

Policies of Deepening the VAT Reform in China

Effective April 1st, 2019

Highlights

- VAT rate of 16% reduced to 13%
- VAT rate of 10% reduced to 9%
- New VAT rebate system in trial
- Expand the scope of input VAT deductions
- Temporary 10% VAT deductions added
- Policies guiding implementation of tax reform

中国深化增值税改革政策

Policies of deepening the VAT reform in China

从 2019 年 4 月 1 日起执行

Effective from 1 April 2019

根据今年 3 月 5 日李克强总理在政府工作报告中指出 2019 年将进一步减轻企业增值税税负，中国财政部、国家税务总局、海关总署随即于 3 月 21 日公布《关于深化增值税改革有关政策的公告》(财政部 税务总局 海关总署公告 2019 年第 39 号，以下简称“39 号公告”)，国家税务总局亦于同日公布包括《关于深化增值税改革有关事项的公告》(国家税务总局公告 2019 年第 14 号，以下简称“14 号公告”)等在内的若干项政策指引。本次降低增值税税率、扩大进项税抵扣等一系列增值税减税措施将于 2019 年 4 月 1 日起执行。根据上述文件的规定，我们做了一下归纳总结供你们参考。

According to premier Li Ke Qiang's government work report, the tax burden of value-added tax for enterprises will be further reduced in 2019. China's ministry of finance, state administration of taxation, the general administration of customs immediately announced on March 21, the announcement on deepening the reform of the VAT related policy (the general administration of customs of the taxation administration of the ministry of finance announced in 2019, 39, hereinafter referred to as "39 notice"), published by the state administration of taxation on the same day also includes the announcement on deepening the reform of value-added tax related matters (announcement no. 14, 2019, state administration of taxation (hereinafter referred to as "the 14th announcement"), such as a number of policy guidance. The reduction of VAT rate and the expansion of input tax deduction will be implemented from April 1, 2019. According to the above documents, we have made a summary for your reference.

1. 增值税一般纳税人(以下称纳税人)发生增值税应税销售行为或者进口货物，原适用 16% 税率的，税率调整为 13%；原适用 10% 税率的，税率调整为 9%。

For general VAT taxpayers (hereinafter referred to as taxpayers) who have VAT taxable sales or import goods, if the original tax rate of 16% is applicable, the tax rate shall be adjusted to 13%; Where the original 10% tax rate is applicable, the tax rate shall be adjusted to 9%.

税率变动的比较如下：

The comparison of tax rate changes has been summarized as follows:

应税行为 Main Business Activity	新税率 New Rate From 1 Apr 2019	老税率 Old rate From 1 May 2018
销售或进口一般货物；提供加工、修理修配劳务；提供有形动产租赁服务 The VAT tax rate of taxpayers engaging in sale or importation of goods, taxable labor services, and lease of tangible movables	13%	16%
销售或进口特定货物；提供交通运输、邮政、基础电信、建筑、不动产租赁服务；销售不动产；转让土地使用权 The VAT tax rate of taxpayers engaging in sale of transportation, postal, basic telecommunications, construction, lease of immovables, real estate, and transfer of land-use right	9%	10%
提供增值电信、金融服务、现代服务和生活服务；转让除土地使用权之外的无形资产 The VAT tax rate of taxpayers engaging in providing value-added telecommunications, financial services, modern services and life services; and transfer of intangible assets other than the right to the use of the land	6%	6%

敲黑板划重点 Highlight Tips :

- (1) 增值税一般纳税人增值税税率调整前已按原 16%、10%适用税率开具的增值税发票，发生销售折让、中止或者退回等情形需要开具红字发票的，按照原适用税率开具红字发票；开票有误需要重新开具的，先按照原适用税率开具红字发票后，再重新开具正确的蓝字发票。

for general VAT taxpayers who have issued VAT invoices at the original 16% and 10% applicable tax rates before the adjustment of VAT rates, and need to issue credit invoices for sales discounts, suspensions or returns, the credit invoices shall be issued at the original applicable tax rates; If the invoice is wrong and needs to be re-issued, the original applicable tax rate shall be followed by the credit invoice, and then the correct invoice shall be re-issued

