The Evolution of the Chinese Tax System

Presentation to Revenue Commission Delegates London 2010 Vincent Ong Singapore 10 May 2010

Objectives of Seminar

- Provides insights on China's economic, social & political development
- Focus on Taxation rather than specific stamps
- Usage on documents emphasized
- Common everyday revenue stamps rather than rarities
- Offers alternative fun way to collecting revenue stamps rather than "traditional style"

Organization

Imperial Period Pre-1911
 Republican Period 1910-1920s
 Mixed Transitional 1920s to 1930s
 Economy 1930s to 1940s
 Socialist Period Post 1950s

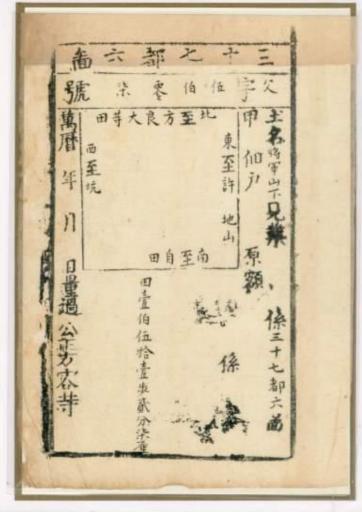
The Imperial Period Pre-1911 The Age of Agrícultural Feudalism

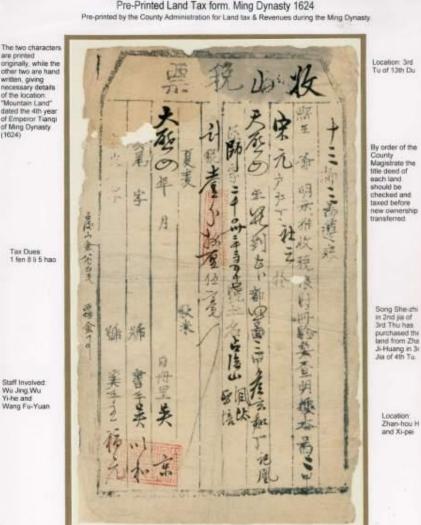
- Self reliance on agriculture
- Revenues mainly land to meet the Emperors expenses
 - covering military, construction of public works but also religious ceremonies and maintaining Imperial expenses.



Mainly land tax registration, assessment, administration & collection

Blank Revenue Pre-printed document from the Ming Dynasty Already during the early Dynasties was the basic form for paying taxes and revenues made out of wood putp which was printed and used locally. This blank Revenue documant was issued during the rule of Emperor Wan-U. 1573-1629 whereby other relevant facts , dates, sums payable etc. were filled in by local tax collectors





Location: 3rd Tu of 13th Du

Chinese Revenue Adhesives were also introduced by 1898...





Overprinted "SPECIMEN" and punched with security holes.

REPUBLICAN PERIOD

The Age of The Industrial Revolution (1910's-1920's)

- In 1911, Dr. Sun Yat Sun overthrew the Qing rulers to establish a western style Republican Cabinet system.
- Transformation from a primarily agrarian economy an industrial revolution.
- Domestic Industries such as textile and grain were rapidly developed.

While land tax remained relevant, other forms of taxation replaced its importance ...

Tax payable for replacing lost cadastral title

The hybrid significance of this isourcent is that the test specifically allows the replacement of the traitional affinist Mexemum Diamps with a rect mean Chops to ratify tax payment.

In Ages 1920, the property owner in this Hip County Mt Wang free tothin. Excessoral title, He has to pay the future lines as evidenced in the documents for all 10 cents to purchase a bank property document, to 50 memory for the scamp sky for the property role and c) a same tax of \$1.20 as he interests to set his land to wrother purchase.



Taxes for 4th class exclusive alcohol retail license

Maccount named 11. Kan was granted a 4th close accord rozal items to operate in Jon-Shan County in Mech. 1925 White the Annual loanse like was 4 Yuan, he paid 2 Yuan for a 8 months panist. The Shandong Provincial Coventriant also deducted 40 cents how the aver annual payment for local taxes.

Amongst the conserve of the permit included a secondation of the 4 caseaux of alcunist same permit (toxes settemen 40 Yuan to 4 Yuan), the penalties for operating without a permit (fined 3 time annual tex), for operating with take locations (fine between 1 Yuan to 30 Yuan) and Regal related renting of location (fine between 2 Yuan to 30 Yuan).



Revenue stamps issued by many Provinces to cope with economic growth & prosperity.

