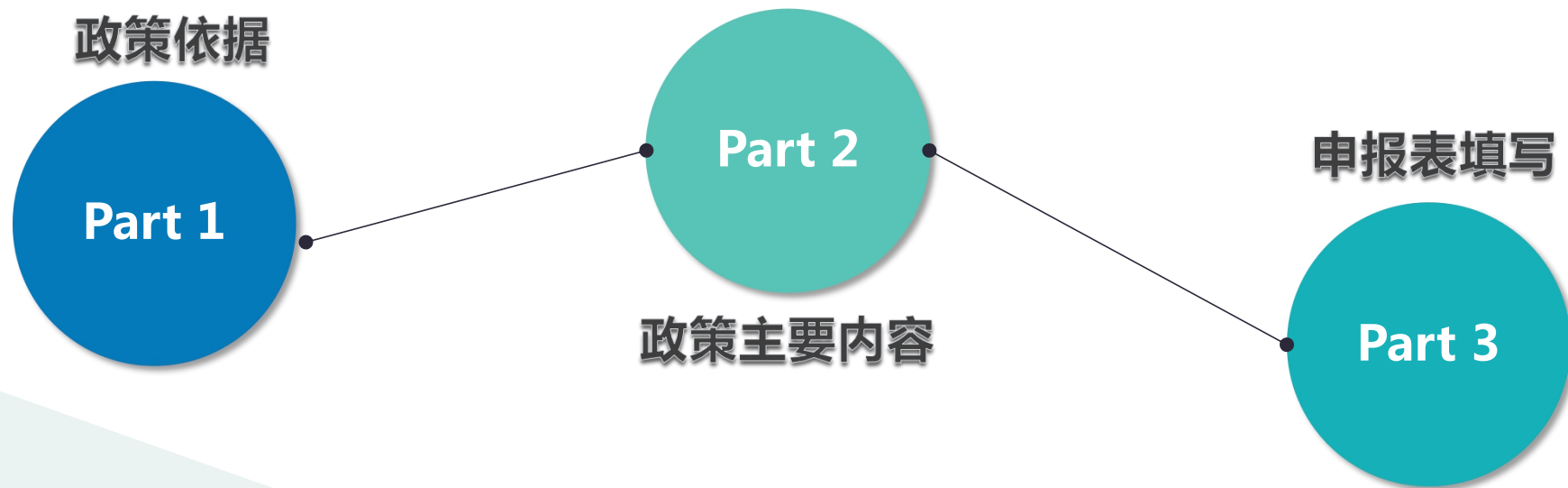


Enterprise Tax Lecture Hall

Special topic on accelerated depreciation of fixed assets and one-time pre-tax deduction policy


Guangzhou Huadu District Taxation Bureau of State Administration of Taxation

Table of Contents /CONTENT



Part1. Policy Basis

- Article 32 of the Enterprise Income Tax Law of the People's Republic of China;
- Article 98 of the Implementation Regulations of the Enterprise Income Tax Law of the People's Republic of China;
- The State Administration of Taxation's Notice on Issues Concerning the Tax Treatment of Accelerated Depreciation of Enterprise Fixed Assets (Guoshui Fa [2009] No.81);
- The Notice of the Ministry of Finance and the State Administration of Taxation on Further Encouraging Enterprise Income Tax Policies for Software and Integrated Circuit Industry Development (Cai Shui [2012] No.27);
- Announcement of the State Administration of Taxation on Issues Concerning Accelerated Depreciation Tax Policy for Fixed Assets (Announcement of the State Administration of Taxation [2014] Document No.64) and the "Notice of the Ministry of Finance and the State Administration of Taxation on Improving the Accelerated Depreciation Policy for Fixed Assets in Corporate Income Tax" (Cai Shui [2014] No.75);
- The "Notice of the Ministry of Finance and the State Administration of Taxation on Further Improving the Accelerated Depreciation Policy for Fixed Assets in Corporate Income Tax" (Cai Shui [2015] No.106) and the "Announcement of the State Administration of Taxation on Issues Concerning the Further Improvement of the Accelerated Depreciation Policy for Fixed Assets in Corporate Income Tax" (Announcement No.68 [2015] of the State Administration of Taxation);

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- Notice of the Ministry of Finance and the State Administration of Taxation on Corporate Income Tax Policies for Deductions of Equipment and Instruments (Cai Shui [2018] No.54)
 - Announcement of the State Administration of Taxation on Issues Concerning the Implementation of Corporate Income Tax Policies for Deductions of Equipment and Instruments (Announcement No.46 of 2018)
 - Announcement of the Ministry of Finance and the State Administration of Taxation on Expanding the Scope of Application of Preferential Policies for Accelerated Depreciation of Fixed Assets (Announcement No.66 of 2019)
 - Announcement of the Ministry of Finance and the State Taxation Administration on Tax Policies to Support the Prevention and Control of COVID-19 (Announcement No.8, 2020)
 - Announcement No.4 of 2020 by the State Taxation Administration on Tax Collection and Administration Measures for COVID-19 Prevention and Control
 - Announcement of the Ministry of Finance and the State Administration of Taxation on Extending the Implementation Period of Some Preferential Tax Policies (Announcement No.6 of 2021 of the Ministry of Finance and the State Administration of Taxation)
 - Announcement of the Ministry of Finance and the State Administration of Taxation on Extending the Implementation of Some Preferential Tax and Fee Policies in Response to the Epidemic (Announcement No.7, 2021 of the Ministry of Finance and the State Administration of Taxation)

Part2.政策主要内容



1. Accelerated depreciation of fixed assets

2. One-Time Pre-Tax Deduction of Fixed Assets

1. Accelerated Depreciation of Fixed Assets

(1) Scope of Accelerated Depreciation of Fixed Assets

1 、 Applicable to All Industries

(1) Major or key fixed assets used in production and operation:

- 1 、 Due to technological progress, the product is updated rapidly;
- 2 、 It is in a state of strong vibration and high corrosion all the time.

(2) Instruments and equipment specially purchased by enterprises in all industries after January 1, 2014 for research and development with unit value of more than 1 million yuan.

