Tax Collection and Administration Law of the People's Republic of China

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

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Chapter I — General Provisions

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

Article 2. This Law shall apply to the collection and administration of all types of taxes for which the tax authorities are responsible. This Law shall also apply to the collection and administration of agricultural taxes, animal husbandry taxes, arable land occupation taxes, and deed taxes, unless otherwise specifically provided for. The collection and administration of Customs duties and taxes collected by the Customs on behalf of the tax authorities shall be conducted in accordance with the provisions of relevant laws and administrative regulations.

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Article 3. The commencement and suspension of the collection of taxes, as well as tax reductions, exemptions, refunds, and supplementary payments, shall be implemented in accordance with the provisions of laws and administrative regulations. No department, entity, or individual may, in violation of any law or administrative regulation, make a decision on the commencement or suspension of tax collection, or on tax reductions, exemptions, refunds, or supplementary payments, or on any other decision that contravenes tax laws or administrative regulations.

Article 4. The entities and individuals obligated to pay taxes as provided for by laws and administrative regulations are taxpayers. The entities and individuals obligated to withhold and remit taxes or collect and remit taxes as provided for by laws and administrative regulations are withholding agents. Taxpayers and withholding agents shall pay taxes, or withhold and remit taxes or collect and remit taxes, in accordance with the provisions of laws and administrative regulations.

Article 5. The State Council department in charge of taxation shall be responsible for the administration of tax collection nationwide. Local tax bureaus shall, in accordance with the provisions of the State Council, administer tax collection within their respective jurisdictions. Local people's governments at various levels shall strengthen leadership over, or coordination of, the work of tax collection administration within their respective administrative regions.

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

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

Article 8. Taxpayers and withholding agents shall have the right to learn about the provisions of State tax laws and administrative regulations and information relating to tax payment procedures from the tax authorities. Taxpayers and withholding agents shall have the right to request the tax authorities to keep their information confidential. The tax authorities shall keep the information of taxpayers and withholding agents confidential in accordance with law. Taxpayers shall have the right to apply for tax reductions, exemptions, and refunds in accordance with law. Taxpayers and withholding agents shall have the right to make statements and arguments and to apply for administrative reconsideration, file administrative lawsuits, and claim State compensation in accordance with law with respect to the decisions and conduct of tax authorities. Taxpayers and withholding agents shall have the right to accuse and report any illegal or disciplinary violations committed by tax authorities or tax officials.

Article 9. Tax authorities shall strengthen the building of their teams and improve the professional quality and ethical standards of their tax officials. Tax authorities and tax officials shall enforce the law impartially, be devoted to their duties, be honest and upright, treat people with courtesy, provide services in a civil manner, respect and protect the rights of taxpayers and withholding agents, and accept supervision in accordance with law. Tax officials shall not demand or accept bribes, engage in malpractice for personal gain, neglect their duties, or fail to collect, or under-collect, the amount of tax payable; nor shall they abuse their power to collect an excessive amount of taxes or deliberately make difficulties for taxpayers or withholding agents.

Article 10. Tax authorities at various levels shall establish and improve internal restriction, supervision, and management systems. Higher-level tax authorities shall conduct law-enforcement supervision over lower-level tax authorities as required by law. Tax authorities at various levels shall supervise and inspect the implementation of laws and administrative regulations by their staff members in performing their duties.

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Article 11. The functions and responsibilities of tax officials responsible for tax collection, administration, inspection, and administrative reconsideration shall be clearly defined and separated from each other.

Article 12. Tax officials shall withdraw from the collection and administration of taxes and the investigation and handling of tax violation cases where they have an interest in the taxpayer, withholding agent, or the tax violation case.

Article 13. Any entity or individual shall have the right to report any act in violation of tax laws or administrative regulations. The receiving authorities and the authorities investigating and handling such reports shall keep the informants confidential. The tax authorities shall grant rewards to informants as required by regulations.

Article 14. For purposes of this Law, “tax authorities” means tax bureaus and their sub-bureaus at various levels and tax stations established in accordance with the provisions of the State Council and made known to the public.

