6 | Tuesday, November 26, 2019 CHINA DAILY 🕈 🖺 🛭 🎎

P@LICY REVIEW

Cabinet pledges further tax relief

About 250 million taxpayers have benefited from cuts this year

By XU WEI xuwei@chinadaily.com.cn

he State Council pledged on Wednesday to continue reducing the tax burden on individuals by improving the individual income tax deduction mechanism, with experts urging more steps to reduce the burden on

middle- and low-income groups.

The Cabinet said in a statement after an executive meeting that it had adopted a temporary decision to exempt those whose aggregate annual income is no higher than 120,000 yuan (\$17,000) within a period of two years from the obligation to declare the settlement and payment of individual income taxes.

China rolled out steps to reform its individual income tax system last year, with measures including raising the earnings threshold for the collection of income tax from 3,500 vuan to 5,000 vuan a month, adjusting tax brackets and offering new

Deductions were offered for taxpayer expenditures in six areas: chileducation, continuing education, health treatment for serious diseases, interest on home loans, rent, and elderly care.

The Cabinet said in its statement that cuts to individual income tax in the first nine months of this year amounted to over 440 billion yuan, benefiting about 250 million taxpay-

The Ministry of Finance said last week that fiscal income from individual income tax was down 28.6 percent year-on-year in the first 10 months of the year.

The tax cuts have driven up domestic consumption, with sales revenue from the service sector in the first three quarters of the year up 16.2 percent year-on-year and sales revenue from e-commerce up 16.8 percent, the State Taxation Administration said.

The tax reform has helped balance income distribution and expand consumption. In the next step, the country will establish a tax collection regime based on the yearly income of individuals and better implement and further improve the additional deductions, the Cabinet said.

Edmund Yang, a partner focusing on tax services at accountancy firm PwC, said the latest measures unveiled by the State Council will benefit middle- and low-come groups as the country faces mounting downward pressure on its economy, even though details of the implementation of new policies are yet to be rolled out.

additional deductions reduced the burden on individual taxpayers and increased their takehome pay and disposable incomes,

"It was definitely a good start for



the income tax reform, especially for those with children to raise and parents to provide for," he said.

However, Yang said there is still room for the deduction policies to be better tailored to the needs of individual taxpayers.

He also urged the authorities to adjust the threshold for taxable income in line with the annual rise in the consumer price index.

"This year we have seen soaring prices of fruit and pork driving up the CPI, which substantially increased the expenditure of taxpayers. Thus it is important to take the CPI into account in future tax reforms" he said.

In the meantime, the authorities should come up with measures to diversify tax revenues via channels such as levying a property tax and an inheritance tax, he

The State Council meeting adopted a decision to tax only half of the individual income of seafarers who work for a period of at least 183 days within a tax year on seagoing ships.

The tax cut, effective until the end of 2023, is aimed at spurring the growth of shipping industries, the Cabinet said.

The policy has been well-received by the country's shipping companies. China COSCO Shipping said in a statement that more than 40,000 sailors it employs will be able to enjoy an average tax cut of 80 to 90 percent.

"It showcased the central government's concern for seagoing sailors, and will serve as a boost to the country's shipping sector," it said.

try of Commerce have issued the lat

est version of the national market

In a notice released online on Fri-

day, the ministries asked govern-

ments of all provinces and all central

government departments to imple-

ment the list earnestly and not set up

All kinds of market entities have

the right to enter businesses not on

the list equally and according to law,

the ministries said, and the authori-

ties must not require them to apply

for administrative approval to oper-

For businesses on the negative list,

access negative list.

their own lists.

ate such businesses.

More medicines should be

Priority will be given to medicines whose original and generic brands are priced very differently, as well as medicines whose generic brands have passed quali-

The authorities should also ensure the supply and quality of medicines obtained through centralized procurement. They should establish emergency reserves of the medicines and a system to report the production

Spot checks on brands that have won bids should be strengthened, and there should be a system to trace medicines,

The authorities should formulate and implement national regulations on the way hospitals prescribe and administer medicines, and encourage hospitals to use medicines that are on the national list of essential medicines and the medical insurance

and deal with unreasonable prescriptions according to law, monitor medicine prices regularly, and gradually optimize the pricing of medical services without increasing the burden on patients.

