

# Research on Tax Preferential Policies for Optimizing Business Environment

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**Abstract:** In recent years, the Party Central Committee and the State Council have highly supported the construction of a business environment, and introduced a series of tax policies aimed at promoting the development of market entities, especially small and medium-sized enterprises. The main contents include continuing to reduce the burden and taxation of market entities, and facilitate taxation conditions. The protection of the legal rights of market players has played a vital role in optimizing the business environment, and has achieved certain results. However, there are still some problems in the implementation of current tax preferential policies, such as whether the tax burden can continue to be reduced, tax service capabilities need to be improved, and risk prevention and control capabilities need to be strengthened. In the face of these deficiencies, further research on preferential tax policies is needed to create a tax preferential environment that is burden-reducing, efficient, and ruled by law.

## 1. The current state of tax incentives to optimize the business environment

At present, the national financial department is working hard to create a good development environment from various aspects such as tax reduction and burden reduction of market entities, taxation conditions, precise assistance, protection of the legitimate rights and interests of enterprises, and implementation of various policies.

(1) Conscientiously improve policy recommendations and promote tax reduction and burden reduction

On September 7, 2018, the State Administration of Taxation issued the Action Plan for Further Optimizing the Tax Business Environment in the National Taxation System (2018-2022). The "Plan" reduces the burden of taxes and fees through measures to accelerate tax reform, aiming to create a low-cost business environment. First, implement personal income tax reform. Raising the basic deduction standard for personal income tax is the basic premise. Under this requirement, the implementation of special additional deduction policies, the implementation of a comprehensive and classified personal income tax system, and other aspects of personal income tax reform, by increasing the standard of tax deduction, reducing Taxpayer burden. Second, relax restrictions on personal tax exemption rights. When other individuals issue value-added tax invoices on their behalf, the waiver of tax exemption rights is not subject to the "36 months of exemption from tax reduction and exemption restrictions", and is only valid for the current generation of invoices, and does not affect future applications for tax exemption. Third, publish relevant system interface specifications. Announce the interface specifications of enterprise-related systems based on the Internet tax terminal for taxpayers to develop and use by themselves, and support taxpayers to submit declaration data, declaration forms and obtain relevant feedback information through the interface when safety requirements are met.

(2) Continue to optimize the business environment and increase taxation convenience

On November 19, 2018, the State Administration of Taxation issued the "Notice on the Implementation of Several Measures to Further Support and Serve the Development of the Private Economy", which put forward specific provisions for improving the convenience of corporate taxation. The main contents include: streamlining tax-related materials, Simplify the tax processing process, shorten the tax processing time, take the lead in the elimination of 20 tax-related certification matters, so that more than 50% of the taxpayers' needs can be solved at one time, and further promote the taxpayer's declaration to the tax authority to continue to reduce 25 %

Initiatives.

(3) Actively carry out targeted assistance to help private enterprises alleviate difficulties

Private enterprises are an important part of the socialist market economy and have greatly stimulated market vitality. In the process of building a socialist modern country in an all-round way, private enterprises play an important role and need to continue to grow and develop. Therefore, the State Administration of Taxation regards helping the development of private enterprises as an important measure to optimize the civil and business environment.

First, the State Administration of Taxation requires tax authorities at all levels to hold regular seminars to solicit opinions from private enterprises and respond in a timely manner. The State Administration of Taxation will also conduct regular communication with private enterprises across the country through the 12366 tax service hotline.

Second, there are still conflicts and disputes caused by the issue of tax law enforcement standards, and the demands of many private enterprises, especially small and medium-sized enterprises, cannot be resolved in a timely and reasonable manner. Therefore, the State Administration of Taxation has decided to clarify specialized agencies in the State Administration of Taxation and the Provincial Taxation Bureau to be unified in charge of the appeals of small and medium-sized enterprises involving taxation issues, and to establish a sound dispute resolution mechanism.

Third, in response to the unreasonable restrictions on private enterprises in the receipt of invoices, we will fully implement the online invoice application business, implement online VAT invoice issuance services, protect the basic needs of private enterprises for invoices, and resolutely resist non-statutory circumstances Stop issuing invoices to taxpayers such as private enterprises.

(4) Strictly regulate tax law enforcement and protect legitimate rights and interests

Tax law enforcement must adhere to the principles of legitimacy and rationality, conform to the purpose of legislation, apply laws and regulations equally, and respect social ethics. However, there are indeed illegal and unreasonable tax enforcement actions that seriously infringe on the legitimate rights and interests of market entities. The existing regulations have also strictly regulated this content.

First, intensify the review of tax regulatory documents. Tax normative documents are the basis for tax enforcement actions. If tax normative documents violate fairness and justice, the enforcement actions also lose legitimacy. Regarding these tax normative documents, those that have not been published should not be published or improved after they have been published, and those that have already been published need to be revised or abolished.

Second, the State Administration of Taxation requires that companies that evade tax payments should be strictly investigated, and at the same time, entities that violate the relevant provisions of the tax law are encouraged to consciously take remedial measures. For entities with tax obligations to actively eliminate or mitigate the harmful consequences, they shall be treated lightly or lightly in accordance with the law. Mitigation of penalties, no administrative penalties for minor violations that have been corrected in a timely manner without serious consequences.

Third, in the process of vigorously promoting administrative disclosure, tax law enforcement is no exception. This is a manifestation of accepting supervision in accordance with the law. The State Administration of Taxation fully implements the tax publicity system, requiring that all tax enforcement actions be recorded, and it is strictly prohibited for law enforcement officers to enforce the law violently or illegally.