Chapter II — Tax Administration

Section 1: Tax Registration

Article 15. Enterprises, branches and sites engaged in production or business operations established by enterprises in other places, individual industrial and commercial households, and institutions and social organizations engaged in production or business operations shall, within 30 days from the date of obtaining their business licenses, apply for tax registration with the tax authorities by presenting the relevant documents. The tax authorities shall, within 30 days from the date of receiving the application, complete the examination and registration and issue a tax registration certificate.

Article 16. Taxpayers engaged in production or business operations shall, where any change occurs in their tax registration, declare such change to the tax authorities for modification of tax registration within 30 days from the date of completing the formalities for such change with the administrative department for industry and commerce, or before applying for cancellation of registration with the administrative department for industry and commerce.

Article 17. Taxpayers engaged in production or business operations shall, in accordance with relevant State regulations, produce their tax registration certificates when opening bank accounts. All bank and other financial institutions shall record the tax registration certificate numbers on the account documents of taxpayers.

Article 18. Taxpayers shall use their tax registration certificates in accordance with the provisions of the State Council department in charge of taxation. Tax registration certificates shall not be lent, altered, damaged, sold, or counterfeited.

Section 2: Administration of Accounting Books and Vouchers

Article 19. Taxpayers and withholding agents shall establish accounting books in accordance with the provisions of relevant laws, administrative regulations, and the State Council departments in charge of finance and taxation, keep accounts on the basis of lawful and valid vouchers, and conduct accounting.

Article 20. The financial and accounting systems or financial and accounting procedures and accounting software of taxpayers engaged in production or business operations shall be submitted to the tax authorities for the record. Where the financial and accounting systems or procedures of a taxpayer contravene the relevant provisions of the State Council or its departments in charge of finance and taxation on tax computation, the tax shall be computed in accordance with the provisions of the State Council or its departments in charge of finance and taxation.

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Article 21. Invoices shall be printed by the enterprises designated by the State Council department in charge of taxation and the provincial tax authorities respectively. Invoices shall be administered in accordance with the provisions of the State Council. Unlawful printing, borrowing, issuance, or acquisition of invoices is prohibited.

Article 22. The State shall, on the basis of the level of tax collection administration, actively promote the use of tax-monitoring devices. Taxpayers shall install and use tax-monitoring devices in accordance with regulations and shall not damage or alter such devices without authorization.

Article 23. Taxpayers and withholding agents engaged in production or business operations shall preserve their accounting books, accounting vouchers, tax payment receipts, and other relevant materials for the periods prescribed by the State Council departments in charge of finance and taxation. Accounting books, accounting vouchers, and other relevant materials shall not be counterfeited, altered, or destroyed without authorization.

Article 24. Taxpayers and withholding agents engaged in production or business operations that use computers for bookkeeping shall, before using computers for bookkeeping, submit the accounting software they use, the user manual, and other relevant materials to the competent tax authorities for the record. The computerized bookkeeping systems used by taxpayers and withholding agents shall comply with the relevant provisions of the State and be capable of correctly and completely recording revenues or income.

Section 3: Tax Declaration

Article 25. Taxpayers shall, within the time limit for tax declaration prescribed by tax laws and administrative regulations or determined by the tax authorities in accordance with tax laws and administrative regulations, truthfully complete tax declaration forms and submit them together with financial and accounting statements and other tax payment materials required by the tax authorities to the tax authorities. Withholding agents shall, within the time limit for tax declaration prescribed by tax laws and administrative regulations or determined by the tax authorities, submit truthful statements on the tax withheld and remitted, or collected and remitted, together with other relevant materials required by the tax authorities.

Article 26. Taxpayers and withholding agents may directly submit tax declarations to the tax authorities, or submit tax declarations by mail, electronic data transmission, or other means as required by regulations.

Article 27. Where a taxpayer or withholding agent is unable to submit a tax declaration or a statement on withheld and remitted taxes within the prescribed time limit due to force majeure, the time limit may be extended. However, a report shall be made to the tax authorities immediately after the force majeure event has abated. The tax authorities shall grant an extension after verifying the facts.

Chapter III — Tax Collection

Article 28. Tax authorities shall collect taxes in accordance with the provisions of laws and administrative regulations, and shall not collect, suspend the collection of, over-collect, or under-collect taxes in violation of any law or administrative regulation.

