

## Consumption Tax Time Limit and Place for Tax Payment

The taxpayers of Consumption Tax are normally the producers of the taxable consumer goods, and pay the Consumption Tax at the stage of sales. Except for the platinum jewellery on which Consumption Tax is collected at the stage of production, the Consumption Tax on other gold and silver jewellery and diamond and diamond decoration is paid at the stage of retails.

### 1) Time of the liability

- a. for taxpayers selling taxable consumer goods, the time at which the liability to pay tax arises can, according to the different settlement methods, be one of the followings:
  - i For credit sales and installments payments, the time shall be the day of payment collection as agreed in the sales contracts.
  - ii For receipt of payment in advance, the time shall be the day of delivery of the taxable consumer goods.
  - iii For entrusted collection of payment and collection of payment entrusted with banks, the time shall be the day of delivery of the entitlement to the sales payment.
- b. For self-produced and self-use taxable consumer goods, the time when the liability to pay tax arises shall be the day of taking the goods by the taxpayers.
- c. For contracting processing of taxable consumer goods, the time when the liability to pay tax arises shall be the day of taking the goods by the taxpayers.
- d. For taxable consumer goods imported by taxpayers, the time when the liability to pay tax arises is the day of Customs declaration for importation.

### 2) Time limit for tax payment

The Consumption Tax assessable period may be one day, three days, five days, ten days, fifteen days or one month, which shall be determined by the competent tax department according to the magnitude of the tax payable by the taxpayers.

Where taxpayers are unable to assess the tax in the prescribed periods, the tax may be assessed on a transaction-by-transaction basis.

Taxpayers with one month as the assessable period shall report and pay tax within ten days following the end of the period. Taxpayers with one day, three days, five days, ten days or fifteen days as the assessable period shall prepay the tax within five days following the end of the period and file the tax return and settle the tax of the previous month within ten days from the first day of the following month.

For the small enterprises with imperfect accounting system, the tax department may assess the tax payable by quarter or by year on basis of the production and sales of the taxable consumer goods and the tax shall be paid on monthly basis.

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Taxpayers importing taxable consumer goods should pay Consumption Tax within seven days after the issuance of the tax payment certificates by the customs office.

3) Place for tax payment

- a. Taxpayers selling taxable consumer goods and self-produced taxable consumer goods for their own use should generally report and pay tax to the local competent tax offices where the taxpayers make accounting for their businesses.
- b. Taxpayers selling in other county (or city) or entrusting for sales of self-produced taxable consumer goods in other county (or city) should pay Consumption Tax to the tax offices where the taxpayers make accounting or where the taxpayers are located.
- c. Where the head office and the branches are not located in one county (or city), the taxpayers should pay Consumption Tax at the place where the branches have produced the relevant taxable consumer goods. Upon approval by the state administration of taxation and by the SAT offices at provincial level, the Consumption Tax payable by the branches may be paid consolidatedly by the head office to the competent tax office where the head office is located. Among them, approval should be made by the State Administration of Taxation for those with head office and branches located within different provinces (autonomous regions or municipalities directly under the State Council). Approval shall be made by the SAT offices at provincial level for those with head office and branches located in one province (autonomous region or municipality directly under the State Council) but in different counties (or cities).
- d. For taxable consumer goods contracted for processing, the Consumption Tax due shall be usually paid by the contractors to the local competent tax offices where the contractors are located. For the taxable consumer goods contracted by the taxpayers to individual business operators for processing, the Consumption Tax shall all be paid by the contracting taxpayers to the local tax office where the contraction taxpayers are located.
- e. For imported taxable consumer goods, the Consumption Tax shall be reported and paid by the importers or their agents to the customs offices where the imports are declared.

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