection Tax Law are the air pollutants listed in the Table of Taxable Air Pollutants and the Table of Pollutant Equivalent Values, attached to the Environmental Protection Tax Law, and the air pollutants as additionally determined by the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government.

Article 4 — The taxable water pollutants referred to in the Environmental Protection Tax Law are the water pollutants listed in the Table of Taxable Water Pollutants and the Table of Pollutant Equivalent Values, attached to the Environmental Protection Tax Law, and the water pollutants as additionally determined by the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government.

Article 5 — The taxable solid wastes referred to in the Environmental Protection Tax Law include coal gangue, tailings, hazardous waste, smelting slag, fly ash, slag, and other solid wastes. The specific scope of other solid wastes shall be proposed by the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government and submitted to the standing committees of the people's congresses at the corresponding level for decision, and shall be reported to the Standing Committee of the National People's Congress and the State Council for the record.

Article 6 — The pollutant equivalent values of taxable air pollutants and water pollutants shall be implemented in accordance with the Table of Pollutant Equivalent Values for Taxable Air Pollutants and the Table of Pollutant Equivalent Values for Taxable Water Pollutants, attached to the Environmental Protection Tax Law.

Article 7 — The discharge volumes of taxable air pollutants, water pollutants, solid wastes, and the decibel levels of noise shall be calculated according to the following methods and in the following order:

(1) Where a taxpayer installs and uses automatic monitoring equipment for pollutants that meets State requirements and has such equipment verified as normal by the environmental protection authority, the discharge volume or decibel level of the taxable pollutants shall be calculated based on the automatic monitoring data;

(2) Where a taxpayer has not installed automatic monitoring equipment, the discharge volume or decibel level shall be calculated based on monitoring data issued by monitoring institutions that meet the relevant State requirements;

(3) Where the conditions for monitoring are not met, the discharge volume or decibel level shall be calculated based on the pollutant discharge coefficient or material balance method prescribed by the environmental protection authority under the State Council;

(4) Where the conditions specified in items (1), (2), and (3) are not met, the discharge volume or decibel level shall be calculated based on the sampling calculation method prescribed by the environmental protection authorities of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government.

Article 8 — Where a taxpayer installs and uses automatic monitoring equipment that meets State requirements and has such equipment verified as normal, the automatic monitoring data shall be used to calculate the discharge volume of the taxable pollutants. Taxpayers shall keep the original monitoring records of the automatic monitoring equipment properly and retain them for the prescribed period for reference.

Article 9 — Where a taxpayer entrusts a monitoring institution to conduct monitoring, the monitoring data issued by the monitoring institution that meets the State regulations on environmental monitoring shall be used to calculate the discharge volume of the taxable pollutants. The monitoring institution shall be

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responsible for the authenticity, accuracy, and completeness of the monitoring data issued.

Article 10 — The material balance method means calculating the discharge volume of pollutants based on the law of conservation of mass, using the quantity of raw materials and fuel consumed in the production process, the technical level of production processes and equipment, and other factors. The pollutant discharge coefficient and material balance method shall be prescribed by the environmental protection authority under the State Council.

Article 11 — The pollutant discharge coefficient means the discharge volume of pollutants calculated based on the discharge volume of pollutants per unit of product under normal technical, economic, and management conditions. Where the discharge coefficient method is used to calculate the discharge volume of taxable pollutants, the discharge coefficient shall be as prescribed by the environmental protection authority under the State Council.

Article 12 — Where a taxpayer's discharge volume of taxable air pollutants or water pollutants is reduced by more than 30% from the pollutant discharge standards prescribed by the State and local authorities, the environmental protection tax shall be levied at 75% of the applicable tax amount. Where the discharge volume is reduced by more than 50% from the pollutant discharge standards prescribed by the State and local authorities, the environmental protection tax shall be levied at 50% of the applicable tax amount.

