

➤ **Q: Who are normal VAT taxpayers?**

A: The norms for normal VAT taxpayers are:

- a. The annual taxable sales value is over one million yuan for taxpayers engaged in goods production or taxable labor services and for taxpayers mainly engaged in goods production or taxable labor services and concurrently engaged in goods wholesales or retails;
- b. The annual taxable sales value is over 1.8 million yuan for taxpayers engaged in goods wholesales or retails.

Besides, some small taxpayers satisfying the prescribed norms may also be identified as normal VAT taxpayers.

The normal VAT taxpayers should apply to the local competent tax authorities for identification of normal VAT taxpayers.

The newly opened enterprises meeting the norms should apply for normal VAT taxpayer identification at the time of making tax registration. If the annual sales value is expected to reach the norms for normal VAT taxpayers, the tax department may temporarily identify the enterprise as the normal VAT taxpayer. If the enterprise fails to reach the norms after actually starting its business, then the taxpayer has repeat the normal VAT taxpayer identification procedures. For small taxpayers, if their annual taxable sales values have reached the norms, they should apply for normal VAT taxpayer status before the end of January of the following year.

To apply for normal VAT taxpayer status, the enterprises should submit an application report and provide with business licenses, relevant contracts, charters, written agreements, bank account numbers and other proof and materials as required by the tax department.

After initial examination of the application report and relevant materials, the SAT offices above county level will issue to the enterprises two copies of “Normal VAT Taxpayer Identification Form” for the enterprises to fill in. After check and approval of the above form, one copy will be passed to the local tax offices in charge, and the other copy returned to the enterprises in file. For the enterprises meeting the norms of normal VAT taxpayer will be put on the first, page of the Tax Registration Certificate duplicate.

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