

# Green Taxation(11)

## Observation Report on Environmental and Taxation of Wastewater Treatment Enterprises in the Yellow River Basin



May, 2023



### 水资源地图 English

黄河流域
全国
城市/直辖市

筛选条件

年份: 2021

类型: 流域

指标大类: 水资源量

指标类型: 水资源总量

筛选

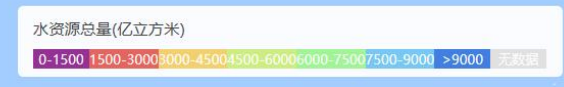
编号	流域	年份	指标名称(亿立方米)	数值
1	黄河流域	2021	水资源总量	1191.60

1/1



- 当前水质
- 水系
- 水环境指数
- 排放
- 水资源**
- 监督

**In 2021, the total water resources of the Yellow River Basin were 119.160 billion cubic meters**



# 水资源地图

[English](#)
省 市 流域

- 当前水质 ▲
- 水系 ▲
- 水环境指数 ▲
- 排放 ▲
- 水资源
- 监督

长江流域 全国 城市/直辖市

筛选条件 ▲

 年份: 2021

 类型: 市级

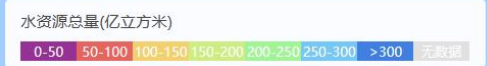
 指标大类: 水资源量

 指标类型: 水资源总量
筛选

编号	城市	年份	指标名称(亿立方米)	数值
1	重庆	2021	水资源总量	750.78
2	玉树	2021	水资源总量	339.88
3	上饶	2021	水资源总量	306.82
4	汉中	2021	水资源总量	266.38
5	怀化	2021	水资源总量	257.50
6	安康	2021	水资源总量	242.77
7	恩施	2021	水资源总量	224.73
8	杭州	2021	水资源总量	191.42

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**In 2021, the total water resources in the Yangtze River basin were 1,858.723 billion cubic meters**