(3) The software purchased by the enterprise, which meets the conditions for the recognition of fixed assets or intangible assets, can be accounted as fixed assets or intangible assets, and the depreciation or amortization period can be appropriately shortened, and the minimum period can be 2 years (inclusive);

The depreciation life of the production equipment of the integrated circuit production enterprise may be appropriately shortened, and the minimum depreciation life may be 3 years (inclusive).

1. Accelerated Depreciation of Fixed Assets

(1) Scope of Accelerated Depreciation of Fixed Assets

Special equipment manufacturing for biological medicine manufacturing, railway, ship, aerospace and enterprise transportation equipment manufacturing

Karma

Computers, communications and other Electronic equipment manufacturing, instrument manufacturing, information transmission, software and information technology services

2、 Six Major Industries

Enterprises in 6 major industries purchased new fixed assets after January 1, 2014.

Small and low-profit enterprises in six major industries that purchase instruments and equipment with a unit value of more than 1 million yuan for research and development and production and operation after January 1, 2014.

1. Accelerated Depreciation of Fixed Assets

(1) Scope of Accelerated Depreciation of Fixed Assets

3、 Four major industries

light industry
cottonocracy

Machinery
automobile industry

Enterprises in the four major industries purchased new fixed assets after January 1, 2015.

Small and low-profit enterprises in the four major industries that purchase new instruments and equipment with a unit value of more than 1 million yuan for research and development and production and operation after January 1, 2015.

1. Accelerated Depreciation of Fixed Asset

(1) Scope of accelerated depreciation of fixed assets

4、 Manufacturing Industry

(manufacturing,
information trans-
mission, software
and information
technology
services)

New fixed assets purchased in the manufacturing sector from January 1, 2019.

1. Accelerated Depreciation of Fixed Assets

(2) The method of accelerated depreciation of fixed assets

For the new fixed assets purchased, the minimum depreciation life shall not be less than 60% of the depreciation life stipulated in Article 60 of the Implementation Regulations;

For the purchase of used fixed assets, the minimum depreciation life shall not be less than 60% of the remaining life after deducting the used life from the minimum depreciation life stipulated in the Implementation Regulations. Once the minimum depreciation life is determined, it shall generally not be changed.

1. Shorten the Depreciation Life



1. Accelerated Depreciation of Fixed Assets

(2) The method of accelerated depreciation of fixed assets

(1) The Double-Declining Balance Method is an approach to calculate depreciation of fixed assets without considering the estimated residual value. It involves subtracting the accumulated depreciation from the initial cost of the fixed asset at the beginning of each period, then applying twice the straight-line depreciation rate. When using this method, since the net book value of fixed assets at the beginning of each year does not deduct the estimated residual value, the remaining balance after subtracting the estimated residual value should be evenly amortized over the two years prior to the end of the depreciation period. The calculation formula is as follows:

$$\text{Annual depreciation rate} = 2 \div \text{projected service life (years)} \times 100\%$$
$$\text{Monthly depreciation rate} = \text{annual depreciation rate} \div 12$$

$$\text{Monthly depreciation} = \text{Beginning book value of fixed assets} \times \text{Monthly depreciation rate}$$



2. Accelerated Depreciation

(2) The sum-of-the-years'-digits (SYD) method, also known as the 年限合计法, calculates annual depreciation by multiplying the residual value of fixed assets (original cost minus estimated residual value) by a fraction. This fraction has the remaining useful life of the asset as the numerator and the sum of annual digits from the estimated useful life as the denominator. The formula is as follows:

$$\text{Annual depreciation rate} = (\text{Remaining useful life} \div \text{Total estimated useful life}) \times 100\%$$

$$\text{Monthly depreciation rate} = \text{Annual depreciation rate} \div 12$$

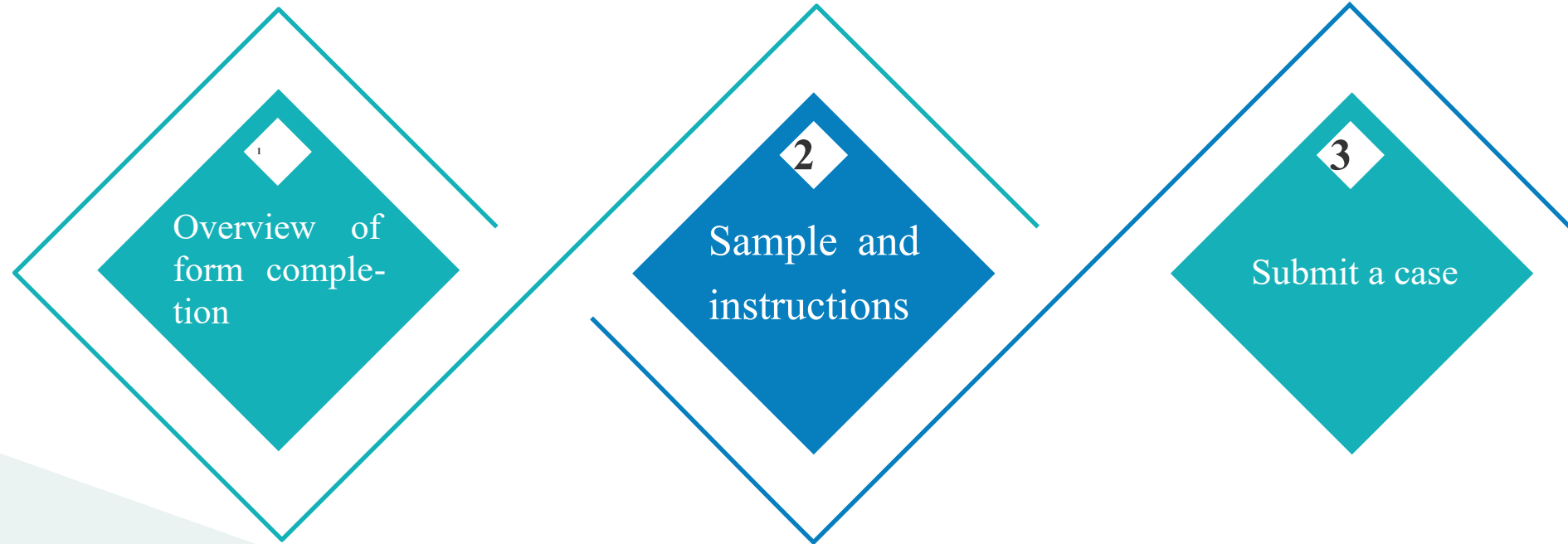
$$\text{Monthly depreciation} = (\text{Original value of fixed assets} - \text{Estimated residual value}) \times \text{Monthly depreciation rate}$$