- (2) 纳税人在增值税税率调整前未开具增值税发票的增值税应税销售行为，需要补开增值税

发票的，应当按照原 16%、10%适用税率补开。

for the taxpayers who have not issued VAT invoices before the adjustment of VAT rate and need to issue VAT invoices, the VAT invoices shall be issued at the original 16% and 10% applicable tax rates

- (3) 一般纳税人 4 月 1 日之后取得的按原适用税率开具的符合抵扣规定的增值税发票或海关进口增值税专用缴款书，仍然可以在开具之日起 360 日内认证、选择确认或申请稽核比对。

the VAT invoice or special letter of payment for customs import VAT obtained by general taxpayers after 1 April and issued at the original applicable tax rate in line with the provisions of deduction can still be verified, confirmed or applied for audit comparison within 360 days from the date of issuance

- (4) 尽量在 3 月 31 日前已经完成交付的合同的发票都开了，这样可以避免不必要的麻烦。

Try to issue all the invoice before 31 March for the services or sales has been completed to avoid the unnecessary trouble.

2. 纳税人购进农产品，原适用 10%扣除率的，扣除率调整为 9%。纳税人购进用于生产或者委托加工 13%税率货物的农产品，按照 10%的扣除率计算进项税额。

For taxpayers who buy agricultural products, the deduction rate shall be adjusted to 9% if the original 10% deduction rate is applicable. Where a taxpayer purchases agricultural products used for the production or commissioned processing of goods with a tax rate of 13%, the input tax shall be calculated at the rate of 10% deduction

3. 原适用 16%税率且出口退税率为 16%的出口货物劳务，出口退税率调整为 13%;原适用 10%税率且出口退税率为 10%的出口货物、跨境应税行为，出口退税率调整为 9%。

For export goods and services whose original tax rate of 16% is applicable and the export tax rebate rate is 16%, the export tax rebate rate shall be adjusted to 13%; For export goods and cross-border taxable activities where the original 10% tax rate is applicable and the export tax rebate rate is 10%, the export tax rebate rate shall be adjusted to 9%

敲黑板划重点 Highlight Tips :

2019 年 6 月 30 日前，按调整前税率征收增值税的，执行调整前的退税率；按调整后税率征收增值税的，执行调整后的退税率。退税率的执行时间，以退税物品增值税普通发票的开具日期为准

Before June 30, 2019, if VAT is collected at the rate before the adjustment, the tax rebate rate before the adjustment shall be implemented; Where VAT is levied at the adjusted rate, the adjusted tax rebate rate shall be applied. The execution time of the tax rebate rate shall be subject to the issuing date of the general VAT invoice of the refunded article

4. 适用 13%税率的境外旅客购物离境退税物品，退税率为 11%；适用 9%税率的境外旅客购物离境退税物品，退税率为 8%。

For the shopping departure tax rebate items of overseas passengers subject to the tax rate of 13%, the tax rebate rate is 11%; Shopping departure tax refund items for overseas passengers subject to the tax rate of 9% shall be subject to the tax rate of 8%

5. 自 2019 年 4 月 1 日起，《营业税改征增值税试点有关事项的规定》（财税〔2016〕36 号印发）第一条第（四）项第 1 点、第二条第（一）项第 1 点停止执行，纳税人取得不动产或者不动产在建工程的进项税额不再分 2 年抵扣。此前按照上述规定尚未抵扣完毕的待抵扣进项税额，可自 2019 年 4 月税款所属期起从销项税额中抵扣。

As of April 1, 2019, the provisions on related matters of the pilot project of replacing business tax with value-added tax (issued no. 36 [2016]) shall cease to be implemented, and the input tax of immovable property or immovable property under construction shall not be deducted in two years. The input tax to be deducted which has not been deducted in accordance with the above provisions before may be deducted from the output tax since April 2019

