

Aside from the agricultural surtax (about 20 per cent in 1952 and 22 per cent in 1957), the following urban surtaxes in East China were listed in the Decision: (1) surtax on the industrial and commercial taxes (10 per cent of business tax, income tax [on business profit], and license tax); (2) surtax on house and real estate (10 to 15 per cent); (3) surtax on public utilities (5 to 10 per cent on telephone, electricity, and water). The income from these surtaxes was to be used for administrative expenses by the ch'u (district) people's government or its superior organs. If necessary, subsidies might be granted to the hsien or municipal government by the provincial people's government. These surtaxes were to be deposited at the national depository. Surtax preferably should not be levied on electricity used for industrial purposes. Income from tuition fees in primary schools and from school properties should go to the local depository. No surtaxes should be levied without the approval of the regional government of East China.]

30. MF, Ch'uan-kuo ko-chi shui-wu chi-kuan chan-hsing tsu-chih kwei-ch'eng 全國各級稅務機關暫行組織規程 (Provisional regulations on the organization of tax bureaus at various levels in the nation), Jan. 27, 1950.^{42/}

1. The following regulations are enacted for the unification of tax organization. Tax bureaus of all levels throughout the nation shall be organized in accordance with these provisions.

2. The following tax organs at various levels shall be set up in the nation:

a. The Central Tax Bureau under the Ministry of Finance of the Central Government, with jurisdiction over the five provinces of Hopei, Shansi, P'ingyuan, Chahar and Suiyuan [the last three have since been abolished], and the tax administration of Peking and Tientsin Municipalities.

b. Regional tax control bureaus (in the regions of East China, Central-South China, Northeast China, Northwest China, Southwest China, and Inner Mongolia).

c. Tax bureaus in provinces, autonomous areas, or municipalities directly under the control of the central government or the Regional Administrative

Commission [abolished in 1953].

d. Tax bureaus of special districts and municipalities under the direct control of the provincial government.

e. Tax bureaus of hsien, Banners, municipalities, and towns.

f. Tax offices (at basic level).

Tax organs at different levels may, according to the requirements in tax administration, set up special tax bureaus, offices, collection teams, or assign tax collectors or resident collectors in factories, along railways, navigable rivers, mining districts, or other specific areas. The establishment of such tax offices must be approved by the tax bureau of the superior level. Tax bureaus in important cities may organize specialized tax offices according to the types of taxation.

3. The functions of the Central Tax Bureau, which is under the direction of the Ministry of Finance, Central Government, are as follows:

a. Drafting of tax laws and regulations.

b. Direction of the inspection and implementation of tax provisions.

c. Drafting of detailed rules for the collection of various taxes.

d. Preparation of tax collection plans, and their execution.

e. Organization and adjustment of tax organs, and the transfer, training, rewarding or punishing of tax organ personnel, and provision of welfare facilities for them.

f. Control of accounting in tax organs, and the preparation and distribution of tax documents.

g. Investigation, research, and compiling of statistics on the sources, collection, and effects of taxes.

h. Planning and guidance of the sale of commodities under government monopoly [chiefly cigarettes and wines].

4. To achieve a division of labor, there shall be the following departments (ch'u) and offices (shih) under the Central Tax Bureau: general office, planning office, personnel office, inspection office, departments of direct tax, commodity tax, local taxes, accounting.

With the exception of the inspection office, the various departments and offices may set up sections or sub-sections to carry out business.

Financial and Fiscal Programs

-231-

5. The Central Tax Bureau shall have one bureau director to take charge of bureau affairs, and one or two deputy directors to assist the bureau directors.

6. In the Central Tax Bureau there shall be a chief for each office or department. In each section there shall be a chief, two to four secretaries, and a certain number of inspectors, section clerks, and assistants. When necessary, there may be deputy chiefs for the office or department.

7. Regional tax control bureaus shall be under the direction of the Central Tax Bureau for the control of the tax collection and sales in government monopoly business [chiefly cigarettes and wines]. Under a regional bureau, there may be offices of secretariat, planning, and inspection, and departments of tax administration and accounting. The departments and offices, with the exception of the inspection office, may be sub-divided into sections or groups for business operations.

8. A regional tax control bureau shall have one chief and one deputy chief. Each of its offices and departments shall have one chief and two secretaries. In each section there shall be one section chief, and a certain number of inspectors, section clerks, and assistants. When necessary, the secretariat office may have a deputy chief.

9. The provincial tax bureau, under the direction of the Central Tax Bureau or the regional tax control bureau, shall manage the affairs of tax collection and government monopoly sale in a province. Under it, there may be the following sections and offices: secretariat, planning, personnel, direct tax, commodity tax, local tax, accounting, invoice and documents. inspection. Some of these sections and offices may, with the approval of the Central Tax Bureau or the regional tax control bureau, be combined or eliminated.

10. The provincial tax bureau shall have one chief, one secretary-general, two secretaries, and one chief inspector. Under each section there shall be one section chief and a certain number of inspectors, section clerks, and assistants.

