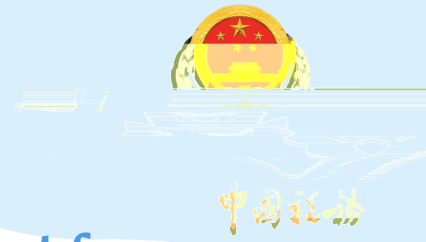


外籍个人个人所得税汇算指南





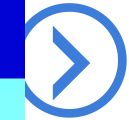
CONTENT



What is the annual individual income tax settlement for comprehensive income?



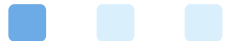
What kind of foreign individuals shall file the annual tax settlement?



How shall foreign resident individuals calculate the tax payable for the annual tax settlement?



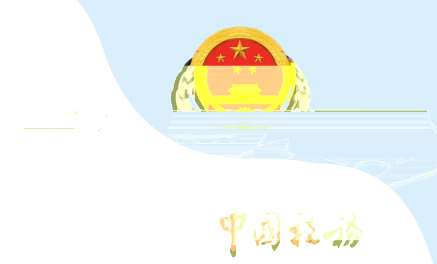
What tax benefits foreign resident individuals are entitled to?



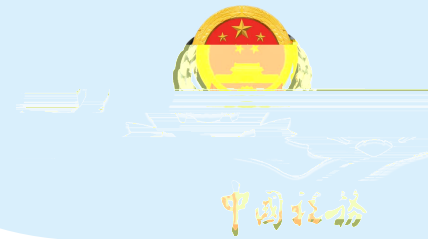


After the end of the year 2022, resident individuals (hereinafter referred to as “taxpayers”) shall consolidate the amount of income earned in four forms, namely, salary and wages, remuneration for personal services, author’s remuneration, and royalties (hereinafter referred to as “comprehensive income”) from January 1 to December 31, 2022 (hereinafter referred to as the “tax year”). From the comprehensive income, a deduction

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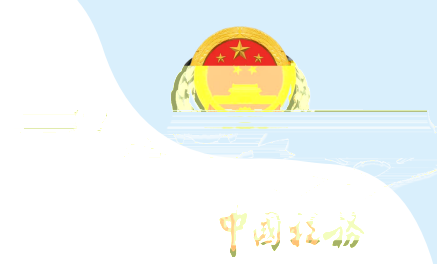
- ◆ 2022
- ◆ No tax settlement is required for taxpayers who have prepaid individual income tax in 2022 pursuant to law and meet one of the following circumstances:
 - ◆ 12
 - ◆ (I) The settlement indicates tax owed but the comprehensive income throughout the year does not exceed 120,000 yuan;
 - ◆ 400
 - ◆ (II) Tax owed as indicated in the settlement does not exceed 400 yuan;
 - ◆
 - ◆ (III) The amount of prepaid tax is consistent with the tax payable in the settlement; and
 - ◆
 - ◆ (IV) Conditions for a tax refund are met but no refund application is filed.



QUESTION 2

What kind of foreign individuals shall file the annual tax settlement?

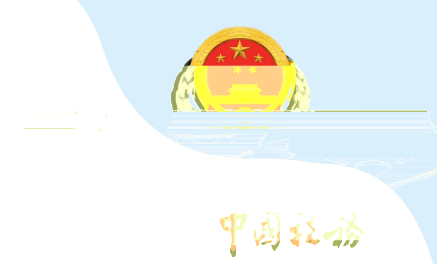




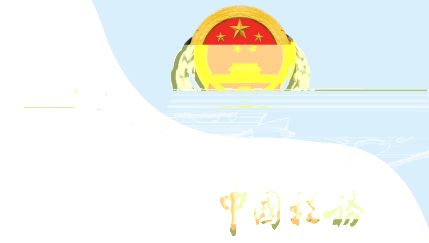
- ◆ **Definition:** A resident individual refers to an individual who is domiciled in China, or an individual who is not domiciled in China but has resided in China for an aggregate of 183 days or more within a tax year.



