

The Evolution of the Chinese Tax System

Presentation to Revenue Commission Delegates
London 2010
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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 Economy	1920s to 1930s 1930s to 1940s
Socialist Period	Post 1950s

The Imperial Period Pre-1911

The Age of Agricultural 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 pulp which was printed and used locally. This blank Revenue document was issued during the rule of Emperor Wan-Li, 1573-1620 whereby other relevant facts, dates, sums payable etc. were filled in by local tax collectors



Pre-Printed Land Tax form. Ming Dynasty 1624

Pre-printed by the County Administration for Land tax & Revenues during the Ming Dynasty.

The two characters are printed originally, while the other two are hand written, giving necessary details of the location. "Mountain Land" dated the 4th year of Emperor Tianqi of Ming Dynasty (1624)



Location: 3rd Tu of 13th Du

By order of the County Magistrate the title deed of each land should be checked and taxed before new ownership transferred.

Song She-zhi in 2nd Jia of 3rd Tu has purchased the land from Zhu Ji-Huang in 3rd Jia of 4th Tu.

Location: Zhan-hou H and Xi-pei

Tax Dues: 1 fen 8 li 5 hao

Staff Involved: Wu Jing, Wu Yi-he and Wang Fu-Yuan

Chinese Revenue Adhesives were also introduced by 1898...



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 historic significance of this document is that the text specifically allows the replacement of the traditional official Revenue Stamps with a red-inked Chop in ratty tax payment.

In April 1925, the property owner in Hai Hu County Mr Wang has lost his Cadastral title. He has to pay the follow fees as evidenced in the documents for a) 10 cents to purchase a blank property document, b) 50 cents for the stamp duty for the property title and c) a sales tax of \$1.20 as he intends to sell his land to another purchaser.



Taxes for 4th class exclusive alcohol retail license

Merchant named Yi Xian was granted a 4th class alcohol retail license to operate in Jin-Shan County in March 1925. Whilst the Annual license fee was 4 Yuan, he paid 2 Yuan for a 6 months permit. The Shandong Provincial Government also deducted 40 cents from the semi annual payment for local taxes.

Amongst the contents of this permit included a description of the 4 classes of alcohol sales permit (taxes between 40 Yuan to 4 Yuan) , the penalties for operating without a permit (fined 3 times annual tax); for operating with false licenses (fine between 1 Yuan to 20 Yuan) and illegal resale/ renting of license (fine between 2 Yuan to 30 Yuan).



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

Marriage Certificate with Shanxi "Wheat" design Tax 1926
Marriage was viewed just like any commercial contract which was ratified by 4 x 10 cents Wheat revenues



Bank Passbooks



Bank passbook issued by the Young Brothers Savings Bank detailing preferential interest rates for Conscripts of the 8th Mixed Brigade based in Sichuan in January 1927. Bank savings ratified by Great Wall 2 cents (Savdg R15) revenue with red overprint "Sichuan".

Reverse Propaganda for hard work and thrift to present more opportunities for savings 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 Republic of China issued these short-term Treasury Notes (First Issue) for an amount totaling US\$300 million at an interest rate of 20% per annum. Each bond to be confirmed with revenue stamp, here affixed with green \$100 issue.



Early Communist Revenue Bonds

This is "The Chinese Soviet Republic Economic Development Bonds", introduced and authorized by Chairman Mao Tse-Tung in 1933. An interesting form of "Revenue Tax to be re-paid". Its face value is 50 cents and repayment on the capital should begin in October 1938 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 Bond-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 outer packages of wine and spirits.

Beer Tongshui Tax

Tongshui 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 cumulative taxation, it was applied to beer, spirits, cigarettes, cotton yarn, matches and wheat flour.



1 dozen Pint bottles Domestic made Beer tax

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 literage 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

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



25000 Yuan Blacksmith



50000 Yuan Industries



Sales amount is 3668230, with 0.5% as tax imposed, half dissected ticket is calculated to be 12500 yuan, while quarterly dissected ticket based is calculated as 6250 yuan, totally calculated to be 18750 yuan.

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

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

Officiating Adoption of a son

Two 10-cent Map & Flag revenue stamps is used in 1937 to officiate the adoption by an elderly 60 year old woman of her relative's son as her own. The names of all the relatives witnessing the adoption has been recorded in this document inscribed in red lacquer (red represents good luck) as her new adopted son shall inherit all her property without interference from her big son & other relatives in Shandong 5th District



Pre-nuptial Agreement to accept non Foot Bound bride

Foot binding began late in the Tang Dynasty and the custom of foot binding spread through the overwhelming majority of the Chinese population until it was finally outlawed in the 1911 Revolution of Sun Yat-Sen.

