

Stamp Tax Mode for Tax Payment

In general, the Stamp Tax is computed by the taxpayer himself according to tax law. The taxpayer then purchases and affixes in one instance the full amount of tax stamps (usually referred to as 'stamping').

The taxable documents should be stamped at the time of signing or execution of contracts, at the time of commencing use of accounting records and/or at the time of receipt of certificates and licenses.

With one document payable to tax over 500 Yuan, the taxpayers should apply to the local tax authorities for filling in the tax payment certificate or tax completion certificate, one copy of which should stick to the documents; or the tax authorities may indicate in the documents that the tax has been paid in stead of stamping.

Where frequent stamping is necessary for the documents of the same type, taxpayers may determine whether to choose to pay the tax on consolidated basis for a period time. The consolidated time limit is one month. For choosing the consolidated method, the taxpayers should inform the local competent tax offices in advance. Once determined, the mode should not change within one year.

Where the same document is signed by two parties or more (refers to the enterprises, units and individuals directly related to the document in terms of rights and obligations) and each party is issued a copy, each party shall be responsible for affixing on its own copy the full amount of tax stamps due.

The deputy of the party concerned has the obligation of paying the tax on behalf.

The tax stamps should be affixed on the taxable documents, and sealed across the perforation between the two halves of each stamp by the taxpayers for cancellation or written off.

The units handling the delivery of share titles should withhold the Stamp Tax on the stock transactions.

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