

## Donations related to quake made less taxing



Students of Jiefang Primary School donate money to the quake-hit region in Sichuan Province in southwest China, in Harbin, capital of northeast China's Heilongjiang Province, May 14, 2008.(Xinhua Photo)  
[Photo Gallery>>>](#)

BEIJING, May 21 -- China's tax authority has cut or waived a tax levy, offered a tax refund, and reiterated the tax concession on donations related to the earthquake in Sichuan Province as means of helping to support victims.

Losses suffered by companies and individuals due to the 8.0-magnitude earthquake can be tax deductible, the State Taxation Administration said in a notice on its Website.

As of 6pm yesterday, the number of people killed by the devastating quake has reached 40,075 while 247,645 people have been injured and there were still 32,361 people unaccounted for.

The supplies donated by overseas governments, individuals and companies are exempted from import taxes (including Valued Added Tax and Customs Duties), the tax authority said.

People whose tax-paid autos or ships have been destroyed in the quake can apply for a refund of Vehicles and Vessels Usage Tax for the period from the date they were destroyed until the end of the year. Normally auto and ship tax is prepaid at the beginning of the year.

Victims who can't afford to pay the land use tax due to the quake can ask for the levy to be reduced or exempted from the tax.

People who buy new homes will be exempted from the deed tax on new home transactions or enjoy a cut in the tax rate. The rules are enforced by the provincial governments for the quake-hit area.

Companies and individuals who donated money to the earthquake area will be partly exempted from taxation, the tax authority reiterated.

Companies on the Chinese mainland have made a combined donation of more than 4.5 billion yuan (US\$645 million) in cash and goods as of yesterday afternoon, according to Chinese Web portal Sina.com.

Donation, which are within 12 percent of a company's total annual profit, can be claimed as tax deductible expenses, according to China's corporate income tax law. Donations that exceed the amount are not tax deductible.

For individuals, donations that are less than 30 percent of their income, can be tax deductible. The donations must be made through domestic non-commercial social entities or government bodies. Individuals' donations made directly to the quake victims are not tax deductible.

(Source: Shanghai Daily)

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