

## Business Tax Time limit and place for tax payment

### The time of the liability arising

The time when the liability to Business Tax arises shall be the date on which the business proceeds are received or documented evidence of right to collect the business proceeds is obtained by the taxpayer.

For taxpayers providing taxable services, transferring patents, non-patent technology, trademarks, copyrights and goodwill and receiving the payment of advance payment nature (including pre-collection, pre-payment, pre-deposited expenses, pre-charged down payment) from the counterparts, the time when the tax liability arises shall be time when the payment is confirmed as revenue realization according to the accounting rules.

For taxpayers transferring land-use rights or selling immovable properties by accepting payment in advance, the time when the tax liability arises shall be date on which the advance payment is received.

For tax payers gifting immovable properties to others, the time when the tax liability arises shall be the date on which the titles of the immovable properties are transferred.

The time when withholding liability to Business Tax arises shall be the date on which the business proceeds are received by the withholding agents on the 'taxpayers' behalf or documented evidence of right to collect business proceeds is obtained by the withholding agents on the 'taxpayers' behalf.

### Tax assessable period

The Business Tax assessable period may be five days, ten days, ten days, fifteen days or one month. The actual assessable period of taxpayers shall be determined by the competent tax authorities according to the magnitude of the tax payable of the taxpayers. The tax period for banks, financial companies, trust investment companies and credit firms is one quarter. That for other financial institutions is one month.

The tax that cannot be paid in regular periods may be assessed and paid on a transaction-by-transaction basis.

Taxpayers with one month as an assessable period shall report and pay tax within ten days following the end of the period. Taxpayers with an assessable period of five days, ten days or fifteen days shall prepay the tax within five days following the end of the period and file a monthly tax return for settling the tax for previous month within ten days from the first day of the following month. Financial taxpayers shall report and pay tax within ten days following the end of the period.

The tax payment deadlines for withholding agents shall be determined with reference to the above mentioned stipulations.

### Place for payment

a. Taxpayers providing taxable services should report and pay Business Tax to the local tax offices where the taxable services take place.

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Taxpayers engaged in the transportation business should report and pay Business Tax to the local competent tax offices where the business establishments are located. Among them, the individual business operators should report and pay tax at the place of registration or residence. For the central railway transportation enterprises, the tax shall be paid on consolidated basis by the Ministry of Railway in Beijing.

Taxpayers providing taxable services in other county (or city) should make up the tax to the competent tax offices of the establishment or residence if they fail to report and pay tax as they should to the competent tax offices where the taxable services take place.

b. Taxpayers transferring land-use rights shall report and pay Business Tax to the local competent tax offices where the land is located. Taxpayers transferring other intangible assets shall report and pay Business Tax to the local competent tax offices where the establishments are located.

c. Taxpayers selling immovable properties shall report and pay Business Tax to the local competent tax Offices where the immovable properties are located.

d. Taxpayers leasing out the land use right, immovable property should report and pay the tax to the local tax department where the land or the immovable property is located. Those leasing out the materials, equipment should report and pay the tax to the local tax department where the movable property is located.

e. The following taxpayers should report and pay the Business Tax to the local tax department where their institutions are located:

\* The tele-communication units within China conducting tele-communication business activities.

\* The units in China providing design, engineering monitoring, testing and consultation services.

\* The units in China providing by means of network to other units and individuals the services of training, information and long-distance testing, monitoring.

f. For taxpayers conducting taxable activities within the province (autonomous region or municipality directly under the State Council ) of their own, the adjustment to their tax payment places shall be determined by the local tax bureaus at provincial level.

g. Taxpayers with contracted projects across provinces (autonomous regions, municipalities directly under the State Council) shall report and pay Business Tax to the competent tax department where the establishments are located.

h. The Business Tax payable by the head offices of the People's Bank of China, the Industrial and Commercial Bank of China, China Agricultural Bank, Bank of China, China Construction Bank, the State Development Bank should be paid to the tax authorities at the place where the head offices are. The subsidiaries of the above banks, other banks other banks and financial institutions should pay the tax to the local tax offices of their location.

i. The withholding agents should report and pay the Business Tax withheld to the local tax department where their institutions are located. The prime contractors of construction and installation projects should hand the Business Tax withheld from the non-cross province subcontracting over to the local tax department where the subcontracting service occurs.

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