Article 29. No entity or individual shall be authorized by any law or administrative regulation to collect or withhold taxes. Withholding agents shall perform their tax withholding and collection obligations in accordance with the provisions of laws and administrative regulations. No entity or individual shall require tax authorities or withholding agents to perform withholding or collection obligations in violation of any law or administrative regulation.

Article 30. Taxpayers and withholding agents shall pay taxes, or remit the tax amounts withheld and remitted or collected and remitted, within the time limits prescribed by tax laws and administrative regulations or determined by the tax authorities.

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Article 31. Where a taxpayer is unable to pay taxes within the prescribed time limit due to special difficulties, it may, upon approval by the tax bureau at or above the provincial level, defer the payment of taxes for a period of not more than three months.

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

Article 33. Taxpayers may, in accordance with laws and administrative regulations, apply in writing for tax reductions or exemptions. Applications for tax reductions or exemptions shall be subject to examination and approval by the tax authorities prescribed by laws and administrative regulations. Any decision on tax reductions or exemptions made by local people's governments at any level, their departments, or any entity or individual in violation of any law or administrative regulation shall be null and void, and the tax authorities shall not implement the same.

Article 34. When collecting taxes, tax authorities must issue tax payment certificates to taxpayers. The tax payment certificates issued by withholding agents for taxes withheld or collected shall be in the format prescribed by the State Council department in charge of taxation.

Article 35. In any of the following circumstances, the tax authorities shall have the power to assess the amount of tax payable by a taxpayer:

(1) Where the taxpayer is not required to or is unable to establish accounting books in accordance with the provisions of laws and administrative regulations;(2) Where the taxpayer is required to establish accounting books in accordance with the provisions of laws and administrative regulations but has not done so;(3) Where the taxpayer has destroyed its accounting books or refuses to provide tax payment materials;(4) Where the taxpayer has established accounting books but the accounting books are chaotic, or cost information, income vouchers, or expense vouchers are incomplete, making it difficult to audit the accounts;(5) Where a taxpayer obligated to pay taxes fails to submit a tax declaration within the prescribed time limit, and fails to do so within the time limit ordered by the tax authorities;(6) Where the tax basis declared by the taxpayer is obviously on the low side and without justifiable grounds.

Article 36. Where business transactions between an enterprise, or an enterprise or organization established in a foreign country but having establishments or sites in China engaged in production or business operations, and its associated enterprises result in a reduction of the taxable revenue or income, the tax authorities shall have the power to make reasonable adjustments.

Article 37. With respect to taxpayers engaged in production or business operations who have not obtained business licenses in accordance with regulations, or taxpayers temporarily engaged in business operations, the tax authorities shall assess the amount of tax payable by them and order them to pay. Where they fail to pay, the tax authorities may seize commodities or goods with a value equivalent to the amount of tax payable, and shall immediately release the same after they pay the tax. Where the tax is still not paid after the seizure, the commodities or goods seized may, with the approval of the director of the tax bureau (or sub-bureau) at or above the county level, be auctioned or sold off, and the proceeds shall be used to offset the tax payment.

Article 38. Where the tax authorities have grounds to believe that a taxpayer engaged in production or business operations has engaged in any tax evasion, the tax authorities may, before the prescribed tax payment deadline, order the taxpayer to pay the tax payable within a prescribed time limit. If, during the prescribed time limit, the tax authorities discover any obvious signs that the taxpayer is transferring or concealing its taxable commodities, goods, or other property, or its taxable income, the tax authorities may order the taxpayer to provide a tax payment guarantee. Where the taxpayer is unable to provide a tax payment guarantee, the tax authorities may, with the approval of the director of the tax bureau (or

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sub-bureau) at or above the county level, adopt the following tax preservation measures in writing:

(1) Notifying in writing the taxpayer's bank or other financial institution to freeze an amount equivalent to the tax payable from the taxpayer's deposits;(2) Seizing or attaching the taxpayer's property with a value equivalent to the tax payable.

Article 39. Where a taxpayer has paid the amount of tax within the time limit prescribed in Article 38 of this Law and the tax authorities fail to immediately release the tax preservation measures, thereby causing losses to the lawful rights and interests of the taxpayer, the tax authorities shall be liable for compensation.