2. One-Time Pre-Tax Deduction of Fixed Assets

Order number	Policy document	E-time	Unit price (RMB)	Asset type	state	Use	Applicable taxpayer
1	Announcement No.64 of the Ministry of Finance and the State Administration of Taxation on Improving the Corporate Income Tax Policy for Accelerated Depreciation of Fixed Assets (Cai Shui [2014] No.75)	Since 2014	≤ 5 k	Fixed assets	Hold	Unlimited	All industries
2		Since 2014	≤ 1 million	Instrumentation	Newly purchased	R&D Dedicated	All industries
3		Since 2014	≤ 1 million	Instrumentation	Newly purchased	Shared research, development and production	Six small and low-profit industries
4	Announcement No.68 of the Ministry of Finance and the State Administration of Taxation on Further Improving the Corporate Income Tax Policy for Accelerated Depreciation of Fixed Assets (Cai Shui [2015] No.106)	Since 2015	≤ 1 million	Instrumentation	Newly purchased	Shared research, development and production	Small and low-profit in four major areas
5	"Notice of the Ministry of Finance and the State Taxation Administration on Corporate Income Tax Policies for Deductions of Equipment and Instruments" (Cai Shui [2018] No.54), "Announcement of the Ministry of Finance and the State Taxation Administration on Extending the Implementation Period of Certain Tax Incentives" (Announcement No.6 [2021] of the Ministry of Finance and the State Taxation Administration)	2018-2023	≤ 5 million	Equipment	Newly purchased	Unlimited	All industries

Order Number	Policy document	E-time	Unit price (RMB)	Asset type	state	Use	Applicable taxpayer
6	Announcement No.8 (2020) of the Ministry of Finance and State Taxation Administration on Tax Policies for COVID-19 Prevention and Control, and Announcement No.7 (2021) on Extending Certain Tax Incentives for Pandemic Response	From 2020 to March 31,2021		New equipment purchased to expand production capacity	Newly purchased	Enlarge production capacity	Enterprises producing key materials for epidemic prevention and control

Part3. Filling out the Declaration Form



I. Overview of Form Filing

- The tax declaration for the 2021 annual enterprise income tax settlement and clearance applies to **the Announcement of the State Administration of Taxation on Matters Related to the Annual Settlement and Clearance of Enterprise Income Tax** (Announcement No.34 of 2021 of the State Administration of Taxation)

- Taxpayers handling matters related to "accelerated depreciation of fixed assets and one-time pre-tax deductions" should complete the required forms.

Schedule A105080: Detailed Statement of Asset Depreciation, Amortization and Tax Adjustments

II. Form Template and Instructions for Completion

A105080

Detailed Statement of Asset Depreciation, Amortization, and Tax Adjustments

Line No	Project		Account amount			Tax amount				Pay taxes Adjust Amount of money
			Initial asset value	Deprecia- tion and amortiza- tion for the year Foreh- ead	Accumul- ated Depre- ciation and Amortizat- ion Foreh- ead	Tax- able Assets Foundat- ion	Tax dep- reciation and amor- tization Foreh- ead	Depreciation and amorti- zation amounts calculated under general tax provis- ions for assets benefiting from accelerated depreci- ation policies	Speed up Old, Spread Sales statistics	Accumula- ted Depre- ciation and Amortizat- ion
			1	2	3	4	5	6	7 = 5-6	8
1	1. Fixed Assets (2+3+4+5+6+7)							*	*	
2	All fixed assets	(i) Houses and buildings						*	*	
3		(2) aircraft, trains, ships, machines, machinery and other production equipment						*	*	
4		(3) Instruments, tools, furniture and other equipment related to production and business activities						*	*	
5		(4) means of transport other than aircraft, trains and ships						*	*	
6		(v) Electronic equip- ment						*	*	
7		VI. OTHER						*	*	
8	Fixed ass- ets: Accelerated dep- reciation and first Assets under the sex-based exclu- sion policy The portion of accelerated dep- reciation exceed- ing the standard depreciation amount	(1) Accelerated depreciation of fixed assets in key industries (excluding one-time deductions)								*
9		(2) Accelerated depreciation of R&D equipment in other industries								*
10		(3) Accelerated Depreciation of Fixed Assets for Enterprises in Specific Regions (10.1 + 10.2)								*
10.1		1. Accelerated depreciation of fixed assets of enterprises in Hainan Free Trade Port								*
10.2		2. Accelerated depreciation of fixed assets of enterprises in other specific regions								*
11		(4) One-time deduction for equipment and appliances under 5 million yuan								*
12		(5) Equipment with a unit price of more than 5 million yuan in key epidemic prevention and control materials production enterprises shall be deducted once								*
13		(6) One-time deduction of fixed assets for enterprises in designated regions (13.1 + 13.2)								
13.1		1. One-time deduction of fixed assets for enterprises in Hainan Free Trade Port								
13.2		2. One-time deduction of fixed assets for enterprises in other specific regions								

The fifth column fills in the depreciation and amortization of assets in the current year that the taxpayer is allowed to deduct before tax according to the tax regulations.

Column 6 shall fill in the total amount of depreciation and amortization calculated in accordance with the general tax provisions for the taxpayer's assets enjoying accelerated depreciation and amortization preferential policies.

Column 7 is used to calculate the amount of preferential treatment for taxpayers to enjoy various fixed asset accelerated depreciation policies, and the amount is filled in according to column 5 minus 6.