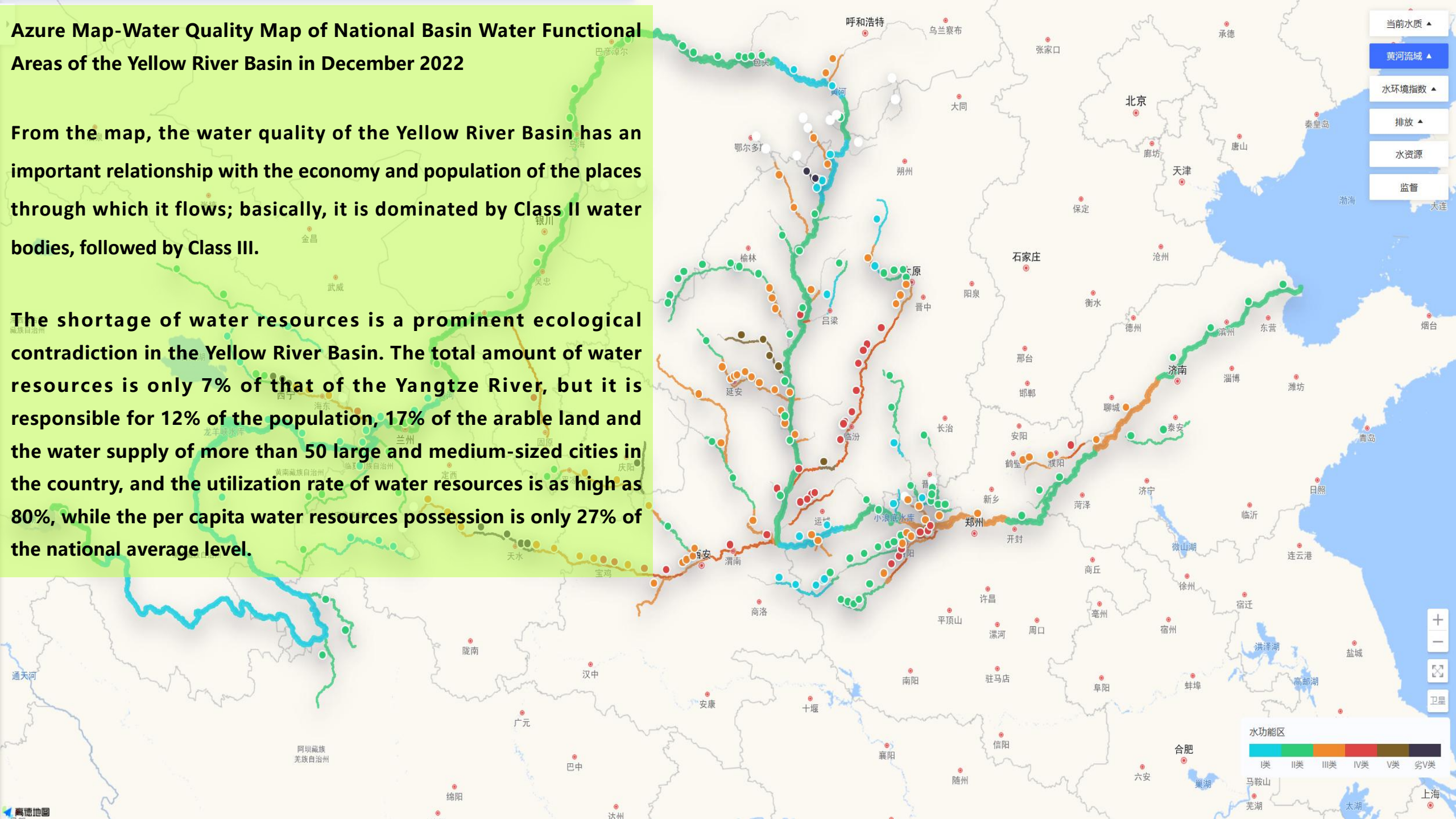

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## Azure Map-Water Quality Map of National Basin Water Functional Areas of the Yellow River Basin in December 2022

From the map, the water quality of the Yellow River Basin has an important relationship with the economy and population of the places through which it flows; basically, it is dominated by Class II water bodies, followed by Class III.

The shortage of water resources is a prominent ecological contradiction in the Yellow River Basin. The total amount of water resources is only 7% of that of the Yangtze River, but it is responsible for 12% of the population, 17% of the arable land and the water supply of more than 50 large and medium-sized cities in the country, and the utilization rate of water resources is as high as 80%, while the per capita water resources possession is only 27% of the national average level.



# Population of the Yellow River Basin

Population data for 2021, the country's year-end population of 141.26 million people		
Province	Resident population	National proportion
Qinghai	5.94 million	/
Sichuan	83.72 million	/
Gansu	24.902 million	/
Ningxia	7.25 million	/
Inner Mongolia	24 million	/
Shaanxi	39.54 million	/
Shanxi	34.8048 million	/
Henan	98.83 million	/
Shandong	101.699 milion	/
<b>the Yellow River basin</b>	420.685 million	29.78%

Source: National Bureau of Statistics

# GDP of the Yellow River Basin

In 2021, the national GDP was 114.92 trillion yuan

Province	Total amount	National proportion
Qinghai	3346.6	/
Sichuan	53850.8	/
Gansu	10243.3	/
Ningxia	4522.3	/
Inner Mongolia	20514.2	/
Shaanxi	29801.0	/
Shanxi	22580.2	/
Henan	58887.4	/
Shandong	83095.9	/
the Yellow River basin	286841.7	24.96%

Source: National Bureau of Statistics

The GDP of the three provinces in the Yellow River Basin ranks among the top 10 in the country

The top 10 provinces in mainland China in terms of total GDP in 2021

ranking	province	Total amount
1	Guangdong	12,436.967 billion
2	Jiangsu	11,636.42 billion
3	Shandong	8,309.59 billion
4	Zhejiang	7,351.6 billion
5	Henan	5,888.714 billion
6	Sichuan	5,385.079 billion
7	Hubei	5,001.294 billion
8	Fujian	4,881 billion
9	Hunan	4,606.309 billion
10	Shanghai	4,321.48 billion

In 2021, the Yellow River Basin provinces accounted for three of the top 10 provinces in terms of total GDP in the mainland, and all of them exceeded 5 trillion yuan.

Source: National Bureau of Statistics

The Yellow River originates in the ancient Zonglie Basin at an altitude of 4,500 meters above sea level at the northern foot of Bayan Kala Mountain on the Qinghai-Tibet Plateau, and is the second largest river in China, flowing through Qinghai, Sichuan, Gansu, Ningxia, Inner Mongolia, Shaanxi, Shanxi, Henan, Shandong and other nine provinces and regions, and flowing into the Bohai Sea in Kenli District, Dongying City, Shandong Province, with a total length of 5,464 kilometers. At the end of 2021, the total population of the provinces in the Yellow River Basin was 420 million, accounting for 29.78% of the country's total population, and the regional GDP was 28.68 trillion yuan, accounting for 24.96% of the country's total.

