

Provisional Regulations on Interest Income Tax

(Adopted at the 63rd Administrative Meeting of the Central People's Government on December 15, 1950, and promulgated by the Administrative Council on December 19)

Article 1 Anyone who has any of the following interest income within the territory of the country shall pay interest income tax in accordance with these Regulations, unless otherwise specified:

1. Interest income from deposits;
2. Interest income from public bonds, corporate bonds and other securities;
3. Income from interest advances from shareholders and employees to the business owner.

Article 2 The interest income tax rate is 5%, calculated and levied in proportion to the interest income.

Article 3 For interest income tax, the person who earns the interest shall be the taxpayer, and the person who pays or has paid the interest shall be the withholding agent.

Article 4 The following interest income shall be exempted from interest income tax:

1. Enterprise funds of educational, cultural, public welfare, and relief organizations or groups, all of which are used for the enterprise;
2. Interest income from lending money from the banking industry, its headquarters, branches, or inter-bank transactions;
3. Dividend income from investment in enterprises;
4. Income from interest on mutual loans between workers and peasants;
5. The interest income is less than 5,000 yuan each time.

For the interest income in the first period of the preceding paragraph, the depositor must submit the use certification documents to the tax authority for approval in advance, and then the withholding obligor shall keep it for future reference.

Article 5 The withholding obligor shall withhold the tax payable according to the prescribed tax rate every time the interest is settled, write a payment statement and hand it over to the treasury every five days, and send the withholding report form to the local tax authority check.

Article 6 In order to check whether the withholding obligor has withheld and paid tax in accordance with the regulations, the taxation authority may send personnel to randomly check the account books, vouchers and tax exemption certificates at any time, and the withholding obligor may not refuse.

Article 7 Withholding obligors who pay taxes by mistake or overpay may apply for tax refund within one month after payment; the tax authorities will refund the tax after the verification is true.

Article 8 A withholding agent who completes his withholding obligations in accordance with the provisions of this Act may withhold a handling fee of 1% of the amount of tax withheld each time the withholding agent is released.

Article 9 The withholding obligor who fails to withhold or withholds falsely for any reason shall be fined not more than five times the amount of tax that should be withheld or less than the withholding tax in addition to the recovery of the withholding tax.

Article 10 The withholding obligor who fails to provide account books and certificates in accordance with Article 6 shall be fined not more than 300,000 yuan.

Article 11 If the withholding obligor fails to pay the tax within the time limit, in addition to pursuing the payment within a limited period, a late fee of 1% of the tax payable shall be imposed on a daily basis. When necessary, the Ministry of Finance of the Central People's Government may increase or decrease the amount by order.

Article 12 These Regulations shall come into force on the date of promulgation.