

Research on Tax Policy to Support High-Tech Enterprises and Industries

Wenlin Zhao

Beijing Language and Culture University, China

Abstract

High-tech industry is the locomotive of economic development in today's world, the main driving force for the national economy to realize the upgrading of industrial structure and the optimization of resource allocation, and the important pillar of contemporary knowledge economic growth. The development of high-tech industry has become the "commanding heights" of economic competition and comprehensive national strength competition. Giving priority to supporting the development of high-tech industries has become the long-term strategy and significant government behavior of many developed countries in the world, because it is especially necessary for our government to create a tax policy environment conducive to enhancing the innovation ability of high-tech industries and promoting the development of high-tech industries. Based on the actual situation of our country, this paper discusses the role of tax preferential policies in promoting the development of high-tech industries, and reveals the main problems existing in the development of high-tech industries' tax policies in China, and finally puts forward the measures to establish and improve the preferential tax policies for the development of high-tech industries.

Keywords

Tax Policies; High-Tech Industries; Tax Preference.

1. Prolegomenon

1.1. Research Background

High-tech industry is the locomotive of economic development in today's world, and the main driving force for the national economy to realize the upgrading of industrial structure and the optimization of resource allocation. The rapid rise of high-tech industry is an important pillar of the growth of contemporary knowledge economy. The development of high-tech industry has become the "commanding heights" of economic competition and comprehensive national strength competition. Therefore, it is particularly necessary for the government to create a policy environment conducive to enhancing the innovation ability of high-tech industry and promoting the development of high-tech industry. The means by which the government plays its role include tax incentives, directly increasing investment, and creating diversified investment and financing systems, which are one of the most commonly used and effective means in various countries.

1.2. The Purpose and Significance of the Study

High-tech industry is a special industry with high investment, high risk and high return, and the support of government policy plays a decisive role in the development of high-tech industry. From the development experience of all countries in the world, the development of high-tech industries has a more obvious role in driving the overall economy. Because high-tech industries have high growth, high yield, high permeability and high diffusion, all countries give priority to the development of high-tech industries as an important part of their development strategies in promoting economic growth, and give relevant policy support. This directly determines that

the government must play a role in the development of high-tech industries. Based on the current situation in China, this paper discusses the role of tax policy in promoting the development of high-tech industries and the basic tax preferential methods, reveals the main problems faced by the current tax policy in the development of high-tech industries in China, and further puts forward the tax policy orientation and suggestions for establishing and perfecting the development of high-tech industries.

2. The Relationship between High-Tech Industries and Preferential Tax Policies

2.1. Overview of High-Tech Industries

1. Meaning

High-tech industry usually refers to those based on high-tech, engaged in one or more high-tech and its products research, development, production and technical services of the enterprise collection, this industry has the key technology is often difficult to develop, but once successful development, but has higher than the general economic and social benefits. The definition of the scope of high-tech industry is the basis for studying various problems of high-tech industry, including policy questions. High-tech industry is the first pillar industry of knowledge economy.

2. The role and status of high-tech industries

In the era of knowledge economy, the growth of high-tech industry has become a powerful driving force for the revitalization of developing countries. High-tech is a high-risk return of scientific research production and business activities, is the basis for sustainable development of enterprises, is a country to achieve sustained economic growth of an important source. With the rapid development of science and technology and the shortening of the life cycle of technological products, the development of high-tech industries is of special value to developing countries. A high-tech industry makes economic growth no longer entirely dependent on the possession of natural resources.

The development of high-tech industries can fundamentally promote technological progress in developing countries.

2.2. Overview of Tax Benefits

1. The concept of tax incentives

"Tax preference" actually refers to the government using the tax system, according to the intended purpose, in order to reduce the tax obligations of some taxpayers to subsidize some activities of taxpayers or the corresponding taxpayers. Looking at China's tax laws, tax incentives are mainly used to encourage the development of agriculture, forestry, animal husbandry, fishing, water conservancy and other industries, to encourage the development of basic industries such as energy, transportation, post and telecommunications, to promote the progress of science and technology, education, culture, publicity, health, sports and other undertakings, to reflect the national policies of the state and to support social welfare undertakings, to encourage the development of the tertiary industry, to encourage environmental protection and the comprehensive use of natural resources, to encourage commodity exports, to attract foreign investment, and to do a good job in special economic zones.

