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## PRESS RELEASE

### The State Council's Principally Passes Vehicle And Vessel Tax Law

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The executive meeting of the State Council on 12th October discussed and principally passed The Vehicle and Vessel Tax Law of the PRC (Draft). The meeting decided, after further amendment of the draft, that will be submitted by the State Council to the Standing Committee of the National People's Congress for consideration. It is reported that the new policy of vehicle and vessel tax is mainly in the following aspects: passenger vehicles shall collect taxes according to 7 levels, the tax burden on passenger vehicles with less than 1.0 litre of emission volume shall be alleviated, tax on main vehicle type shall be properly raised, and tax on vehicles with large emission volume shall be sharply increased. The purpose of implementing progressive tax by collecting taxes according to different emission volumes is to encourage the development of vehicles with small emission volumes and to guide consumers to save energy and reduce emissions.

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