The Yellow River is the mother river of the Chinese nation and an important ecological security barrier in China, which is of great significance for maintaining water resources and ecological security in North China and Northwest China. In order to strengthen the ecological and environmental protection of the Yellow River Basin, protect the Anlan of the Yellow River, promote the conservation and intensive utilization of water resources, promote high-quality development, protect, inherit and promote the Yellow River culture, and realize the harmonious coexistence of man and nature and the sustainable development of the Chinese nation, the Yellow River Protection Law of the People's Republic of China was adopted at the 37th meeting of the Standing Committee of the 13th National People's Congress and officially implemented on April 1, 2023.





2019年9月18日上午，中共中央总书记、国家主席、中央军委主席习近平在郑州主持召开黄河流域生态保护和高质量发展座谈会并发表重要讲话。新华社记者 谢环驰/摄

## 习近平：在黄河流域生态保护和高质量发展座谈会上的讲话

2019-10-15 15:14:51 来源：《求是》

### 在黄河流域生态保护和高质量发展座谈会上的讲话

(2019年9月18日)

习近平

黄河是中华民族的母亲河。我一直很关心黄河流域的生态保护和高质量发展。党的十八大以来，我多次实地考察黄河流域生态保护和高质量发展情况，多次就三江源、祁连山、秦岭等重点区域生态保护建设提出要求。2014年3月，我到兰考县调研指导党的群众路线教育实践活动，专程前往东坝头乡张庄村考察，那里也是焦裕禄同志当年找到防治风沙良策并首先取得成功的地点。上个月，我在甘肃考察期间专门调研了黄河流域生态保护和高质量发展。这次来又考察了黄河河南段防洪等相关工作。

- **The protection of the Yellow River is a great plan for the great rejuvenation of the Chinese nation**

In September 2019, General Secretary Xi Jinping's speech at the symposium on ecological protection and high-quality development of the Yellow River Basin elevated the ecological protection and high-quality development of the Yellow River Basin to a national strategy.

- **The main objectives and tasks of ecological protection and high-quality development of the Yellow River Basin**

1. Strengthen ecological and environmental protection
2. Ensure the long-term stability of the Yellow River
3. Promote the conservation and intensive utilization of water resources
4. Promote the high-quality development of the Yellow River Basin
5. Protect, inherit and promote the culture of the Yellow River

Reference link: [http://www.xinhuanet.com/politics/leaders/2019-10/15/c\\_1125107042.htm](http://www.xinhuanet.com/politics/leaders/2019-10/15/c_1125107042.htm)

## Typical case-1

The sewage treatment plant has not been completed for seven years, and the ecological environment of Qilu Lake is threatened

Source: The official website of the Ministry of Ecology and Environment  
reference link:  
[https://www.mee.gov.cn/xxgk2018/xxgk/xxgk15/201806/t20180627\\_630304.html](https://www.mee.gov.cn/xxgk2018/xxgk/xxgk15/201806/t20180627_630304.html)

With an area of nearly 40 square kilometers, Qilu Lake in Yuxi, Yunnan Province is a national wetland park in China, with a wetland area of about 37.6 square kilometers, and is the mother lake of Tonghai County, Yuxi City, which not only has important ecological value, but also has important cultural value. However, with the local economic and social development, the ecological and environmental protection situation of Qilu Lake is not optimistic. Tonghai County No. 2 Sewage Treatment Plant and Supporting Pipe Network Project is a key project of Qilu Lake water environment treatment, included in the local "Eleventh Five-Year Plan", should have been completed and put into operation in 2011, but after the "Eleventh Five-Year Plan", "Twelfth Five-Year Plan" and "Thirteenth Five-Year Plan", 7 years have passed, and it has not yet been completed, which has brought adverse effects on the protection of the water environment in the lake area.

In this regard, in 2016, the first round of central environmental protection inspectors pointed out the problem of domestic sewage pollution of Qilu Lake in Sijie, Nagu and Yangguang towns in Tonghai County, Yuxi, and asked the local government to speed up the construction of the second sewage treatment plant and put it into operation as soon as possible. Two years have passed, and the sewage treatment plant is still delayed, the civil works have not yet been completed, and the commissioning is far away.

On June 15, 2018, Huang Runqiu, deputy head of the Sixth Environmental Protection Supervision Group of the Central Committee and Vice Minister of the Ministry of Ecology and Environment, led a team to the scene without saying hello and conducted an on-site inspection of the construction of the sewage treatment plant and the ecological and environmental protection of Qilu Lake. The delay in the completion and operation of the sewage treatment plant not only directly affects the production and life of the surrounding people, but also directly restricts the in-depth promotion of the ecological and environmental protection of Qilu Lake.....