Article 40. Where a taxpayer engaged in production or business operations or a withholding agent fails to pay or remit taxes within the prescribed time limit, and a tax payment guarantor fails to pay the guaranteed amount of taxes within the prescribed time limit, the tax authorities shall order the same to pay the taxes within a prescribed time limit. If the same still fails to pay the taxes upon expiration of the time limit, the tax authorities may, with the approval of the director of the tax bureau (or sub-bureau) at or above the county level, adopt the following enforcement measures in writing:

(1) Notifying in writing the bank or other financial institution with which the taxpayer, withholding agent, or tax payment guarantor has an account to withhold and remit the tax payment from the deposits;(2) Seizing, attaching, auctioning, or selling off the taxpayer's, withholding agent's, or tax payment guarantor's commodities, goods, or other property to the extent of the value equivalent to the tax payable, and using the proceeds to offset the tax payment.

Article 41. No entity or individual other than the tax authorities provided for in this Law shall exercise the tax preservation measures or compulsory enforcement measures provided for in Article 38 and Article 40 of this Law.

Article 42. Tax authorities shall collect taxes in accordance with the provisions of laws and administrative regulations and shall not apportion tax collection in violation of any law or administrative regulation.

Article 43. Where tax authorities abuse their powers to illegally adopt tax preservation measures or compulsory enforcement measures, or improperly adopt tax preservation measures or compulsory enforcement measures, thereby causing losses to the lawful rights and interests of taxpayers, withholding agents, or tax payment guarantors, they shall be liable for compensation in accordance with law.

Article 44. Taxpayers in arrears of taxes shall, before disposing of their real estate or major assets, report to the tax authorities. Where the tax authorities have grounds to believe that such disposition may jeopardize the collection of State tax revenue, they may require the taxpayer to pay the tax amount in arrears and the surcharge on overdue tax payment or provide a corresponding guarantee.

Article 45. Tax collection by the tax authorities shall take priority over unsecured claims, unless otherwise provided for by law. Where the tax payable by a taxpayer arises before the creation of a mortgage, pledge, or lien over the taxpayer's property, the tax collection shall take priority over such mortgage, pledge, or lien. Where a taxpayer is in arrears of taxes and has additionally disposed of its property by way of transferring it at an obviously unreasonable low price, and the transferee is aware of such circumstances, the tax authorities shall also have the right of priority over such property in accordance with the provisions of the preceding paragraphs.

Article 46. Tax authorities shall make public announcements of the circumstances of taxpayers that are in arrears of taxes on tax service halls or through public media such as radio, television, newspapers, periodicals, and the internet on a regular basis.

Article 47. When seizing commodities, goods or other property, tax authorities must issue a receipt for the property seized. When attaching commodities, goods or other property, tax authorities must issue an inventory of the property attached.

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Article 48. The tax authorities shall have the power to exercise subrogation and avoidance rights in accordance with the provisions of the Contract Law with respect to a taxpayer that is in arrears of taxes and fails to claim its due creditor's rights, or disclaims its due creditor's rights, or transfers its property without consideration, or transfers its property at an obviously unreasonable low price where the transferee is aware of such circumstances, thereby causing damage to the tax collection by the State. The tax authorities shall not prejudice the lawful rights and interests of the taxpayer when exercising subrogation or avoidance rights.

Article 49. Where a taxpayer that is in arrears of taxes undergoes a merger or division, it shall report to the tax authorities and pay off the tax amount in arrears in accordance with law. Where the taxpayer fails to pay off the tax amount in arrears before the merger, the enterprise surviving the merger or the newly established enterprise shall continue to perform the obligation to pay the tax amount in arrears. Where the taxpayer fails to pay off the tax amount in arrears before the division, the enterprises surviving the division shall bear joint and several liability for the unpaid taxes.

Article 50. Where a taxpayer is in arrears of taxes and needs to leave the country, it shall settle the tax payment and the surcharge on overdue tax payment, or provide a guarantee, with the tax authorities before leaving the country. Where the taxpayer neither settles the tax payments and the surcharge on overdue tax payment nor provides a guarantee, the tax authorities may notify the exit administration authority to prevent the taxpayer from leaving the country.