Taxation is not only the main means for a country to obtain fiscal revenue, but also an important lever for the government to regulate the economy. Different tax systems and tax policies have different effects on the development of high-tech industries, and in order to promote the development of high-tech industries, we should pay attention to the positive role of tax policies.

2. Effect of tax incentives

First, it attracted a large number of foreign investments, introduced advanced technology and management methods, and promoted China's opening up to the outside world. China's foreign-related tax system, with policy stability, tax burden from light, preferential from leniency and procedures from the simple characteristics, in the opening up to the outside world has played an active role.

Second, in line with the country's industrial policy, actively guide the direction of investment. China's tax policy through the adoption of various preferential measures, actively encourage enterprises to invest in the country's much-needed industries and regions, China's industrial policy adjustment has played a good role in coordination. For example, tax policies have been adopted to encourage the development of transportation, energy, communications and other industries once known as arms bottlenecks, which have achieved results, and transportation, energy and communication conditions have been greatly improved.

Third, China has implemented a more favorable tax policy for coastal areas, which has promoted the economic development of special economic zones and coastal areas, and promoted the economic development of the Mainland.

2.3. Relationship between High-Tech Industries and Tax Incentives:

The characteristics of high-tech industry determine that the government must play a guiding and supporting role in it.

High-tech industries are those with high knowledge and technology intensity, fast development, high added value and high efficiency, and characteristics such as market size and greater impact on related industries. In practice, countries around the world generally define microelectronics, optoelectronics, electrical equipment, aerospace, weapons manufacturing, fine chemicals, new materials, biological engineering and other industries as high-tech industries. China's National Bureau of Statistics issued the Notice of the Statistical Classification of High-tech Industries, which identified aerospace aircraft manufacturing, electronic and communication equipment manufacturing, electronic computer and office equipment manufacturing, pharmaceutical manufacturing and medical equipment and instrumentation manufacturing as the statistical scope of China's high-tech industries. From the development experience of all countries in the world, the development of high-tech industry plays an obvious role in driving the overall economy. Compared with foreign developed countries, China's high-tech industry development is still in the initial stage, the development gap is more obvious. Specific performance is the first, the enterprise size is generally small, research and development capacity, especially for the core technology development capacity is poor, it is difficult for domestic enterprises to provide sufficient technical support for their own development. Second, the added value of high-tech products is low, and product competitiveness is at a lower level in the international industrial division of labor. These factors also determine that the government should reflect China's characteristics in the process of providing tax incentives to high-tech industries.

3. China's Current High-Tech Industries Tax Preferential Policies

3.1. Status Quo

In order to promote the healthy development of China's high-tech industry, further promote the establishment of high-tech industrial development zones, the formulation of tax policies. The scope of application shall be limited to the high-tech enterprises recognized in the high-tech industrial development zone established with the approval of the State Council.

First, the enterprises in the development zone shall, from the date of identification, collect income tax at a reduced rate.

Second, if the output value of the export products of the enterprises in the development zone reaches the total output value of the year or more, the tax rate shall be subject to income tax upon approval by the tax authorities.

Third, the newly-run development zone enterprises, after the application of enterprises, the approval of the tax authorities, from the start of the year of production, two years exempt from income tax.

Fourth, the development zone enterprises operated by the domestic enterprises, whose technology transfer and technology transfer-related technical advice, technical services, technical training income, annual net income of less than 300,000 yuan, may be temporarily exempted from income tax more than 300,000 yuan, according to the applicable tax rate of income tax.

Fifth, the domestic-funded development zone enterprises to reduce or exempt from the tax unified as a state support fund, single accounting, by the relevant departments to supervise the special use of high-tech and product development.

Sixth, if the enterprise of the development zone is a joint venture, the profits distributed to the investor shall be paid income tax or profits in accordance with the financial system of the investor's enterprise, after deducting the taxes paid by the development zone.

Seventh, domestic-funded development zone enterprises shall pay bonus tax in accordance with the current provisions of the State.

