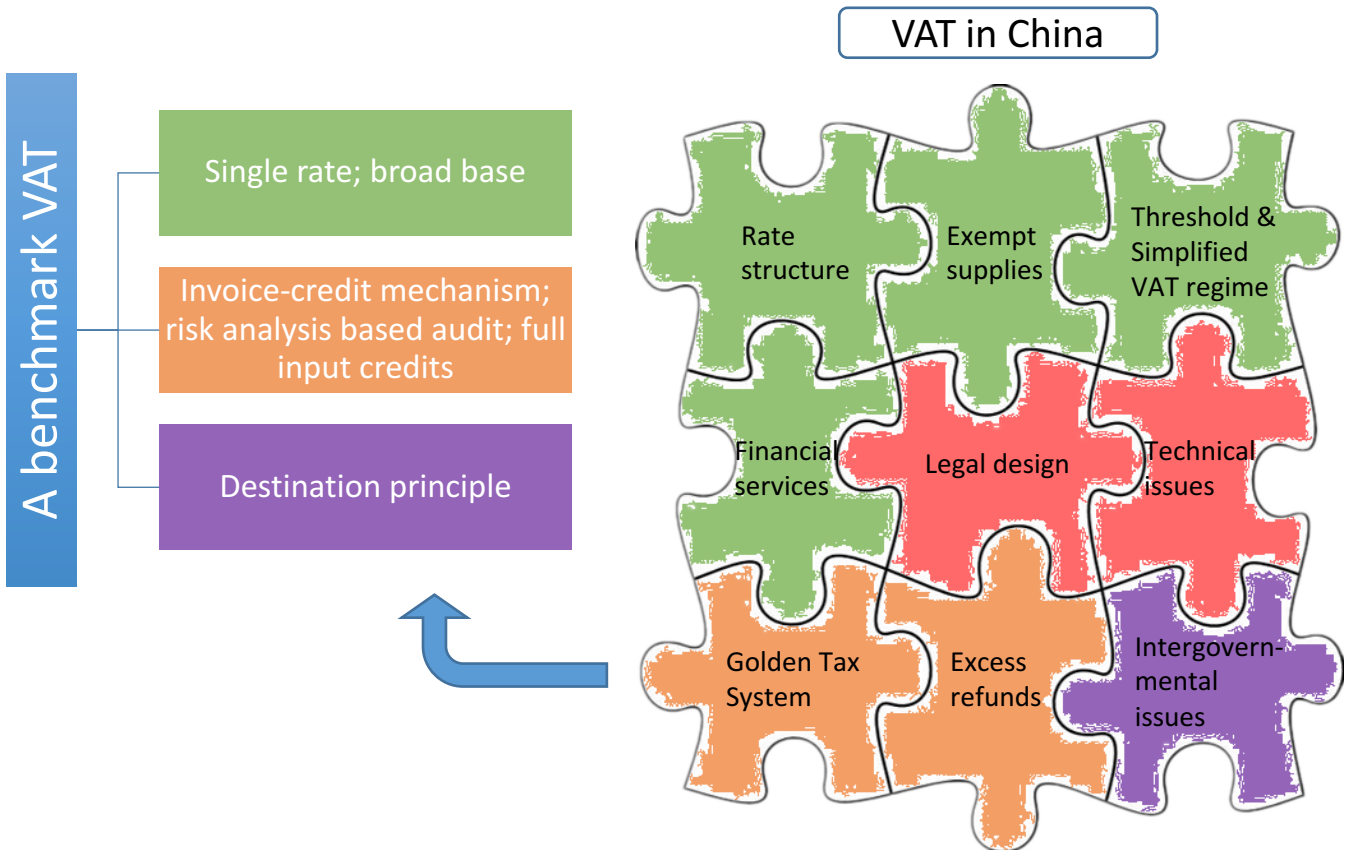


AN IDEAL VAT FOR CHINA

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VAT Reforms in China

1994

- “Production-type” VAT
- VAT with limited input tax credits on goods (services taxed separately under turnover tax)

2009

- “Consumption-type” VAT
- VAT with full input tax credits on goods (services taxed separately under turnover tax)

2012-2016

- Single VAT (turnover tax on services merged into VAT on goods)

Aims

- examine the effectiveness of existing VAT laws and practice in China,
- review the political and economic determinants of Chinese VAT policy,
- explore how China can move closer to the “best VAT practice” while recognising its unique legal, political and economic environment.

Research questions

- What further VAT reforms are needed in China?
- Can Chinese experience provide lessons for developing & transitional economies?