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*Issued by: National People's Congress Standing Committee**Issued Date: August 11, 2020**Effective Date: September 1, 2021***Urban Maintenance and Construction Tax Law of People's Republic of China**

PRC President's Order No. 51

Article 1 All units and individuals who are taxpayers of consumption tax, value added tax shall be the taxpayers of urban maintenance and construction tax (hereinafter referred as taxpayers) and shall pay urban maintenance and construction tax according to these regulations.

Article 2 The computation of urban maintenance and construction tax shall be based on the amount of consumption tax, value added tax actually paid by taxpayers.

In accordance with the provision of the Value Added Tax, the value added tax refunded at the end of the period shall be deducted from the tax basis of urban maintenance and construction tax.

The specific measures for determining the tax basis of urban maintenance and construction tax shall be submitted to the National People's Congress Standing Committee for the record by the State Council in accordance with this Law and relevant tax laws and administrative regulations.

Article 3 No urban maintenance and construction tax shall be collected on the amount of value added tax and consumption tax paid by imported goods or overseas units and individuals to sell labour services, services, and intangible assets in China.

Article 4 The urban maintenance and construction tax rates depending on the taxpayer's location, are:

1. 7% for a taxpayer in city
2. 5% for a taxpayer in a country town or town
3. 1% for a taxpayer in a place other than a city, country town or town

The taxpayer's location mentioned in the preceding paragraph refers to the taxpayer's domicile or other location related to the taxpayer's business activities. The specific location shall be determined by the province, autonomous region, or municipality directly under the Central Government.

- Article 5** The urban maintenance and construction tax is calculated by multiplying the tax basis by the specific applicable tax rate.
- Article 6** According to the needs of the national economy and social development, the State Council may provide the reduction or exemption of urban maintenance and construction tax for major public infrastructure construction, special industries and groups, and serious emergencies, and submit to the National People's Congress Standing Committee for the record.
- Article 7** The urban maintenance and construction tax obligation term is same with value added tax and consumption tax, shall be paid together with value added tax and consumption tax.
- Article 8** The withholding agents of the urban maintenance and construction tax are the units and individuals who have the obligation to withhold value added tax and consumption tax and withhold the urban maintenance and construction tax while withholding the value added tax and consumption tax.
- Article 9** The urban maintenance and construction tax shall be collected and managed by the tax authorities in accordance with this Law and the *"Tax Collection and Administration Law of the People's Republic of China"*.
- Article 10** Taxpayers, tax authorities and their staff who violate the provisions of this Law shall be investigated for legal responsibility in accordance with the *"Tax Collection Administration Law of the People's Republic of China"* and relevant laws and regulations.
- Article 11** This Law shall come into force on September 1, 2021. The *"Interim Regulations of the People's Republic of China on Urban Maintenance and Construction Tax"* promulgated by the State Council on February 8, 1985 shall be repealed simultaneously.

If you wish to obtain more information or assistance, please visit our official website at

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