Marriage Certificate with Shanai "Wheat" design Tax 1926





Revenue Propaganda for hard work and brift to present more opportunities for servings in the Bank

China's woes were exacerbated by greater foreign intervention on China's revenue policies and the Opium problem.







REPUBLICAN PERIOD (1930s) The Age of Warlord Civil Unrest

 This period was plagued by wars. Prior to 1927, Chiang Kai Shek took control of the Nationalist party in an attempt to unify the country.



To pay for War expenses, savings program and Bond were introduced along with...

Short Term Treasury Note with Revenue stamp

In her 36th year (1947) the Ropublic of China issued these short-term Treesury Notes (First issue) for an amount tertaining US\$300 million bit an interest rate of 20% per annum. Each bond to be confirmed with revenue stamp, here affixed with green \$100 issue.

204919

Early Communist Revenue Bonds

This is "The Chinese Soviet Republic Economic Development Bonds" introduced and authorated by Chairman Map Tee-Tung in 1833. An interesting form of "Revenue Tas to be re-past".

Its face value s 50 cants and repayment on the capital should begin in October 1806 and fully paid back in 5 years by using the the 7 coupons at the bottom of the document. But, as seen from this, the Bonó-holder never had an opportunity to use any of these coupons.



...with consumption taxes and VAT especially on luxury commodities such as Beer and matches.

Repacking Revenue Certificates

Commodity, Wine and Tobacco Tax repacking duty certificate.



1938. Revenue certificates issued in Shanghai by the Ministry of Finance for puter packages of wine and spints.



Tongshul was a general consumption tax developed during the mid-1920s and was imposed as a manufacturers sales tax on goods when they left the factory. Intended to be taxed only once to avoid culmulative taxation, it was applied to beer, spirits, cigarettes, cotton yarn, matches and wheat flour



1 dozen Pint bottles Domestic made Been



Unusual and unlisted revenue stamps for domestic made beer issued by the Ministry of Finance in 1947. Tax was imposed at 60% of the ad valorem iterage of the beer



1 litre Domestic made Beer tax

10 litres Domestic made Beer tax

Consular and Judicial revenues were issued in line with a western monarchy system.



The Russians supported a revolt in the 3 Districts Region in Sinkiang whilst the Japanese invaded the northeastern part of the country on 1931 and ...

1945 "A" Series Star-Moon design issue

Between November 1945 till December 1949, the 3 Districts issued 2 stamps with face value of 5 & 10 yuan. Owing to the various economic woes during the war, there was a lack of paper, simple crude printing equipments and having to print in different locations for security reasons, there were many stamps with different colors, paper and print formats



Complete sheet of 8 5 Yuan Dual Use revenue



Complete Sheet of 8 10 yuan Dual purpose revenues

The Regions of Sinkiang introduced their own tax system to fund their own economy

1949 Agriculture & Industry Series

With the founding of the Republic of China in 1949, a series of currency reforms were put in place to control the runaway inflation. The 3 Districts Government issued a new revenue stamp series denominated in Yuan which was used till 31 December 1950.







10000 Yuan Farmer Tending Sheep

50000 Yuan Industries



Sales amount is 3669230, with 0.5% as tax imposed, half dissected ticket is calculated to be 12500 yuan, while guarterly dissected ticket based is calculated as 6250 yuan. totally calculated to be 18750 yuan.

...despite the hardships, the Chinese people adapted & persevered...

Officiating Adoption of a son



Pre-nuptial Agreement to accept non Foot Bound bride

Foot briding began late in the Tang Dynasty and the custom of foot briding spread through the overwisemeng majority of the Chinese population until it was linely outseed in the 1911 Revolution of Sun Yal-Sen.

The document is a Pre-Nuptal Agreement for an arranged marriage in Shawi Province between two couples allowing the bride to be the ability to toke legal action and frie the in-laws in the event that they took "offence" to her run-fold toortol feel

The Tax possible for the Court ratified document is 40 cents and this is continued by ter 20 cents Map & Fag revenue clarings. In the avant that the broke remarker, the new law to be paid for such a document shall be \$1.10.



MIXED TRANSITIONAL ECONOMY (1940's) The Age of Commist Transition

- ...when the Anti-Japanese War ended in 1945, a Civil War resumed between the Nationalist Party and the Communist.
- To meet increased
 Government expenditure especially the military, new taxes were introduced.



This caused great shortages of goods and led to runaway inflation.



A new set of Tax laws were introduced for public control and steps were taken to reduce excessive consumption

1948 Official new Tax directives from Central Government to Province

On the 12th of January, Electroporg province government released "Shangdong province inversion beinedlike raise table". The guidalines specified to abolish Republic government englemented tares, such as goods size, inverties tax, inverties tax, direct tax, income tax and all other forms of takens, leaving behind some takes auch as import 5 export califorms tax, staughtering tax. Wanaccount law, and law and califormities is not tax.