- ◆ **Being domiciled in China, as mentioned in the tax law, refers to habitual residence in China because of household registration, family, or economic involvements, instead of the actual residence or the residence in a particular period.**



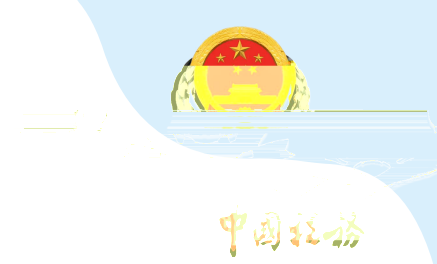
- ◆ For individuals who reside outside China for studies, work, family visits, or tours, and will return to and reside in China after such activities, China shall be these taxpayers' habitual residence, which means the individuals are domiciled in China. For foreign individuals who reside in China for studies, work, family visits, or tours, and will return to and reside in their homeland after such activities, China shall not be their habitual residence. Even if such a foreign individual buys a house in China, he or she will be not recognized as an individual being domiciled in China.



24

24

- ◆ The total number of days of residence in China in a tax year for an individual not domiciled in China shall be the total number of days he or she stays in China. A day when an individual stays in China for 24 hours will be counted as one day of residence in China. A day when an individual stays in China for less than 24 hours will not be counted as one day of residence in China.
- ◆
- ◆ The scope of taxable income: Income received by a resident individual from within China and overseas shall be subject to individual income tax pursuant to law.



- ◆ **Definition:** A non-resident individual refers to an individual who is not domiciled in China and does not reside in China, or an individual who is not domiciled in China but has resided in China for less than an accumulated 183 days within a tax year.



- ◆ **The scope of taxable income:** Income received by a non-resident individual from within China shall be subject to individual income tax pursuant to applicable provisions.



- ◆ **A tax year, as mentioned above, shall start from January 1 and end on December 31 within a calendar year.**



在中国境内是否有住所？



居民个人



是否在中国境内居住？



一个纳税年度内在中国境内居住是否累计满183天？

非居民个人

无住所
居民个人

非居民个人

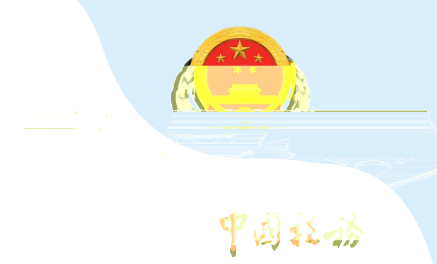


中国税务

QUESTION 3

How shall foreign resident individuals calculate the tax payable for the annual tax settlement?





◆ The following income is income from outside of China:

◆ 1.

◆ 1. Income obtained from the provision of labor services outside of China due to appointments, employment, and performance of contracts;

◆ 2.

◆ 2. Author's remuneration paid by enterprises and other organizations outside of China;

◆ 3.

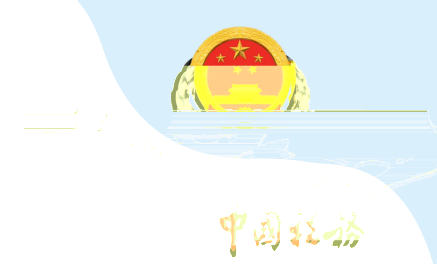
◆ 3. Income obtained from franchise royalties to be used outside of China;

◆ 4.

◆ 4. Income related to production and business activities obtained from production and business activities outside of China;

◆ 5.

◆ 5. Interests, dividends, and bonuses obtained from enterprises, other organizations, and non-resident individuals outside of China;

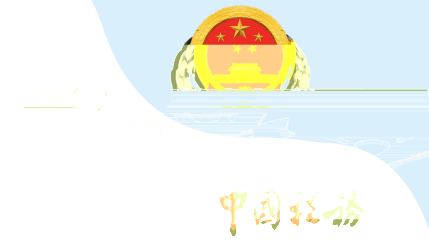


- ◆ 6.
- ◆ **6. Income obtained from leasing properties to the lessee for the use outside of China;**
- ◆ 7.

