

Research on the Impact of Fiscal and Tax Incentive Policies on Manufacturing Industry under the "Double Carbon" Target

-- Taking Anhui Province as an Example

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Abstract

In 2021, China clarified the strategic goal of "carbon peaking and carbon neutrality", but the foundations for achieving a comprehensive green transformation are still weak. As a key measure to promote a green and low-carbon economy, fiscal and tax policies play the role of regulation, support and guidance. Fiscal and tax incentive policies are the key to the transformation of a green and low-carbon economy. Helping the manufacturing industry through fiscal and tax incentive policies can directly reduce the cost of manufacturing enterprises, increase profits, provide stronger impetus for the economic development of manufacturing enterprises, release more profit margins, and help the market economy develop more efficiently. In view of this, taking Anhui Province as an example, this paper studies the impact of fiscal and taxation incentive policies on the manufacturing industry under the "double carbon" goal, analyzes the problems and puts forward countermeasures.

Keywords

Carbon Peaking; Carbon Neutrality; Manufacturing; Fiscal and Tax Incentive Policies.

1. Research Background

On September 22, 2020, President Xi Jinping promised the world at the United Nations General Assembly that China will increase its nationally determined contribution to address climate change, and strive to achieve carbon peaking by 2030 and carbon neutrality by 2060. The 2022 "Government Work Report of the State Council" proposes to promote carbon neutrality in an orderly manner, implement the carbon peak action plan, and improve pollution and carbon reduction incentive and restraint policies. The "double carbon" goal is my country's responsibility as a major country actively participating in global environmental governance, and it is also the path choice for my country's high-quality development. As the foundation and important pillar of national governance, finance guides the economic behavior of manufacturing enterprises by increasing subsidies and reducing tax burdens, which affects resource allocation and social and economic development, and achieves the purpose of regulating macroeconomic operations. played a protective role.

2. Theoretical Significance

On the one hand, environmental protection is a classic public good. As a specific form of environmental protection, the "dual carbon" goal also presents typical public good attributes, including indivisible utility, non-competitive consumption, and non-exclusive benefits. . Therefore, the realization of carbon peaking and carbon neutrality requires the support of fiscal and tax policies, that is, fiscal and tax incentive policies to meet the requirements of dual carbon targets. On the other hand, fiscal and tax policies play an important role in controlling deficits,

increasing income, reducing expenditure, promoting reform, and adjusting structure. Promoting the development of the manufacturing industry through fiscal and taxation incentive policies can directly reduce the cost of manufacturing enterprises, increase profits, provide greater impetus for the economic development of manufacturing enterprises, release more profit margins, and contribute to more efficient development of the market economy.

3. Practical Significance

As an important means to promote green and low-carbon development, fiscal and taxation incentive policies play the role of adjustment, guarantee and guidance. However, there are still many problems in my country's fiscal and taxation incentive policies in promoting the manufacturing industry to achieve carbon neutrality, such as unreasonable financial subsidies, small total financial investment in low-carbon development, and an unsound low-carbon tax system. Therefore, based on the research on fiscal and taxation incentive policies, we investigate the implementation of manufacturing policies in Anhui Province, analyze the impact of fiscal and taxation incentive policies on manufacturing in combination with reality, find out the problems and causes of policy implementation, and put forward suggestions and improve them. Fiscal and tax incentive policies have practical guiding value for the manufacturing industry to achieve the goal of "double carbon".

4. Existing Influence and Countermeasures

Under the "Double Carbon" target, the impact of fiscal and taxation incentive policies on the manufacturing industry varies greatly between cities. The prices of products produced while taking economic interests into account will also have an impact on the implementation effect of the policy, as well as the main types of manufacturing industries in the city. There are differences between them, and the impact of fiscal and taxation policies is also different. The specific performance is:

4.1. Price Differences

The high energy-consuming production of enterprises has caused damage to the ecological environment and had a negative impact on the interests of others, but the implementers of the behavior have not assumed corresponding responsibilities. Energy-intensive production usually means lower input costs and faster payback. On the contrary, the cost of low-carbon green production is higher, resulting in higher selling prices of low-carbon products and services. Therefore, when consumers choose low-carbon products or services, their consumption behavior can directly or indirectly promote the whole society to reduce carbon emissions, improve the climate environment, and bring additional environmental benefits to other social members, that is, positive external effects. Therefore, for the production behavior of high-energy-consuming enterprises, the government should not only rely on penalties to reduce their carbon emissions, but should reform the current fiscal and taxation system, provide preferential subsidies by injecting central fiscal revenue into the environmental protection industry, and match local fiscal revenue. Combined, a complete set of fiscal and taxation incentive models is formed.

4.2. Differences between Cities

After the implementation of carbon neutrality, due to the establishment of a new reward and punishment mechanism by the government and the adjustment of local government assessment standards, the government itself aims to highlight governance capabilities and improve the environment through emission reduction, and high energy-consuming industries in order to obtain more favorable tax incentives and financial subsidies, It is bound to upgrade its own production methods. Taking Huaibei City as an example, because the coal industry was

the main development industry in the early years, the importance of environmental protection was ignored. Therefore, under the call of "green water and green mountains are golden mountains and silver mountains" in recent years, Huaibei City pays special attention to environmental protection. governance and protection. Therefore, compared with other cities in Anhui Province, the Huaibei Municipal Government has set high standards and strict requirements for the carbon emissions of all walks of life in the city, especially for the manufacturing industry. Promote the green transformation of the manufacturing industry, build a green manufacturing system and service system, promote industrial technological transformation with intelligent manufacturing as the main direction, and increase the proportion of green and low-carbon industries in Huaibei's total economic output.

4.3. Industry Differences

Compared with other cities, Ma'anshan, represented by the steel manufacturing industry, pays more attention to the "double carbon" goal and related policies. The reason is that in the process of China's rapid development and ultra-large-scale infrastructure construction, rough investment has caused a lot of waste. For a long time, my country's energy consumption in terms of steel and cement production has been ranked first in the world, but my country's demand for these two aspects has already dropped sharply, and production capacity is currently far higher than demand, making production capacity unable to be digested. The implementation of carbon neutrality will lead to a large wave of production cuts, upgrades and shutdowns of steel and cement plants, thereby promoting the transformation of domestic industries. However, if my country's low-carbon economic transformation is not complete or successful, my country's total energy consumption will increase by a hundred times in the future.

5. Summary

As a developing country, China is still in the stage of rapid development in new industries, informatization, urbanization and agriculture. However, in the process of carrying out a comprehensive green transformation, we still face a fragile environmental material foundation and ecological and environmental pressures that have not been fundamentally alleviated. The task of achieving "carbon peaking and carbon neutrality" is urgent and a major task, which poses certain challenges to industrial structure, technological innovation, and regional fiscal and taxation systems. In order to solve these problems, the government should regard "carbon peaking and carbon neutrality" as the overall planning of ecological civilization and devote itself to building a more efficient, more open and inclusive, cohesive economic, political and social system. The fiscal and tax incentives and preferential policies of the government are also the key to building a healthy and effective sustainable economic growth. Establishing comprehensive supporting measures for low-carbon development, optimizing green taxation and improving the incentive fiscal revenue and expenditure system are effective means to achieve the goal of "carbon peaking and carbon neutrality".

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