



## China to announce revised resource tax system in 2008

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BEIJING, Jan. 10 (Xinhua) — Details of a new resource taxation system will be announced this year, an official with the State Administration of Taxation (SAT) said on Thursday.

The system is still being finalized, but sources have said that it may include a shift to taxation by price instead of volume and an expansion of the category of taxable resources. The goal is to end a situation where resources are lightly taxed to support economic development, which has in turn led to waste and pollution.

Yang Suizhou, vice director of the SAT's local tax department, told reporters that the agency was refining the plan to meet the requirements of the State Council, China's cabinet.

China wants to cut energy intensity by 20 percent, and emissions by 10 percent, between 2006 and 2010. Taxation is an important lever to achieve these goals.

Yang said that there is still no timetable for the introduction of a fuel tax. First proposed in 1994, the introduction of a fuel tax has been delayed amid concerns that it may impose too great a burden on those who use more oil, such as bus and taxi drivers.

A tax would help to maximize fuel efficiency and minimize pollution, but its timing needed to be carefully studied, said Han Wenke, director of the energy research institute of the National Development and Reform Commission (NDRC). Surging world oil prices and government concerns about inflation have also stymied introduction of the proposed tax.

Yang also told reporters that a "green" tax targeting heavy polluters was under research.

"The specific taxation plan hasn't been fixed yet, but the primary goal is to protect the environment," said Xu Yiding, an analyst at China Minzu Securities. Xu added that companies that discharged pollutants or made products that could hurt the environment could face the "green" tax.

China raised taxes on lead-zinc, copper and tungsten ores in 2007, the first raise since 1994, as well as on coking coal.

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