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Decision on Amending the Individual Income Tax Law of the People's Republic of China

关于修改《中华人民共和国个人所得税法》的决定

【 Issued by 】	Standing Committee of the National People's Congress
【 Subject 】	Individual Income Tax
【 Promulgated on 】	June 30th, 2011
【 Effective from 】	September 1st, 2011
【 Source 】	http://www.npc.gov.cn

On June 30, 2011, the State Council published the Decision on Amending the Individual Income Tax Law of the People's Republic of China (hereinafter referred to as "Decision"), which took effect on September 1, 2011. The Decision revised Articles 3, 6, 9 and 15 of the Individual Income Tax Law.

According to the Decision, the threshold for tax free personal income will be increased from 2,000 Yuan to 3,500 Yuan per month. At the same time, the Decision also decreased the 9 levels of progressive tax rates with regard to excess of specific amounts to 7 levels. The new tax rates are as follows:

Individual Income Tax Rates (Applicable to income from wages and salaries)

Grade	Monthly Taxable Income (RMB)	Tax Rate (%)
1	the part less than 1,500	3
2	the part in excess of 1,500 to 4,500	10
3	the part in excess of 4,500 to 9,000	20
4	the part in excess of 9,000 to 35,000	25
5	the part in excess of 35,000 to 55,000	30
6	the part in excess of 55,000 to 80,000	35
7	the part in excess of 80,000	45

The tax rate and income tax range for business incomes from individual businesses and contract businesses will also be adjusted in accordance with the Decision:

Individual Income Tax Rates (Applicable to incomes from individual businesses and contract businesses)

Grade	Yearly Taxable Income (RMB)	Tax Rate (%)
1	the part less than 15,000	5
2	the part in excess of 15,000 to 30,000	10
3	the part in excess of 30,000 to 60,000	20
4	the part in excess of 60,000 to 100,000	30
5	the part in excess of 100,000	35

In addition, the Decision extends the time period for declaring and paying taxes from within 7 days to within 15 days of the following month.

The individual income tax rates for income from wages and salaries before the Amendment were as follows:

Grade	Monthly Taxable Income (RMB)	Tax Rate (%)
1	the part less than 500	5
2	the part in excess of 500 to 2,000	10
3	the part in excess of 2,000 to 5,000	15
4	the part in excess of 5,000 to 20,000	20
5	the part in excess of 20,000 to 40,000	25
6	the part in excess of 40,000 to 60,000	30
7	the part in excess of 60,000 to 80,000	35
8	the part in excess of 80,000 to 100,000	40
9	the part in excess of 100,000	45

Please find below a brief comparison:

Monthly wages and salaries of Chinese nationals (without regards to social insurance)	Tax before Amendment	Tax after Amendment	difference
5000	325	45	- 280
8000	825	345	- 480
10000	1225	745	- 480
15000	2225	1870	- 355
20000	3225	3120	- 105
22000	3625	3620	- 5
30000	5625	5620	- 5
40000	8125	8195	70
60000	14025	14270	245

From above comparison, we can understand that the Decision is meant to levy less on the low- and middle-income earners, enabling them to combat with rising inflation. It also aims at raising the tax rates on high-income earners and narrowing the gap of low- and high-incomes in China.

Furthermore, on July 29, 2011, the State Administration of Taxation issued Announcement on Relevant Issues Regarding the Implementation of the Revised Individual Income Tax Law (hereinafter referred to as "Announcement"). The Announcement clarifies that the actual wages and salaries which taxpayers earn after September 1, 2011 (inclusive) should apply the expenditure deduction standards and tax rate tables of the revised Individual Income Tax Law. The actual wages and salaries which taxpayers received before September 1, 2011 should apply the expenditure deduction standards and tax rate tables of the unrevised Individual Income Tax Law, whether or not the tax is brought into the national treasury after September 1, 2011.