11. Provincial tax bureaus shall, according to population, area, and revenue sources (of the province concerned), be classified into three

Financial and Fiscal Programs

-232-

categories: first-grade, with 75 to 100 employees; second-grade, with 50 to 70 employees; third grade, with 30 to 45 employees. The total number of personnel and their ranks (in a provincial tax bureau) shall be determined by the Central Tax Bureau or the regional tax control bureau, and reported for record to the Ministry of Finance.

12. The organization and personnel of tax bureaus for municipalities directly under the control of the central government, and of special tax bureaus under the direct jurisdiction of the Central Tax Bureau or the regional tax control bureau, shall be determined by their superior organ, to be approved by the Ministry of Finance.

13. Tax bureaus for special districts or municipalities under the jurisdiction of a province shall have one chief, one secretary, one personnel clerk, and a number of employees grouped under different sections. The total number of employees shall be between 15 and 25. Their organization shall be determined by the provincial tax bureau, and reported for file to the Central Tax Bureau or the regional tax control bureau. In provinces where there are no special districts, there shall be no tax bureau for special districts. In such a case, the provincial tax bureau may assign the tax bureaus in the key hsien to serve as guiding organs for tax bureaus in the nearby hsien.

14. The hsien tax bureaus shall be classified into three categories; each shall have one chief but no secretaries. The total number of personnel of a hsien tax bureau shall be between 10 and 20. Its organization shall be determined by the tax bureau of a special district, and reported for record at the provincial tax bureau. In a province where there is no special district tax bureau, its organization shall be determined by the provincial tax bureau.

15. The organization of municipal and town tax bureaus under the direct control of the special district tax bureau shall be determined by the latter, taking into account the organizational structure of the hsien tax bureau, and shall be reported for record to the provincial tax bureau.

16. Each (basic-level) tax office shall have one chief and a number of clerks with the specific tasks of tax investigation, registration, collection,

prevention of smuggling, reporting, and accounting. The total number of personnel in each tax office shall be between 3 and 10. Its organization shall be determined by the hsien tax bureau and reported for record to the tax bureau of the special district or province. In areas where tax revenues are large, special tax offices may be established, the organization of which shall be determined by the special district tax bureau upon the recommendation of the hsien tax bureau, and reported for record to the provincial tax bureau.

17. The provincial tax bureau and tax bureaus of municipalities under the direct jurisdiction of the central government may set up inspection teams, according to work requirements. Their personnel shall be approved by the Central Tax Bureau or the regional tax control bureau on the recommendation of the provincial or municipal tax bureau. These teams, whose task is to prevent smuggling, should be under the unified direction of the provincial or municipal tax bureau.

18. If changes in the structure or the number of personnel in a hsien tax bureau or a (basic-level) tax office are necessary, when they are within the approved organization the provincial or municipal tax bureau may make the desired adjustments. If such changes are not within the approved organization, they must be sanctioned by the Central Tax Bureau or the regional tax control bureau. The structure of the provincial and municipal tax bureaus and their subordinate organs shall be described and reported for record to the Central Tax Bureau by the regional tax control bureau or by the provincial or municipal tax bureaus which are under the direct control of the central government.

19. A tax bureau below the provincial level may, when necessary, take charge concurrently of the work of a tax bureau one level under it. This will enable the tax bureau concerned to familiarize itself with the work of its subordinate organ, gather experience, and increase efficiency. Bureaus which assume such concurrent tasks may, with the approval of a superior tax bureau, increase their number of employees.

20. The Central Tax Bureau, with the approval of the Ministry of Finance, may put certain provincial bureaus or important municipal bureaus (such as the Peking and Tientsin tax bureau) under its direct control for

efficiency in management.

21. The organization of the regional tax control bureau or any changes in it shall be determined by order of the Central Tax Bureau with the approval of the Ministry of Finance.

22. Tax organs at various levels listed in these Regulations shall all be under the guidance of the Ministry of Finance. For tax bureaus below the Central Tax Bureau, there are also the following provisions: The regional tax control bureau shall concurrently be under the direction of the Financial Bureau of the Regional Administration [abolished in 1954]. Tax bureaus below the provincial or municipal level shall concurrently be under the direction of the people's government at the corresponding level. Tax offices under the tax bureaus of hsien, Banner (provincial) municipalities, and towns shall concurrently receive supervision from the local ch'u (district) government [most ch'u have been abolished since 1957]. When there is a conflict of opinion between the government at the same level and the tax bureau at a superior level, the instructions of the superior tax organ shall be carried out.

23. Tax regulations of a national nature shall be drawn up by the Central Tax Bureau and promulgated after approval by the Ministry of Finance. These regulations shall also be reported for record to the GAC. Other tax regulations shall be drawn up and promulgated by the Central Tax Bureau and reported for record to the Ministry of Finance.

24. Organizational provisions for the Central Tax [Customs] College and the government monopoly sales shall be promulgated separately.

25. After the promulgation of these Regulations, other regulations and provisions regarding tax organs in various areas shall be abrogated.

26. These Regulations shall be implemented after their approval by the GAC of the central government. Revisions of these Regulations shall follow the same procedure.