

# Tax situation of solar power generation in China

Does China have tax incentives for solar PV power generation?

The Chinese government has established tax incentives to foster investment in solar PV power generation. This study computes the tax expense based on the stipulations set forth in the Regulations of the People's Republic of China on the Implementation of the Enterprise Income Tax Law (revised in 2019) (PRC, 2019).

What are the tax implications of investing in solar PV power projects?

**Tax expenditure** The fiscal impact of investing in solar PV power projects primarily involves value-added tax (VAT) and corporate income taxes. The Chinese government has established tax incentives to foster investment in solar PV power generation.

What percentage of China's energy use is solar?

Solar power contributes to a small portion of China's total energy use, accounting for 3.5% of China's total energy capacity in 2020. Chinese President Xi Jinping announced at the 2020 Climate Ambition Summit that China plans to have 1,200 GW of combined solar and wind energy capacity by 2030.

Why are solar energy projects being halted in China?

The government incentives have also contributed to the curtailment of solar energy, as many of the solar projects have been built in northern and western regions of China where there is a low demand for electricity and a lack of infrastructure to transfer energy towards China's main power grid.

Why are Chinese government subsidies for solar power a problem?

Government subsidies for solar power have also been attributed to over construction, as many solar power projects have been funded by the Chinese government but do not operate at full capacity due to the inability to transfer the full energy capacity from production sites.

Is the feed-in tariff subsidy affecting China's solar PV production capacity?

The feed-in tariff (FIT) subsidy policy has been instrumental in fostering the expansion of PV power generation. Despite the growth in China's solar PV production capacity, the financial gap caused by the FIT subsidy within the new energy subsidy policy presents a significant challenge (Yan et al., 2019).

China is the main contributor to the sharp increase in solar capacity, accounting for one-third of global solar power to 2017. The cumulative solar capacities in China in 2010 and 2017 are provided in Fig. 1, and are compared with those in several other countries who are also leading developers of solar power. Started from less than 1 GW in 2010, China's capacity of ...

Since 2009, China has been promoting the application of solar energy in the field of construction, implementing the "Golden Sun Project" to provide financial subsidies for ...

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China is abundant with solar energy resources, and has made significant progress in its promotion of solar PV power generation. In 2014, the newly installed capacity reached 1.06 million kW and the total installed capacity reached 2.805 million kW (National Energy Administration, 2014).

The data on solar PV power generation in China is empirically analyzed. China is rich in solar energy resource. Solar PV is the most widely used solar power generation technology. On the whole, there is certain gap between China and the developed countries in the scale and technology level of solar PV power generation.

To more deeply examine the recent degree of clean energy power generation in 31 regions in China, the entropy method was introduced to comprehensively evaluate four indicators (the proportion of installed clean energy power capacity, the installed capacity of clean energy power generation, the operational hours of clean energy power generation, and the ...

In comparison to wind and hydropower, solar power generation is relatively less efficient [46,53,54,55]. As of the end of 2021, China's abandoned solar power had a surplus of 6.78 billion kW·h. The photovoltaic power ...

The grid parity of PV power generation in China has been studied. Wang et al. [25] applied the LCOE model to analyze the per kWh cost of PV power generation at the province level. Parameters used in the model were based on the 12th Five-Year Plan (2011-2015) and the demand-side grid parity was obtained.

China is the largest market in the world for both photovoltaics and solar thermal energy. China's photovoltaic industry began by making panels for satellites, and transitioned to the manufacture of domestic panels in the late 1990s. [1] After ...

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In short, compared with the situation in 2013, the current investment environment of solar PV power generation in China has undergone great change. Thus, government should adjust the levels of the sub-regional feed-in tariffs that were set in 2013 as soon as possible.

In 2019, reducing the value-added tax rate again has reduced the cost of photovoltaic power generation to a certain extent, but the preferential policy of 50% of the value-added tax on ...

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