



Research on the Challenges and Countermeasures of Tax Collection and Administration Under the Digital Economy

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Abstract. With the rapid development of China's economy, as well as the rapid progress of cloud computing, big data, blockchain, 5G and other information technologies. These new technologies gradually applied in the work of enterprises and governments, which provides a good foundation for the rapid development of digital economy. As one of the important state organs, the taxation department has been gradually exploring the path of departmental reform under the digital economy, but in this context, it has to speed up the pace of exploration and keep up with the development of The Times. Tax collection and administration is the core work of the tax department. Exploring the challenges and optimization paths of tax collection and administration under the digital economy is conducive to the current and long-term development of the tax department.

Keyword: Digital economy · Tax collection and administration · Blockchain

1 The Logical Relationship Between Digital Economy and Tax Collection and Administration

1.1 The Logical Relationship Between Digital Economy and Tax Collection and Administration

The Digital Economy Forces a Change in Tax Collection and Administration. With the continuous development of the digital economy, its core technologies, such as big data, cloud computing, 5G, the Internet of Things and other information and communication technologies, have entered thousands of enterprises. Enterprises have made leapfrog progress with these emerging technologies, but also led some enterprises to use these technologies to hide and evade tax obligations, pay less or no taxes. Although tax authorities are also taking advantage of the digital economy to continuously promote their own technology and improve smart tax, their progress is far from enough, and not fundamentally get rid of the traditional tax pattern. So in such circumstances, the development of the digital economy forces tax collection and administration to change.

Tax Collection and Administration to Promote the Further Development of the Digital Economy. Tax collection administration, referred to as tax collection and administration, refers to the general term of the organization, management and inspection of

the tax collection process by the state tax collection authorities in accordance with the provisions of the tax law and administration Law and other relevant laws and regulations. Generally speaking, there are three major links of tax collection and management, namely, collection, management and inspection. The promotion of tax collection and administration to the development of digital economy is also reflected in the three major links. From the perspective of collection, one of the most important principles of China's tax is "from the people and for the people" enrich the fiscal revenue through tax collection, so that it can have sufficient funds to build and maintain important information technology means to support the development of digital economy. From the perspective of management and inspection, as the "last mile" to ensure tax revenue into the national finance; on the other hand, tax management and inspection can crack down on tax-related laws and crimes, maintain the business environment under digital economy and provide a fair competition environment for taxpayers, so as to promote the healthy development of digital economy.

2 Challenges of Tax Collection and Management Under Digital Economy

2.1 The Traditional Tax System Structure Needs to be Optimized and Transformed

The New Profits are Difficult to Determined. With the emergence and development of new industries such as e-commerce, we-media and short video, the generation path of original profits has changed. The original profit is derived by the income of the enterprise minus the cost, whether the income or the cost, the tax authorities in addition to checking the accounting books of the enterprise, "tax control by ticket" is a powerful means of the tax authorities. Through the inspection of relevant bills, especially invoices, we can almost accurately check the cost and income of the enterprise, so as to accurately obtain its profits, and then calculate the tax basis of the enterprise. The new profits also generate more "user traffic", which is difficult to accurately verify the path. In this path, the most important force to provide and create value is network users. Since network users provide the number of views and clicks for related content, which indirectly create profits for related enterprises but do not directly participate in their transactions, this new type of profits, namely hidden profits, is difficult to be accurately verified. Therefore, it is very necessary for tax authorities to move forward from "tax control by ticket" and "information management tax" to "data management tax".

More Natural Person Businesses. The continuous development of digital economy has attracted many natural subjects to join the merchants. In addition to the natural persons who entered the online trading platform in the original form of e-commerce, more and more natural persons also become online transactions through live broadcast, live delivery, small video shopping cart, circle of friends and other ways. This leads to a series of problems. First of all, most of the natural persons in e-commerce do not have tax registration, so it is quite difficult for the tax authorities to manage and identify the tax payers. Secondly, the products provided by these natural persons are not all tangible

products, and there are many intangible products, namely digital products and services, such as platform members, game equipment, game generation, etc. This makes the tax authorities are already difficult to manage the situation worse.

2.2 New Requirements for the Acquisition of Tax-Related Information

Information Sharing with Third-party Payment Platforms and Financial Institutions Needs to be Deepened. Digital economy mode of transaction is more convenient and hidden, the traditional cash payment and bank transfer is not most small and medium-sized operators such as individual industrial and commercial households and natural person mainstream payment method, and through the third-party payment platform payment method gradually become the primary choice, which makes it more difficult for the tax authorities to obtain tax subject tax-related information. Although a tax-related information sharing mechanism between tax authorities and third-party payment platforms and financial institutions has been gradually established, there are still many problems in practical operation. First, the tax authorities and third-party payment platforms share less and less information; second, when tax authorities need to obtain deeper tax-related information, they will miss the golden period of law enforcement, which may provide taxpayers with the opportunity to destroy evidence and even escape. Finally, third-party payment platforms and financial institutions to protect customers. The purpose of the tax authorities is to ensure that the tax can enter the fiscal revenue in time and in full. Therefore, due to the different purposes of the two sides, there will be third-party payment platforms and financial institutions not cooperating.