Eight is the domestic-funded development zone enterprises, with self-financing for new technology development and production and operation of housing, in accordance with the national industrial policy to determine the exemption from construction tax or investment direction adjustment tax.

3.2. Issue

1. There are functional defects in the preferential policy of enterprise income tax in high-tech industry

China's enterprise income tax on domestic and foreign-funded enterprises to implement different tax rates, domestic enterprises income tax burden than foreign-funded enterprises. Specific to high-tech industries, domestic and foreign-funded enterprises also exist inequality, such as production-oriented foreign-funded enterprises from the date of profit, two years exempt from enterprise income tax, the following year halved the collection of enterprise income tax. Purchase of domestic equipment investment, you can also deduct the enterprise income tax. However, for new domestic high-tech enterprises, from the date of production, only the year to reduce corporate income tax. In fact, many high-tech enterprises are difficult to really enjoy this discount, because for high-tech projects from research and development to mass production, to open up the market, its cycle is generally longer, mostly more than years.

In addition to the differences in income tax between domestic and foreign-funded enterprises, the regional tax preferential policies implemented in China also have certain functional defects. Specifically manifested in the high-tech industrial development zone, economic and technological development zone and special economic zone, enterprises in the region and enterprises outside the region science and technology tax preferential policies are not the same, the disadvantages are becoming more and more obvious. In the district of enterprises, some enterprises are not high-tech enterprises, but also enjoy income tax incentives. In addition, the national science and technology tax preferential policies are poorly regulated, the same is the State Council approved the establishment of high-tech industrial development zones, the specific scientific and technological tax preferential measures and measures identified by different places, the policy provisions are scattered and disorderly.

2. Tax benefits don't work to the full

The current preferential policies on science and technology taxation lack of relevance, the focus of preferential policies is not clear, heavy products, light input, heavy results, light transformation phenomenon is more serious. The choice of tax incentives is not scientific. China's current science and technology tax concessions are the main means of direct tax relief, preferential mode is a single. Although the direct tax relief is easy to operate, easy to collect both sides to grasp the advantages, but its disadvantages are also obvious: First, the direct tax relief can only be used for a period of time, therefore, For the development of high-tech enterprises continued innovation behavior lack of effective incentives; Second, the direct tax relief is generally used in the early stage of the establishment of high-tech enterprises, and by the characteristics of the growth of high-tech enterprises, the stage of enterprises are difficult or rarely profitable, the policy is difficult to bring real benefits to enterprises three is direct tax reduction, is an incentive after investment, the role of guiding enterprises is not significant, and easy to lead to tax loss.

Enterprise-oriented rather than specific projects as the object, on the one hand, make some enterprises non-technical income also enjoy preferential treatment, resulting in the proliferation of tax incentives, on the other hand, make some economic subjects conducive to technological progress of projects or behavior difficult to enjoy tax benefits, resulting in the absence of policies, and ultimately reduce the effect of tax preferential policies. In addition, to enterprises as preferential objects also led to many enterprises are not in scientific and technological innovation efforts, but in the "new products", "high-tech enterprises", "first-in-the-company" and other aspects of the identification efforts, drilling policy void.

3. Offer is small

In particular, enterprises are encouraged to increase investment in science and technology, promote scientific and technological innovation and high-tech industrialization, and support is insufficient. For example, in order to encourage enterprises to strengthen research and development activities, China allows enterprises to deduct research and development expenses in proportion, but its scope of application is limited to research and development costs than the actual increase of the previous year more profitable enterprises, and its excess deduction limit should not exceed its taxable amount. In order to encourage enterprises to increase investment in science and technology, it is necessary to specify the increase in research and development costs, which is also in line with the practice of most countries, but the concessions are limited to profitable enterprises of a certain size, greatly reducing the scope of benefits. In addition, the excess deduction is limited by the level of profitability, for research and development needs to continue, and the investment is huge in the long-term high-tech groups, this policy is naturally difficult to play a greater role in promoting its development.