**Qilu Lake is located in Tonghai County, Yuxi City, Yunnan Province, is one of the nine major plateau lakes in Yunnan Province, and is an important water resource in Tonghai County**

**The Qilu Lake basin is the main body of the social and economic development of Tonghai County, and is the foundation for the survival and development of Tonghai County”**



## Typical case-2

The Ministry of Ecology and Environment supervised two outstanding ecological and environmental problems, including the Qingyuan Sewage Treatment Plant in Fuxin City, Liaoning Province

In March 2021, the Ministry of Ecology and Environment organized the Songliao River Basin Ecological Environment Supervision and Administration Bureau to carry out daily inspections of the ecological environment in the basin under its jurisdiction, and found that two prominent ecological and environmental problems, including the sewage overflow of Qingyuan Sewage Treatment Plant in Fuxin City, Liaoning Province, and the sewage overflow of Panshi Sewage Treatment Plant in Jilin City, Jilin Province, seriously affected the ecological and environmental safety of the river basin.

The on-site inspection found that part of the sewage from the Qingyuan Sewage Treatment Plant in Fuxin City, Liaoning Province was directly discharged into the fine river through the overflow outlet without treatment, and the overflow sewage was turbid in color and had a peculiar smell. Sampling and monitoring showed that the total phosphorus exceeded the standard by more than 5 times, and the chemical oxygen demand, ammonia nitrogen, and total nitrogen also exceeded the standard to varying degrees. Further investigation shows that the sewage overflow is about 8000~10000 tons/day, which is an important reason why the downstream water quality cannot be stable and up to standard. At the same time, the on-site inspection found that the effluent from the sewage outlet of the Panshi City Sewage Treatment Plant in Jilin City, Jilin Province was dark green and smelly, and some of the sewage was overflowed through the pipeline without treatment and directly discharged into the retaining river. Sampling and monitoring showed that total phosphorus, chemical oxygen demand, ammonia nitrogen, total nitrogen, and fluoride exceeded the standard to varying degrees.....

Source: The official website of the Ministry of Ecology and Environment  
reference link:  
[https://www.mee.gov.cn/xxgk2018/xxgk/xxgk15/202105/t20210512\\_832583.html](https://www.mee.gov.cn/xxgk2018/xxgk/xxgk15/202105/t20210512_832583.html)

SIP Lvse Jiangnan Public Environment Concerned Centre (Hereinafter referred to as "Lvse Jiangnan") as a public welfare environmental protection organization, since 2020, it has been trying to use the leverage mechanism of taxation to leverage enterprises to save energy and reduce emissions, and enjoy tax incentives in accordance with laws and regulations.

The environmental supervision of sewage treatment enterprises has always been one of the key contents of Green Jiangnan, and as the last line of defense for water pollution control, sewage treatment plants bear important social responsibilities. Through the application of Blue Map Big Data (www.ipe.org.cn), Green Jiangnan found that some sewage treatment enterprises were suspected of enjoying tax incentives in violation of regulations, and in view of this, Green Jiangnan contacted the tax department of the Yellow River Basin by sending a letter, hoping to attract the attention of relevant departments.

The screenshot displays the IPE website interface. At the top, there is a navigation bar with links for '首页', '环境地图', '气候行动', '企业表现', '绿色供应链', '绿色金融', '研究报告', and '关于我们'. A large digital display shows '2751566' as the '环境监管记录总数' (Total Environmental Supervision Records). Below this, there is a search bar with '污水处理厂' (Sewage Treatment Plant) entered. A horizontal bar lists various categories with counts: '环境监管记录 9965', '限期整改 5', '自动监测 2058', '企业反馈 247', '排放数据 1149', '重点监管 4266', and '监督性监测 1080'. A table below lists 8 sewage treatment plants with columns for '编号', '企业名称', '所在地', '监管记录最近年份', and '环境监管记录'.

编号	企业名称	所在地	监管记录最近年份	环境监管记录
1	淳安县汾口污水处理厂	杭州 / 浙江	2023	4
2	石家庄市西部上庄污水处理厂	石家庄 / 河北	2023	2
3	湟源县城镇污水处理厂	西宁 / 青海	2023	7
4	景泰县城区污水处理厂	白银 / 甘肃	2023	5
5	环县自来水公司污水处理厂	庆阳 / 甘肃	2023	26
6	会宁县城区污水处理厂	白银 / 甘肃	2023	4
7	武川县可镇污水处理厂	呼和浩特 / 内蒙古	2023	10
8	白银市平川区清源污水处理厂	白银 / 甘肃	2023	17

## Basis of laws and regulations

This report focuses on the following laws and regulations as the basis for research