1	1. Fixed assets (2+3+4+5+6+7)	
2	All fixed assets	(i) Houses and buildings
3		(2) aircraft, trains, ships, machines, machinery and other production equipment
4		(3) Instruments, tools, furniture and other equipment related to production and business activities
5		(4) means of transport other than aircraft, trains and ships
6		(v) Electronic equipment
7	VI. OTHER	
8	The portion of accelerated depreciation of assets eligible for accelerated depreciation and one-time deduction policies that exceeds the standard depreciation amount	(1) Accelerated depreciation of fixed assets in key industries (excluding one-time deductions)
9		(2) Accelerated depreciation of R&D equipment in other industries
10		(3) Accelerated Depreciation of Fixed Assets for Enterprises in Specific Regions (10.1 + 10.2)
10.1		1. Accelerated depreciation of fixed assets of enterprises in Hainan Free Trade Port
10.2		2. Accelerated depreciation of fixed assets of enterprises in other specific regions
11		(4) One-time deduction for equipment and appliances under 5 million yuan
12		(5) Equipment with a unit price of more than 5 million yuan in key epidemic prevention and control materials production enterprises shall be deducted once
13		(6) One-time deduction of fixed assets for enterprises in designated regions (13.1 + 13.2)
13.1		1. One-time deduction of fixed assets for enterprises in Hainan Free Trade Port
13.2		2. One-time deduction of fixed assets for enterprises in other specific regions

Line 9 applies to other enterprises other than important industries. It fills in the relevant information and preferential statistics of special R&D equipment with unit value of more than 1 million yuan that adopts shortened depreciation life or accelerated depreciation method.

1	1. Fixed assets (2+3+4+5+6+7)	
2	All fixed assets	(i) Houses and buildings
3		(2) aircraft, trains, ships, machines, machinery and other production equipment
4		(3) Instruments, tools, furniture and other equipment related to production and business activities
5		(4) means of transport other than aircraft, trains and ships
6		(v) Electronic equipment
7		VI. OTHER
8	The portion of accelerated depreciation of assets eligible for accelerated depreciation and one-time deduction policies that exceeds the standard depreciation amount	(1) Accelerated depreciation of fixed assets in key industries (excluding one-time deductions)
9		(2) Accelerated depreciation of R&D equipment in other industries
10		(3) Accelerated Depreciation of Fixed Assets for Enterprises in Specific Regions (10.1 + 10.2)
10.1		1. Accelerated depreciation of fixed assets of enterprises in Hainan Free Trade Port
10.2		2. Accelerated depreciation of fixed assets of enterprises in other specific regions
11		(4) One-time deduction for equipment and appliances under 5 million yuan
12		(5) Equipment with a unit price of more than 5 million yuan in key epidemic prevention and control materials production enterprises shall be deducted once
13		(6) One-time deduction of fixed assets for enterprises in designated regions (13.1 + 13.2)
13.1		1. One-time deduction of fixed assets for enterprises in Hainan Free Trade Port
13.2		2. One-time deduction of fixed assets for enterprises in other specific regions

Row 10 applies to enterprises established in specific regions such as the Hainan Free Trade Port to report their eligibility for accelerated depreciation of fixed assets. This row reports the amounts in columns 10.1 and 10.2.

Line 10.1: Enterprises in Hainan Free Trade Port report newly acquired assets (including self-built) 500 For fixed assets valued at over 10,000 yuan, the tax regulations specify circumstances for applying shortened depreciation periods or accelerated depreciation methods, along with statistical details on tax incentives. If the fixed assets meet both the accelerated depreciation policy criteria for key industries, taxpayers may independently select to report either in Row 8 or this row of the form, but duplicate entries are prohibited. Statistical details.

Row 10.2: Other enterprises in specific regions must report fixed assets using shortened depreciation periods or accelerated depreciation methods as per tax regulations, along with their preferential tax treatment statistics. If the fixed assets qualify for both major industry accelerated depreciation policies, taxpayers may choose to report either in Row 8 or this row, but duplicate entries are prohibited.

1	1. Fixed assets (2+3+4+5+6+7)	
2	All fixed assets	(i) Houses and buildings
3		(2) aircraft, trains, ships, machines, machinery and other production equipment
4		(3) Instruments, tools, furniture and other equipment related to production and business activities
5		(4) means of transport other than aircraft, trains and ships
6		(v) Electronic equipment
7		VI. OTHER
8	The portion of accelerated depreciation of assets eligible for accelerated depreciation and one-time deduction policies that exceeds the standard depreciation amount	(1) Accelerated depreciation of fixed assets in key industries (excluding one-time deductions)
9		(2) Accelerated depreciation of R&D equipment in other industries
10		(3) Accelerated Depreciation of Fixed Assets for Enterprises in Specific Regions (10.1 + 10.2)
10.1		1. Accelerated depreciation of fixed assets of enterprises in Hainan Free Trade Port
10.2		2. Accelerated depreciation of fixed assets of enterprises in other specific regions
11		(4) One-time deduction for equipment and appliances under 5 million yuan
12		(5) Equipment with a unit price of more than 5 million yuan in key epidemic prevention and control materials production enterprises shall be deducted once
13		(6) One-time deduction of fixed assets for enterprises in designated regions (13.1 + 13.2)
13.1		1. One-time deduction of fixed assets for enterprises in Hainan Free Trade Port
13.2		2. One-time deduction of fixed assets for enterprises in other specific regions

Line 11 shall fill in the relevant information and preferential statistics of the equipment and instruments with unit value not exceeding 5 million yuan newly purchased, which are deducted in a lump sum according to tax regulations.

For enterprises producing key materials for epidemic prevention and control, if the value of the equipment purchased for capacity expansion does not exceed 5 million yuan, the relevant information and statistics of one-time deduction in accordance with tax regulations and preferential treatment shall be filled in by the bank.

