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Decision of the State Council on Amending the Regulation on the Implementation of the Individual Income Tax Law of the People's Republic of China

国务院关于修改《中华人民共和国个人所得税法实施条例》的决定

Issued By	State Council
Subject	Individual Income Tax
Promulgated on	December 19th 2005
Effective from	January 1st 2006
Source	www.china.com.cn

The State Council has decided to make the revisions on the Regulation on the Implementation of the Individual Income Tax Law and issued Decision of the State Council on Amending the Regulation on the Implementation of the Individual Income Tax Law of the People's Republic of China (hereinafter referred to as “the Decisions”) on 19th December 2005. The main contents of the Decisions are as follows:

The expenses paid for basic endowment insurance, basic medical care insurance, unemployment insurance and house accumulation fund by entities and individuals shall be deducted from the taxable incomes of taxpayers in accordance with the provisions of the state.

A taxpayer shall file tax returns to the competent taxation authority as required if he is under any of the following circumstances:

1. His annual incomes exceed RMB 120 thousand Yuan;
2. He obtains wages and salaries from two or more places within the territory of China;
3. He obtains incomes from abroad;
4. He obtains taxable incomes and there is no withholding agent; or
5. Other circumstances as prescribed by the State Council.

“The withholding declaration for all taxpayers and in full amount” as mentioned in Article 8 of the Individual Income Tax Law refers that a withholding agent shall, within one month after the taxes are withheld, report the basic information on the individuals with taxable incomes, the amount of taxable incomes, specific amount of the withheld taxes, the total amount thereof and other relevant tax information to the competent taxation authority. The measures for the administration of withholding declaration for all the taxpayers and in full amount shall be formulated by the State Administration of Taxation.

Moreover, the sequence of articles and some wording shall be adjusted and revised accordingly. The Decision shall come into force as of January 1, 2006 and the Regulation on the Implementation of the Individual Income Tax Law shall be revised according to the Decision and be promulgated again.

Notice of the State Administration of Taxation on Some Matters Concerning the Filing of Individual Income Tax Returns

国家税务总局关于个人所得税纳税人纳税申报有关事项的通知

Issued By State Administration of Taxation
Subject Income Tax
Promulgated on December 28th 2005
Effective from December 28th 2005
Source www.chinatax.gov.cn

In accordance with the Decision on Amending the Individual Income Tax of the People's Republic of China which was made at the 18th Meeting of the Standing Committee of the 10th National People's Congress and the Decision of the State Council on Amending the Regulation on the Implementation of the Individual Income Law of the People's Republic of China, State Administration of Taxation issued the Notice of the State Administration of Taxation on Some Matters Concerning the Filing of Individual Income Tax Returns (hereinafter referred to as "the Notices") on 28th December 2005.

According to the Notice, a taxpayer who obtains income from wages and salaries from two or more sources within the territory of China, obtains income derived from outside China, or obtains any taxable income from which no tax is withheld in 2005 shall file tax returns with the competent tax organ pursuant to the prevailing provisions.

A taxpayer who obtains income totaling 120,000 Yuan or more in 2005 is not required to file his tax returns. A taxpayer who has been listed as a person with high income in the local tax organ shall be governed by the relevant provisions of the local tax organ.

As of January 1, 2006, a taxpayer who obtains incomes totaling 120,000 Yuan during the current year, he shall carefully record the information about all items of income and shall file with the competent tax organ a tax return for all his incomes prior to the end of March of the next year.

Interpretations of the Standing Committee of the National People's Congress on the Provisions of the Criminal Law of the People's Republic of China Regarding Other Invoices for Export Rebate and Tax Offset

关于《中华人民共和国刑法》有关出口退税、抵扣税款的其他发票规定的解释

Issued By Standing Committee of the National People's Congress
Subject Criminal Law
Promulgated on December 28th 2005
Effective from December 28th 2005
Source www.china.com.cn

Interpretations of the Standing Committee of the National People's Congress on the Provisions of the Criminal Law of the People's Republic of China regarding Other Invoices for Export Rebate and Tax Offset (hereinafter referred to as "the Interpretations") has been promulgated by the 19th Session of the Standing Committee of the 10th National People's Congress. The main contents of the Interpretations are as follows:

The term "other invoices for tax rebate or tax offset" as mentioned in the Criminal Law refers to the receipts, payment vouchers or tax payment vouchers which may be used for tax rebate or tax offset, rather than the special invoices for value-added tax.

Wenger & Vieli, Beijing, March 31st 2006

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