Resource Tax Law of the PRC

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Chapter I — General Provisions

Article 1 — This Law is enacted for the purpose of regulating the exploitation and utilization of mineral resources, adjusting the distribution of differential income from resources, and promoting the conservation and intensive utilization of resources and environmental protection.

Article 2 — Units and individuals that exploit taxable mineral products or produce salt within the territory of the People's Republic of China and other sea areas under the jurisdiction of the People's Republic of China shall be taxpayers of resource tax and shall pay resource tax in accordance with the provisions of this Law.

Article 3 — The tax items and tax rates for resource tax shall be subject to the Table of Taxable Items and Tax Rates of Resource Tax attached to this Law. Where a range of tax rates is prescribed in the Table of Taxable Items and Tax Rates, the specific applicable tax rates shall be proposed by the people's government of the province, autonomous region or municipality directly under the Central Government on the basis of the taxable product category, grade and other factors, and shall be reported to the standing committees of the people's congresses at the same level for decision and determination.

Article 4 — The tax base of resource tax shall be determined according to the following provisions:

(1) Where a taxpayer exploits and sells taxable products, the tax base shall be the sales amount;

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(2) Where a taxpayer exploits taxable products for its own use, the tax base shall be the sales amount of similar products or the amount determined by the tax authorities on the basis of the sales amount of similar products.

Chapter II — Taxable Scope, Rates and Base

Article 5 — The specific taxable mineral product categories shall be subject to the Table of Taxable Items and Tax Rates of Resource Tax. The tax authorities shall determine the categories and sub-categories of taxable mineral products in accordance with the law.

Article 6 — Resource tax shall be calculated on an ad valorem basis or on a specific basis in accordance with the Table of Taxable Items and Tax Rates. Where the ad valorem basis is applied, the tax payable shall be calculated on the basis of the sales amount of taxable products multiplied by the specific applicable tax rate. Where the specific basis is applied, the tax payable shall be calculated on the basis of the sales quantity of taxable products multiplied by the specific applicable tax rate.

Article 7 — The tax authorities shall, jointly with the competent departments for natural resources and other relevant departments, establish a working cooperation mechanism for sharing information on resource tax collection. Such information shall include the reserves, grades and exploitation volumes of taxable mineral products.

Chapter III — Tax Reduction and Exemption

Article 8 — Resource tax may be reduced or exempted under any of the following circumstances:

(1) For crude oil, natural gas and other mineral products exploited in low-abundance oil and gas fields, the resource tax may be reduced by up to 20 percent;

(2) For mineral products exploited in mines with a recovery rate higher than the prescribed standard, the resource tax may be reduced by up to 30 percent;

(3) For mineral products exploited from associated minerals, the resource tax may be reduced by up to 30 percent;

(4) For mineral products exploited from tailings, the resource tax may be reduced by up to 50 percent;

(5) For encouraging the comprehensive utilization of mineral resources and promoting circular economy, the State Council may formulate specific measures for resource tax reduction or exemption.

Article 9 — Under any of the following circumstances, resource tax shall be exempted:

(1) For crude oil and natural gas exploited in the course of coal mining for the purpose of safety in production, resource tax shall be exempted;

(2) For crude oil used for heating or fuel in the course of oil and gas exploitation, resource tax may be exempted;

(3) For mineral products exploited in the course of emergency rescue and disaster relief, resource tax may be exempted with the approval of the tax authorities of the province, autonomous region or municipality directly under the Central Government;

(4) Other circumstances prescribed by laws and administrative regulations for exemption of resource tax.

Article 10 — The people's governments of provinces, autonomous regions and municipalities directly under the Central Government may provide for resource tax reduction or exemption in light of the actual needs of their respective regions. The decision shall be made by the standing committees of the people's congresses at the same level, and shall be reported to the State Council for the record.

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Chapter IV — Collection and Administration

Article 11 — Resource tax shall be collected and administered by the tax authorities in accordance with the provisions of this Law and the Law on the Administration of Tax Collection of the People's Republic of China.

Article 12 — The time of occurrence of the tax liability for resource tax shall be the day on which the taxpayer sells taxable products or the day on which the taxpayer moves taxable products for its own use.

Article 13 — Taxpayers shall file resource tax returns with the tax authorities on a monthly or quarterly basis and pay the tax within 15 days after the end of the month or quarter. The specific filing period shall be determined by the tax authorities on the basis of the taxpayer's scale of operation and other factors.

Article 14 — Taxpayers shall file tax returns with the tax authorities at the place where the taxable products are exploited or produced and pay the resource tax.

Article 15 — The tax authorities and the competent departments for natural resources shall strengthen information sharing and cooperate in the administration of resource tax. The competent departments for natural resources shall provide the tax authorities with information on the grant of mining rights, the quantities of mineral resources exploited and other relevant information.

Chapter V — Supplementary Provisions

Article 16 — The meanings of the following terms used in this Law:

(1) "Crude oil" means exploited natural crude oil, excluding artificial petroleum;

(2) "Natural gas" means natural gas specially exploited or exploited in association with crude oil;

(3) "Salt" means solid salt and liquid salt.

Article 17 — This Law shall come into force on September 1, 2020. The Interim Regulations of the People's Republic of China on Resource Tax promulgated by the State Council on December 25, 1993 shall be abolished simultaneously.

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