

➤ **Q: How many taxable items are there in consumption tax? And what are the tax rates (tax amounts per unit)?**

A: Eleven taxable items are subject to consumption tax either at flat rate, fixed-amount of tax per unit or compound rate:

- a. Tobacco: compound rate adopted for tobacco. First the tax is based on quantity, i.e., 150 yuan tax for each standard box (containing 50000 cigarettes) of cigarettes. Then tax is levied on ad valorem basis, in which 45% rate is applied to cigarettes with price more than 50 yuan (excluding VAT, the same hereinafter) for each standard package of 200 cigarettes, imported cigarettes with price less than 50 yuan for each standard package of 200 cigarettes. 25% rate is applicable to cigars and 30% on cut tobacco (including pipe tobacco, Mohe tobacco, fine tobacco, shredded tobacco for water pipes, yellow and red cut tobacco)
- b. Alcoholic drinks and alcohol: the compound rate is adopted. First the tax is based on quantity, i.e., 0.5 yuan is imposed on each 500 gram white spirits. Then tax is imposed on ad valorem basis, in which 25% rate for white spirits made from cereal and 15% on white spirits made from potatoes. 240 yuan per ton is levied on yellow spirits. 250 yuan per ton is levied on beer of outlet price more than 3000 yuan per ton and 220 yuan per ton on beer of outlet price less than 3000 yuan self-produced by entertainment, catering enterprises. 10% rate is applied to other alcoholic drinks (including chaff white spirits, other white spirits, local sweet spirits, duplicate spirits, fruit tree spirits, steam spirits, and medicine spirits). 5% is on alcohol (including industrial alcohol, medical alcohol and edible alcohol)
- c. Cosmetics including perfumes, essence of perfumes, perfumes powder, lipsticks, finger oil, rouge, eyebrow pencil, blue eye oil, eyelash complete set of cosmetics: 30%.
- d. Skin-care and hair-care products including vanishing cream, face oil, toilet water, hair oil, hair paste, perm water, hair dye liquor, face washing milk, frosted paste, hair nutrition paste, face film, massage paste, shampoo, hair conditioning liquor, bath lotion, hair spray: 8%
- e. Precious jewellery, precious jade and stones; 5% on gold and silver jewellery and diamond and diamond decoration; 10% on other precious jade and stones.
- f. Firecrackers and fireworks: 15%
- g. Gasoline including the gasoline for vehicles and that for aviation and the starting gasoline:

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0.2 yuan per liter on non-lead gasoline; 0.28 yuan per liter on lead gasoline.

- h. Diesel oil including light diesel oil, heavy diesel oil, farm-use diesel oil and army-use diesel oil ; 0.1 yuan per liter.
- i. Motor vehicle tyres including the inner tyres and cover tyres (excluding meridian line tyres and renovated tyres) used on various automobiles, trailers, special vehicles and other motors: 10% rate.
- j. Motorcycles: 10% rate.
- k. Motor cars: 3% rate for small cars with cylinder capacity less than 1000ml, the 4 wheels forward cross-country motors with cylinder capacity less than 2400ml and small buses and vans with less than 22 seats and cylinder capacity less than 2000ml; 5% rate for small cars with cylinder capacity between 1000 ml and 2200 ml, the 4 wheels forward cross-country motors with cylinder capacity more than 2400ml and small buses and vans with less than 22 seats and cylinder capacity more than 2000ml; and 8% rate for the small cars with cylinder capacity over 2200ml

The adjustments to the consumption tax taxable items and tax rates (tax amount per unit) shall be determined by the state council.

Where taxpayers are involved in business of taxable consumer goods subject to different rates (or tax amount per unit), the taxpayers should respectively computed the sales values or sales volumes for different rates (or tax amount per unit). Otherwise, the tax department shall apply the higher tax rate (tax amount per unit).

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