6. 纳税人购进国内旅客运输服务，其进项税额允许从销项税额中抵扣。

For taxpayers purchasing domestic passenger transport services, the input tax is allowed to be deducted from the output tax

- (1) 纳税人未取得增值税专用发票的，暂按照以下规定确定进项税额：

if the taxpayer has not obtained the special VAT invoice, the input tax shall be temporarily determined according to the following provisions

- a) 取得增值税电子普通发票的，为发票上注明的税额；

The amount of tax indicated on the electronic general invoice of value-added tax obtained shall be the amount indicated on the invoice

- b) 取得注明旅客身份信息的航空运输电子客票行程单的，为按照下列公式计算进项税额：

The input tax shall be calculated according to the following formula if the itinerary of the air transport e-ticket with passenger identity information is obtained:

$$\text{航空旅客运输进项税额} = (\text{票价} + \text{燃油附加费}) \div (1 + 9\%) \times 9\%$$
$$\text{Input tax on air passenger transport} = (\text{fare} + \text{fuel surcharge}) / (1 + 9\%) \times 9\%$$

- c) 取得注明旅客身份信息的铁路车票的，为按照下列公式计算的进项税额：

For railway tickets with passenger identification information, input tax shall be calculated according to the following formula:

铁路旅客运输进项税额=票面金额÷(1+9%)×9%

Railway passenger transport input tax = face value/ (1+9%) *9%

- d) 取得注明旅客身份信息的公路、水路等其他客票的,按照下列公式计算进项税额:
The input tax shall be calculated according to the following formula if the highway, waterway and other passenger tickets with passenger identification information are obtained:

公路、水路等其他旅客运输进项税额=票面金额÷(1+3%)×3%

Road, waterway and other passenger transport input tax

= face value/ (1+3%) *3%

敲黑板划重点 Highlight Tips :

纳税人需要准备台账记录以上国内旅客运输服务进项税额抵扣的明细,以备税务局检查。记录的信息主要包括乘坐旅客运输服务的员工名字、身份证号码以及发票的金额。

Taxpayers need to prepare a detail list to record the input tax deduction details of the above domestic passenger transport service for tax inspection purpose. The recorded information mainly includes the passenger's identification information and the invoice amount.

7. 自2019年4月1日至2021年12月31日,允许生产、生活性服务业纳税人按照当期可抵扣进项税额加计10%,抵减应纳税额(以下称加计抵减政策)。

From 1 April 2019 to 31 December 2021, taxpayers of production and living service industries are allowed to add 10% of input tax deductible in the current period to offset the tax payable

敲黑板划重点 Highlight Tips :

- (1) 生产、生活性服务业纳税人,是指提供邮政服务、电信服务、现代服务、生活服务取得的销售额占全部销售额的比重超过50%的纳税人。具体范围按照《销售服务、无形资产、不动产注释》(财税〔2016〕36号印发)执行。

The term "taxpayers of production and living services" refers to the taxpayers whose sales volume from the provision of postal services, telecommunications services, modern services and life services account for more than 50% of the total sales volume. The details as below:

编号 Ref	行业 Industry
一、	邮政服务业 Postal service
二、	电信服务业 Telecommunication service
1	基础电信业务 Basic telecommunication service
2	增值电信业务 Value add telecommunication service
二	现代服务业 Modern service
1	研发和技术服务业 R&D and technology services
2	信息技术服务业 Information technology services
3	文化创意服务业 Cultural and creative service
4	物流辅助服务 Logistics support service
5	有形动产租赁服务业 Tangible movable property leasing service industry
6	鉴证咨询服务 Authentication consulting service
7	广播影视服务 Radio, television and film service
三	生活服务业 Livelihood service
1	文化艺术业 Art and culture
2	体育业 Sport service
3	教育 Education service
4	卫生 Health service
5	旅游业 Tourism
6	娱乐业 Entertainment
7	餐饮业 Food & Beverage
8	住宿业 Hotel
9	居民服务业 Residential service
10	社会工作 Social work
11	公共设施管理业 Public facilities management
12	不动产出租 Leasing of real estate
13	商务服务业 commercial service
14	专业技术服务业 Professional technology service
15	代理业 Agency service
16	其他生活服务业 Other livelihood service