- *Notice of the Ministry of Finance and the State Administration of Taxation on the Value-Added Tax Policy for Comprehensive Utilization of Resources and Other Products (CS [2015] No. 78)*
- *Announcement of the Ministry of Finance and the State Administration of Taxation on Improving the VAT Policy for Comprehensive Utilization of Resources (Announcement No. 40 [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 Improving the VAT Policy for Comprehensive Utilization of Resources (Announcement No. 40 [2021] of the Ministry of Finance and the State Administration of Taxation)
- Law of the People's Republic of China on the Protection of the Yellow River (effective from 1 April 2023)
- Environmental Protection Tax Law of the People's Republic of China
- Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035



# Research Methods

By sorting out the list of taxpayers who enjoy the 2021 VAT for comprehensive utilization of resources announced by the tax authorities of various provinces, autonomous regions, municipalities directly under the Central Government and cities with separate state planning, Lvse Jiangnan has further screened out eligible enterprises as the key research objects of this report.

**The conditions are as follows:**

- 1) It belongs to the sewage treatment enterprises in the Yellow River Basin (Qinghai, Gansu, Henan, Inner Mongolia, Ningxia, Shandong, Shanxi, Shaanxi, Sichuan).
- 2) The company has environmental supervision records from 2019 to 2022, and the fine amount exceeds 10,000 yuan, of which the fine amount in 2022 exceeds 100,000 yuan

In this report, there are 51 sewage treatment enterprises focused on by Lvse Jiangnan, and 33 enterprises have sent letters to local tax authorities. Through further collation, it is found that the environmental penalties of sewage treatment plants are mainly concentrated in the discharge of excessive wastewater standards, followed by the normal operation of pollution prevention and control facilities, and there are 18 enterprises with a single fine (2019-2022) exceeding 200,000 yuan or more, and the maximum fine amount is more than 800,000 yuan.

## This report examines the subjects of the study

province	The name of the business	Regulatory Content
Qinghai	<b>Capital Aihua (Tianjin) Municipal Environmental Engineering Co., Ltd. Qinghai Branch</b>	Symbiosis Office [2021] No. 3 Fine: 100,000 yuan
	<b>Qinghai Ganhe Water Treatment Co., Ltd</b>	Ning Sheng Penalty [2020] No. 3 Fine: 100,000 yuan, Ning Sheng Penalty [2021] No. 1-10 Fine: 100,000 yuan
Henan	<b>Anyang Taiyuan Water Co., Ltd</b>	Yu 0501 Environment Penalty Decision Zi (2022) No. 14 Fine: 327,500
	<b>Anyang Zongcun Sound Water Co., Ltd</b>	Long Environment Penalty Decision [2021] No. 090 Fine: 670,000
	<b>Kaifeng Guotou Environmental Protection Technology Co., Ltd</b>	Yu 0205 Environment Penalty Decision [2022] No. 2 Fine: 730,000
	<b>Wugang Xiangshan Jiayuan Sewage Treatment Co., Ltd</b>	Wu Environment Penalty Decision [2019] No. 10 Fine: 150,000
	<b>Pingdingshan Capital Water Co., Ltd</b>	Yu 0422 Environment Penalty Decision Zi (2022) No. 1 Fine: 370,000 yuan
	<b>Yexian Ruihetai Sewage Purification Co., Ltd</b>	Ye Environment Penalty Decision [2020] No. 13 fined 15,000 yuan
	<b>Sanmenxia Everbright Water Company Limited</b>	San Environment Penalty (2021) No. 34 Fine: 16,500
	<b>Sui Ping Shangshi Water Co., Ltd</b>	Yu 1728 Environment Penalty Decision Zi (2022) No. 1 Fine: 685,000
	<b>Zhongyuan Environmental Protection Water Dengfeng Co., Ltd</b>	Yu 0185 Environment Penalty Decision [2022] No. 2 Fine: 730,000
	<b>Jiacheng (Jiaozuo) Water Company Limited</b>	Jiao Jian Penalty Decision (2020) No. 2 Fine: 266,47949 yuan, Jiao Jian Municipal Penalty Zi (2020) No. 2 Fine: 200,000 yuan

