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SECURITY INFORMATION
CENTRAL INTELLIGENCE AGENCY
INFORMATION FROM
FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT
CD NO.

COUNTRY China
SUBJECT Economic - Agriculture, tax regulations
HOW PUBLISHED Daily newspaper
WHERE PUBLISHED Hankow
DATE PUBLISHED 29 Oct 1951
LANGUAGE Chinese

DATE OF INFORMATION 1951
DATE DIST. 10 Mar 1952
NO. OF PAGES 6
SUPPLEMENT TO REPORT NO.

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SOURCE Ch'ang-chiang Jih-pao.

WUHAN GOVERNMENT ISSUES AUTUMN AGRICULTURAL TAX REGULATIONS

A set of regulations governing tax collection for 1951 in nonland reform suburban areas has been issued by the Wuhan Municipal authorities. Rice or cash are the legal tender to be accepted. Other crops may be converted into terms of rice. The regulations describe the means of classification for purposes of assessment, exemptions for special classes, methods of computation and assessment for family groups. A basic exemption per capita of 120 shih chin (one shih chin equals 1.1 pounds) is allowed. Above that the tax is progressive running from 3 percent to a maximum of 42 percent. A table of rates is appended.

The Wuhan Municipal Government, on 26 October 1951, issued a set of regulations governing tax collection from farmers in the suburbs of the municipality. The regulations, which follow, are based on an earlier set of provisional regulations issued by the Central and South China Military and Administrative Committee.

1. These regulations apply to areas where land reform has not been carried out.
2. Autumn tax collection shall be carried out in detail according to these regulations in areas where land reform has not been carried out.
3. There will be only one collection of agricultural tax in 1951 (autumn) and all taxes shall be collected in rice or its equivalent value in cash.
4. These regulations apply to the suburban areas of Hankow, Han-yang, and Wu-ch'ang. (The agricultural tax will be substituted for the ground-production tax in all Hankow suburbs but not in other areas.)

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5. The ground unit for taxation purposes shall be the shih mou of 60 square shih chang. Where recent surveys have not been made, old terminology such as shih and tou may be converted into modern units [one shih mou equals 0.1647 acres].

6. Soil classification and annual agricultural production norms for various areas shall be determined by investigation by the people under direction of the hsiang (ts'un) magistrates (according to the standards already promulgated) and democratic decisions.

7. In the Wuhan area, rice shall be considered the standard crop. The production standard for other market crops such as beans, wheat, hemp, sweet potatoes, and green vegetables shall be set in accord with norms for similar land in surrounding areas. Lotus plots and ponds shall be considered on the same basis as other crops.

8. The following assessment regulations are based on Regulations 4 and 5 of the Central and South China provisional regulations.

a. No assessment shall be made against uncultivated grounds connected with buildings, paddy plots, uncultivated mountain areas, cemeteries, ponds, and grass plots yielding no income.

b. Public grounds, experimental plots, irrigation projects in progress, woods, plant nurseries, lotus and fish ponds, etc., registered with the municipal or higher authorities shall be exempted or partially exempted.

c. Unproductive river banks and sand banks shall not be assessed, but such areas shall be assessed when they are productive.

d. Although the present general plan is not to open new land to cultivation, either wild or fallow land under cultivation where it does not interfere with municipal expansion plans, and for which cultivation the municipal authorities have given permission, shall be exempted (under the law of 1950 granting 5 years' tax exemption for wild land and 3 years for fallow land opened to cultivation). However, those who through laziness permit such land to go uncultivated shall be taxed.

9. Those who have clear evidence that they are unable to pay tax because of calamities may be exempted as provided by the Provisional regulations of Central and South China Military and Administrative Committee, referred to above, as follows:

<u>Crop Loss</u>	<u>Exemption</u>
Under 20%	None
21-30%	20%
31-40%	30%
41-50%	40%
51-60%	60%
61-70%	80%
over 70%	100%

10. Railway right-of-way land, when cultivated, shall be taxed or exempted according to the regulations of the Central People's Government governing such cases.

a. The land within 30 meters on each side of the tracks of a double-tracked railway and within 20 meters on each side of a single-tracked railway (except when the roadbed is 3 meters or more above the level when the lateral

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distance may be extended) belongs to the railway and whether the railway cultivates it or rents it out, it is exempted from tax. This applies whether or not the tracks have been laid if the grading has been done.

b. When a railway or highway (national or provincial) right of way has been surveyed, but not yet taken over, the original cultivator or his leaseholders may continue to cultivate it and pay the prescribed tax. When a railway or highway has taken possession of the ground of a right of way, but has not begun construction and rents it out, it shall pay 20 percent of the rent as tax. The renter shall pay tax on his income at the usual rate.

