

Translation



The following form, available on the Shanghai Municipal Taxation Bureau website, lists the many tax breaks that corporations and other businesses in the city potentially qualify for. The beneficial tax policies benefit a range of industries, particularly semiconductors, software, environmentally friendly industries, and companies that employ disabled people. It is unclear if the tax breaks available in Shanghai are identical or similar to those available to companies elsewhere in China.

Title

Table Summarizing the Implementation of Business Income Tax Breaks
企业所得税优惠执行情况汇总表

Source

Website of the Shanghai Municipal Taxation Bureau (上海市税务局) of the State Taxation Administration (国家税务总局), December 24, 2015.

The Chinese source text is available online at:

<http://www.bydaag.cn/zcfw/zcfgk/qysds/201512/P020151224612143900683.xls>

An archived version of the Chinese source text is available at:

<https://perma.cc/AQH9-UP6D>

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Translator

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Editor

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1	Appendix 2							
2	Table Summarizing the Implementation of Business Income Tax Breaks							
3	Work unit performing the summary (seal):			For the year:				Monetary units: Chinese yuan Renminbi (RMB)
4	No.	Preference	Number of entities of filing	Number of entities actually enjoying preference	Tax-exempt income	Amount of income deducted	Amount of tax deducted	Remarks
5	1	Business income tax exemption for income from interest on treasury bonds						
6	2	Business income tax exemption for income obtained from interest on local government bonds						
7	3	Business income tax exemption for dividends, bonuses and other equity investment income between qualified resident enterprises						
8	4	Business income tax exemption for dividend and bonus income obtained by Mainland China resident enterprises from H shares held for 12 months consecutively						
9	5	Business income tax exemption for the income of qualified non-profit organizations						
10	6	Temporary exemption of business income tax collection for income obtained by investors from securities investment fund distributions						
11	7	Deduction of income obtained from the production of products through comprehensive utilization of resources, when calculating taxable income						
12	8	Deduction of agriculture-related loan interest income and premium income obtained by financial and insurance institutions, when calculating taxable income						
13	9	50% reduction of business income tax for interest income obtained from enterprise bonds						
14	10	Deduction on a weighted basis of research and development expenses incurred for the development of new technologies, new products and new processes						

15	11	Deduction on a weighted basis of wages paid to persons with disabilities and other employees whose placement in employment is encouraged by the State							
16	12	Business income tax reduction or exemption for income from engaging in agriculture, forestry, stockbreeding and fishery projects							
17	13	Business income tax reduction or exemption, for a fixed period, for income from investment in, and operation of, state-supported public infrastructure projects							
18	14	Business income tax reduction or exemption, for a fixed period, for income from engaging in eligible environmental protection and energy or water conservation projects							
19	15	Business income tax reduction or exemption for income from the ownership transfer (转让) of eligible technologies							
20	16	Business income tax reduction or exemption, for a fixed period, for income from implementation of clean development mechanism (清洁发展机制) projects							
21	17	Business income tax reduction or exemption, for a fixed period, for income of qualified energy conservation services companies from implementing energy performance contracting projects							
22	18	Deduction from taxable income of a certain proportion of the investment amounts of venture capital enterprises							
23	19	Deduction from taxable income of a certain proportion of the investment amounts of venture capital enterprises							
24	20	Business income tax reduction or exemption for qualified small, low-profit enterprises							
25	21	Reduced business income tax rate of 15% for new- and high-tech enterprises under the key support of the State							
26	22	Business income tax reduction or exemption, for a fixed period, for income obtained within special economic zones or in Shanghai's Pudong New District by new- and high-tech enterprises newly established in such zones or district							

27	23	Business income tax exemption for cultural public institutions ¹ of an operational nature that transform into enterprises								
28	24	Business income tax reduction or exemption, for a fixed period, for animation products autonomously developed and produced by animation enterprises								
29	25	Reduced business income tax rate of 15% for technologically advanced service enterprises								
30	26	Limited reduction of business income tax for enterprises that support and encourage entrepreneurship and employment on the part of key groups (重点群体)								
31	27	Limited reduction of business income tax for enterprises that support entrepreneurship and employment on the part of self-employed retired soldiers								
32	28	Business income tax reduction or exemption, for a fixed period, for integrated circuit (IC) producers with IC products that have widths of less than 0.8 micron (inclusive)								
33	29	Reduced business income tax rate of 15% for IC producers with IC products that have widths of less than 0.25 microns								
34	30	Reduced business income tax rate of 15% for IC producers that invest over RMB 8 billion								
35	31	Business income tax reduction or exemption, for a fixed period, for IC producers with IC products that have line widths of less than 0.25 micron								
36	32	Business income tax reduction or exemption, for a fixed period, for IC producers that invest over RMB 8 billion								
37	33	Business income tax reduction or exemption, for a fixed period, for newly established IC design enterprises								
38	34	Business income tax reduction or exemption, for a fixed period, for qualified IC packaging and testing enterprises								
39	35	Business income tax reduction or exemption, for a fixed period, for qualified producers of key special materials and								

¹ Translator's note: "Public institutions" (事业单位) are organizations created and led by PRC government departments that provide social services. Unlike state-owned enterprises (SOEs), public institutions do not create material products and do not generate income. Public institutions are not considered government agencies, and their employees are not civil servants. Most public institutions are fully or partially government-funded, but some fully privately funded (but still government-led) public institutions exist. Public institutions typically provide services in areas such as education, science and technology, culture, health, and sanitation.

		special equipment for integrated circuits														
40	36	Business income tax reduction or exemption, for a fixed period, for qualified software enterprises														
41	37	Reduced business income tax rate of 10% for key software enterprises in state plan (国家规划) arrangements														
42	38	Reduced business income tax rate of 10% for IC design enterprises in state plan arrangements														
43	39	Reduced business income tax of 15% for enterprises in encouraged types of industries established in the western region														
44	40	Business income tax exemption for qualified enterprises that produce and assemble specialized supplies for persons with disabilities														
45	41	Tax credits implemented on certain proportions of investment amounts for purchases of special equipment used for environmental protection, energy or water conservation, safe production, etc.														
46	42	Accelerated depreciation or amortization of fixed assets, purchased software, etc.														
47	43	Accelerated depreciation or one-time deduction of fixed assets														
48	44	Business income tax reduction or exemption, for a fixed period, allowed under transitional period tax preferences														
49	Person in charge of work unit:		Person in charge of department:		Person who compiled the form:		Date form was compiled:									
50																
51	Note: Where the [Shanghai] Municipal [Taxation] Bureau has issued supplemental preferences, you may add additional items yourself															