

➤ **Q: What are the basic legislation on tax collection and administration in China?**

A: The basic legislation for tax collection and administration in China are the Law of the people's republic of China concerning tax collection and tax administration which was passed at the 27th session of the standing committee of the seventh national people's congress on September 4, 1992, and was amended at the 12th session of the standing committee of the eighth national people's congress on February 28, 1995 and was revised at the 21st session of the standing committee of the 9th NPC on April 28, 2001 for being effective as of May 1, 2001, and the criminal law of the people's republic of China passed at the second session of fifth national people's congress on July 1, 1979, amended at the fifth session of the 8th NPC on March 14, 1997 and effective as of 1st October 1997, first revised at the 13th session of the standing committee of the ninth national people's congress on December 25, 1999 and secondly revised at the 23rd session of the standing committee of the ninth national people's congress on August 21, 1999 to regulate the tax collection and payment behavior, ensure the state tax revenue, safeguard the legal right and interest of taxpayers and promote the social and economic development.

The law has to be followed with respect to the adoption of new tax, termination of a tax, and tax reduction, tax exemption, tax refund and tax repayment. Under authorization by law, the state council shall make administrative rules and regulations that have to be observed regarding the above decisions. The tax department has the right to refuse any decision contrary to tax laws and administrative rules and regulations.

Any department, unit or individual shall not be allowed to collect new tax, terminate a tax or grant tax reduction, exemption, refund or re-payment decisions at discretion in violation of laws or administrative rules and regulations.

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