1	1. Fixed assets (2+3+4+5+6+7)	
2	All fixed assets	(i) Houses and buildings
3		(2) aircraft, trains, ships, machines, machinery and other production equipment
4		(3) Instruments, tools, furniture and other equipment related to production and business activities
5		(4) means of transport other than aircraft, trains and ships
6		(v) Electronic equipment
7	VI. OTHER	
8	The portion of accelerated depreciation of assets eligible for accelerated depreciation and one-time deduction policies that exceeds the standard depreciation amount	(1) Accelerated depreciation of fixed assets in key industries (excluding one-time deductions)
9		(2) Accelerated depreciation of R&D equipment in other industries
10		(3) Accelerated Depreciation of Fixed Assets for Enterprises in Specific Regions (10.1 + 10.2)
10.1		1. Accelerated depreciation of fixed assets of enterprises in Hainan Free Trade Port
10.2		2. Accelerated depreciation of fixed assets of enterprises in other specific regions
11		(4) One-time deduction for equipment and appliances under 5 million yuan
12		(5) Equipment with a unit price of more than 5 million yuan in key epidemic prevention and control materials production enterprises shall be deducted once
13		(6) One-time deduction of fixed assets for enterprises in specific regions (13.1 + 13.2)
13.1		1. One-time deduction of fixed assets for enterprises in Hainan Free Trade Port
13.2		2. One-time deduction of fixed assets for enterprises in other specific regions

The 12th line shall fill in the relevant information and preferential statistics of the equipment with a unit price of more than 5 million yuan for the production enterprises of key epidemic prevention and control materials that are deducted once in accordance with tax regulations.

1	1. Fixed assets (2+3+4+5+6+7)	
2	All fixed assets	(i) Houses and buildings
3		(2) aircraft, trains, ships, machines, machinery and other production equipment
4		(3) Instruments, tools, furniture and other equipment related to production and business activities
5		(4) means of transport other than aircraft, trains and ships
6		(v) Electronic equipment
7		VI. OTHER
8	The portion of accelerated depreciation of assets eligible for accelerated depreciation and one-time deduction policies that exceeds the standard depreciation amount	(1) Accelerated depreciation of fixed assets in key industries (excluding one-time deductions)
9		(2) Accelerated depreciation of R&D equipment in other industries
10		(3) Accelerated Depreciation of Fixed Assets for Enterprises in Specific Regions (10.1 + 10.2)
10.1		1. Accelerated depreciation of fixed assets of enterprises in Hainan Free Trade Port
10.2		2. Accelerated depreciation of fixed assets of enterprises in other specific regions
11		(4) One-time deduction for equipment and appliances under 5 million yuan
12		(5) Equipment with a unit price of more than 5 million yuan in key epidemic prevention and control materials production enterprises shall be deducted once
13		(6) One-time deduction of fixed assets for enterprises in designated regions (13.1 + 13.2)
13.1		1. One-time deduction of fixed assets for enterprises in Hainan Free Trade Port
13.2		2. One-time deduction of fixed assets for enterprises in other specific regions

Line 13 applies to enterprises established in specific regions such as the Hainan Free Trade Port to report their eligibility for the one-time deduction policy on fixed assets. This line requires reporting the amounts in Lines 13.1 and 13.2.

Line 13.1: For enterprises in Hainan Free Trade Port, report details of newly acquired fixed assets (including self-built ones) using the one-time amortization method as per tax regulations, along with relevant preferential statistics. If the fixed assets qualify for the 'one-time deduction for equipment and tools under 5 million yuan' policy, taxpayers may choose to report this in Line 11 or this line, but duplicate reporting is prohibited.

Line 13.2: Other enterprises in specific regions shall report fixed assets and preferential tax statistics under the one-time deduction method as stipulated by tax regulations. If the fixed assets qualify for both the 'one-time deduction for equipment and instruments under 5 million yuan' policy, taxpayers may choose to report either in Line 11 or this line, but duplicate reporting is prohibited.

1	1. Fixed assets (2+3+4+5+6+7)	
2	All fixed assets	(i) Houses and buildings
3		(2) aircraft, trains, ships, machines, machinery and other production equipment
4		(3) Instruments, tools, furniture and other equipment related to production and business activities
5		(4) means of transport other than aircraft, trains and ships
6		(v) Electronic equipment
7		VI. OTHER
.....	
14	The portion of accelerated depreciation of assets eligible for accelerated depreciation and one-time deduction policies that exceeds the standard depreciation amount	(7) Technological progress, renewal and replacement of accelerated depreciation of fixed assets
15		(8) Accelerated depreciation of fixed assets due to constant strong vibrations and high corrosion
16		(9) Accelerated depreciation of externally purchased software
17		(10) Accelerated depreciation of production equipment of integrated circuit enterprises

Line 14 shall report the relevant information and preferential statistics of the accelerated depreciation of fixed assets in accordance with tax regulations due to technological progress and rapid product replacement.

1	1. Fixed assets (2+3+4+5+6+7)	
2	All fixed assets	(i) Houses and buildings
3		(2) aircraft, trains, ships, machines, machinery and other production equipment
4		(3) Instruments, tools, furniture and other equipment related to production and business activities
5		(4) means of transport other than aircraft, trains and ships
6		(v) Electronic equipment
7		VI. OTHER
.....	
14	The portion of accelerated depreciation of assets eligible for accelerated depreciation and one-time deduction policies that exceeds the standard depreciation amount	(7) Technological progress, renewal and replacement of accelerated depreciation of fixed assets
15		(8) Accelerated depreciation of fixed assets due to constant strong vibrations and high corrosion
16		(9) Accelerated depreciation of externally purchased software
17		(10) Accelerated depreciation of production equipment of integrated circuit enterprises

Line 15 shall fill in the relevant information and preferential statistics of accelerated depreciation of fixed assets in accordance with tax regulations for fixed assets that are permanently in a state of strong vibration and high corrosion.

1	1. Fixed assets (2+3+4+5+6+7)	
2	All fixed assets	(i) Houses and buildings
3		(2) aircraft, trains, ships, machines, machinery and other production equipment
4		(3) Instruments, tools, furniture and other equipment related to production and business activities
5		(4) means of transport other than aircraft, trains and ships
6		(v) Electronic equipment
7		VI. OTHER
.....	
14	The portion of accelerated depreciation of assets eligible for accelerated depreciation and one-time deduction policies that exceeds the standard depreciation amount	(7) Technological progress, renewal and replacement of accelerated depreciation of fixed assets
15		(8) Accelerated depreciation of fixed assets due to constant strong vibrations and high corrosion
16		(9) Accelerated depreciation of externally purchased software
17		(10) Accelerated depreciation of production equipment of integrated circuit enterprises

Line 16 shall report the relevant information and preferential statistics of the enterprise's purchase of software as fixed assets and the accelerated depreciation policy enjoyed according to the provisions of the financial and tax [2012] No.27.

