

Tobacco Leaf Tax Law of the PRC

Dan Young Business Consultancy — www.danyoungcpa.com

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

Contents

Table of Contents	1
Chapter I — General Provisions	1
Chapter II — Tax Base, Tax Rate and Calculation	1
Chapter III — Collection Administration	1
Chapter IV — Supplementary Provisions	2

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Table of Contents

- Chapter I — General Provisions
- Chapter II — Tax Base, Tax Rate and Calculation
- Chapter III — Collection Administration
- Chapter IV — Supplementary Provisions

Chapter I — General Provisions

Article 1 — This Law is enacted for the purposes of regulating the collection of tobacco leaf tax, promoting the sound development of the tobacco industry, and ensuring the state fiscal revenue.

Article 2 — Entities that purchase tobacco leaves within the territory of the People's Republic of China shall be taxpayers of tobacco leaf tax and shall pay tobacco leaf tax in accordance with the provisions of this Law.

Article 3 — For the purposes of this Law, "tobacco leaves" refer to flue-cured tobacco leaves and air-cured tobacco leaves.

Chapter II — Tax Base, Tax Rate and Calculation

Article 4 — The tax base for tobacco leaf tax shall be the total amount of the purchase price paid by the taxpayer for the purchase of tobacco leaves. The purchase price includes the price actually paid by the taxpayer to the tobacco leaf producer and the out-of-purchase-price subsidies.

Article 5 — The tax rate for tobacco leaf tax shall be 20 percent.

Article 6 — The amount of tobacco leaf tax payable shall be calculated as follows: Amount of tax payable = tax base × tax rate.

Chapter III — Collection Administration

Article 7 — Tobacco leaf tax shall be collected by the tax authorities. The specific measures for the collection and administration of tobacco leaf tax shall be formulated by the State Council.

Article 8 — A taxpayer purchasing tobacco leaves shall be obligated to declare and pay tobacco leaf tax at the place where the tobacco leaf purchase takes place, in accordance with the time limit and location for tax declaration prescribed by the tax authorities.

Article 9 — The time when the obligation to pay tobacco leaf tax arises shall be the date on which the taxpayer purchases the tobacco leaves.

Article 10 — A taxpayer shall declare and pay tobacco leaf tax within 15 days from the date the obligation to pay tax arises.

Chapter IV — Supplementary Provisions

Article 11 — The State Council may, in accordance with the needs of economic and social development and in light of the actual circumstances, decide on the reduction or exemption of tobacco leaf tax and submit such decisions to the Standing Committee of the National People's Congress for record-filing.

Article 12 — The measures for the administration of the collection of tobacco leaf tax shall be formulated by the State Council.

Article 13 — This Law shall come into force on July 1, 2018. The Provisional Regulations of the People's Republic of China on Tobacco Leaf Tax promulgated by the State Council on April 28, 2006 shall be repealed simultaneously.

Disclaimer: This English translation is provided for informational purposes only and is not an official translation. While every effort has been made to ensure accuracy, only the original Chinese text has legal force. For tax matters involving the Tobacco Leaf Tax Law of the PRC, please consult a qualified tax professional. Dan Young Business Consultancy assumes no liability for any reliance placed on this translation.