## **2. Deficiencies in policy implementation**

(1) The tax reduction policy is not scientific enough, and the tax burden is still heavy

At present, the country is constantly advocating tax reduction, but in terms of taxation at this stage, reducing the burden of enterprises is still a long-term task. There will still be room for tax cuts and fee reductions for some time to come, and excessive non-tax charges will cause a heavy burden on enterprises. The inefficiency of tax collection has increased the cost of taxation; the insufficient efficiency of government fiscal expenditure has increased the amount of fiscal

expenditure, and the taxpayers who are the taxpayers are still under pressure.

(2) Tax service capacity needs to be improved

The State Administration of Taxation has issued the "National Tax Service Standards for Tax Authorities", which covers information reporting, invoice processing, tax declaration, preferential processing, certificate processing, social insurance premiums and non-tax income business processing, export tax refund (exemption), and international tax business Handling, credit evaluation, tax cancellation, tax-related consulting, tax-related information inquiry, tax service complaints, and tax-related professional services. These fourteen aspects contribute to the reduction of various tax certifications, simplifying the tax processing process, and saving tax time. Specific provisions have been made, but most of these provisions are in written processing or taxation procedures, and there are still some problems that need to be resolved urgently in the establishment of staff awareness of service and the way of taxation services.

a) The tax service content is not rich enough, and the hardware level needs to be improved. The current way of taxation services is gradually developing towards the trend of network, gradually implementing comprehensive taxation on the Internet, and most tax-related matters can be handled on relevant websites. However, the hardware facilities for online tax processing are not perfect, the tax processing website system is prone to breakdown, and the network maintenance capabilities are also insufficient. In addition, the online tax assistance business is difficult to apply to the grassroots tax authorities in many remote areas, and the inconvenience still exists. It is necessary to expand new tax payment channels for these taxpayers so that they can enjoy tax services.

b) Inadequate service awareness of tax staff. At present, the traditional power-centered thinking still exists in our country, and this concept is more serious especially at the grassroots level. Compared with the superiors, the basic tax staff lack professional competence and ability, and their understanding of service awareness is inadequate. Some staff even do not pay attention to providing services to complete their own business, which makes some taxpayers with low tax quality unable to The timely handling of tax-related businesses increases the time cost of tax processing and affects the service capabilities of tax authorities.

(3) The problem of "difficult to implement" preferential tax policies is serious

The life of a policy lies in implementation. It is far from enough to formulate a good tax policy. Tax authorities at all levels need to vigorously publicize and implement the content of the policy. Traditional announcements, seminars, and other methods lack new ideas and cannot fully popularize tax policies for taxpayers, leading to inadequate publicity and causing many taxpayers to fail to enjoy due tax preferential policies in time.

### **3. Countermeasures and suggestions**

In view of the problems in the implementation of the above tax policies, it is necessary to combine the actual conditions of taxation work to explore feasible measures to improve taxation capabilities and optimize the business environment to ensure that taxation services are open, fair and just, and are improved in all aspects. The author believes that it is necessary to make relevant suggestions on taxation policies through three aspects: reducing taxes and fees, optimizing convenience for the people, and taxation under the rule of law.

(1) Create a tax policy environment for scientific burden reduction

Create a tax policy environment for scientific burden reduction. Based on the actual situation, different but reasonable taxes and fees will be collected from enterprises in different regions and operating conditions. On the one hand, they will ensure that they are not excessively burdened and will not affect the normal operation of enterprises; on the other hand, they are incentives. Market access, support and encourage the establishment and development of small and medium enterprises, and promote the prosperity of socialist economic undertakings. In addition, the reduction of administrative fees should be the main focus of tax burden reduction, especially to accelerate the abolition of some unreasonable administrative fees, thereby reducing business costs and accelerating the pace of people's entrepreneurship.

(2) Create a convenient and efficient tax service environment

Tax authorities need to improve the quality of internal staff so that the tax processing process can be truly convenient for taxpayers. The training of tax staff should be accurate in content and highly integrated with actual work to improve the business literacy of tax staff, especially grassroots tax staff. In addition, a scoring system can also be activated. After each tax service, the taxpayer will give star ratings to the staff who handle tax-related business for them, and the evaluation will be summarized annually and the evaluation will be included in the work assessment of the year.

### (3) Strengthen the implementation of taxation policies

Increasing the publicity of the rule of law in taxation policies can effectively enhance taxpayers' awareness of law-abiding operations and comprehensively enhance the country's taxation legalization process. The development of new media network technology provides a good medium for the publicity of the rule of law of tax policies. Unlike previous forums, brochures and other forms, network publicity can be classified into different taxpayers, tax types, tax industries, etc. through big data analysis. Develop different publicity and training programs so that taxpayers of different levels, industries, and categories can understand the tax law, master common sense of tax law, and consciously pay taxes in accordance with the law. In addition to propagating the rule of law to enable taxpayers to comply with the relevant provisions of the tax law, the state must also establish a tax supervision mechanism. Tax authorities must not only provide good tax services, but also strengthen law enforcement during the service process, and monitor the taxpayers' tax status in real time. Severe punishments will be imposed on tax violations, and this work will be regarded as an important standard for annual assessment.

## 4. Conclusion

Tax authorities pay taxes in accordance with the law and carry out tax reforms with the aim of providing a high-quality business environment for the development of enterprises, providing various preferential tax policies, strengthening the reform of “decentralization, management and service”, implementing tax policies, safeguarding the legitimate rights and interests of enterprises, and further promoting my country's economy. Social development, build a legal, democratic and scientific tax preferential environment.

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