

➤ **Q: Can consumption tax be refunded or exempt for the exported consumer goods?**

A: The taxable consumer goods exported by the taxpayers are exempt from consumption tax except for the goods prohibited by the taxpayers are exempt from consumption tax except for the goods prohibited by the state from exportation.

1. For the taxable consumer goods produced and exported by the production enterprises or entrusted to foreign trade enterprises, the consumption tax shall be exempt on the basis of the actual quantity and value of the goods exported.
2. The taxable consumer goods re-exported after processing of the imported materials may be exempt from the consumption tax.
3. The taxable consumer goods allowable for refund or exemption as specially specified by the state mainly include; the taxable consumer goods transported out of China by foreign contracting companies for use in foreign contracting projects, the taxable consumer goods purchased at home and transported out of China by enterprises for overseas investment, the taxable consumer goods used by the enterprises engaged in foreign repair and replacement businesses for their foreign repair and replacement businesses, the taxable consumer goods sold by foreign vessel supply companies or oceangoing transportation supply companies to foreign vessels and oceangoing domestic vessels for charge of foreign currency, and the taxable consumer goods purchased and exported by the import and export franchised enterprises with foreign investment of commercial nature.
4. The taxable consumer goods imported by the enterprises with foreign investment in form of contract processing or import processing are exempt from consumption tax at the stage of importation. After importation of taxable consumer goods having been processed, the consumption tax on the taxable consumer goods processed or processed on trust and the processing fees shall be exempt.

The refund rate and tax amount per unit for the taxable consumer goods eligible for consumption tax refund on exportation shall be determined in accordance with the consumption tax taxable items and tax rates (tax amount per unit) table.

The enterprises claiming for consumption tax refund or exemption should separately calculate and report the taxable consumer goods subject to different rates or tax amount per unit. Otherwise, the tax department will apply the lower rate or tax amount per unit in computing the tax refund or exemption.

In case of any return of taxable consumer goods for exportation after completion of tax refund or exemption formalities, the taxpayers should pay back the consumption tax having been refunded or exempt if the tax is exempt at importation according to rules.

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Where that tax has been refunded, the tax should be paid back. Where the tax is exempt, the tax may be made up when it turns to be domestic sales.

5. 30% consumption tax may be reduced on the small cars, cross-country vehicles and small buses manufactured and/or sold by enterprises if the disposal of waste is below the low pollution standard limit (standard of Europe II)
6. The import consumption tax may be exempt for the goods imported by the border residents through border trade with a value less than RMB 3000yuan per person per day.
7. Consumption tax is exempt on meridian line tyres. No consumption tax is levied on renovate tyres.



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