Article 51. Where a taxpayer overpays taxes, the tax authorities shall refund the overpaid amount immediately upon discovery. Where a taxpayer discovers an overpayment within three years from the date of tax payment, it may claim a refund of the overpaid amount from the tax authorities, together with interest calculated at the bank deposit rate for the same period. The tax authorities shall refund the same immediately after verification.

Article 52. Where a taxpayer or withholding agent, due to the fault of the tax authorities, has failed to pay or underpaid taxes, the tax authorities may, within three years, require the taxpayer or withholding agent to make supplementary tax payments, but shall not impose a surcharge on overdue tax payment. Where a taxpayer or withholding agent, due to its own fault such as miscalculation, has failed to pay or underpaid taxes, the tax authorities may, within three years, pursue the collection of the underpaid taxes together with the surcharge on overdue tax payment. Under special circumstances, the period for pursuing the collection may be extended to five years. Where the amount of tax underpaid by a taxpayer through tax evasion, refusal to pay taxes, or fraud exceeds CNY 100,000, the tax authorities may pursue the collection of the underpaid taxes or the tax amount fraudulently obtained without being subject to any time limit.

Article 53. Tax authorities shall, in accordance with the provisions of the State, turn over all tax revenues collected and tax violation fines and confiscations collected to the State treasury in full and in a timely manner, and shall not withhold, misappropriate, or dispose of the same without authorization. Audit authorities shall, when auditing tax collection by tax authorities in accordance with law, investigate and handle cases concerning tax payment discovered during the audit.

Article 54. Audit authorities shall have the power to conduct audits and supervision of the tax collection and administration activities of tax authorities and the tax payment situations of taxpayers or withholding agents in accordance with law.

Article 55. Where the tax authorities conduct tax inspections in accordance with law and a taxpayer is raising an objection to the amount of tax payable at the time of inspection, the taxpayer shall pay the tax amount or provide a corresponding guarantee before applying for administrative reconsideration in accordance with law. Where the taxpayer fails to do so, the tax authorities may adopt tax preservation measures.

Chapter IV — Tax Inspection

Article 56. The tax authorities shall have the power to conduct the following tax inspections:

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(1) Inspecting the accounting books, accounting vouchers, financial statements, and other relevant materials of a taxpayer;(2) Inspecting the taxable commodities, goods, and other property of a taxpayer at its production or business premises and goods storage sites;(3) Ordering a taxpayer or withholding agent to provide documents, evidentiary materials, and other relevant information relating to tax payment or the withholding and remittance of taxes;(4) Making inquiries of a taxpayer or withholding agent regarding issues and circumstances relating to tax payment or the withholding and remittance of taxes;(5) Inspecting at railway stations, wharves, airports, postal enterprises, and their branches the vouchers, materials, and other relevant information relating to the consignment and postal delivery of taxable commodities, goods, or other property of a taxpayer;(6) With the approval of the director of the tax bureau (or sub-bureau) at or above the county level, examining the deposit accounts of a taxpayer engaged in production or business operations or a withholding agent with a bank or other financial institution by producing a nationally uniform permit for the examination of deposit accounts.

Article 57. When conducting tax inspections, tax authorities shall have the power to make records, audio recordings, video recordings, photographs, and reproductions with respect to the circumstances and materials relating to the case under investigation.

Article 58. When conducting tax inspections, tax authorities shall produce their tax inspection certificates and tax inspection notices, and shall have the obligation to keep information of the persons under inspection confidential. Where tax authorities fail to produce their tax inspection certificates and tax inspection notices, the taxpayers, withholding agents, and other parties subject to inspection shall have the right to refuse the inspection.

Article 59. Taxpayers, withholding agents, and other parties subject to inspection shall truthfully report the relevant circumstances and provide the relevant materials, and shall not refuse to accept inspection or conceal the circumstances or materials. Tax authorities shall, in accordance with law, keep technical and business secrets of taxpayers, withholding agents, and other parties subject to inspection confidential.

