Summary of National Policy Framework for Shanghai Enterprises Applying for VAT Refund/Exemption

I. VAT Refund/Exemption for Export Goods, Labor, and Services

This is the largest and most common type of refund/exemption, aimed at achieving a "zero tax rate" for exported goods and services.

Scope of Application: Goods declared for export, processing, repair, and replacement services provided overseas, as well as eligible cross-border taxable activities (e.g., information technology services, logistics support services, R&D and design services, etc.).

Refund/Exemption Methods:

1. "Exemption, Credit, and Refund" Method: Primarily applies to production enterprises exporting self-produced goods or goods deemed as self-produced.
   - Exemption: Exempts VAT on export sales.
   - Credit: Uses the export refundable tax amount to offset the VAT payable on domestic sales.
   - Refund: Refunds the unused portion of the input VAT.
2. "Exemption and Refund" Method: Primarily applies to foreign trade enterprises or other export enterprises without production capacity.
   - Exemption: Exempts VAT on export sales.
   - Refund: Refunds the input VAT paid on purchased goods or services.
3. Refund Rate: The state periodically adjusts export refund rates based on industrial policies. Enterprises must check the latest refund rates based on export product codes. Not all products are eligible for 17% or 13% refund rates; some may even have a zero refund rate.
4. Filing Deadline: Enterprises must collect all required documents and complete the refund/exemption application within the VAT filing period from the month following the date of export declaration (as indicated on the export declaration form) until April 30 of the following year.

II. VAT Refund for Software Products

To encourage the development of the software industry, tax incentives are provided for self-developed and produced software products.

Scope of Application: VAT general taxpayers selling self-developed and produced software products (including localized adapted imported software).

Policy Content: After levying VAT at a 13% rate (Note: The current basic VAT rate has been adjusted, but this policy calculation method continues), the portion of the actual VAT burden exceeding 3% is refunded immediately upon collection.

Refund Calculation: Refund amount = Current VAT payable on software products - (Current software product sales × 3%).

III. Immediate VAT Refund upon Collection for Employing Disabled Persons

To promote employment for disabled persons, tax incentives are provided to enterprises that employ them.

Scope of Application: Taxpayers whose monthly employed disabled persons account for no less than 25% (inclusive) of the total employees and who employ no fewer than 10 disabled persons (inclusive).

Policy Content: The tax authority refunds VAT immediately upon collection based on the number of disabled persons employed, subject to a cap. The refundable VAT limit is determined based on four times the local average social wage but shall not exceed RMB 60,000 per person per year (this standard may be adjusted).

IV. Exemption Policies for Other Specific Industries or Projects

1. Self-produced agricultural products sold by agricultural producers.
2. Contraceptive drugs and devices.
3. Antique books.
4. Imported instruments and equipment directly used for scientific research, scientific experiments, and teaching.
5. Eligible technology transfer, technology development, and related technical services (usually exempt rather than refunded).