Decision on Amending the Law of the People's Republic of China on Road Traffic Safety

关于修改《中华人民共和国道路交通安全法》的决定

【 Issued by 】	Standing Committee of the National People's Congress
【 Subject 】	Traffic and Transport
【 Promulgated on 】	April 22th, 2011
【 Effective from 】	May 1st, 2011
【 Source 】	http://www.npc.gov.cn

On April 22, 2011, the Standing Committee of the National People's Congress passed the Decision on Amending the Law of the People's Republic of China on Road Traffic Safety (hereinafter referred to as "Decision"). The Decision has become effective on May 1, 2011.

According to the Decision, drunken drivers¹ in China will face revocation of their driver's licenses and they will have to wait five years to recover their licenses.

In addition, those who drive after drinking alcohol but are not drunk will face a six months suspension of their driver's license and a fine of 1,000 Yuan to 2,000 Yuan. The decision also permanently revokes the driver's license of anyone who drives after drinking alcohol and causes an accident serious enough to constitute a crime.

In recent years, fatal car accidents in big cities such as Hangzhou, Nanjing and Chengdu have triggered heated public outcry and calls for stricter penalties for drunk driving. Official statistics indicate that China's authorities handled 631,000 cases of driving after drinking alcohol in 2010. Among them, 87,000 cases qualified as drunk driving.

The Decision means an intensified crackdown on drunk driving and would markedly increase the penalties for law violators and make it harder for them to avoid punishment. It aims at better protecting people's lives.

¹ According to China's current standard, drivers who have at least 80 milligrams of alcohol per 100 millilitres of blood are considered drunk.

Administrative Coercion Law of the People's Republic of China

中华人民共和国行政强制法

【 Issued by 】	Standing Committee of the National People's Congress
【 Subject 】	Administrative Coercion Law
【 Promulgated on 】	June 30th, 2011
【 Effective from 】	January 1st, 2012
【 Source 】	http://www.npc.gov.cn

The Administrative Coercion Law of the People's Republic of China (hereinafter referred to as "Administrative Coercion Law") was released by the Standing Committee of the People's Congress on June 30, 2011 and will take effect from January 1, 2012.

"The Administrative Coercion" here includes administrative coercive measures and administrative enforcement. "Administrative coercive measures" refer to the temporary restriction of the personal freedom of citizens or temporary control of the property of citizens, legal persons or other organizations according to law by administrative organs in the process of administration for such purposes as stopping illegal acts, preventing destruction of evidence, avoiding damage and containing expansion of danger. "Administrative enforcement" refers to the performance of obligations as legally enforced by administrative organs or by the people's courts upon applications of administrative organs against citizens, legal persons or other organizations which do not perform administrative decisions. The Administrative Coercion Law specifies the types and setting of administrative coercion, the implementing procedures for administrative coercive measures, as well as procedures for enforcement by administrative organs.

In accordance with the Administrative Coercion Law, there are the following types of administrative coercive measures:

- (1) Restricting the personal freedom of a citizen;
- (2) Seizing premises, facilities or properties;
- (3) Impounding properties;
- (4) Freezing deposits or remittances; and
- (5) Other administrative coercive measures.

Furthermore, the Administrative Coercion Law also stipulates 6 kinds of manners of administrative enforcement:

- (1) Fines or late fees;
- (2) Transfer of deposits or remittances;
- (3) Auction or legal disposition of premises, facilities or properties that are seized or impounded;
- (4) Removal of obstructions or restitution;
- (5) Performance on behalf of the party concerned; and
- (6) Other manners of enforcement.

According to the Administrative Coercion Law, administrative coercion shall be set and implemented according to the statutory authority, extent, conditions and procedures. A citizen, a legal person or any other organization is entitled to make statements or arguments against administrative coercion implemented by an administrative organ and apply for administrative reconsideration or lodge an administrative lawsuit according to law. They can also ask for compensation for damage suffered from an administrative organ's illegal administrative coercion.

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