

➤ **Q: How vat is assessed and paid for imported goods?**

A: For imported goods, the vat payable shall be computed and paid on the basis of the composite assessable prices and the applicable tax rates prescribed. No input tax will be credited.

The formula for computing the tax payable is as follows:

Tax payable = Composite assessable price \* Applicable vat rate

Composite assessable price = Customs dutiable value + Customs Duty

For taxpayers importing taxable goods subject to Consumption Tax, Consumption Tax should be added to the composite assessable price.

Example:

One foreign trade company imports a batch of agricultural chemical. The composite assessable price is 3 million yuan and the applicable rate for vat is 13%. The vat payable by this company shall be calculated as follows.

Tax payable = 2 million yuan \* 13% = 260000yuan

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