

➤ **Q: How consumption tax is assessed for imported taxable consumer goods?**

A: the consumption tax payable on the imported taxable consumer goods taxed on ad valorem basis shall be assessed according to the composite assessable value on the time of customs declaration.

The formula for computing the tax payable is as follows:

Tax payable = composite assessable value \* applicable tax rate  
composite assessable value = customs dutiable value + customs duty / (1 - consumption tax rate)

Example:

A company imported 100 small cars. The customs dutiable price is 120000 yuan per car, and the tariff is 50.7%. The applicable consumption tax rate is 8%. The consumption tax payable by this company for importation of these cars is computed as:

Composite assessable value =  $(120000\text{yuan} + 120000\text{yuan} * 50.7\%) / (1 - 8\%) = 196600\text{yuan}$

Tax payable =  $196600\text{yuan} * 8\% * 100 = 1572800\text{yuan}$

In case of compound computation method, the tax should be also based on the quantity of the taxable consumer goods assessed by the customs (like cigarettes, liquor) and by applying the statutory tax rate or tax per unit in addition to the above methods.

In case of computation on quantity basis, the tax should be also based on the quantity of the taxable consumer goods assessed by the customs (gasoline, diesel oil) and by applying the statutory tax amount per unit.

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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)