4. Regional preference-oriented tax incentives run counter to the principle of tax equity

China's current high-tech tax concessions are mainly reflected in special economic zones, some administrative provinces, economic and technological development zones and high-tech parks, regional preferential treatment and the national industry or industry benefits are less. At present, the use of regional preferential means to implement different tax treatment for enterprises of the same nature inside and outside the development zone is not in line with the principle of fairness, nor is it in line with the original intention of taxation to promote the development of high-tech industries, not to mention the rational layout of high-tech industries. The weakening of industrial tax preferences by tax policy has resulted in industries of the same nature bearing different tax burdens because of their different regions, which not only do not adapt to the country's industrial policies, which are contrary to the principle of tax equity, but also greatly limit and weaken the role of tax means in promoting scientific and technological progress throughout the country.

4. Suggestions on Preferential Tax Policies and Measures to Support High-Tech Enterprises in China

From the domestic environment, China's current tax-sharing fiscal system has been more than two decades of history, the macroeconomic environment has undergone great changes, in general, the future tax reform should be beneficial to the development of high-tech industries. Although the results of my research show that the overall tax burden of China's high-tech industry is not heavy, the tax system structure is unreasonable, tax policy is not perfect and other problems are objective, combined with the relevant requirements of the terms, in view of the development characteristics of high-tech industries, we put forward the following recommendations:

4.1. Improve the Tax Legal System for High-Tech Industries and Coordinate the Legislative Power of the Central Government and the Local Government

China's existing science and technology tax policy, through the revision and supplement of some basic tax regulations of certain provisions, scattered in various types of tax regulations or tax documents, so that people have difficulty in mastering the policy or comprehensive grasp, understanding is not easy to clear, always feeling that transparency is not enough, and many preferential policies lack long-term stability. To this end, according to the actual situation of our country, the state has formulated the National Law on the Development of High-tech Industries, consider the development strategy of high-tech industries and related fiscal and tax policies in general, formed special Regulations on Financial Incentives for the Development of High-tech Industries, Regulations on Taxation and Promotion of High-tech Industry Development, clarify the objectives and preferential beneficiaries of fiscal and tax policies, study the mechanism for incentive policies to play a role, and study and judge the high-tech and industrial standards to be encouraged.

4.2. Promote the Construction of a Legal System for Science and Technology Taxation

Speed up the pace of legislation on science and technology taxation, improve the authority of science and technology tax laws, and create conditions for the implementation of separate legislation on science and technology tax incentives as soon as possible. At present, the current level of science and technology tax law in China is low, the authority is poor, it is difficult to play the role of tax regulation. Therefore, some relatively mature regulations and regulations should be adopted through the necessary procedures to bring them to the legal level. At the same time, when the state perfects its tax policy on science and technology, it should draw up a special preferential bill by the State Council, which concentrates the science and technology tax policy scattered throughout the country, and promulgates it uniformly.

4.3. Give Local Authority to Legislate for Appropriate Science and Technology Taxation

For a long time, local governments have been forced by a single tax legislative system, under increasing pressure from regional competition, in order to develop local economy and high-tech industries, through the need to support the project to implement tax first levy and return, column collection, special return or give financial subsidies and other self-formulated "earth policy" alternative tax concessions, resulting in vicious tax competition between regions, but also shake the authority of central legislation. In order to promote the coordinated development of the central and local economies, local governments should be given certain tax legislative power, allowing local governments to select key projects and tax policy means corresponding to the talent structure and resource situation of the region at different times according to the key areas of industrial development, and to adjust the scope and center of

gravity of policy support dynamically. In this way, science and technology tax preferential policies and the central and local development strategies closely integrated, in an orderly manner to achieve the interaction and leap of the central and local economies.

4.4. Appropriately Adjust the Tax Preferential System for High-Tech Industries

Actively promote the reform of value-added tax for high-tech enterprises and implement consumption-based value-added tax for high-tech enterprises in China. High-tech enterprises that constitute a high organic capital are allowed to deduct vat deductions from the value-added tax included in the purchase price of operating assets. In addition, low-grade tax rates are allowed for high-tech products with high technical content and value-added ratios above, which appropriately reduce their actual tax burden. Through these measures, high-tech enterprises in the value-added tax have access to enjoy more concessions.

