

《中国延长减税鼓励农村金融》

China announced Tuesday it will continue tax breaks for financial institutions lending to rural households to support the development of financial services in the countryside.

Financial institutions will be exempt from value-added taxes for interest income from small loans to rural households from January 1, 2017 to December 31, 2019, according to a notice from the Ministry of Finance and the State Administration of Taxation.

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In addition, only 90 percent of such income will be subject to income taxes, according to the notice.

Similarly, only 90 percent of insurance firms' premium income from policies sold to rural agricultural businesses will be taxable.

Under the preferential tax policy, small loans refer to loans of no more than 100,000 yuan (14,713 U.S. dollars) borrowed by a rural household at one time. Total outstanding loans for the household should also not exceed 100,000 yuan.

Outstanding loans to China's rural sector stood at 29.23 trillion yuan as of the end of the first quarter this year, up 8.9 percent year on year, according to the central bank.

(Source: Xinhua)