

➤ **Q: What normal vat taxpayers are allowed to compute and pay vat at 6% levying rate?**

A: Normal vat taxpayers producing the following goods may choose the simplified method of 6% levying rate for calculating the tax payable apart from the normal practice of tax credit method(Once it is chosen, it can not be changed within 3 years), and issue special vat invoices:

- a. Electricity produced by small-scale hydro-power stations at or below county level.
- b. Sand, earth and stone materials used for construction use or for producing construction materials.
- c. Bricks, tiles and lime continuously produced from sand, earth and stone materials or other mineral goods excavated by taxpayers themselves.
- d. Wall materials produced from materials containing gangue, bone coal, powder coal, cinder from coal-burning boilers and other waste residue.
- e. Biological products made from microbe, microbe metabolite, animal toxin, human and animal blood or tissues.
- f. Tap water.

The 6% levying rate may also apply to the commercial concrete. But the taxpayers are not allowed to issue special vat invoices.

For the units and individuals located in Special Economic Zones engaged in processing, repairing, replacement services, or goods wholesaling and/or retailing to the units or individuals in the same Zones, the 6% levying rate should be applied regardless whether they are normal vat taxpayers or not.

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