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China's Current Tax System-State Administration of Taxation

1. Key responsibilities

The State Administration of Taxation (SAT) is the highest tax authority in China. The SAT is directly under the State Council and be responsible for the State revenue work, whose main responsibilities are listed as follows:

- (1) Draft the relevant tax laws & regulations and the detailed rules for the implementation thereof; put forward suggestions on tax policy and submit it to the State Council together with the Ministry of Finance, formulate the implementation procedures.
- (2) Administer and organize the collection of taxes, social insurance premiums and non-tax revenue, strive for full collection of taxes and other income.
- (3) Take part in studying macro-economic policy and division of tax power between the Central and local governments; study the overall level of tax incidence and proceeding with suggestions on how to regulate and control the macro-economy by means of taxation; formulate and monitor the implementation of the rules and procedures of taxation work; supervise local tax administration and collection.
- (4) Organize and carry out tax administration system reform; formulate tax administration procedures; monitor the implementation of tax laws & regulations and tax policy.
- (5) Plan and organize the tax system construction, formulate and supervise the implementation of protection system to protect taxpayer's rights and interest. Provide convenient tax service with good quality and high efficiency, organize and implement tax propaganda, formulate management policy for tax agents and supervise the implementation.
- (6) Organize classified management and specialized service for taxpayers, organize and implement tax services and tax source management for big enterprises.
- (7) Prepare and report medium-and long-term tax revenue plan and annual plan, investigate tax resource, analyze and forecast tax revenue, organize detailed process for tax exemption and deduction.

- (8) Establish the information system for tax administration, prepare medium-and long-term construction plan for the information system of tax administration, organize and implement tax information system construction.
- (9) Promote international exchange and cooperation in the field of taxation; participate in international tax conventions, initial and execute relevant treaties and agreements.
- (10) Deal with collection and refund of VAT and/or Consumption Tax on importation and exportation.
- (11) Work with provincial and municipal party committee and the government to provide dual leadership to the national tax system
- (12) Undertake other tasks assigned by the CPC Central Committee and the State Council.

2. Functional Division

There are 18 functional Divisions in SAT, the name and responsibility of each division are as follows:

- (1) General Office
Responsible for routine official affairs, secretary affairs and administration.
- (2) Policy and Regulation Division
Responsible for tax policy and tax laws and regulations.
- (3) Goods and Service Taxation Division
Responsible for tax policy and collection management on value added tax, consumption tax, vehicle purchase tax, import & export tax and cultural construction fees.
- (4) Income Tax Division
Responsible for tax policy and collection management on corporate income tax, individual income tax and statutory foundation(fees).
- (5) Property and Performance Tax Division
Responsible for of tax policy on property and performance, also guide and supervise the administration of property and performance tax collection.
- (6) International Taxation Division
Responsible for international taxation, international tax cooperation and tax-related foreign affairs.
- (7) Social Insurance Division (Nontax Revenue Division)
Responsible for administration and collection of social insurance premium and nontax revenue.
- (8) Tax Service Division
Responsible for tax service work.

- (9) Revenue Planning & Statistics Division
Responsible for tax revenue collection, tax revenue analysis and forecast, key tax source monitoring, tax statistics accounting, tax data management and application.
- (10) Tax Collection and Technology Development Division
Responsible for tax collection and information system construction for tax administration.
- (11) Tax Administration Division for Big Business
Responsible for tax service and management for large enterprises.
- (12) Tax Investigation Bureau
Responsible for tax inspection.
- (13) Financial Administration Division
Responsible for funds of tax system, facilities, fixed assets and infrastructure.
- (14) Supervision Division
Responsible for supervision on tax enforcement, internal financial audit and economic responsibility of leading cadres audit.
- (15) Personnel Division
Responsible for personnel work and organization establishment.
- (16) Party Construction Bureau
Responsible for party construction, ideological and political construction and inspection in tax system.
- (17) Party Committee
Responsible for party and mass work.
- (18) Retired Cadres Bureau
Responsible for guidance of the retired officials work in tax system.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

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