11. Every individual in all families whose chief income is from agriculture shall be counted as one unit irrespective of age or sex. The number of people recorded in the tax-census register shall be the number counted. When changes occur, adjustments may be made at the time of the next collection.

Students receiving half their support from public funds and those attending short-term local cadre training courses shall be counted with their own agricultural family unit, but students wholly supported from public funds may not be counted with their own agricultural family.

12. In accordance with the 14th provision of the provisional regulations intended to encourage breeding of work animals, 15 catties of the tax grain may be deducted for each animal used in farming. No deduction shall be allowed for nonworking stock.

13. For tax purposes the family shall be considered a unit. The total family income shall be divided by the actual number of persons in the family considered as agriculturists taking into consideration the exceptions mentioned above to find the per capita income. A blanket exemption of 120 catties shall be allowed for each individual. No tax may be collected where the individual income is less than 120 catties. At the same time that general grain tax is collected, a surtax of 20 percent of the amount of the general tax shall be collected for local government expenses. No other surtax may be collected.

14. Where rented land is in scattered plots, the tax shall be computed in accordance with conditions where the landowner lives. If this cannot be done then, the tax should be computed for each family member separately.

15. The respective tax to be levied against a landowner and his renter shall be assessed in accord with Regulation 17 of the provisional regulations on agricultural taxation after rent reduction and collected according to the sliding scale. The landowner's portion of the tax can be collected from the renter and he can recover it when he pays his rent.

In case a landowner voluntarily announces to the government his intention to renounce his rent or makes such an agreement with the cultivator, the cultivator shall no longer receive the customary 20 percent discount allowed a renter. The cultivator's income from renter land and his own land shall be lumped together and the tax computed on the total.

16. When a renter reports hidden land belonging to his landlord, he shall be entitled to a complete exemption from tax on that portion of his crop grown on such revealed land for the year in which he revealed it. The purpose of this revision is to encourage such revelations. The landowner shall pay tax at the regular rate on his income from such revealed land. The tax shall be collected from the renter but shall be recovered by him when he pays his rent.

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17. When middle-class and poor farmers voluntarily answer the call of the government to declare formerly unregistered land, they shall not be assessed for back taxes; and, for 1951, they may pay at the old flat rate rather than at the current progressive tax rate. However, if other persons reveal hidden land belonging to the above classes they shall pay [1951] taxes at the progressive tax rate. When landlords or wealthy peasants voluntarily reveal their hidden land, they shall not be pressed to pay back taxes on such land, but they shall be assessed at the progressive tax rate for their current tax.

18. Land being administered by the local peasants' association and cultivated by the association shall be taxed at 13 percent of its normal production. When rented out either at a fixed rent or on a share-crop basis, the association shall pay a tax of 15 percent of its income from the land. When the land is worked by an agriculturist (and he receives the whole income from it) his tax shall be computed in conjunction with that on his own land.

19. Members of families of revolutionary heroes, soldiers, and workers, as well as orphans, widows, and handicapped persons in poor circumstances who are unable to work all their land and consequently rent out a small amount, if they still are unable to pay their tax after receiving the preferential treatment due them, may apply to the hsiang peasants' association for an adjustment by the tax review committee. If the ch'u government passes the recommendations of the committee the petitioners may receive a further exemption of 100 catties per person. If payment on this basis should still involve a great hardship a still further reduction or total exemption may be made.

20. In case those who lack labor power to work their own land have a combined annual income from their rented land and that which they work themselves of less than 500 catties of standard grain [rice] per capita, the tax on their income from rent may be handled on the 100 catties equals 100 catties basis. [There is nothing in these regulations to indicate the meaning of this phrase "100 catties equals 100 catties."]

