

PROVISIONAL REGULATIONS OF THE PEOPLE'S REPUBLIC OF CHINA ON VEHICLE ACQUISITION TAX

(Promulgated by Decree of the State Council No. 294 on October 22, 2000)

Article 1 All units and individuals who acquire motor vehicles as prescribed in these Regulations (hereinafter referred to as taxable vehicles) within the territory of the PRC shall be the taxpayers of Vehicle Acquisition Tax and shall pay Vehicle Acquisition Tax in accordance with the provisions of the Regulations.

Article 2 "Acquisition" as referred in Article 1 of the Regulations includes purchase, import, self-production, receipt as gift or award, or other forms of obtaining a taxable vehicle for self-use. "Units" as referred in Article 1 of the Regulations include State-owned enterprises, collectively owned enterprises, private enterprises, joint stock enterprises, foreign investment enterprises, foreign enterprises, other enterprises and business units, social organizations, State departments, State forces and other units. "Individuals" include individual industrial and commercial households and other individuals.

Article 3 Scope of charge of Vehicle Acquisition Tax includes motor car, motorcycles, tramcar, trailers, agricultural lorries. Implementation of the scope of charge shall be in accordance with the "Schedule of the scope of charge of Vehicle Acquisition Tax" as attached to the Regulations. Adjustments to the scope of charge shall be determined and announced by the State Council.

Article 4 Vehicle Acquisition Tax shall be calculated using ad valorem rate, in accordance with the following formula: Vehicle Acquisition Tax payable = Taxable value × Tax rate

Article 5 The Vehicle Acquisition Tax rate is 10%. Adjustments to the Vehicle Acquisition Tax rate shall be determined and announced by the State Council.

Article 6 Taxable value for Vehicle Acquisition Tax shall be determined based on the following rules in accordance with different circumstances: (1) The taxable value of a taxable vehicle purchased by a taxpayer for self-use shall be the total consideration and all additional charges paid to the seller for the acquisition of such taxable vehicle, excluding Value Added Tax. (2) The formula for calculating the taxable value of an imported taxable vehicle for self-use by a taxpayer is as follows: Taxable value = Customs dutiable value + Consumption Tax (3) The taxable value of a taxable vehicle obtained for self-use through self-production, gift, award or other means shall be the minimum taxable value as determined by the competent tax authorities in accordance with Article 7 of the Regulations.

Article 7 The State Administration of Taxation shall determine the minimum taxable value of taxable vehicles under different categories with reference to the average market transaction price of those taxable vehicles. If the taxable value of a purchased or imported self-use taxable vehicle as reported by a taxpayer is lower than the minimum taxable value of the same category taxable vehicles without valid reasons, the Vehicle Acquisition Tax shall be calculated based on the minimum taxable value.

Article 8 The Vehicle Acquisition Tax shall be a one-off imposition. Acquisition of a motor vehicle on which Vehicle Acquisition Tax has previously been paid shall not be subject to Vehicle Acquisition Tax.

Article 9 The exemption or reduction of Vehicle Acquisition Tax shall be implemented in accordance with the following rules: (1) Self-use vehicles of foreign consulates, embassies in China, China Offices of international organizations and their diplomats are exempt from Vehicle Acquisition Tax. (2) Vehicles included in the army weapon purchase plan of the People's Liberation Army and People's The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

Armed Police are exempt from Vehicle Acquisition Tax. (3) Non-transportation vehicles without fixed facilities are exempt from Vehicle Acquisition Tax. (4) Other circumstances as prescribed by the State Council to be eligible for tax exemption or tax reduction. ①

Article 10 For taxpayers that settled the consideration of the taxable vehicle in foreign currency, the taxable value shall be converted into RMB according to the basic exchange rate as announced by the People's Bank of China on the tax reporting date.