36

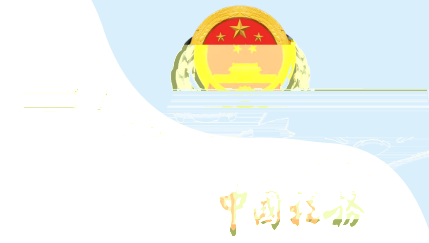
50%

- ◆ **Income obtained from transactions of immovable properties outside of China, transactions of stocks, equity, and other equity assets derived from investments by overseas enterprises or other organizations, and transactions of other properties outside of China. However, in case of the transactions of equity assets derived from investments by overseas enterprises or other organizations, if more than 50% of the fair value of the assets of the invested companies or other organizations comes from the immovable property within China at any time within the first three years (36 consecutive calendar months) after the equity assets are transferred, the income shall be regarded as obtained from within China; and**
- ◆ 8.
- ◆ **8. Incidental income paid by enterprises, other organizations, and non-resident individuals outside of China.**
- ◆ 9.
- ◆ **9. If the Ministry of Finance and the State Taxation Administration has specific provisions, such provisions shall prevail.**



- ◆ **Income taxes on resident individuals' income from outside of China in a tax year that has been paid outside of China pursuant to tax laws and regulations of the source country (region) are allowed to offset a designated amount of the tax payable for the tax year.**





Tax-Exempt Income

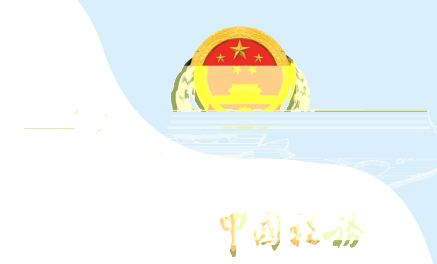
◆ 1	183	30	183
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- ◆ 1. For individuals not domiciled in China who have resided in China for an aggregate of 183 days or more within a tax year, if they resided in China for an aggregate of fewer than 183 days or lived outside of China for more than 30 days in a single departure in any year among the preceding six years, their income from outside of China in the tax year and paid by overseas entities or individuals will be exempted for individual income tax.



2019

- ◆ The preceding six years mentioned herein refer to the six consecutive years from the first to the sixth year preceding the tax year. The starting year of the preceding six years shall be the year 2019 and later years.



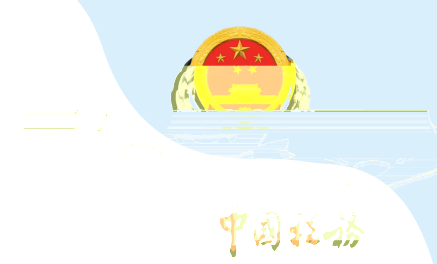
- ◆ 2
 - ◆ 2. Housing, meal, relocation, and laundry allowances obtained by foreign individuals in the non-cash form or in the form of actual reimbursement for actual costs.
 - ◆ 3
 - ◆ 3. Allowances for domestic or international business trips obtained by foreign individuals as per reasonable standards.
 - ◆ 4
 - ◆ 4. The portion of the allowances for family visits, language training, and children's education obtained by foreign individuals approved as reasonable by the local tax authorities.
 - ◆
- 2
- ◆ Family visit allowance eligible to be exempted from individual income tax is limited to the expenses for no more than two trips of a foreign individual by means of transportation between the place of the individual's employment in China and his or her home (including the residence of his or her spouse or parents).



Itemized Deductions for Specific Expenditures



- ◆ Foreign individuals eligible as resident individuals may choose to enjoy itemized deductions for specific expenditures for individual income tax. The forms

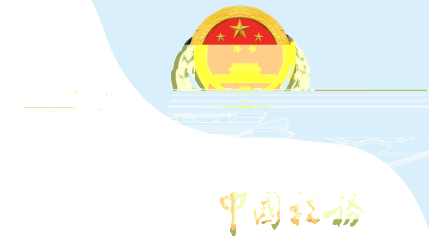


- ◆ 3.
- ◆ 3. Eligible donations made to public welfare undertakings by taxpayers.



6

- ◆ Taxpayers who obtain both comprehensive income and income from business operations may apply for a deduction of 60,000 yuan, special deductions, itemized deductions for specific expenditures, and other deductible items determined pursuant to law from either the comprehensive income or the income from business operations without repeated application for deductions.



“

2019 1 1 2023 12 31

TIPS

During the period from January 1, 2019, to December 31, 2023, foreign individuals eligible as resident individuals may choose to enjoy either itemized deductions for specific expenditures for individual income tax or the tax exemption policy for allowances for housing, language training, and children's education pursuant to the tax law. They shall not enjoy both benefits simultaneously.

Such a decision by a foreign individual shall not be changed within a tax year.

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中國稅務



THANK YOU

TAX