Chapter V — Legal Liability

Article 60. Where a taxpayer commits any of the following acts, the tax authorities shall order the taxpayer to make corrections within a prescribed time limit and may impose a fine of not more than CNY 2,000. Where the circumstances are serious, a fine ranging from CNY 2,000 to CNY 10,000 may be imposed:

(1) Failing to apply for tax registration, modification of tax registration, or cancellation of tax registration within the prescribed time limit;(2) Failing to establish and maintain accounting books, or failing to keep accounting vouchers and other relevant materials, in accordance with regulations;(3) Failing to submit the financial and accounting systems or financial and accounting procedures and accounting software to the tax authorities for the record;(4) Failing to report all bank accounts to the tax authorities;(5) Failing to install and use tax-monitoring devices in accordance with regulations, or damaging or altering tax-monitoring devices without authorization.

Article 61. Where a withholding agent fails to establish and maintain accounting books for taxes withheld and remitted or taxes collected and remitted in accordance with regulations, or fails to keep accounting vouchers for taxes withheld and remitted or taxes collected and remitted, statements on taxes withheld and remitted or collected and remitted, and other relevant materials in accordance with regulations, the tax authorities shall order it to make corrections within a prescribed time limit and may impose a fine of not more than CNY 2,000. Where the circumstances are serious, a fine ranging from CNY 2,000 to CNY 5,000 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 statements on taxes withheld and remitted or collected and remitted and other relevant materials to the tax authorities within the prescribed time limit, the tax authorities shall order it to make corrections within a prescribed time limit and may impose a fine of not more than CNY

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2,000. Where the circumstances are serious, a fine ranging from CNY 2,000 to CNY 10,000 may be imposed.

Article 63. A taxpayer that evades taxes by counterfeiting, altering, concealing, or destroying without authorization accounting books or accounting vouchers, or by overstating expenses or failing to state or understating income in its accounting books, or by refusing to submit tax declarations after having been notified by the tax authorities to do so, or by submitting false tax declarations, and thereby failing to pay or underpaying the tax amount payable, shall be deemed to be engaged in tax evasion. The tax authorities shall pursue the collection of the underpaid tax amount and the surcharge on overdue tax payment, and impose a fine ranging from 50% to five times the amount of tax underpaid. Where the case constitutes a crime, criminal liability shall be investigated in accordance with law. A withholding agent that fails to remit or under-remits the tax amount it has withheld or collected shall be dealt with in the same manner.

Article 64. Where a taxpayer or withholding agent fabricates a false tax basis, the tax authorities shall order the same to make corrections within a prescribed time limit and impose a fine of not more than CNY 50,000. Where a taxpayer fails to submit a tax declaration and thereby fails to pay or underpay the tax amount payable, the tax authorities shall pursue the collection of the underpaid tax amount and the surcharge on overdue tax payment, and impose a fine ranging from 50% to five times the amount of tax underpaid.

Article 65. Where a taxpayer that is in arrears of taxes adopts the means of transferring or concealing its property, thereby causing the tax authorities to be unable to pursue the collection of the tax amount in arrears, the tax authorities shall pursue the collection of such tax amount together with the surcharge on overdue tax payment, and impose a fine ranging from 50% to five times the amount of tax in arrears. Where the case constitutes a crime, criminal liability shall be investigated in accordance with law.

Article 66. Where tax refunds are fraudulently obtained from the State by means of false declarations or other fraudulent means, the tax authorities shall pursue the recovery of the tax refunds fraudulently obtained and impose a fine ranging from one to five times the amount of tax refunds fraudulently obtained. Where the case constitutes a crime, criminal liability shall be investigated in accordance with law.

Article 67. Refusal to pay taxes by means of violence or threats constitutes the refusal to pay taxes. The tax authorities shall pursue the collection of the tax amount refused and the surcharge on overdue tax payment, and impose a fine ranging from one to five times the amount of tax refused. Where the case constitutes a crime, criminal liability shall be investigated in accordance with law.

Article 68. Where a taxpayer or withholding agent fails to pay or remit taxes within the prescribed time limit, and fails to pay or remit the same within the time limit ordered by the tax authorities, the tax authorities may, in addition to adopting enforcement measures to pursue the collection of the tax amount not paid or underpaid, impose a fine ranging from 50% to five times the amount of tax not paid or underpaid.