Whether an enterprise should give tax incentives, first to see whether it is engaged in high-tech industries, and then to see whether enterprises engaged in research and development projects, scientific and technological development inputs. Enterprises and institutions that meet the advanced level of conditions and contribute to society, whether or not they are in high-tech parks, regardless of their economic performance, can enjoy tax benefits as long as they meet the targets recognized by the state.

The tax policy in the process of high-tech industrialization should be in the context of the layout of the national industrial structure, according to the key areas of industrial development, in different periods accordingly choose the key projects and tax policy means that correspond to the local talent structure and resource situation, carry out dynamic adjustment of the scope and center of gravity of policy support, and tax concessions should be based on market regulation. For some industries and products whose technologies have fallen behind and the market, we should focus our limited policy resources on high-tech fields with real advantages and prospects, and form a diversified tax support policy system with clear levels, priorities and overall coordination.

4.5. Improve the Preferential Income Tax Policy

In the reform of income tax in the future, it is the general trend to unify the income tax of domestic and foreign enterprises and implement the principle of national treatment, in this context, the overall tax rate of enterprise income tax will be reduced, which is conducive to improving the competitiveness of domestic enterprises as a whole. Especially to the high-tech industry, according to the characteristics and needs of the development of high-tech industry, change the behavior of different high-tech enterprises to give different preferential treatment, targeted selection of key links of projects or behavior to give a larger discount, improve the current preferential income tax policy. Income tax preferential policies should not be based on the operating conditions of enterprises to determine preferential standards, many of the current preferential policies have excluded loss-making enterprises, should refer to international practice, to expand research and development costs deduction scope of application. Regardless of domestic and foreign-funded enterprises, or new and old enterprises, regardless of the state, collective, private enterprises, regardless of whether the enterprise is profitable, the research and development costs of various types of enterprises that meet the conditions of high-tech, in the initial year, can be implemented in accordance with the front of the tax.

In general, all start-up tax preferential policies are provided by various countries to high-tech enterprises, especially new enterprises, but generally through the small enterprise tax concessions to achieve, which can not only promote the development of science and technology-based start-up enterprises, but also weaken the industry and regional special. The next step in China is to reform the current preferential tax policies for high-tech regions and

gradually expand them to all small-scale enterprises mainly based on high-tech enterprises, without limiting them inside or outside the park, nor with the industrial technology content as the boundary, making it a universal preferential tax policy.

4.6. Small and Medium-Sized Start-Ups May Consider Relaxing the Fee-Setting Standard

The establishment of a reserve system for scientific and technological development, allowing enterprises, especially small and medium-sized enterprises with scientific and technological development prospects, to withdraw science and technology development funds in proportion to their sales revenue to compensate for the possible losses caused by scientific and technological development, and to regulate the use and management of science and technology development funds, stipulated that reserves must be used within a specified period of time for research and development, technological updates and technical training and other aspects of scientific and technological progress, overdue or diverted, tax payable and penalties for late fees.

5. Conclusion and Outlook

5.1. Conclusion

By expounding the characteristics and effects of high-tech and the effect of tax policy, this paper analyzes the mechanism of the role of tax policy in the development of high-tech industry, and concludes that the characteristics of high-tech industry determine that the government must play a guiding and supporting role in the development of high-tech industry in urgent need of government tax concessions, and different tax systems have different effects on the development of high-tech industry. Through the analysis of the current tax preferential policy and existing problems in China's current high-tech industries, the conclusion is that China's high-tech industry tax preferential policies need to be perfected urgently. Finally, the paper puts forward some countermeasures to improve the preferential tax policy of high-tech industry in our country, which should start from the aspects of perfecting the tax legal system, adjusting the tax preferential system, perfecting the income tax preferential policy and improving the actual efficiency of the tax preferential policy.

5.2. Prospects for Relevant Research Work

Although the research of this paper has achieved initial success, but still has a long way to go, there is still a lot further in-depth research to be done. First, to update the tax management thought, some traditional management ideas and methods do not adapt to the development of high-tech enterprises. Second, the definition of a small number of high-tech products is not clear, the high-tech industry is more disturbing. What is high-tech, high-tech identification of the statutory conditions and scope of China has not yet a clear definition of high-tech industries standards, usually according to the industry's technical intensity and complexity as a measure. All these problems are the direction of our future efforts.

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