## This report examines the subjects of the study

province	The name of the business	Regulatory Content
<b>Shandong</b>	<b>Shandong Yangfan Environmental Protection Engineering Co., Ltd</b>	Ji Environment Penalty [2020] LX No. 009 Fine: 20,000 yuan
	<b>Dongying Capital Water Co., Ltd</b>	Dong Environment Penalty Zi (2021) Kai No. 32 Fine: 100,000 yuan, Dong Environment Penalty Zi (2021) Kai No. 33 Fine: 100,000 yuan, Dong Environment Penalty Zi (2021) Kai No. 34 Fine: 100,000 yuan, Dong Environment Penalty Zi (2022) Kai No. 11 Fine: 114,062 yuan
	<b>Lijin County Huanhai Sewage Treatment Co., Ltd</b>	Dong Environment Lifen Penalty (2019) No. 24 Fine: 100,000
	<b>Yantai Fushan District BEWG Water Co., Ltd</b>	Qi Environment Penalty [2019] No. 5 Fine: more than 600,000 yuan, Qi Environment Penalty Zi [2019] No. 6 Fine: between 400,000 and 600,000 yuan; Qi Environment Penalty [2019] No. 16 Fine: 30,000 yuan, less than 200,000 yuan, Qi Environment Penalty [2019] No. 17 Fine: between 30,000 yuan and less than 200,000 yuan
	<b>Laiyang Food Industrial Park Sewage Treatment Co., Ltd</b>	Lai Environment Penalty [2019] No. 27 Fine: 100,000 yuan, Lai Environment Penalty [2020] No. 05 Fine: 20,000 yuan; Lai Environment Penalty [2020] No. 005 Fine: less than 50,000 yuan
	<b>Weifang Binhai Kangda Environmental Protection Water Co., Ltd</b>	Wei Environment Penalty (2019) BH009 Fine: 300,000 yuan
	<b>Zhucheng Xinliufang Sewage Treatment Co., Ltd</b>	Wei Environment Penalty [2021] ZC215 Fine: more than 200,000 yuan but less than 400,000 yuan
	<b>Ningyang Magnetic Kiln Central Water Co., Ltd</b>	Tai Environment Penalty (2021) NY-9 fined 370,000 yuan, and Taihuan Penalty (2022) NY-22 fined 100,000 yuan
	<b>Linqing Kangda Sewage Treatment Co., Ltd</b>	Liaolin Environment Penalty [2021] No. 3-012 Fine: 100,000
	<b>Shandong Guanxian Jiacheng Water Purification Co., Ltd</b>	(Crown) Comprehensive Enforcement Penalty Decision [2021] No. 3033 Fine: 100,000 yuan
<b>Shandong Province Boxing County Hongjia Tongtai Water Co., Ltd</b>	Bo Zhi Penalty Decision (2022) No. 6 Fine: 128,297 yuan	
<b>Yuncheng Tianyuan Sewage Treatment Co., Ltd</b>	He Environment Penalty [2021] No. Z0705007 Fine: A fine of more than 30,000 yuan but less than 200,000 yuan	



## This report examines the subjects of the study

province	The name of the business	Regulatory Content
Shanxi	Taiyuan Haofeng Sewage Treatment Co., Ltd	Binghuan Penalty Zi (2022) No. 005067 Fine: 300,000
	Hongdong Shengyuan Sewage Treatment Co., Ltd	Linhuan Penalty Zi (2022) No. 005067 Fine: 118,000
Shaanxi	Yulin Sound Water Co., Ltd	Shaanxi K Huan Penalty [2021] No. 234 Fine: 100,000 yuan, Shaanxi K Dingbian Huan Penalty [2021] No. 1 Fine: 50,000 yuan, Shaanxi K Huan Penalty [2022] No. 187 Fine: 100,000 yuan
	Yulin Jingzhou Water Co., Ltd	Shaanxi K Jingbian Huan Penalty (2021) No. 2 Fine: 100,000 yuan, Shaanxi K Huan Penalty [2021] No. 236 Fine: 100,000 yuan
Sichuan	Jiayang Dewen Water Co., Ltd	Chenghuan Penalty [2021] No. LQY014 Fine: 20,000; Chenghuan Penalty [2021] LQY020 Fine: 190,000 yuan, Chenghuan Penalty [2022] JY023 Fine: 200,000 Yuan; Chenghuan Penalty [2022] ZD103 Fine: 314,000
	Sichuan Yuesheng Sewage Treatment Co., Ltd	Chenghuan Penalty [2022] LQY039 Fine: 195,600
	Qionglai Huilan Water Purification Co., Ltd	Chenghuan Penalty [2020] QL016 Fine: 42,500
	Dazhou Sound Water Co., Ltd	Dashi Huanfa Penalty (2021) No. 53 Fine: 20,000 yuan; Dashi Huan Penalty (2021) No. 100 Fine: 336,200 yuan; Dashi Huan Penalty [2021] No. 187 Fine: 208,000 yuan
	Deyang Jieyang Drainage Co., Ltd	Dehuan Penalty [2019] No. 5 Fine: 100,000 yuan
	Luzhou Jiugu Qingyuan Sewage Treatment Co., Ltd	Luhuan Penalty [2019] No. 24 Fine: 150,000
	Mianyang Jingkai Water Co., Ltd	Mianyang Jingkai Water Co., Ltd. Environmental Administrative Penalty Decision, Mianyang Municipal Bureau of Ecology and Environment, 2019-01-10 Fine: 500,000 yuan, Mianhuan Penalty Zi [2019] No. 12 Fine: 100,000 yuan
	Sichuan Xianxing Industrial Group Water Purification Co., Ltd	Chuanhuan Penalty [2021] No. 0601 Fine: 650,000 yuan, Chuanhuan Penalty [2021] No. 0602 Fine: 761,500 yuan