1	1. Fixed assets (2+3+4+5+6+7)	
2	All fixed assets	(i) Houses and buildings
3		(2) aircraft, trains, ships, machines, machinery and other production equipment
4		(3) Instruments, tools, furniture and other equipment related to production and business activities
5		(4) means of transport other than aircraft, trains and ships
6		(v) Electronic equipment
7		VI. OTHER
.....	
14	The portion of accelerated depreciation of assets eligible for accelerated depreciation and one-time deduction policies that exceeds the standard depreciation amount	(7) Technological progress, renewal and replacement of accelerated depreciation of fixed assets
15		(8) Accelerated depreciation of fixed assets due to constant strong vibrations and high corrosion
16		(9) Accelerated depreciation of externally purchased software
17		(10) Accelerated depreciation of production equipment of integrated circuit enterprises

Line 17 shall fill in the production equipment of integrated circuit production enterprises, the relevant information of the accelerated depreciation policy and the preferential statistics in accordance with the provisions of the financial and tax [2012] No.27 document.

III. Case Studies

[Case 1]

Company A, a general VAT taxpayer, acquired five production machines on January 1, 2021, each valued at 480,000 yuan (excluding tax). The company applied straight-line depreciation over 10 years with a 5% residual value rate, and the machines were commissioned in the month of purchase. How should Company A account for these five production machines in its 2021 income tax settlement?

Step 1. Calculate the annual depreciation and amortization amount:

The accounting depreciation for 2021 amounts to 209,000 yuan, calculated as $48 \times 5 \times 95\% \div 10 \div 12 \times 11$. The tax-accelerated depreciation for 2020 is 2.4 million yuan, calculated as 48×5 .

pay attention to : The equipment and instruments newly purchased by the enterprise during 2021, whose unit value does not exceed 5 million yuan, are allowed to be included in the current cost and expense at one time and deducted when calculating the taxable income.

Step 2. Calculate the tax adjustment amount:

During the 2021 annual income tax settlement, the tax adjustment amount for these 5 production equipment units was calculated as $240 - 20.9 = 219.1$ million yuan. Therefore, Company A should reduce its taxable income by 219.1 million yuan during the 2021 annual tax settlement.

Step 3. Fill in the form A105080 as follows:

On e row	05080 Asset Depreciation, Amortization and Tax Adjustment Detail Item		Account amount			Tax amount					Tax adjustm-ent amount
			Initial asset value	Depreciation and amortization for the year	Accumulated Depreciation and Amortization	Taxable Basis of Assets	Tax depreciation and amortization	Enjoy acceleration Resources for the old policy Tax revenue from production General calculation Depreciation and amortization amount	Accelerated Depreciation and Amortization Statistics	Accumulated Depreciation and Amortization	
			1	2	3	4	5	6	7 = 5-6	8	
1	1. Fixed Assets (2+3+4+5+6+7)		2,400,000	209,000	209,000	2,400,000	2,400,000	*	*	2,400,000	- 2,191,000
2	All fixed assets	(i) Houses and buildings						*	*		
3		(2) aircraft, trains, ships, machines, machinery and other production equipment	2,400,000	209,000	209,000	2,400,000	2,400,000	*	*	2,400,000	- 2,191,000
4		(3) Instruments, tools, furniture and other equipment related to production and business activities						*	*		
5		(4) means of transport other than aircraft, trains and ships						*	*		
6		(v) Electronic equipment						*	*		
7		VI. OTHER						*	*		
8	Enjoy Fixed assets	(1) Accelerated depreciation of fixed assets in key industries (excluding one-time deductions)									*
9	Accelerated production	(2) Accelerated depreciation of R&D equipment in other industries									*
10	Old and new Political Deduction	(3) Accelerated Depreciation of Fixed Assets for Enterprises in Specific Regions (10.1 + 10.2)									*
10.1	Policy assets	1.Accelerated depreciation of fixed assets of enterprises in Hainan Free Trade Port									*
10.2	Emergency depreciation	2.Accelerated depreciation of fixed assets of enterprises in other specific regions									*
11	Greater than one Partial straight-line depreciation	(4) One-time deduction for equipment and instruments under 5 million yuan	2,400,000	209,000	209,000	2,400,000	2,400,000	209,000	2,191,000	2,400,000	*
40	VI. Investment in oil and gas development							*	*		
41	Total (1 + 18+21+33+39+40)		2,400,000	209,000	209,000	2,400,000	2,400,000	209,000	2,191,000	2,400,000	- 2,191,000

Step 4. Complete Form A105000 as Follows:

A105000 Tax adjustment item details

Line No	Project	Account amount	Tax amount	Increase amount	Reduced amount
		1	2	3	4
1	1. Income-related adjustment items (2 + 3 +... + 8 + 10 + 11)	*	*		
12	2. Deduction Items (13+14+...24+26+27+28+29+30)	*	*		
31	III. Asset adjustment items (32+33+34+35)	*	*		
32	(1) Asset Depreciation and Amortization (Complete Form A105080)	209,000	2,400,000	0	2,191,000
33	(2) Provision for asset impairment		*		
34	(3) Asset Loss (Fill in A105090)				
35	(iv) Other				
36	IV. Special Adjustments for Items (37+38+...+43)	*	*		
44	V. Special tax adjustment taxable income	*	*		
45	VI. Other	*	*		
46	Total (1 + 12+31+36+44+45)	*	*	0	2,172,000

III. Case Studies

[Case 2]

The fixed assets of a company are as follows:

- (1) On December 31, 2014, a property was purchased with a value of 12 million yuan. The depreciation period was 15 years and the straight-line method was adopted to calculate depreciation.
- (2) On December 31, 2016, the company acquired a research and development equipment that did not require installation, with a book value of 1.5 million yuan. The equipment was depreciated over a 10-year period using the straight-line method. Under tax regulations, accelerated depreciation was permitted for a 6-year period.
- (3) On December 31, 2016, a truck was purchased with an original value of 200,000 yuan. The depreciation period was 5 years and the straight-line method was adopted to calculate depreciation.

