Urban Maintenance and Construction Tax Law of the PRC

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Adopted at the 21st Session of the Standing Committee of the 13th National People's Congress on August 11, 2020
Effective: September 1, 2021

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Chapter I — General Provisions

Article 1 — This Law is enacted for the purpose of strengthening urban maintenance and construction, expanding and stabilizing the sources of funds for urban maintenance and construction, and promoting urban development.

Article 2 — Units and individuals that pay value-added tax and consumption tax within the territory of the People's Republic of China shall be taxpayers of urban maintenance and construction tax and shall pay urban maintenance and construction tax in accordance with the provisions of this Law.

Article 3 — Urban maintenance and construction tax shall be calculated on the basis of the amount of value-added tax and consumption tax actually paid by the taxpayer, and shall be paid concurrently with the value-added tax and consumption tax.

Chapter II — Tax Rates

Article 4 — The tax rates for urban maintenance and construction tax shall be differentiated according to the location of the taxpayer as follows:

(1) For taxpayers located in urban areas, the tax rate shall be 7 percent;

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(2) For taxpayers located in county towns or organized towns, the tax rate shall be 5 percent;

(3) For taxpayers located in areas other than urban areas, county towns and organized towns, the tax rate shall be 1 percent.

The term "urban areas, county towns and organized towns" as used in the preceding paragraph refers to the areas defined by the administrative divisions approved by the State Council.

Article 5 — Where a taxpayer has multiple business locations, it shall calculate and pay urban maintenance and construction tax respectively according to the applicable tax rate of the place where each business location is situated.

Chapter III — Tax Reduction and Exemption

Article 6 — Urban maintenance and construction tax may be reduced or exempted under any of the following circumstances:

(1) Where value-added tax and consumption tax are reduced or exempted in accordance with the law, urban maintenance and construction tax shall be reduced or exempted accordingly;

(2) For imported goods, urban maintenance and construction tax shall not be levied on the value-added tax and consumption tax paid on importation;

(3) For exported goods, where value-added tax and consumption tax are refunded, the urban maintenance and construction tax already paid shall not be refunded;

(4) Other circumstances prescribed by laws and administrative regulations for reduction or exemption of urban maintenance and construction tax.

Article 7 — Where a taxpayer encounters special difficulties and is eligible for tax reduction or exemption, it may submit an application to the tax authorities. The tax authorities shall process the application in accordance with the law.

Chapter IV — Collection and Administration

Article 8 — Urban maintenance and construction 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 9 — The time of occurrence of the tax liability, the place of tax payment and the time limit for tax payment of urban maintenance and construction tax shall be consistent with the relevant provisions on value-added tax and consumption tax and shall be determined separately by the tax authorities of the State Council.

Chapter V — Supplementary Provisions

Article 10 — The State Council may, in light of the needs of national economic and social development, submit to the Standing Committee of the National People's Congress for decision the approval of adjustments to the tax rates of urban maintenance and construction tax.

Article 11 — This Law shall come into force on September 1, 2021. The Interim Regulations on Urban Maintenance and Construction Tax of the People's Republic of China promulgated by the State Council on February 8, 1985 shall be abolished simultaneously.

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