It is Difficult for “Control Tax by Votes” to Function in the Digital Economy. On the one hand, the traditional entity invoice is difficult to meet the actual needs of the business entities under the digital economy, and many enterprises also take the opportunity to avoid fulfilling tax obligations, so electronic invoices emerged at the historic moment. On the other hand, although the electronic invoice solved the part of the entity invoice, but due to the differences of electronic invoice technology and business standards, make the current electronic invoice actual application difference is bigger, regions cannot the electronic invoice collection analysis processing, thus affect the electronic invoice work, and affect the development of electronic invoice. In addition, there is no special platform to obtain taxpayers’ transaction data and complete invoice issuance, which will undoubtedly make it difficult for tax authorities to play a role in “controlling tax by ticket” in the background of digital economy.

2.3 The Lack of Professional Talent

Few Tax Professionals. On the one hand, the educational structure of tax collectors in some areas is poor. Most of the tax collection and administration personnel are college graduates without relevant qualifications, while there are fewer tax collection and administration personnel with graduate degree or above or with qualification certificates [1]. Even some areas in the recruitment of tax personnel, only recruit undergraduate degree, and do not recruit graduate degree. This makes the basic professional quality of

some tax authorities is not high, and their learning ability is also poor. On the other hand, due to the reform of China's tax structure and the constantly changing tax policies, tax collection and administration personnel have more learning content and greater learning pressure, and it is difficult to timely respond to new knowledge, new technology, new content and new situation.

Few Information and Data Application Talents. On the one hand, it is difficult for tax authorities in some regions to effectively recruit talents related to computer science and digital economy majors, most of whom are engaged in other industries, which fundamentally leads to very few talents among tax authorities who can be skilled in applying information and data and understand the digital economy. On the other hand, the age structure of tax collectors in some regions tends to be "aging". Generally speaking, these people have high professional quality and rich experience, but limited by age, it is difficult for them to accept new things or slow to learn slowly, so it is difficult to meet the corresponding standards for the application of computer and data.

3 Optimization Path of Tax Collection and Administration Under Digital Economy

3.1 Optimize the Tax Structure and Improve the Tax System

Improve Laws and Regulations Related to Tax Collection and Administration of the Digital Economy. First, laws and regulations related to tax collection and administration of digital economy must be integrated and their legal level upgraded [2]. To improve the level of the legal basis of tax collection and administration of digital economy, it is necessary to accelerate the legislative process of digital economy and tax collection and administration. Generally speaking, we can start from the formulation of tax entity law and the promotion of tax procedure law. Secondly, the following contents should be clearly defined in the relevant laws and regulations. First, it is clear how to register and declare tax payers with natural persons as merchants, especially how tax authorities should supervise them. The second is to determine the boundary between tangible products and intangible products, clarify the tax calculation basis and applicable tax rate of intangible products, and determine the corresponding tax rate, tax calculation method and tax preferences according to the specific tax items. Third, it makes clear the basis and calculation method of the new profit. The new profit indirectly generated by user traffic, user browsing and user click is also taken as the basis for tax calculation. Because it is difficult to measure and calculate the new profit, what way to quantify it has become the top priority. Fourth, clarify the responsibilities of third-party payment platforms and financial institutions, including the withholding responsibility and the responsibility of providing tax-related information to tax authorities. It should be noted that the information provided by third-party payment platforms and financial institutions must be processed objective tax information and desensitization information, rather than original information.

Strengthen the Tax Collection and Administration of Natural Person. Individual income tax is a kind of direct tax closely related to the broad masses, which plays

an important role in regulating the income gap of residents, reducing the gap between the rich and the poor and realizing common prosperity. Different from other taxes, personal income tax can be said to be a kind of tax closely related to most people, and it is also the most concerned by the public. At the end of 2018, China carried out the reform of the individual income tax system, and moved the classification collection to the “classification + comprehensive” collection method, which further realized the convenience, benefit and benefit of the people [3]. However, there are still problems in the structure of the individual income tax system, and it should continue to be improved. For example, under the background of the rapid development of digital economy, more and more natural persons have become businesses and taxpayers, but the matching tax collection and administration regulations are still missing. Both the income obtained by traditional natural persons and the income obtained by natural persons relying on information technology and other platforms under the digital economy are closely related to personal income tax. Therefore, the issues related to the tax collection and management of natural persons under the digital economy are undoubtedly the issues that should be paid attention to in the personal income tax reform.