- (2) 政策有效期 2019 年 4 月 1 日至 2021 年 12 月 31 日，到期后纳税人不再计提加计抵减额，结余的加计抵减额停止抵减！

The policy is valid on from 1 April 2019 to 31 December 2021. After the policy expires, taxpayers will no longer deduct the additional deduction amount, and the additional deduction amount of the remaining balance will cease to be deducted.

- (3) 适用加计抵减政策的生产、生活性服务业纳税人，应在年度首次确认适用加计抵减政策时，通过电子税务局（或前往办税服务厅）提交《适用加计抵减政策的声明》。

Taxpayers of the production and domestic service industry who are subject to the additional tax deduction policy shall, when first confirming the application of the additional tax deduction policy, submit the declaration of the application of the additional tax deduction policy through the electronic tax bureau (or to the tax handling service office).

- (4) 需要说明的是，按照 39 号公告规定，纳税人确定适用加计抵减政策，以后年度是否继续适用，需要根据上年度销售额计算确定。已经提交《适用加计抵减政策的声明》并享受加计抵减政策的纳税人，在 2020 年、2021 年，是否继续适用，应分别根据其 2019 年、2020 年销售额确定，如果符合规定，需再次提交《适用加计抵减政策的声明》。

Need to explain is, according to the announcement no. 39 provisions, taxpayers determine the application of the policy of additional deductions, whether the subsequent years continue to apply, need to be determined according to the last year's sales calculation. Taxpayers who have submitted the declaration on the application of the additional tax deduction policy and are eligible for the additional tax deduction policy shall determine whether the additional tax deduction policy will continue to apply in 2020 and 2021 according to their sales volume in 2019 and 2020 respectively. If they meet the requirements, they shall submit the declaration on the application of the additional tax deduction policy again.

8. 自 2019 年 4 月 1 日起，试行增值税期末留抵税额退税制度

Starting from 1 April 2019, China will trial implement the VAT rebate system for the tax credit is retained at the end of the period

纳税人需要同时符合以下 5 条条件，才可以申请退还增量留抵税额：

Taxpayers need to meet the following five conditions at the same time to apply for refund of incremental VAT credit:

- (1) 自 2019 年 4 月税款所属期起，连续六个月（按季纳税的，连续两个季度）增量留抵税额均大于零，且第六个月增量留抵税额不低于 50 万元；

from April 2019, the incremental tax credit for six consecutive months (quarterly, for two consecutive quarters) is greater than zero, and the incremental tax credit for the sixth month is not less than RMB500,000

- (2) 纳税信用等级为 A 级或者 B 级；

the taxpayer's credit rating shall be A or B

- (3) 申请退税前 36 个月未发生骗取留抵退税、出口退税或虚开增值税专用发票情形的；

there are no cases of defrauding tax refunds, export tax refunds or falsely issuing

special VAT invoices within 36 months before the application for tax refunds

- (4) 申请退税前 36 个月未因偷税被税务机关处罚两次及以上的 ;
not being punished twice or more by tax authorities for tax evasion within 36 months prior to the application for tax refund;
- (5) 自 2019 年 4 月 1 日起未享受即征即退、先征后返（退）政策的。
fail to enjoy the policy of levying and withdrawing at once, levying first and returning later (withdrawing) since April 1, 2019.

For more information about our services, please contact:

想了解更多关于我们的服务，请联系：

Jessie Lin 林晔

Director 总监

Rm 1211-12, Enterprise Square, 228 Mei Yuan Road, Shanghai 200070, China

上海市静安区梅园路 228 号, 企业广场 1211-1212 室, 邮编 200070

O: +86 (21) 6230 7675, M: +86 181 0165 6957

E: jessie.lin@integra-group.cn

W: www.integra-group.cn