This document is a Pre-Nuptial Agreement for an arranged marriage in Shanxi Province between two couples allowing the bride to be the ability to take legal action and fine the in-laws in the event that they took "offense" to her non-foot bound feet.

The Tax payable for the Court ratified document is 40 cents and this is confirmed by ten 20 cents Map & Flag revenue stamps. In the event that the bride remarries, the new tax to be paid for such a document shall be \$1.10.



MIXED TRANSITIONAL ECONOMY (1940's)

The Age of Communist 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.

This was also a time for the large emigration of the Chinese Diaspora



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, Shandong province government released "Shandong province revenue tax edited rates table". The guidelines specified to abolish Republic government implemented taxes, such as goods tax, revenue tax, integrated tax, direct tax, income tax and all other forms of taxes, leaving behind some taxes such as import & export customs tax, slaughtering tax, transactional tax and cigarettes & wine tax.

This document issued by the Finance Ministry based in Shandong (representing the Central Government) instructs the Local Court in QingDao Province requiring the imposition of a new Stamp Duty implementation which was approved by the Central Congress.



1948 Banquet Tax to discourage excessive consumption



Chinese Banquets tends to be lavish and costs extravagant. As the cost is usually charged to a public institution, a "Banquet Tax" was introduced to discourage waste and promote reasonable consumption.

Tax was charged at 10%-20% of banquet cost and if the banquet exceeds 500 yuan, the exact amount was decided by the local Government. Banquet Tax was subject to withholding tax by the restaurant.

A restaurant statement of dinner detailing name of host. The Hangzhou Taxes and Contribution Office was in charge of collecting this peculiar banquet tax which was confirmed by 5 x 5c 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 issued as receipts for membership dues to labor unions. As the Government controlled the Unions, these stamps were actually taxes which varied according to the positions held by members within their unions.



First issue of 1948
Inscription "Receipt"



Second issue of 1951
Inscribed "China National
General Workers Union"
Rough Perf 14, Thick wove paper



Third issue, smoother
wove, imper!

1945 Transportation Series Printed Proof



One of 3 known printer
One of 3 known Lithograph Printer's Proof of the \$15 Transportation revenue issued 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.

Cigarette Revenues used on package



1950 Value Added Tax

Sales agreement for electric lamps amounting to \$7,200,000. the VAT of 0.3% was paid through 43 x \$500 and 1 x \$100 Farming Series revenues, totaling \$21600



A Commodity Tax as well as Business tax was introduced.

Commodity Revenues: Wine & Textiles

Unlike land taxes, yields from commodity rose with productivity. Commodity taxes were used to compensate the rising costs of local Government caused by steady inflation.



1943 Revenue Tax for Textile Mill in Tsing-Tai; red serial number and square chop. Originally issued for wine.



1942: Kiangsu Province Central Revenue Bureau. Kaolin Wine Revenue for 20 Cabbies (Orange) & 50 Cabbies (Blue).

25% Business Tax Cut-out receipt 1950

June 21, 1950. "Business Tax Receipt" from South Jiangsu Administrative Area Revenue Bureau, East China to a Butcher 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.

蘇南行政區稅務局 營業稅票		
日期	道暢庭	共收稅額
營業地址	新新	
營業種類	豬	
營業時間	6.6.21	捌仟零肆拾元
營業額	286000	
稅額	18150	
有效期間	自 50年6月21日	
營業	經核實	
稽核	稽核日期 6.21	
簽字	負責人 顧謙善 收稅員	
	營業號 525152 號	

10,000
8,000
100
40
10
\$18,150

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.

Satellite, Industries, Oil and Transportation Issue 1988-1989



10 cents Satellite design



20 cents Satellite design



50 cents Satellite design



1 dollar Industries design



5 dollar Transportation design




10 dollar Oil drilling design

The End

PERIOD	DATE	CHARACTERISTICS
Imperial Period	Pre-1911	Agricultural Feudalism
Republican Period	1910-1920s	Warlord Civil Unrest
Mixed Transitional Economy	1920s to 1930s 1930s to 1940s	1920s to 1930s Communist Transition
Socialist Period	Post 1950s	Communist Succession
Strict Soviet Style	1956-1976	Soviet Style Communist
Modern China	1977 till present	Global Resurgence

Thank You Questions?

A blurred background image showing a person's hand holding a stack of colorful banknotes, likely Euro or Polish Zloty, against a teal background.

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