

Case 1: Company A was registered in Haikou in 2021 as a commodity trading enterprise engaged in the domestic sales of thermal coal operating primarily within the Hainan Free Trade Port. In 2023, the company achieved a total annual revenue of 100 million yuan and a profit of 10 million yuan. In business-as-usual scenarios, the annual corporate income tax payable amounts to 2.5 million yuan based on a CIT rate of 25%. However, since "commodity trading" is categorized as an encouraged industry in the "Hainan Free Trade Port Newly Added Encouraged Industries Catalog" (item 45) and "thermal coal" is listed among the restricted categories for commodity trading designated by the Hainan Provincial Development and Reform Commission, the company is eligible for the preferential CIT rate of 15%. Consequently, the annual corporate income tax payable is reduced to 1.5 million yuan, resulting in a tax reduction of 1 million yuan.

Case 2: Company B was registered in Sanya in 2022 as a domestic enterprise primarily engaged in providing community property services. The company operates substantially within the Hainan Free Trade Port and employs over 200 staff members. In 2023, the company generated a total annual revenue of 25 million yuan, resulting in a total annual profit of 4 million yuan. Considering a tax rate of 25%, the annual corporate income tax payable amounts to 1 million yuan.

However, since property services are classified under the "Other Service Industries" category listed as item 2 in Article 42 of the "Guidance Catalog for Industrial Structural Adjustment", the company qualifies for a preferential CIT rate of 15%. Consequently, the annual corporate income tax payable is reduced to 600,000 yuan, thereby granting a tax reduction of 400,000 yuan.

Case 3: Company C was registered in Sanya in 2022 as a foreign-invested enterprise primarily engaged in providing international trade and taxation consulting services. The company operates substantially within the Hainan Free Trade Port. In 2023, the company generated a total annual revenue of 20 million yuan, resulting in a total annual profit of 8 million yuan. Considering a tax rate of 25%, the annual corporate income tax payable amounts to 2 million yuan.

However, since tax consulting services are classified under the "Leasing and Business Services" category listed as item 449 in the "Catalog for Encouraged Foreign Investment Industries (2022 Edition)", which includes international economic, technological, environmental protection, logistics information, business, accounting, and tax consulting services, the company qualifies for

a preferential CIT rate of 15%. Consequently, the annual corporate income tax payable is reduced to 1.2 million yuan, thereby granting a tax reduction of 800,000 yuan.