



## Outsourcing newsletter - Some preferential policies expire in the end of Y2021

Several tax relief policies will be ending on 31 December 2021. We summarize them below for your information.

### Small VAT-payer

- Tax cost reduced by 50% for the following taxes / surcharges:
  - ✓ Resource Tax (excl. Water Resource Tax)
  - ✓ Urban Maintenance and Construction Tax
  - ✓ House Property Tax
  - ✓ Urban Land Use Tax
  - ✓ Stamp Duty (excl. Stock Trading Stamp Duty)
  - ✓ Educational Surcharge
  - ✓ Local Educational Surcharge
- VAT rate reduced from 3% to 1%.

### General VAT-payer

- 10% additional VAT input deduction for taxpayers engaging in production or livelihood services.
- 15% additional VAT input deduction for taxpayers engaging in the provision of life services.

Should you have questions as to how these measures will impact you, please do not hesitate to reach out to your Mazars contact.

#### References:

- Ministry of Finance and State Administration of Taxation, [2019] No. 13: Notice on Implementation of Inclusive Tax Relief Policy for Small Low-profit Enterprises ([link here](#) in Chinese).
- Ministry of Finance, State Administration of Taxation, General Administration of Customs [2019] No.39: Announcement on Policies for Deepening the VAT Reform ([link here](#) in Chinese).
- Ministry of Finance and State Administration of Taxation, [2021] No.7: Notice on the continuation of the implementation of some preferential policies on taxes and fees in response to the epidemic situation ([link here](#) in Chinese).

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