Article 11 The Vehicle Acquisition Tax shall be collected by the offices of State Administration of Taxation. ②

Article 12 A taxpayer who purchases a taxable vehicle shall report and pay tax at the local tax authorities where the vehicle is registered. Taxpayers who purchase taxable vehicles which are not required to perform motor vehicle registration shall report and pay tax at the local tax authorities of the taxpayers.

Article 13 Taxpayers who purchase a self-use taxable vehicle shall complete tax reporting within 60 days from the date of purchase. For imported self-use taxable vehicle, a taxpayer shall complete tax reporting within 60 days from the date of importation. Taxpayers who obtain self-use taxable vehicle through self-production, gift, award or other means shall complete tax reporting within 60 days from the date of obtaining such vehicle. Vehicle Acquisition Tax shall be settled in one lump sum payment.

Article 14 Taxpayer should settle the Vehicle Acquisition Tax prior to performing the registration at the Vehicle Administration Department of the Public Security Bureau. A taxpayer should present to the Vehicle Administration Department of the Public Security Bureau the tax payment certificate issued by the competent tax authorities for registration purpose. The Vehicle Administration Department of the Public Security Bureau shall not perform any vehicle registration without the presentation of the tax payment certificate or tax exemption certificate. The tax authorities shall timely inform the Vehicle Administration Department of the Public Security Bureau the status of settlement of Vehicle Acquisition Tax by taxpayers. The Vehicle Administration Department of the Public Security Bureau shall inform the tax authorities periodically the vehicle registration status. If the tax authorities discovers that a taxpayer has not settled the Vehicle Acquisition Tax in accordance with the relevant regulations, the tax authorities shall have the power to demand tax payments from the taxpayer. In case where the taxpayer refuses to pay, the tax authorities may inform the Vehicle Administration Department of the Public Security Bureau to temporarily suspend the taxpayer's driving license.

Article 15 Vehicles that were previously eligible for tax exemption or tax reduction, but have ceased to fall within the scope for tax exemption or tax reduction due to change of ownership or use of vehicle should settle Vehicle Acquisition Tax prior to performing procedures for change of owners or the registration of changes.

Article 16 The collection and administration of Vehicle Acquisition Tax shall be executed in accordance with the Law of the People's Republic of China Concerning the Tax Administration and Collection and the relevant provisions in these Regulations.

Article 17 These regulations shall be effective from January 1, 2001.

Attachment: Taxable Scope of the Vehicle Acquisition Tax

Taxable Scope of the Vehicle Acquisition Tax	Taxable vehicle Scope	Remarks
Automobiles	Various types of automobiles	Motorcycles Two or three wheel motors of highest design speed less than 50 km/h and the cylinder capacity less than 50 cm ³
Two wheel motors of highest design speed over 50 km/h or the cylinder capacity over 50 cm ³		

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Three wheel motors of highest design speed over 50 km/h or the cylinder capacity over 50 cm³ and the weight of empty one less than 400 kg Trolley buses Trackless trolley buses The public wheeled vehicles powered by electricity supplied with special electric cable tramcars The public vehicles powered by electricity running on tracks Taxable vehicle Scope Remarks Trailers Full trailers The vehicles no power equipment, independently bearing the weight and drawn by tractor trucks Semi-trailers The vehicles no power equipment, bearing the weight together with the tractor trucks and drawn by tractor trucks Farm transportation vehicles Three wheel vehicles Three wheel vehicles with diesel engine of power less than 7.4 kw, load weight less than 500 kg and highest speed less than 40 km/h Four wheel vehicles Three wheel vehicles with diesel engine of power less than 28 kw, load weight less than 1500 kg and highest speed less than 50 km/h(note: in the table, 50 cm³ = 50 cubic centimeters

Notes: ① Now it is ruled that the vehicles specially used for flood prevention and forestry fire, the domestic made car purchased in cash of foreign currency by persons coming back after studying abroad for self-use (one car only) and the small cars imported for self-use by foreign experts domiciled in China for long term (one car only) are exempt from the tax. ② Now it is ruled that the tax is collected by the vehicle acquisition fee collection agency of the traffic department on behalf.



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