

Enterprises in Earthquake Disaster Areas the Allowed to Postpone Tax Payment

Chinese version China's State Administration of Taxation (SAT) decided to adopt such measures as the postponement of tax declaration and payment, pre-tax deduction of the funds donated by enterprises and individuals to help the quick home rebuilding of the areas struck by the earthquake.

The SAT issued a circular on May 14 to the provincial tax authorities in the 7 provinces and cities such as Sichuan and Chongqing, declaring that the taxpayers and tax withholders in the areas severely struck by the earthquake may postpone their tax declaration and payment. The terms for the postponement may be decided by the authorities within 3 months. At the expiry of the approved extension, if the payment still cannot resume due to the impact of the earthquake, reports must be submitted to the SAT. During the extension, taxes payable by the taxpayers will not be subject to any late fee and fine.

In addition, tax authorities may handle the postponement of tax refund (exemption) of exported goods for export enterprises if the enterprises fail to declare for the refund (exemption) due to the impacts of the serious earthquake disaster, or the enterprises in other areas fail to make the declaration for their incomplete collection of tax refund certificates because of the enterprises in the areas hit by the earthquake.

(Source: Shanghai Securities News)

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