The State Council also called for reform of the ways medical insurance pays for medicines, so that generic brands that have passed evaluation will enjoy the same payment policy as their

POLICY RESPONSE

School discipline, fire safety among issues addressed

By WANG QINGYUN

wangqingyun@chinadaily.com.cr

Several ministry-level departments, including those responsible for education, commerce and emermanagement, recently responded to issues of public con-

Public comment sought on school discipline rules

The Ministry of Education published draft regulations on the ways primary and middle school teachers can discipline students on Friday and invited members of the public to give their opinions about them.

The purpose of the regulations, the draft says, is to make sure teachers fulfill their duties to teach and manage students, regulate the ways they



fulfill such duties, safeguard their dig nity and promote the healthy development of students.

Teachers have a right to apply proper discipline to students who violate school codes or the law, or engage in other behavior that hampers teaching activities, according to the draft.

Schools and government departments in charge of educational affairs should support teachers in properly exercising that right, while stopping them from violating students' lawful

The purpose of disciplinary actions should be to help students improve themselves. Teachers should decide the proper ways to discipline students, carry them out according to law, and must ensure students' safety.

The disciplinary actions teachers are allowed to apply to students who have engaged in minor violations include identifying them in public and criticizing them.

Disciplines for serious violations include suspending students from extracurricular activities, having them take a "time out" at school, and suspending them from classes for no more than a week

The draft also lays out the kinds of behavior teachers are forbidden to engage in. They include hitting or pricking students and other ways of inflicting physical pain, abusing students with words, discriminating against them, and punishing a whole class if some students have committed violations.

Nationwide fire prevention campaign launched

The State Council's Office of the Production Safety Commission has issued a notice ordering a nationwide fire prevention campaign until March, the Ministry of Emergency Management said on Nov 18.

The office has asked local authorities to examine labor intensive companies, entertainment venues, hotels, high-rise buildings, old people's homes and other places that need heightened vigilance against fire risks, and have them rectify any problems found.

They should also enhance examination of large commercial complexes, museums and cultural relics to eliminate such risks.

Small companies and family work-



shops are also targets of the cam-

The authorities should improve public knowledge about preventing and escaping from fires, and enhance the fire safety training of people in risky businesses, according to the notice. Fire risks are heightened in winter

and spring, the ministry said.

Over the past decade, there were 42.4 percent more fires in winter and spring than in summer and autumn. and winter and spring fires have killed about 70 percent more people than fires in summer and autumn, it

Ministries release latest market access negative list

The National Development and Reform Commission and the Minisinformation to market entities, including the procedures they need to go through to get approval for run-

the authorities should provide clear ning such businesses

The authorities should follow market feedback closely, detect and remove unreasonable restrictions on market access and create a stable, fair, transparent and predictable business environment, the ministries said, urging them to come up with advice to improve the market access negative list system.

population by 2050

Plan to tackle aging

Policy digest



A medium- and long-term plan to tackle population aging has been issued by the Commu-nist Party of China Central Committee and the State Council, Xinhua News Agency reported on Thursday.

Aging of the population will remain a basic condition for China for a long time to come, the plan said, and tackling it is necessary to achieve quality economic growth and an important step for maintaining national security and social stability.

The plan aims to come up with a mature system to tackle population aging by around 2050, and has laid out tasks in five areas.

The first is improving the national income distribution system and steadily increasing the financial resources reserved for elderly care. The country should also develop a social security system that is more fair and sustaina-

The second is to enlarge labor supply by improving the overall quality of the country's human resources. The measures include building a system of lifelong learning. The country should make better use of human resources. enhance the quality of jobs and expand employment.

The third is to provide quality services and products for elderly people. The country should set up a health service system for elderly people that covers health education, prevention, disease diagnosis and treatment, rehabilitation, long-term care and hospice care.

The fourth is strengthening science and technology innovation. The plan calls for implementing the innovation-driven development strategy and making China's economy and industries more intelligent. Science and technology innovation should become the country's "primary driving force" to tackle population aging, the

The fifth is nurturing a social environment that ensures elderly people are respected and taken care of properly. The legal system should be improved to protect the lawful rights of seniors, among

Support for centralized medicine procurement

included in centralized procurement so they can be purchased in large quantities at lower prices, the State Council decided at an executive meeting on Wednesday.

ty evaluations.

capacity of medicine producers.

among other measures

They should also investigate

original counterparts.

WANG QINGYUN