## This report examines the subjects of the study

province	The name of the business	Regulatory Content
Sichuan	<b>Zigongxin Boiling Water Environmental Management Co., Ltd</b>	Zi Environment Law Penalty Zi [2021] No. 13 Fine: 100,000 yuan, Zi Environment Law Fushun Penalty Zi (2021) No. 4 Fine: 171,000 yuan, Zi Environment Law Fushun Penalty Zi (2021) No. 10 Fine: 100,000 yuan; Zi Environment Fa Gongjing Penalty Zi [2021] No. 12 Fine: 171,000 yuan; Zi Environment Law Gongjing Penalty Zi [2021] No. 13 Fine: 349,200 yuan; Zi Environment Law Daan Penalty Zi [2021] No. 16 Fine: 284,400 yuan; Zi Environment Law Yantan Penalty Zi [2021] No. 8 Fine: 100,000; Zi Environment Law Yantan Penalty Zi [2021] No. 9 Fine: 187,200; Zi Environment Law Zijing Penalty Zi Zi [2021] No. 8 Fine: 100,000 yuan, Zi Environment Law Gongjing Penalty Zi (2021) No. 14 Fine: 442,000 Yuan; Zi Environment Law Daan Penalty Zi (2021) No. 19 Fine: 187,200; Zi Environment Law Daan Penalty Zi (2021) No. 20 Fine: 100,000; Zi Environment Law Daan Penalty Zi (2021) No. 18 Fine: 100,000
	<b>Sichuan Weimin Environmental Protection Engineering Co., Ltd</b>	Penalty [2021] No. 14 Fine: 20,000 yuan
Inner Mongolia	<b>Hohhot pioneered Chunhua Water Co., Ltd</b>	Hu Environment Penalty Decision Zi [2020] No. 11 Fine: 800,000 yuan
	<b>Baotou Xijun Environmental Protection Technology Co., Ltd</b>	Bao Environment Penalty (2019) No. 16 Fine: 30,000 yuan
	<b>Huolin Gol Tianhe Water Engineering Co., Ltd</b>	Tong Environment Penalty Decision (2022) No. 9-1 Fine: 100,000 yuan
	<b>Wuhai Shengtai Water Industry Co., Ltd</b>	Wu Environment Penalty Zi (South) [2022] No. 21 Fine: 121,565 yuan

# There are laws to follow for environmental governance

## **According to the *Law of the People's Republic of China on the Prevention and Control of Water Pollution***

**Article 45** Enterprises discharging industrial wastewater shall take effective measures to collect and treat all wastewater produced to prevent environmental pollution. Industrial wastewater containing toxic and harmful water pollutants shall be collected and treated separately, and shall not be diluted and discharged. Industrial agglomeration areas shall be equipped with corresponding centralized sewage treatment facilities, install automatic monitoring equipment, network with the monitoring equipment of the competent department of environmental protection, and ensure the normal operation of the monitoring equipment. Where industrial wastewater is discharged into a centralized sewage treatment facility, it shall be pretreated in accordance with the relevant provisions of the State, and it can only be discharged after the treatment process requirements of the centralized treatment facility are met.

**Article 50** The discharge of water pollutants into centralized urban sewage treatment facilities shall comply with the water pollutant discharge standards provided for by the state or localities.

The operating units of centralized urban sewage treatment facilities shall be responsible for the quality of the effluent from centralized urban sewage treatment facilities.

**Article 51** The operating units or sludge disposal units of centralized urban sewage treatment facilities shall safely dispose of and dispose of sludge, ensure that the treated and disposed sludge meets national standards, and keep a record of the whereabouts of the sludge.