Article 69. Where a withholding agent fails to withhold or collect the tax amount that should be withheld or collected, the tax authorities shall pursue the tax payment from the taxpayer and impose a fine on the withholding agent ranging from 50% to 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 to accept, or otherwise obstructs a tax inspection conducted by the tax authorities in accordance with law, the tax authorities shall order it to make corrections and may impose a fine of not more than CNY 10,000. Where the circumstances are serious, a fine ranging from CNY 10,000 to CNY 50,000 may be imposed.

Article 71. Unlawful printing or counterfeiting of invoices is prohibited. Where invoices are unlawfully printed in violation of the provisions of Article 21 of this Law, the tax authorities shall destroy the unlawfully printed invoices and confiscate the illegal gains and the instruments used for unlawful printing, and may impose a fine ranging from CNY 10,000 to CNY 50,000. Where the circumstances are serious, a fine ranging from

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CNY 50,000 to CNY 500,000 shall be imposed. Where the case constitutes a crime, criminal liability shall be investigated in accordance with law.

Article 72. Where a taxpayer or withholding agent engages in tax-related illegal acts as provided for in this Law and refuses to accept the handling by the tax authorities, the tax authorities may take back its invoices or suspend the supply of invoices to the same.

Article 73. Where a bank or other financial institution at which a taxpayer or withholding agent has opened an account refuses to accept a tax authority's inspection of the deposit accounts of a taxpayer or withholding agent conducted in accordance with law, or refuses to implement a decision made by the tax authority to freeze deposits or withhold tax payments, or, after receiving a written notice from the tax authority, assists the taxpayer or withholding agent in transferring the deposits, thereby causing the loss of tax revenue, the tax authorities shall impose a fine on the bank or other financial institution ranging from CNY 100,000 to CNY 500,000, and a fine ranging from CNY 10,000 to CNY 100,000 on the directly responsible person-in-charge and other directly responsible persons.

Article 74. The administrative penalties provided for in this Law, where the amount of the fine is not more than CNY 2,000, may be decided upon by tax stations.

Article 75. Tax authorities and judicial authorities shall turn over all tax violation fines and confiscated income they have collected to the State treasury in full and in a timely manner in accordance with the provisions of the State. No entity or individual shall withhold, misappropriate, or dispose of the same without authorization. Tax authorities shall not use the fines and confiscated income as a basis for calculating or apportioning tax revenue tasks.

Article 76. Where a tax authority, in violation of regulations, arbitrarily changes the jurisdiction over tax collection and administration or delays the delivery of tax payment amounts from the taxpayer's bank deposits, the directly responsible person-in-charge and other directly responsible persons shall be subject to disciplinary action in accordance with law.

Article 77. Where a taxpayer or withholding agent commits an act that is suspected of constituting a crime as provided for in Articles 63, 65, 66, 67, or 71 of this Law, the tax authority shall transfer the case to the judicial authority for investigation of criminal liability in accordance with law. Tax officials who engage in malpractices for personal gain and fail to transfer cases that should be transferred to judicial authorities for investigation of criminal liability in accordance with law shall, where the circumstances are serious, be investigated for criminal liability in accordance with law.

Article 78. Where a taxpayer or withholding agent is investigated for criminal liability in accordance with law while the tax amount and surcharge on overdue tax payment have not yet been pursued by the tax authorities, the tax authorities shall pursue the collection of the tax amount and surcharge on overdue tax payment in accordance with law.

Article 79. Where tax authorities or tax officials illegally seal up or seize the personal property of a taxpayer or the property necessary for the daily living of the taxpayer and the taxpayer's dependents, the tax authorities shall order the return of the same and provide compensation in accordance with law. The directly responsible person-in-charge and other directly responsible persons shall be subject to disciplinary action in accordance with law.

Article 80. Where a tax official has a conflict of interest with a taxpayer, withholding agent, or a tax violation case and fails to withdraw, the directly responsible person-in-charge and other directly responsible persons shall be subject to disciplinary action in accordance with law.

Article 81. Tax authorities shall investigate and deal with tax violations reported by entities or individuals in accordance with law, and shall keep the informants confidential. Where tax authorities fail to keep informants confidential in accordance with regulations, the directly responsible person-in-charge and other directly

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responsible persons shall be subject to disciplinary action in accordance with law.

