

General Rules of Organization of the Democratic Review Committee for Industrial and Commercial Tax

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

Article 1 These General Rules are formulated in accordance with Article 23 of the Provisional Regulations on Industrial and Commercial Tax.

Article 2 All cities that collect industrial and commercial taxes by democratic review must organize an industrial and commercial tax democratic review committee (hereinafter referred to as the Democratic Review Committee) in accordance with these General Rules.

Article 3 The duties of the People's Review Committee are as follows:

- (1) Communicate the tax policies and laws of the People's Government;
- (2) Urge industrial and commercial businesses to report their own turnover and income, report false accounting, and expose fraudulent reporting;
- (3) Assess the turnover and income of industrial and commercial businesses and submit them to the tax authorities for tax calculation;
- (4) Accept applications for objections to public evaluation; re-evaluate unfair evaluations of various industries;
- (5) Assist tax authorities and urge industrial and commercial businesses to fulfill their tax obligations.

Article 4 The organization of the People's Review Committee shall be divided into the following three levels:

- (1) Municipal (County) Joint Democratic Appraisal Committee (hereinafter referred to as the Joint Appraisal Committee).
- (2) Industry-specific democratic evaluation committee (hereinafter referred to as the industry-specific evaluation committee).
- (3) Democratic review group.

For industries with a large number of households, a regional evaluation committee for that industry may be established under the sub-evaluation committee.

Article 5 The Joint Assessment Committee shall be under the leadership of the local people's government and shall handle the joint assessment of industrial and commercial taxes for various industries. The number of committee members shall be determined by the people's government based on the number of industries, businesses and households. The composition is as follows:

- (1) Ex-officio members: representatives of taxation authorities, industrial and commercial administration authorities and industrial and commercial associations.
- (2) Nominating Committee Members: Representatives nominated by various industries.
- (3) Appointed members: impartial individuals from the business community appointed by the local government. The Joint Evaluation Committee shall have one director and one to two deputy directors, who shall be appointed by the local government from among the members of the Joint

Evaluation Committee. There shall be a number of standing members, who shall be elected from among all members. The Joint Evaluation Committee may work in groups when necessary.

Article 6: The sub-assessment committees, under the leadership of the joint assessment committee, handle the industrial and commercial tax assessments for each industry. Their composition is as follows:

(1) The number of members of the sub-assessment committees shall be determined by the Joint Assessment Committee. Ex officio members include representatives of the tax authorities, representatives of the industry association, and members of the industry participating in the Joint Assessment Committee. The remaining members shall be democratically elected from the bottom up by the industry's large, medium, and small businesses. The number of members shall be reported to the Joint Assessment Committee for review.

(2) Each sub-assessment committee shall have one director and one to two deputy directors appointed by the joint assessment committee. The composition of the sub-assessment committees shall be subject to the provisions of the preceding two paragraphs.

Article 7: Review Groups, under the leadership of the Sub-Review Committee, directly handle the industrial and commercial tax reviews for the businesses in their respective groups. Each group shall have a leader and a deputy leader, who shall be elected by the businesses in their respective groups and reported to the Sub-Review Committee for approval.

Article 8 When a joint evaluation meeting or a separate evaluation meeting is held, relevant labor unions and other groups may be invited to appoint representatives to participate.

Article 9 If any joint evaluation committee member, sub-evaluation committee member or group leader is found to be partial, corrupt, or unfair in his or her work, anyone may report it. If the report is proven to be true, the member or group leader's position will be revoked and a new one will be elected.

Article 10: For industrial and commercial businesses that cannot be assessed, the Public Assessment Committee may request the tax authorities to directly determine the tax amount and notify the taxpayer to pay it.

Article 11: Industrial and commercial businesses that object to the assessed or determined tax amounts may apply for reconsideration to the Public Review Committee or the tax authorities. If dissatisfied with the reconsideration, they may appeal to the higher-level tax authorities. Regarding the reconsideration referred to in the preceding paragraph, in cities where a tax review committee is established, applications for reconsideration may be made to the established committee. The committee shall issue an opinion and submit it to the tax authorities or the Public Review Committee for review. If the applicant remains dissatisfied, he or she may appeal to the higher-level tax authorities.

Article 12 After each industrial and commercial tax review is completed, the local people's government shall declare it closed. If there is a need for it to continue, it may be extended.

Article 13: Cities may refer to the provisions of these General Rules when reviewing the periodic fixed-rate taxation.

Article 14 These general rules shall come into force on the date of promulgation.