
VEHICLE PURCHASE TAX LAW OF THE PEOPLE'S REPUBLIC OF CHINA

Order of the President of the People's Republic of China

No. 19

The Vehicle Purchase Tax Law of the People's Republic of China, adopted at the 7th Meeting of the Standing Committee of the Thirteenth National People's Congress on 29 December 2018 is hereby promulgated and shall go into effect as of 1 July 2019.

Xi Jinping

President of the People's Republic of China

December 29, 2018

(Adopted at the 7th Meeting of the Standing Committee of the Thirteenth National People's Congress on 29 December 2018)

Updated: 2023-09-12 Source: NPC



Article 1

Units and individuals that purchase automobiles, trams, car trailers, and motorcycles with engine displacement exceeding 150cc (hereinafter collectively referred to as “taxable vehicles”) within the territory of the People’s Republic of China shall be taxpayers of vehicle purchase tax, and shall pay vehicle purchase tax pursuant to the provisions of this Law.

Article 2

For the purposes of this Law, “purchase” means the act of obtaining a taxable vehicle for own use through purchase, import, self-manufacture, receipt as a gift, prize-winning or any other means.

Article 3

The vehicle purchase tax shall be collected as a one-off tax. No vehicle purchase tax shall be levied on the purchase of a vehicle on which the vehicle purchase tax has been collected.

Article 4

The tax rate for vehicle purchase tax is 10%.

Article 5

The tax amount payable for vehicle purchase tax shall be the taxable price of the taxable vehicle multiplied by the tax rate.

Article 6

The taxable price of a taxable vehicle shall be determined pursuant to the following provisions:

1. The taxable price of a taxable vehicle purchased by a taxpayer for own use shall be the full price actually paid by the taxpayer to the seller, excluding the value-added tax;
2. The taxable price of a taxable vehicle imported by a taxpayer for own use shall be the dutiable price plus customs duties and excise tax;
3. The taxable price of a taxable vehicle manufactured by a taxpayer for own use shall be determined in accordance with the selling price of the same type of taxable vehicle manufactured by the taxpayer, and shall exclude value-added tax;
4. The taxable price of a taxable vehicle obtained by a taxpayer through receipt as a gift, prize-winning or any other means shall be determined in accordance with the price stated on the relevant certificate obtained at the time of purchase of the taxable vehicle, and shall exclude value-added tax.

Article 7

Where the taxable price declared by a taxpayer for a taxable vehicle is evidently low for no proper reason, the tax authorities shall assess the tax amount payable pursuant to the provisions of the Law of the People’s Republic of China on the Administration of Tax Collection.

Article 8

Where a taxpayer settles the payment for a taxable vehicle in a foreign currency, he shall calculate and pay the tax by converting such foreign currency into RMB at the central parity rate on the date of tax filing and payment.

Article 9

The following vehicles shall be exempted from the vehicle purchase tax:

1. Vehicles used by foreign embassies and consulates in China, offices of international organizations in China and their relevant persons, which should be tax-exempt pursuant to the law;
2. Vehicles included by the People’s Liberation Army and the People’s Armed Police Force in the equipment order plan;
3. National comprehensive firefighting and rescue vehicles bearing a special number-plate for emergency response and rescue;
4. Non-transportation vehicles for special operations that are mounted with fixed equipment; and
5. Buses and trams purchased by urban public transport companies.

The State Council may, based on the national economic and social development needs, stipulate other scenarios for reduction or exemption of vehicle purchase tax, and submit them to the Standing Committee of the National People’s Congress for the record.

Article 10

Vehicle purchase tax shall be collected by tax authorities.

Article 11

A taxpayer who purchase a taxable vehicle shall file a tax return with and pay the vehicle purchase tax to the competent tax authority at the place of vehicle registration; a taxpayer who purchase a taxable vehicle which is not required for vehicle registration shall file a tax return with and pay the vehicle purchase tax to the competent tax authority at the place where the taxpayer is located.

Article 12

The time when the obligation to pay vehicle purchase tax shall be the day when the taxpayer purchases the taxable vehicle. The taxpayer shall file a tax return and pay the vehicle purchase tax within 60 days from the date of occurrence of tax obligation.

Article 13

A taxpayer shall pay vehicle purchase tax before going through vehicle registration with the traffic administrative department of the public security organ. When the traffic administrative department of the public security organ deals with vehicle registration, it shall check the information about the vehicle of which the taxpayer applies for such registration based upon the electronic information on tax payment or tax exemption for the taxable vehicle provided by the tax authority, and register the vehicle in accordance with the law after verification.

Article 14

Where a tax-exempt or tax-reduced vehicle no longer falls under the scope of tax exemption or tax reduction due to transfer or change of use purpose, the taxpayer shall pay vehicle purchase tax before transfer registration or change registration. The taxable price shall be based on the taxable price determined at the time when the tax return of the tax-exempt or tax-reduced vehicle is filed for the first time, and be deducted by 10% for each full year.

Article 15

Where a taxpayer returns a vehicle to the vehicle manufacturer enterprise or the seller enterprise after the vehicle purchase tax is paid, the taxpayer may apply to the competent tax authority for the refund of the vehicle purchase tax. The tax refund amount shall be based on the amount of tax paid, and be deducted by 10% for each full year, from the date of tax payment to the date of application for tax refund.

Article 16

The tax authorities shall establish a mechanism for sharing taxable vehicle information and work cooperation with the departments of public security, commerce, customs, industry and information technology, etc, and exchange information and materials on taxable vehicles and tax payment in a timely manner.

Article 17

The administration of the collection of vehicle purchase tax shall be implemented in accordance with the provisions of this Law and the Law of the People's Republic of China on the Administration of Tax Collection.

Article 18

Where taxpayers, tax authorities and their staff violate the provisions of this Law, their legal liabilities shall be investigated in accordance with the Law of the People's Republic of China on the Administration of Tax Collection and other relevant provisions of laws and regulations.

Article 19

This Law shall go into effect as of 1 July 2019. The Provisional Regulations of the People's Republic of China on Vehicle Purchase Tax promulgated by the State Council on 22 October 2000 shall be repealed simultaneously.



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