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Ministry of Finance & Administration for Taxation

Notice on Corporate Income Tax Policy Concerning Equipment and Instruments Deduction

Caishui [2018] No. 54

To all Provinces, Autonomous Regions, Municipalities, Fiscal Bureau of Separately Listed Cities, State Taxation Bureaus, Local Taxation Bureaus and the Finance Bureau of Xinjiang Production and Construction Corps,

To encourage the investment of enterprises on equipment and instruments, the policy in relation to corporate income tax is hereby notified as below:

1. Equipment and instruments newly purchased from 1 January 2018 to 31 December 2020 with unit value no higher than RMB 5 million are allowed to be recognized as one-off current costs or expenses to offset taxable income when calculating corporate income tax and are not required to calculate depreciation on year basis. For equipment and instruments with unit value exceeding RMB 5 million, depreciation shall continue to be calculated in accordance with relevant provisions stipulated by the Implementation Regulation of Corporate Income Tax, Notice on Improvement of Corporate Income Tax Policy Relating to Fixed Assets Accelerated Depreciation jointly released by Ministry of Finance and State Administration of Taxation (Caishui [2014] No. 75) and Notice on Further Improvement of Corporate Income Tax Policy Relating to Fixed Assets Accelerated Depreciation jointly released by Ministry of Finance and State Administration of Taxation (Caishui [2015] No. 106).
2. Equipment and instruments mentioned in this notice refer to fixed assets other than tenement and buildings.

Ministry of Finance & Administration for Taxation

7 May 2018