

➤ **Q: Who are taxpayers of VAT?**

A: The state-owned enterprises, collective enterprises, private enterprises, enterprises with foreign investment, foreign enterprises, joint equity enterprises, other enterprises, administrative units, institutions, military units, social organizations, other units, individual business operators and other individuals who are engaged in the sales of goods, importation of goods, provision of processing, repairs and replacement services (hereinafter referred to as taxable services) within China are taxpayers of VAT.

In case of business leased or contracted to others, the leaseholders or the contractors will be the taxpayers.

At present, the VAT revenue in china mainly comes from the State owned enterprises, collectively owned enterprises, joint equity enterprises and the enterprises with foreign investment that are engaged in manufacturing industry (out of which mostly refers to chemical industry, textiles, tobacco processing, petroleum processing, food-staff, and garments), trade, electric power supply, mining and digging.

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**China Business Engine**  
Tel +86 21 52289730  
Fax +86 21 5228-9730

**Website**  
China site : [www.cbize.com](http://www.cbize.com)  
Globe site : [www.cbize.net](http://www.cbize.net)