This document results for Princip Metaby based in Shandong (representing the Central Doetminent) instructs the Local Court in CorgDae Trolerion requiring the imposition of a new Stand Duby instrumentation which was approved by the Central Congress.



1948 Baliquet Tax to discourage excessive consumption

Chinese Banquets tends to be laively and costs, extravagant. As the cost is usually charged to a public institution, or "Banquet Tax" was introduced to decourage wasks and promote reasonable consumption.

Tax was charged at 15%-20% of benquet cast and if the banquet exceeds 500 year, the exact amount was doubted by the local Government. Banquet Tax was subject to witholding tax by the matazorati.

A restaurant statement of dinner detailing name of tost: The Hangshou Taxee and Contribution Office was in charge of collecting this peoular transport law which was confirmed by 5 x Sc 1948 "Farming" revenue.

Reverse copy of document detailing names and costs of dishes



The Workers Union became militarized and soon the Communist Ideologies became wide spread...

National Labor Union Fee Tax Stamps

These stamps were insued as receipts for mentionship issue to labor unions. As the Government controlled the (Josona these stamps were actually takes which varied according to the positions half by members within their uncons.

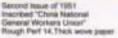
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First taske of 1940 Inscription "Receipt"











Hunnel smoother wove imperf 1945 Transportation Series Printed Proof



One of 3 known Lithograph Private is Proof of the 215 Transportation revenue leased by the Central Trust Company.

SOCIALIST PERIOD (1950's) The Age of Communist Succession

 A mixed economy between 1949 and 1956 to provide time to nationalize private capital and establish control of national production.



A stamp tax and a tobacco and wine tax was created and the Government issued Treasury notes and bonds to mop up excess cash.





A Commodity Tax as well as Business tax was introduced.

Commodity Revenues: Wine & Textiles Unline tant taxes, yells from commodity rose with productivity. Commodity taxes were used to companiate the roing casts of local Government caused by steely inflation.



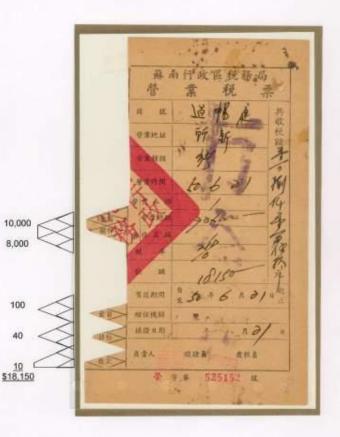
1943 Revenue Tax for Textile Mit in Tsing-Tax, red serial number and square chop. Organity suid for error



1942 Klangsu Province Central Revenue Bureau, Kaolin Wive Revenue for 20 Cables (Diangel & 50 Cables (Black)

25% Business Tax Cut-out receipt 1950

June 21, 1950. "Business Tax Receipt" from South Jiangsu Administrative Area Revenue Bureau, East China to a Butchar shop for selling pork in Wuxi City amounting \$726,000. The Revenue tax of \$18,150 equivalent to 25% was paid. This amount is confirmed by a series of triangles and rhombuses sticking out on the left side of the document.



22

Communist Central Economy 1956-1976 *The Age of Soviet Style Strict Communism*

- From 1956 to 1976, a strict Soviet type state planned economy was introduced and all Industry and commerce became state enterprises.
- The Tax system simplified under theory that Socialist County need no taxation.
 Revenue Stamps ceases to be used in PRC in 1958



Modern Socialist Economy 1977 till present The Age of China Global Resurgence

By 1978, new economic policies were adopted and a new Tax system adopted. Instead of remitting a fixed profit to the Government, the enterprise now pays an Income Tax for actual profit earned.

By 1988, Revenue Stamps were once again Issued thus renewing the cycle of Chinese Taxation chronicles.



10 cents Satellite design



1 dollar Industries design



20 cents Satellite design



5 dollar Transportation design



50 cents Satellite design



10 dollar Oil drilling design

The End

PERIOD

Imperial Period Republican Period Mixed Transitional Economy Socialist Period Strict Soviet Style Modern China

DATE

Pre-1911Agricultural Feudalism1910-1920sWarlord Civil Unrest1920s to 1930s1920s to 1930s1930s to 1940sCommunist TransitionPost 1950sCommunist Succession1956-1976Soviet Style Communist1977 till presentGlobal Resurgence

CHARACTERISTICS

Thank You Questions?

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