

China Insight – Chinese Tax Regulation Update



Dear Sir or Madam,

Please find enclosed our update on the latest developments on Chinese Tax Law.

Kind regards,

CMS, China

Circular Number	Issuance Date	Effective Date	Topic	What is new?
Announcement [2023] No. 11 jointly released by the State Administration of Taxation ("SAT"), as the initiator, and the Ministry of Finance ("MOF")	2023-06-21	2023-01-01	Optimization of R&D cost super-deduction in provisional Corporate Income Tax ("CIT") filings	<p>According to the Announcement, enterprises are allowed to claim R&D cost super-deduction for the first half of the year when making provisional CIT filings for the second quarter (for quarterly filings) or June (for monthly filings) already in July of the year, as long as the enterprises are able to calculate and record the R&D costs correctly.</p> <p>Before the issuance of this Announcement, enterprises were allowed to begin claiming R&D cost super-deduction for the first three quarters only when making provisional CIT filings for the third quarter (for quarterly filings) or September (for monthly filings) in October of the year.</p>
Announcement [2023] No. 11 jointly released by the MOF, as the initiator, and the SAT	2023-06-30	2023-06-30	Consumption Tax ("CT") of certain refined oil	<p>According to the Announcement,</p> <ul style="list-style-type: none"> Alkylate oil (iso-octane) is treated as "gasoline" for CT purposes. Petroleum ether, crude white oil, light white oil and industrial white oils No. 5, No. 7, No. 10, No. 15, No. 22, No. 32, and No. 46 are treated as "solvent oil" for CT purposes. Mixed aromatics, heavy aromatics, mixed carbon 8, stable light hydrocarbons, light oil and light coal tar are treated as "naphtha" for CT purposes. Aerospace kerosene is exempt from CT, just as the CT exemption treatment applicable to aviation kerosene.

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