

Consumption Tax Reductions, Exemption and Refund

The taxable consumer goods exported by the taxpayers are exempt from Consumption Tax except for the goods prohibited by the state from exportation.

1) For the taxable consumer goods produced and exported or entrusted to foreign trade enterprises by the production enterprises with import and export franchises, the Consumption Tax shall be exempt on the basis of the actual quantity and value of the goods exported.

2) The taxable consumer goods re-exported after processing of the imported materials may be exempt from the Consumption Tax.

3) The taxable consumer goods allowable for refund or exemption as specially specified by the State mainly include: the taxable consumer goods transported out of China by foreign contracting companies for use in foreign contracting projects; the taxable consumer goods purchased at home and transported out of China by enterprises for overseas investment; the exportation by means of Chinese government foreign aid loans and foreign aid joint and cooperative funds; exportation of foreign compensation trade, barter trade and small amount trade; the taxable consumer goods sold by foreign vessel supply companies or ocean-going transportation supply companies to foreign vessels and ocean-going domestic vessels and ocean-going domestic vessels for charge of foreign currency; the taxable consumer goods used by the enterprises engaged in foreign repair and replacement businesses for their foreign repair and replacement businesses; the taxable consumer goods purchased by the enterprises within the bonded zones from the export & export franchised enterprises outside the zones for exportation or exportation after processing; and the home made taxable consumer goods purchased and exported by the import and export franchised enterprises with foreign investment set up upon approval by the State Council.

The refund rate for the taxable consumer goods eligible for Consumption Tax refund on exportation shall be determined in accordance with the Consumption Tax Taxable Items and Tax Rates (Tax amount per Unit) Table.

4) The taxable consumer goods imported by the enterprises with foreign investment in form of contract processing or import processing are exempt from Consumption Tax at the stage of importation. After importation of taxable consumer goods having been processed, the Consumption Tax on the taxable consumer goods processed or processed on trust and the processing fees shall be exempt.

The enterprises claims for Consumption Tax refund or exemption should separately calculate and report the taxable consumer goods subject to different rates or tax amount per unit in computing the tax refund or exemption.

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In case of any return of taxable consumer goods for exportation after completing of tax refund or exemption formalities, the taxpayers should pay back the Consumption Tax having been refunded or exempt if the tax is exempt at importation according to rules. Where the tax has been refunded, the tax should be paid back. Where the tax is exempt, the tax may be made up when it turns to be domestic scales.

5) Consumption Tax is exempt on meridian line tyres. No Consumption Tax is levied on renovated tyres.

6) The importation Consumption Tax may be exempt for the living goods imported by the border residents through border trade up to the limit of RMB 3000yuan per day per person.

7) The importation Consumption Tax may be exempt for the imported materials gifted freely by the foreign governments, international organizations.



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