21. The following steps should be followed in carrying out the tax-collection program:

a. The ch'u authorities shall lead out in the collection work in each ch'u.

b. A mass meeting shall be called to explain the law in order to obtain true declarations in the census of persons, acreage, classification, and number of work animals.

c. An investigation and adjustment committee shall be organized, consisting of from nine to 13 persons from all classes [of peasants], with the hsiang magistrate or chairman of the peasants' association as chairman. The committee's duties shall be to propagandize the policy, verify the census of persons and the acreage, and number of work animals and rental connections. They shall also decide on land types and classifications, compile statistics, give direction to the village adjustment committees in seeing that tax grain reaches the warehouses, and check the quality of the tax grain.

d. A democratic review of the people's report on the census, the amount of acreage, and land classification shall be conducted and the results posted in a public place.

e. A mass meeting to discuss the land classification for the hsiang (ts'un) shall be held and the normal production figure democratically set up for each type of land in accordance with government standards. A draft tax assessment shall be made up for reference to the ch'u authorities for approval.

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f. After the ch'u authorities have passed on the draft, the assessments for each tax-paying family shall be calculated. Then a conference shall be called to notify the taxpayers to pay the tax as calculated by a specified time. If any taxpayers are dissatisfied with the assessment, they may appeal for reconsideration, but in the meantime they should pay the tax according to the original assessment within the specified time limit. After a regular investigation of the matter an adjustment may be made if called for.

g. The tax grain delivered should have been thoroughly dried and cleaned, no adulteration of water or other substance is permitted. If the grain does not meet the standards, it must be replaced by standard quality grain.

h. If cash is to be substituted for rice in paying the tax, the conversion rate shall be the purchase price of the China Grain Company, as published in the Ch'ang-chiang Jih-pao for the day of the transaction. If the above newspaper is not delivered in the area concerned on the day of publication, the price indicated in the previous day's issue may be used in order to avoid delaying the people in making payment.

i. After receiving notice of his assessment and the final payment date, the taxpayer should take the grain (if he is paying in rice) to the warehouse designated for him by the ts'un authorities. If he wishes to pay cash, he should pay it to the designated agency. Whether he pays in rice or cash he is entitled to an official receipt.

22. Before collection begins, a time limit for delivery should be set for each village. If grain is collected, weighing and preservation should be arranged for. If cash is received, proper reckoning and accounting and prompt handling and receipting should be carried out in order that there be no delay in agricultural operations.

23. Storehouses should be provided with people to operate them. The cash received should come into the municipal treasury promptly.

24. When the tax collection is finished, each hsiang (ts'un) should fill out and turn in the proper report forms.

25. These regulations shall be effective when passed by the Central and South China Military and Administrative Committee.

Table of Progressive Tax Rates

This following table is based on standard grain [rice]. The unit is shih chin. This tax rate table follows a sliding scale from the base upward. For example, the tax on 200 shih chin equals 200 times and amounts to 8 shih chin. The rates set in this table do not include surtax for local government purposes.

<u>Class</u>	<u>Annual Per Capita Agricultural Income of Each Member of Family (shih chin)</u>	<u>Tax Rate (%)</u>
	Under 120	No tax
1	121-190	3
2	191-230	4
3	231-270	5
4	271-310	6
5	311-350	7
6	351-390	8

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<u>Class</u>	<u>Annual Per Capita Agricultural Income of Each Member of Family (shih chin)</u>	<u>Rate (%)</u>
7	391-430	9
8	431-470	10
9	471-510	11
10	511-550	12
11	551-610	13
12	611-670	14
13	671-730	15
14	731-790	16
15	791-850	17
16	851-910	18
17	911-990	19
18	991-1,070	20
19	1,071-1,150	21
20	1,151-1,230	22
21	1,231-1,310	23
22	1,311-1,390	24
23	1,391-1,490	25
24	1,491-1,590	26
25	1,591-1,690	27
26	1,691-1,790	28
27	1,791-1,890	29
28	1,891-1,990	30
29	1,991-2,110	31
30	2,111-2,230	32
31	2,231-2,350	33
32	2,351-2,470	34
33	2,471-2,590	35
34	2,591-2,710	36
35	2,711-2,850	37
36	2,851-2,990	38
37	2,991-3,130	39
38	3,131-3,270	40
39	3,271-3,410	41
40	Above 3,411	42

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