3.2 Promote Digital Construction Process of Tax Collection and Administration

Establish a Digital Tax Bureau. First, the construction of the electronic tax bureau in each region should establish regional characteristics on the basis of the national unified construction and regulations. Different regions have different development conditions and different regional particularity, so the electronic tax bureau must “seek common ground while reserving differences”. Second, the electronic tax bureau applies the latest digital technology to upgrade, so that it is highly intelligent. On the basis of signing the confidentiality agreement, we can cooperate with professional technicians or enterprises to enrich the electronic tax bureau with the latest information technology [4]. Third, the electronic tax bureau should share social and economic data to the greatest extent. Above mentioned to establish tax authorities and third-party payment platform and financial institutions information sharing mechanism, but in addition to the third-party payment platform and financial institutions, should also strengthen the tax authorities and, customs, public security organs, audit institutions, real estate management center, court and other third-party data platform of information sharing, only in this way can effectively data integration, data group, expand information sharing, improve information sharing speed, improve the utilization rate of data information. Fourth, the electronic tax bureau should have the most advanced technology but also have the network security management and quality management ability. On the one hand, the tax authorities, as the leader of the information sharing of the electronic tax bureau, should protect the relevant tax-related information. On the other hand, “the network is not outside the law”, the electronic tax bureau should have the responsibility similar to the “Internet police”, effectively supervise and manage the online transactions, and timely report to the police in case the relevant online activities are abnormal.

Define the Importance of Data. Although China has entered the mature stage of “information management tax”, the main basis of —— information sharing of tax collection and management is still in the state of external sharing. This passive tax collection and

management mode is difficult to adapt to the rapid development of digital economy, nor to adapt to the diverse and hidden tax evasion behaviors of taxpayers, and even more difficult to achieve the fair, efficient and comprehensive responsibilities of tax authorities. Therefore, in order to realize that to make data sharing play a role, tax authorities must break down departmental, industrial, regional and even national barriers, and form a huge tax database that is all-inclusive and incompatible. The formation of the huge tax database to rely on laws and regulations and the latest digital technology spending, can say the concept mentioned here is to optimize the structure of perfect tax system and promote the construction of tax collection and administration of preliminary ideas and logic, and optimize tax structure to improve the tax system and promote the construction of digital is the extension of clear “data tube tax” core [5].

3.3 Recruit and Train Digital Economy Professionals

Improve the Incentive Mechanism. Effective and reasonable assessment, reward and punishment mechanism can stimulate the learning motivation of tax personnel, and it is an essential way to speed up the construction of talent team of tax authorities. The establishment of a reasonable assessment and incentive mechanism should be divided into the following parts: First, in order to improve the learning effect of tax personnel, the online and offline learning time and training times should be reasonably stipulated, and the learning time and training times of each tax personnel should be summarized every week. Online tests will be set up twice a week, and the ranking will be calculated directly after the test, so as to urge tax officials to constantly improve their professional ability. Set the minimum score limit, criticize the tax personnel who fail to meet the score standards, praise the top tax personnel and provide appropriate physical rewards, and then urge the tax personnel to strengthen the study of professional content. Secondly, the relevant professional certificates obtained by tax personnel are linked to their promotion and salary increase, especially the high-quality qualification certificates such as certified public accountants and tax accountants, which are closely related to tax professionals [6]. Finally, the incentive, reward and punishment mechanism should not only serve the tax professional knowledge, but also pay attention to the related skills of digital application, especially computer application, and encourage tax personnel to learn new technologies through the reward and punishment mechanism, so as to realize the promotion of the whole talent team of tax authorities and increase the number of tax talents related to digital economy.

Optimize the Training Methods. The rapid development of digital economy further requires tax personnel to have a higher ability to use computers and network technology [7]. The age structure of tax collectors of tax authorities in some regions tends to be “aging”. Generally speaking, these people have high professional quality and rich experience, but limited by age, it difficult for them to accept new things or slow to learn slowly, so it is difficult to meet the corresponding standards for the application of computer and data. Therefore, it is necessary to focus on improving the computer application ability and digital means application level of these tax personnel. Therefore, a mutual team can be formed by “bringing the old with the old and the old with the old”, where young but less experienced tax personnel introduce the use of computers and Internet

to older and solve difficult problems at any time; and older but more experienced tax personnel teach young but less experienced tax personnel.

From the perspective of tax collection and management of China's tax departments, the development of digital economy has promoted the reform of tax collection and management of China's tax departments, greatly improved the efficiency of tax collection and management, and thus improved the service quality of the tax departments. Due to the absence and imperfection of tax laws and regulations, the mismatch between data collection and development process, the low digital application means of tax authorities, and the lack of digital economy talent training channels, the tax authorities are faced with challenges such as the optimization and transformation of the traditional tax system structure, new requirements for tax related information acquisition, the single taxation mode and means of tax authorities, and the lack of digital economy related tax talents, It needs to be improved by optimizing the tax system structure, improving the tax system, promoting the digital construction process of tax collection and management, changing the focus of the traditional tax collection and management mode, and recruiting and cultivating digital economy professionals.

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