**Through data collation, Lvse Jiangnan found that the common reasons for environmental penalties for sewage treatment enterprises are as follows:**

- 1、 Excessive pollutant discharge;
- 2、 Improper operation of pollution prevention and control facilities;
- 3、 Improper disposal of hazardous waste (sludge).

# Feedback and analysis from the tax department

The name of the tax office	Response time	The content of the response
<b>Henan Provincial Taxation Bureau</b>	2023/4/3	Two companies have been revoked from environmental penalties, one company has been punished without environmental concern, so it will not affect the continued enjoyment of tax incentives, and the other two enterprises have enjoyed tax incentives in a reasonable and compliant manner
<b>Inner Mongolia Taxation Bureau</b>	2023/3/28	Telephone communication suggests tax counseling
<b>Ningxia Hui Autonomous Region Taxation Bureau</b>	2023/3/1	2 enterprises have verified that there are indeed violations to enjoy tax incentives, and the tax has been recovered Apply Azure Map Big Data
<b>Shaanxi Provincial Taxation Bureau</b>	2023/2/24	After the environmental penalty was not enjoyed, the tax incentives were not enjoyed, and because there were several months in the year before the penalty, they were publicized
<b>Shandong Provincial Taxation Bureau</b>	/	No reply
<b>Sichuan Provincial Taxation Bureau</b>	/	No reply
<b>Qinghai Provincial Taxation Bureau</b>	2023/4/13	2 enterprises have recovered the tax increase tax in the early stage, and 1 enterprise has paid the environmental protection tax



# What we found

## **Enterprises do not take the initiative to show environmental penalties when making green tax declarations**

In its reply to Green Jiangnan's letter, the Qinghai Provincial Taxation Bureau stated that one local enterprise did not take the initiative to show information on the penalty when applying for VAT refund on the spot, resulting in the failure to find out that the enterprise was subject to environmental protection penalties in time, and still handled the tax refund on the spot. Later, it was found that the company had environmental protection penalty information, and all the taxes refunded on the period were paid back in July 2022.

## **The old and new policies alternate, and the illegal acts in the early stage are not investigated?**

The Inner Mongolia Taxation Bureau called Green Jiangnan and found that one local enterprise had violated the rules to enjoy tax incentives, and according to the Cai Shui [2015] No. 78 document, it should be recovered. However, according to Document No. 40 of 2021 announced by the Ministry of Finance and the State Administration of Taxation, "matters that have not been dealt with before shall be implemented in accordance with the provisions of this announcement." "Companies believe that under the new policy, the tax authorities should not pursue ..... In view of this situation, the tax department would like to exchange views with Green Jiangnan. Secondly, in the course of exchanges between Green Jiangnan and other local tax departments, it was learned that the periodic tax obtained by the enterprise before the new policy came out should be recovered, and finally, the tax department should provide tax guidance to local enterprises.

# Azure Map Service Green Tax

## **Environmental big data application services for green taxation in many places**

The Ningxia Hui Autonomous Region Taxation Bureau called Lvse Jiangnan to verify whether the environmental violations of several companies sent to Green Jiangnan affected their enjoyment of tax incentives. **Verification result: The two enterprises involved in the letter did enjoy the VAT refund in violation of regulations, and the tax department has recovered it.**

In addition, the Ningxia Hui Autonomous Region Taxation Bureau hopes to use the application of blue map big data to timely inquire about the environmental supervision of enterprises in the jurisdiction and facilitate the work of the tax department. Understanding the tax bureau's demand for environmental big data, the Ningxia Hui Autonomous Region Taxation Bureau contacted the Azure Map in a timely manner and cooperated with the Azure Map. This is also the beginning of the green tax work in Jiangnan, and a number of tax bureaus have sought in-depth cooperation with Azure Map.

# Recommendation

## **1、 Transparent tax policy, Simplify the tax collection process**

Tax authorities should provide more transparent and easy-to-understand tax policies, so that enterprises and taxpayers can better understand tax laws and policies. Secondly, it can provide a more concise and convenient tax collection process, improve the compliance rate of taxpayers, and shorten the tax collection time.

## **2、 Improve tax services to avoid tax risks**

Tax authorities should strengthen their services to taxpayers and provide higher quality consulting services and training activities, so that enterprises can better avoid tax risks while understanding tax policies.

## **3、 Strengthen tax law enforcement and maintain a fair and competitive market environment**

Tax authorities should strengthen tax law enforcement, punish tax violations, and maintain a fair and competitive market environment; Secondly, when serving the public and managing tax matters, it is necessary to fully consider the reasonable needs and interests of enterprises, and adopt appropriate policies and management methods, so that enterprises are more willing to pay taxes and better promote economic development.





Thanks for your attention!

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