

➤ **Q: How to calculate the amount of stamp tax payable?**

A: The stamp tax is based on the amount of payment, fees or revenue listed on the taxable documents or the number of pieces of the taxable documents, and computed by using the statutory applicable tax rate or amount of tax per unit.

The formula for calculating the amount of tax payable is;

- a. Tax payable = amount of payment (or fees or revenue) indicated in taxable documents * applicable rate
- b. Tax payable = number of pieces of taxable documents*amount of tax per unit

Example 1:

Tow enterprises A and B signed a purchase and sale contract indicating 10 million yuan purchase and sale. The applicable rate is 0.3%. Thus the amount of stamp tax payable on these records, permits and licenses is computed as:

Tax payable = 40 pieces*5yuan/piece = 200yuan

Where the payment indicated in the taxable documents is in foreign currency, it should be converted into Renminbi according to the exchange rate quoted b the people's bank of China (or the exchange rate computed according to relevant rules) on the date of signing the documents, and then the amount of tax payable is computed on that Renminbi basis.

In case of the stamp tax less than 0.1 yuan, the tax shall be exempt. Where the tax is over 0.1yuan, the odd digit shall be ignored if the odd digit is less than 0.05 yuan, or the odd digit shall be rounded up to 0.1 yuan if the o is not less than 0.05yuan.

Where on document carries two or more economic items applicable to different taxable items and rates, the stamp tax should be separately o\computed and the total shall be the tax payable if the payments are separately list, or the tax shall be computed by applying the higher rate if the payments are not separately listed.

Where the document increases the payment due4 to revision of the document after payment of stamp tax, additional tax stamp should be put on the increment of the payment value.

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