

➤ **Q: How do taxpayers apply for tax reductions and tax exemptions?**

A: Taxpayers may apply to the competent tax department for tax reductions or exemptions in written form in conformity with laws and administrative rules and regulations, and enclose the relevant documents as required.

The application for tax reductions and tax exemptions should be examined and approved by the reduction and exemption verification organs under the authorization by laws and administrative rules and regulations. Any tax reduction or exemption decision made at discretion by various local people's governments, the competent departments of various levels of people's governments, units and individuals in contradiction to laws and administrative rules and regulations shall be invalid and the tax department should not observe that and should report to the higher tax department about that.

The taxpayers should, within the tax reduction or exemption period, file tax returns according to rules, and submit to the competent tax department the tax reduction or exemption statistical reports.

The amount of taxes reduced or exempt should be used by the taxpayers as ruled. Otherwise, the competent tax department may withdraw the treatment of tax reduction or exemption and collect the amount of taxes that have been already reduced or exempt.

In case of any change to the conditions for tax reduction or exemption, the taxpayer should report to the competent tax department on time. After verification by the competent tax department, the tax reduction or exemption shall be ceased. Otherwise, the competent tax department may recover the relevant reduced or exempt amount of taxes.

The taxpayers who receive tax reduction or exemption by cheating shall be all deemed as tax evasions.

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