Assuming the company does not fall under the key industries specified by the accelerated depreciation policy, the company does not consider the estimated residual value when accruing depreciation, and the initial book value of the assets is the same as the tax basis. For the tax treatment of depreciation on R&D equipment, the shortened depreciation period method is adopted, with depreciation accruing over 6 years. If the company has no depreciation or amortization expenses for other assets, please calculate the tax adjustment amount for the company's fixed assets in 2021.

III. Case Studies

[Case 2]

Step 1. Calculate the annual depreciation and amortization amount:

house property :

The accounting depreciation amount = $1200 \div 15 = 800,000$ yuan, the tax depreciation amount = $1200 \div 20 = 600,000$ yuan.

Research and development equipment:

The accounting depreciation amount = $150 \div 10 = 150,000$ yuan, the tax depreciation amount = $150 \div 6 = 250,000$ yuan.

goods train :

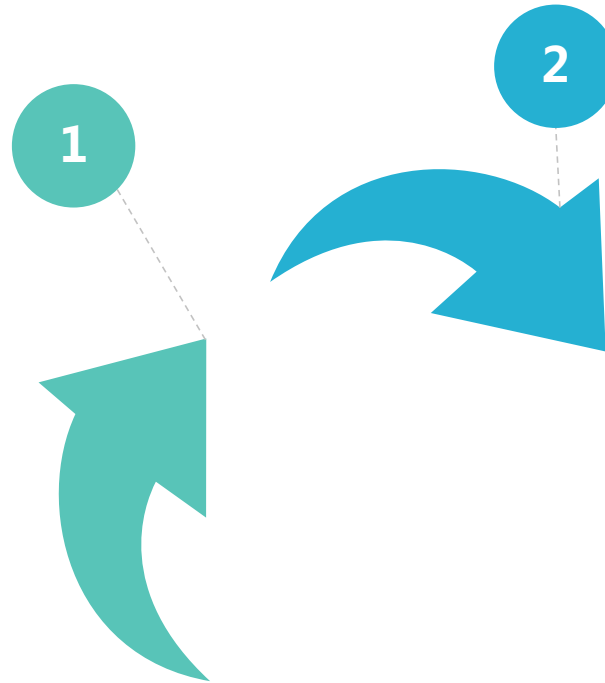
The accounting depreciation amount = $20 \div 5 = 40,000$ yuan, and the tax depreciation amount = $20 \div 5 = 40,000$ yuan.

1



III. Case Studies

[Case 2]



Step 2. Calculate the accumulated depreciation:

house property :

The cumulative depreciation for accounting purposes equals $80 \times 7 = 5.6$ million yuan, while the tax-related cumulative depreciation amounts to $60 \times 7 = 4.2$ million yuan.

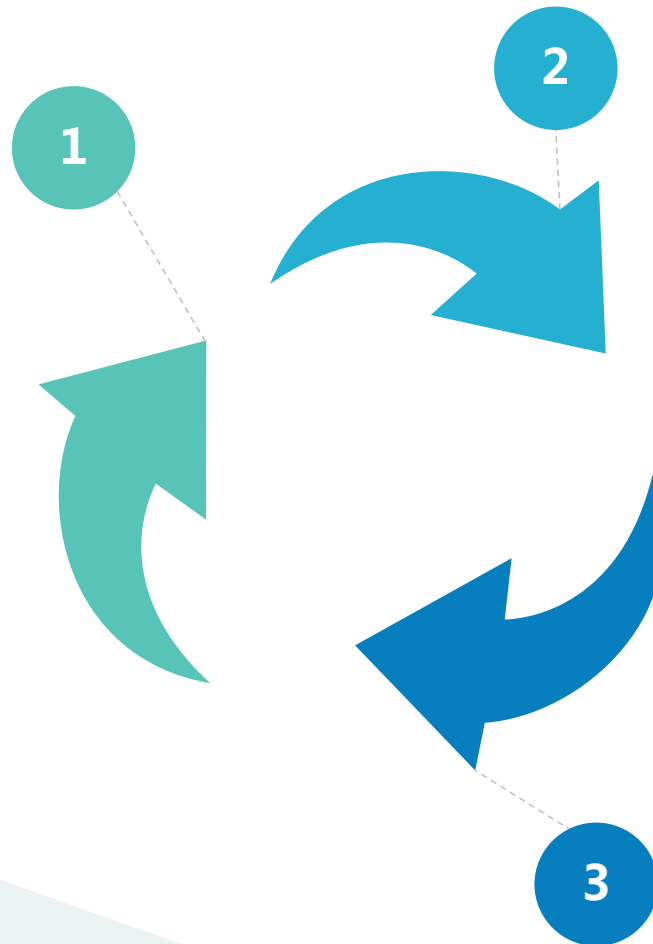
Research and development equipment:

The cumulative depreciation for accounting purposes is $15 \times 4 = 600,000$ yuan, while the tax-based cumulative depreciation is $25 \times 4 = 1,000,000$ yuan.

goods train : The cumulative depreciation for accounting purposes equals $4 \times 5 = 200,000$ yuan, and the cumulative depreciation for tax purposes is also $4 \times 5 = 200,000$ yuan.

III. Case Studies

[Case 2]



Step 3. Calculate the tax adjustment for fixed assets in 2021

Note: According to the Announcement on Several Issues Concerning the Taxable Income of Enterprise Income Tax (Announcement No.29 [2014] of the State Administration of Taxation), if the accounting depreciation period for a company's fixed assets is shorter than the tax law's minimum depreciation period, the portion of depreciation calculated based on the accounting period exceeding the tax law's minimum period shall be adjusted upward to reflect the current period's taxable income.

The accounting depreciation of real estate for 15 years is lower than the minimum period of 20 years stipulated by the tax law, so the current taxable income needs to be adjusted, and the tax adjustment amount = $80 - 60 = 200,000$ yuan.

The R&D equipment adopts the shortened depreciation period method under tax law, with depreciation calculated over 6 years. The accounting depreciation amount for the previous year is 150,000 yuan, while the accelerated depreciation amount under tax law is 250,000 yuan. The tax adjustment amount is -100,000 yuan ($150,000 - 250,000$), and the current taxable income is reduced accordingly.