Article 82. Where a tax official engages in any of the following acts, disciplinary action shall be imposed in accordance with law; where the case constitutes a crime, criminal liability shall be investigated in accordance with law:

(1) Demanding or accepting bribes;(2) Colluding with taxpayers or withholding agents, or instigating or assisting taxpayers or withholding agents in committing any act in violation of Articles 63, 65, or 66 of this Law;(3) Abusing powers to deliberately create difficulties for taxpayers or withholding agents;(4) Failing to impose penalties on, or failing to transfer to judicial authorities, taxpayers or withholding agents that are known to have committed tax violations or criminal acts;(5) Retaliating against taxpayers, withholding agents, or other informants that report tax violations.

Article 83. Where a tax authority, in violation of any law or administrative regulation, collects taxes in advance, delays the collection of taxes, or apportions tax collection, the tax authority at a higher level or the relevant administrative supervisory authority shall order it to make corrections, and shall impose disciplinary action on the directly responsible person-in-charge and other directly responsible persons in accordance with law.

Article 84. Where any entity or individual, in violation of any law or administrative regulation, arbitrarily makes a decision on the commencement or suspension of tax collection, or on tax reductions, exemptions, refunds, supplementary payments, or any other decision that contravenes tax laws or administrative regulations, the decision shall be revoked by the tax authority at a higher level, and the tax amount that should be collected shall be pursued for collection and turned over to the State treasury, and disciplinary action shall be imposed on the directly responsible person-in-charge and other directly responsible persons by the authority at a higher level. Where the case constitutes a crime, criminal liability shall be investigated in accordance with law.

Article 85. Where a tax official fails to investigate and deal with or covers up tax violations or tax-related criminal activities when such acts are clearly within its knowledge, or fails to examine and deal with cases transferred in accordance with the division of functions and duties, disciplinary action shall be imposed on the directly responsible person-in-charge and other directly responsible persons in accordance with law. Where the case constitutes a crime, criminal liability shall be investigated in accordance with law.

Article 86. The limitation period for imposing administrative penalties for tax violations shall be five years. Where a tax violation has not been discovered within five years from the date of occurrence, no administrative penalty shall be imposed.

Article 87. Where a party fails to apply for administrative reconsideration or file a lawsuit with the people’s court against a tax authority’s penalty decision within the statutory time limit, and fails to perform the decision, the tax authority that made the penalty decision may apply to the people’s court for compulsory enforcement in accordance with this Law.

Article 88. Where a dispute arises between a taxpayer, withholding agent, or tax payment guarantor and the tax authorities over tax payment, the taxpayer, withholding agent, or tax payment guarantor shall pay or remit the tax amount and the surcharge on overdue tax payment, or provide the corresponding guarantee, in accordance with the decision of the tax authorities before it may apply for administrative reconsideration. Where the party is dissatisfied with the administrative reconsideration decision, it may file a lawsuit with the people’s court in accordance with law. Where a party is dissatisfied with a decision made by the tax authorities on penalties, enforcement measures, or tax preservation measures, the party may apply for administrative reconsideration or file a lawsuit with the people’s court in accordance with law.

Chapter VI — Supplementary Provisions

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Article 89. The procedures for the collection and administration of agricultural taxes, animal husbandry taxes, arable land occupation taxes, and deed taxes shall be implemented with reference to this Law. The collection and administration of Customs duties, vessel tonnage tax, and taxes collected by the Customs on behalf of the tax authorities shall be conducted in accordance with the provisions of laws and administrative regulations.

Article 90. Where any international treaty on tax that the People's Republic of China has concluded or acceded to contains provisions that differ from the provisions of this Law, the provisions of such treaty shall apply, except for those provisions in respect of which the People's Republic of China has declared reservations.

Article 91. Where a provision of any law or administrative regulation that was effective prior to the effective date of this Law differs from the provisions of this Law, the provisions of this Law shall prevail.

Article 92. The detailed implementing rules for this Law shall be formulated by the State Council.

Article 93. This Law shall enter into force as of 1 January 1993. The Interim Regulations of the People's Republic of China on Tax Collection and Administration promulgated by the State Council on 21 April 1986 shall be repealed simultaneously.

Article 94. This Law, as revised, shall enter into force as of 1 May 2001.

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