Article 13 — Taxpayers are exempt from environmental protection tax under any of the following circumstances:

(1) Where taxable pollutants are discharged by agricultural production (excluding scaled livestock and poultry farming) in accordance with the law;

(2) Where taxable pollutants are discharged by motor vehicles, railway locomotives, non-road mobile machinery, vessels, aircraft, and other mobile pollution sources in accordance with the law;

(3) Where taxable pollutants are discharged from urban sewage or domestic garbage centralized treatment sites that meet national and local discharge standards, or from approved industrial wastewater or garbage centralized treatment sites that meet discharge standards;

(4) Where taxpayers comprehensively utilize solid wastes in compliance with national and local environmental protection standards;

(5) Other circumstances under which tax exemption may be granted as approved by the State Council.

Article 14 — The scope of "centralized urban sewage and domestic garbage treatment sites" referred to in the Environmental Protection Tax Law includes urban sewage treatment sites that have been formally put into operation and approved by the environmental protection authority, and domestic garbage treatment sites that meet relevant State regulations.

Article 15 — Taxpayers of environmental protection tax shall file tax returns with the tax authorities on a monthly basis and pay the tax within 15 days after the end of each month. Taxpayers may, based on actual needs, file tax returns and pay the tax on a quarterly basis, and shall file tax returns with the tax authorities and pay the tax within 15 days after the end of each quarter.

Article 16 — Taxpayers shall file tax returns with and pay the environmental protection tax to the tax authorities at the place where the taxable pollutants are discharged. The place of discharge of taxable pollutants means the place where the discharge outlet or other discharge act is located.

Article 17 — Environmental protection authorities and tax authorities shall establish an information-sharing and working cooperation mechanism for the collection and administration of the environmental protection tax. Environmental protection authorities shall regularly transmit to tax authorities data such as the types of pollutants discharged by taxpayers, discharge volumes, and information on monitoring and supervision of pollutant discharges.

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Article 18 — Tax authorities shall, in the collection of the environmental protection tax, carry out tax collection and administration in accordance with the Environmental Protection Tax Law and these Regulations based on information such as pollutant discharge data provided by environmental protection authorities. Tax authorities shall regularly transmit tax-related information on taxpayers to environmental protection authorities.

Article 19 — Where tax authorities discover, in the course of tax collection and administration, that a taxpayer's tax declaration data are abnormal or that a taxpayer fails to file a tax return within the prescribed period, tax authorities may request the environmental protection authority to conduct a review. The environmental protection authority shall issue review opinions within 15 days of receiving the request from the tax authority.

Article 20 — Tax authorities shall compare and review the data on environmental protection tax returns filed by taxpayers with the monitoring data and other information transmitted by environmental protection authorities. Where discrepancies are found, the matter shall be handled in accordance with the law.

Article 21 — Taxpayers shall, in accordance with the relevant regulations of the tax authorities and environmental protection authorities, truthfully submit tax declaration data and pollutant discharge monitoring data, and be responsible for the authenticity, accuracy, and completeness of the data submitted.

Article 22 — Where a taxpayer disagrees with the monitoring data of the environmental protection authority, the taxpayer may apply to the environmental protection authority at the next higher level for reconsideration. The environmental protection authority at the next higher level shall make a reconsideration decision in accordance with the law.

Article 23 — Tax authorities shall, in the course of tax collection, have the right to conduct tax inspections on taxpayers in accordance with the provisions of the Law on the Administration of Tax Collection and these Regulations. Environmental protection authorities shall cooperate in tax inspections conducted by tax authorities.

Article 24 — The people's governments of provinces, autonomous regions, and municipalities directly under the Central Government may, according to the actual conditions of their respective regions, formulate specific measures for the implementation of these Regulations, and shall report such measures to the State Council for the record.

Article 25 — Taxpayers whose pollutant discharge sites and institutional sites are not within the same jurisdiction of the provincial-level tax authority may file tax returns and pay the environmental protection tax with the tax authority at the location of the pollutant discharge site through electronic means or other means.

Article 26 — These Regulations shall come into force on January 1, 2018. The Measures for the Administration of Collection of Pollutant Discharge Fees, promulgated by the State Council on January 2, 2003, shall be repealed simultaneously.

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