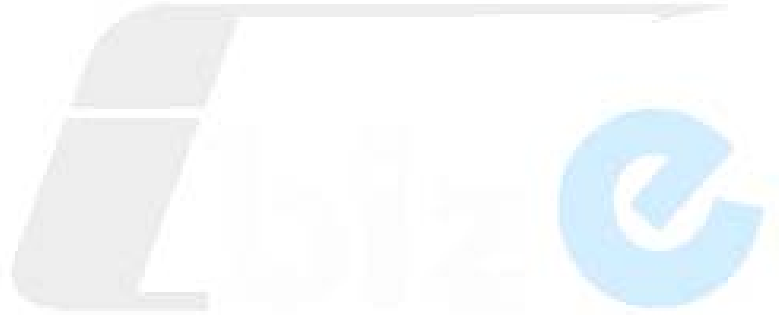


➤ **Q: What are the provisions for local enterprise income tax reductions and exemptions?**

A: For the sectors and projects encouraged for foreign investment, the exemption or reduction of local enterprise income tax on foreign enterprise income tax may be determined by the people's government of province, autonomous region or municipality directly under the state council in consideration of the practical situation.

At present, most areas grant tax reduction or exemption to the enterprises with foreign investment. In some areas, the preferential treatments are only limited to production enterprises and in others there is no limitation. In some areas, a time limit is specified for the preferential treatment, and in some others there is no such time limit.



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