

# China Updates Quarter 3 of 2022

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Beijing of China

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- a) VAT and surcharges deduction to VAT payers hiring veterans up to RMB 6,000 per person per year during the year from 2019 to 2023.
- b) Additional deduction for the 4<sup>th</sup> quarter of 2022: 100% of equipment acquisition for high-tech companies; 100% of R&D expenses to those eligible for 75% additional deduction (currently 100% for manufacturing and high-tech SMEs).
- c) Labor union fee is not required in some regions if labor union is not established.

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d) VAT exempted for 3% VAT payers during the period from April 1 to December 31, 2022; VAT exempted for daily life necessities during the period from May 1 to December 31, 2022

e) For sole proprietorship: 50% income tax deduction for taxable income up to RMB 1 million in 2021; half deduction of six taxes and two surcharges from 2021 to 2024 (resource tax, city construction tax, property tax, city land use tax, stamp duty, farm land use tax, education fee, local education fee)

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