

Cai Shui 32 (2018): VAT rate adjustments from May 1st 2018

The Circular Cai Shui 32 (2018), jointly issued by Ministry of Finance and State Administration of Taxation, extends the application of new adjusted VAT rate in domestic transactions.

From May 1st 2018, the transactions subject to the previous VAT rate of 17% (i.e. sales or import of goods), will be subject to the new VAT rate of 16%. Moreover, the VAT rate on certain services will be reduced from 11% to 10%.

Moreover, the original VAT rate of 11% previously applied on agricultural products will be lowered to 10%.

VAT adjustments will affect also the VAT refund rate: the exported goods, that are currently subject to 17% VAT refund rate, will be subject to a lower refund rate of 16% from May 1st.

VAT rates for general tax payers from May 1st (in blue the new VAT rates)

Item	VAT rate (%) Until 2018.4.30	VAT rate (%) From 2018.5.1
Movable property leasing	17	16
Transport services	11	10
Postal services	11	10
Basic telecommunication services	11	10
Construction services	11	10
Transfer of land use rights	11	10
Sale of real estate	11	10
Sales of goods	17	16
Processing and repair services	17	16
Export	0	0
R&D and technology services	6	6
Information and technology services	6	6
Culture and creative services	6	6
Logistics supporting services	6	6
Authentication and consulting services	6	6
Radio, film and television services	6	6
Business supporting services	6	6
Other modern services	6	6
Value added telecommunication services	6	6
Loan services	6	6
Direct financial services	6	6
Insurance services	6	6
Financial product trading	6	6
Cultural and sports services	6	6
Education and medical services	6	6
Catering and accommodation services	6	6
Daily services	6	6
Other lifestyle services	6	6
Sales of intangible assets	6	6
Agricultural products	11	10
Food and edible vegetable oil	11	10
Tap water, heating, air conditioning, hot water, gas	11	10
Books, newspapers, magazines	11	10
Feed, fertilizers, pesticides	11	10
Audio and video products	11	10
Electronic publication	11	10
Dimethylether	11	10
Other goods stipulated by Authorities	11	10