Step 4. Fill in the Form A105080 as Follows:

Line No	A 105080 Asset Depreciation, Amortization, and Tax Adjustment Detail Project		Account amount			Tax amount					Tax adjustment amount
			Initial asset value	Depreciation and amortization for the year	Accumulated Depreciation and Amortization	Taxable Basis of Assets	Tax depreciation and amortization	Assets under accelerated depreciation are calculated according to tax regulations Depreciation and amortization amount	Accelerated depreciation and amortization statistics forehead	Accumulated Depreciation and Amortization	
			1	2	3	4	5	6	7 = 5-6	8	
1	1. Fixed Assets (2+3+4+5+6+7)		13,700,000	990,000	6,400,000	13,700,000	890,000	*	*	5,400,000	100,000
2	All fixed assets	(i) Houses and buildings	12,000,000	800,000	5,600,000	12,000,000	600,000	*	*	4,200,000	200,000
3		(2) aircraft, trains, ships, machines, machinery and other production equipment	1,500,,000	150,000	600,000	1,500,000	250,000	*	*	1,000,000	-100,000
4		(3) Instruments, tools, furniture and other equipment related to production and business activities						*	*		
5		(4) means of transport other than aircraft, trains and ships	200,000	40,000	200,00 0	200,00 0	40,000	*	*	200,000	0
6		(v) Electronic equipment						*	*		
7		VI. Other						*	*		
8	Enjoy Fixed assets	(1) Accelerated depreciation of fixed assets in key industries (excluding one-time deductions)									*
9	Accelerated production Old and new Political deduction Policy assets Emergency depreciation Greater than one Partial straight-line depreciation	(2) Accelerated depreciation of R&D equipment in other industries	1,500,,000	150,000	600,000	1,500,000	250,000	150,000	100,000	1,000,000	*
40	VI. Investment in oil and gas development							*	*		
41	Total (1 + 18+21+33+39+40)		13,700,000	990,000	6,400,000	13,700,000	890,000	150,000	100,000	5,400,000	100,000

Step 5. Complete Form A105000 as Follows:

A105000

Tax adjustment item details

Line No	Project	Account amount	Tax amount	Increase amount	Reduced amount
		1	2	3	4
1	1. Income adjustment items (2 + 3 +...8 + 10 + 11)	*	*		
12	2. Deduction Category Adjustment Items (13+14+...24+26+27+28+29+30)	*	*		
31	III. Asset-related adjustment items (32+33+34+35)	*	*		
32	(1) Asset Depreciation and Amortization (Complete Form A105080)	990,000	890,000	100,000	0
33	(2) Provision for asset impairment		*		
34	(3) Asset Loss (Fill in A105090)				
35	(iv) Other				
36	4. Special Adjustment Items (37+38+...+43)	*	*		
44	V. Special tax adjustment taxable income	*	*		
45	VI. OTHER	*	*		
46	Total (1 + 12 + 31 + 36 + 44 + 45)	*	*	100,000	0

New policy for 2022



I. ADOPTION OF THE TEXT

Small, medium, and micro enterprises are defined as follows: 1) Information transmission, construction, leasing, and business services, with criteria including fewer than 2,000 employees, annual revenue below 1 billion yuan, or total assets under 1.2 billion yuan; 2) Real estate development and operation, with criteria of annual revenue under 2 billion yuan or total assets under 100 million yuan; 3) Other industries, with criteria of fewer than 1,000 employees or annual revenue under 400 million yuan.

II. Policy Content

For small, medium, and micro enterprises, equipment and instruments newly purchased in 2022 with a unit value exceeding 5 million yuan can opt for either a one-time tax deduction for 3-year depreciation periods or a 50% deduction for 4-, 5-, or 10-year periods. Enterprises may claim these tax benefits quarterly, and any losses incurred in the current year that cannot be fully deducted can be carried forward to offset in the following 5 tax years as per regulations.

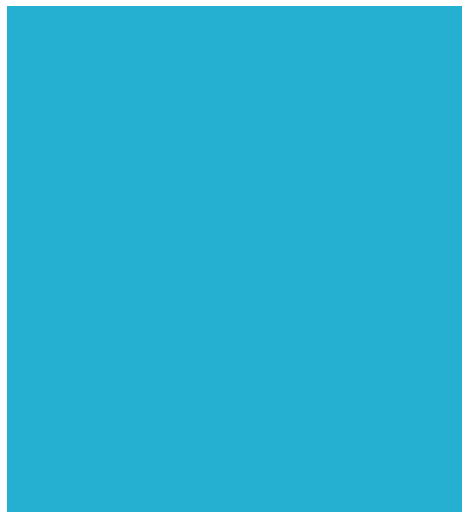
III. POLICY BASIS

Notice on the Issuance of Several Policies to Promote the Recovery and Development of Service Industry Sectors in Difficulty by the National Development and Reform Commission and 14 Other Departments (NDRC Finance [2022] No.271)

Notice of the National Development and Reform Commission and 12 other departments on Issuing Several Policies to Promote Steady Growth of Industrial Economy (NDRC Industry [2022] No.273)

 Scan the QR code to learn corporate income tax policies

Enterprise income tax helper — Scan the code to learn enterprise income tax policies



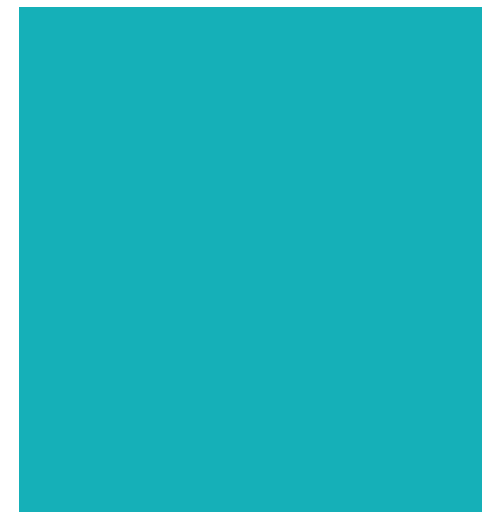
**Enterprise In-
come Tax Policy
Column**



**Enterprise Income
Tax Settlement
Column**



**Guangzhou Tax
WeChat Subscr-
iption Account**



**Guangzhou Tax
WeChat Service
Account**