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CENTRAL INTELLIGENCE AGENCY

REPORT

50X1-HUM

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COUNTRY China

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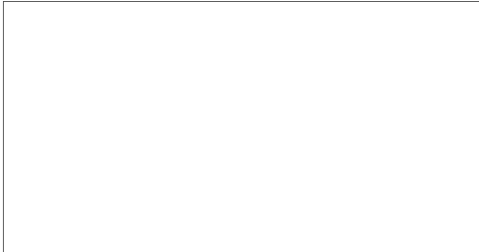
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CHINESE COMMUNIST AGRICULTURAL TAX RATES
AND TAX LEVYING OPERATIONS



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A. Rate Schedule

1. Poor peasants -- 10 percent of principal crops
2. Middle-class peasants -- 15 percent of principal crops
3. Rich peasants -- 25 percent of principal crops
4. Landlords -- 50 percent of principal crops
5. Special households

B. Local Surtaxes

In 1950 and 1951, an additional levy of 15 percent and 20 percent respectively on the amount of agricultural taxes paid to the Central People's Government, was imposed.

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C. Method of Levying Taxes

1. Survey and determine the boundary and area of each farm
2. Estimate the yield of a farm
3. Determine the class status of each farmer
4. Take a census of the number of persons in each household occupying a farm
5. Calculate the tax according to the applicable rate

D. The Real Situation in Levying of Taxes

In the levying of taxes according to rate, the following are the actual principles followed:

1. The size of the farm is reported as larger than the actual size.
2. The yield is estimated at a higher figure than the actual figure.
3. Farmers are classified in a higher status than their actual status, and thus pay a higher rate
4. Errors are made in the census

E. Actual Tax Burden of Peasants

1. Middle-class peasants -- 50-80 percent of principal crop
2. Rich peasants, landlords, and special households -- 80-100 percent of principal crop

F. Examples

1. According to the confession of Tu Wen-hua, magistrate of Chiang-ching Hsien in Hopeh, the area of farm land in the entire hsien was overestimated by 23,511 mou, and the productivity of each mou was overestimated by 19.5 catties. The census was also wrong. Consequently, the grain tax on each mou was 38 catties, which was equivalent to 50 percent of the crop.
2. The Finance Office of Kwangtung Province admitted that some officials [always?] divided one half of what they levied among themselves, while others divided one half of what they collected during the fall season.
3. Some officials did not collect from certain households, while others did not care how much they collected.
4. Some officials decided that each mou of land should pay approximately 1,000 catties while others stipulated that each person should pay approximately 1,000 catties. In general, the tax burden was borne by poor peasants and hired farm hands.

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