

➤ **Q: How normal VAT taxpayers compute their vat payable?**

A: To compute the vat payable, the normal vat taxpayer should separately calculate the output tax for the period and the input tax for the same period. The balance of output tax for the period after deducting the input tax for the period shall be the actual amount of tax payable.

The formula for computing the tax payable is as follows:

Tax payable = Output tax payable for the period – Input tax for the period

Example:

One factory has an output tax of 2 million yuan for the current month and an input tax of 1 million yuan. The vat payable shall be calculated as follows:

Tax payable = 2 million yuan – 1 million yuan = 1 million yuan

In computing the vat payable, the balance of the input tax credit may be carried forward to the next tax period if the output tax is less than the input tax.

The VAT rebated to the purchase returns or discounts should be deducted from the input tax of the current period.

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