VAT/GST Rates & Thresholds - China

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# VAT / GST

## Rates

**Reduced VAT / GST rate**

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**Standard VAT / GST rate**

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**High VAT / GST rate**

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[[1]](https://resourcehub.bakermckenzie.com/en#ftnref1) The export of goods is zero-rated. The export of services is either zero-rated or VAT-exempt, depending upon the type of service.

[[2]](https://resourcehub.bakermckenzie.com/enEditorPage.aspx?da=core&amp;id=%7B49F41171-C9B4-4FF9-BB14-3795E3403300%7D&amp;ed=FIELD154614915&amp;vs&amp;la=en&amp;fld=%7B61B355C7-4970-4B78-98CC-936E170256C2%7D&amp;so&amp;di=0&amp;hdl=H154614921&amp;mo&amp;pe=0&amp;fbd=1#ftnref1)  The VAT rate of 0.5% applies to second-hand car dealers' sales of used cars from May 1, 2020 to December 31, 2027.

[[3]](https://resourcehub.bakermckenzie.com/enEditorPage.aspx?da=core&amp;id=%7B49F41171-C9B4-4FF9-BB14-3795E3403300%7D&amp;ed=FIELD154614915&amp;vs&amp;la=en&amp;fld=%7B61B355C7-4970-4B78-98CC-936E170256C2%7D&amp;so&amp;di=0&amp;hdl=H154614921&amp;mo&amp;pe=0&amp;fbd=1#ftnref1) From 1 January 2023 to 31 December 2027, reduced VAT rate of 1% applies to the small-scale VAT taxpayers' taxable income that would otherwise be subject to 3% levy rate. Small-scale VAT taxpayer is defined as taxpayer with annual revenue no more than CNY 5 million.

[[4]](https://resourcehub.bakermckenzie.com/enEditorPage.aspx?da=core&amp;id=%7B49F41171-C9B4-4FF9-BB14-3795E3403300%7D&amp;ed=FIELD154614915&amp;vs&amp;la=en&amp;fld=%7B61B355C7-4970-4B78-98CC-936E170256C2%7D&amp;so&amp;di=0&amp;hdl=H154614921&amp;mo&amp;pe=0&amp;fbd=1#ftnref1) Reduced VAT of approximately 2% applies to the sale of used fixed assets acquired before January 1, 2009.

[[5]](https://resourcehub.bakermckenzie.com/enEditorPage.aspx?da=core&amp;id=%7B49F41171-C9B4-4FF9-BB14-3795E3403300%7D&amp;ed=FIELD154614915&amp;vs&amp;la=en&amp;fld=%7B61B355C7-4970-4B78-98CC-936E170256C2%7D&amp;so&amp;di=0&amp;hdl=H154614921&amp;mo&amp;pe=0&amp;fbd=1#ftnref1) The VAT rate of 5% applies to the leasing or sale of immovable properties conducted by general VAT taxpayers in relation to the immovable properties obtained by the taxpayers before May 1, 2016. Additionally, Small-scale VAT taxpayers pay VAT at 5% on the leasing or sale of all immovable properties.

[[6]](https://resourcehub.bakermckenzie.com/enEditorPage.aspx?da=core&amp;id=%7B49F41171-C9B4-4FF9-BB14-3795E3403300%7D&amp;ed=FIELD154614915&amp;vs&amp;la=en&amp;fld=%7B61B355C7-4970-4B78-98CC-936E170256C2%7D&amp;so&amp;di=0&amp;hdl=H154614921&amp;mo&amp;pe=0&amp;fbd=1#ftnref1) VAT exemption incentives are applied to certain specific services and goods including sale of self-produced agricultural products; childcare, elderly care, medical and education services provided by qualified institutions; agricultural services; technology transfer and development, relevant technical advisory and other technical services; etc. Further, from 1 January 2023 to 31 December 2027, small-scale VAT taxpayers with monthly revenue less than CNY 100,000 would be exempt from VAT.

[[7]](https://resourcehub.bakermckenzie.com/enEditorPage.aspx?da=core&amp;id=%7B49F41171-C9B4-4FF9-BB14-3795E3403300%7D&amp;ed=FIELD154614915&amp;vs&amp;la=en&amp;fld=%7B61B355C7-4970-4B78-98CC-936E170256C2%7D&amp;so&amp;di=0&amp;hdl=H154614921&amp;mo&amp;pe=0&amp;fbd=1#ftnref1) The VAT rate of 13% applies to the sale of most types of goods, importation of most types of goods, processing services, repair and replacement services, and leasing of tangible movable property.

[[8]](https://resourcehub.bakermckenzie.com/enEditorPage.aspx?da=core&amp;id=%7B49F41171-C9B4-4FF9-BB14-3795E3403300%7D&amp;ed=FIELD154614915&amp;vs&amp;la=en&amp;fld=%7B61B355C7-4970-4B78-98CC-936E170256C2%7D&amp;so&amp;di=0&amp;hdl=H154614921&amp;mo&amp;pe=0&amp;fbd=1#ftnref1) The VAT rate of 9% applies to transportation and postal services, basic telecommunication services, leasing or sale of immovable property, transfer of land use rights, and sale of agricultural products, chemical fertilizer, books, tap water and mineral products.

[[9]](https://resourcehub.bakermckenzie.com/enEditorPage.aspx?da=core&amp;id=%7B49F41171-C9B4-4FF9-BB14-3795E3403300%7D&amp;ed=FIELD154614915&amp;vs&amp;la=en&amp;fld=%7B61B355C7-4970-4B78-98CC-936E170256C2%7D&amp;so&amp;di=0&amp;hdl=H154614921&amp;mo&amp;pe=0&amp;fbd=1#ftnref1) The VAT rate of 6% applies to other types of services.

[[10]](https://resourcehub.bakermckenzie.com/enEditorPage.aspx?da=core&amp;id=%7B49F41171-C9B4-4FF9-BB14-3795E3403300%7D&amp;ed=FIELD154614915&amp;vs&amp;la=en&amp;fld=%7B61B355C7-4970-4B78-98CC-936E170256C2%7D&amp;so&amp;di=0&amp;hdl=H154614921&amp;mo&amp;pe=0&amp;fbd=1#ftnref1) Small-scale VAT taxpayers pay VAT at 3% on the sale of goods, intangible assets and services.

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