

Research on the Revelation of Copy Strategy of the Innovation Model of the Tax Policies in Shanghai FTA—Take Heilongjiang Province as an Example

Ma Liya*

School of economic and management, Heilongjiang Bayi Agricultural University, Daqing, Heilongjiang, 163319, China

Keywords: Shanghai FTA; Tax policy; Innovation model; Replication strategy.

Abstract: This paper is aimed at the wise call proposed by the central government to set up replicable tax policies in Shanghai FTA, and quotes the urgent need to copy to all parts of the country apply to regional economic construction and Free Trade Zone Development. For this reason, Take Heilongjiang Province as an example, Methods of Literature retrieval, Investigation and research, analogical analysis and judgment reasoning are applied, The real meaning, structure, policy formulation and implementation experience and application environment of tax policy of the tax policies in Shanghai FTA are teased out, and the prerequisite to copy the tax policies in Shanghai FTA, that is, the construction of need situation for trade developing environment in other provinces and regions is analysed, the instructive principles and detailed strategies for copying the tax policies in Shanghai FTA are discussed, which bears universal guiding meaning for copying the tax policies in Shanghai FTA nationwide. Finally, it clarified the important inspirations of the provinces and regions to replicate the tax policy model of the Shanghai Free Trade Zone. It emphasized that the consciousness of duplicating the content and structure of the policy model was eliminated, and the idea of simply “copying” the tax policy model was transformed into the effective integration of the national tax policy and the introduction of research talents and tax Services, etc., apply what they have learned, and avoid Simple copying and blind application.

1. The Shanghai FTA Tax Policies Mechanism

Since the Shanghai Free Trade Area was built, the State Council has approved Fujian, Tianjin, Guangdong and others to construct the free trade area. The round development of trade to form a new growth pole of driving domestic economic, is an important national economic strategy clearly in the new period. As early as in 2013, the state has established a strategy for the North open, released Heilongjiang and Inner mongolia provinces of Yanbian area development and opening construction planning, which requires both of provinces and regions in northern china of Yanbian area to build an important to Russia and the Northeast Asia and an important ecological security barrier in Northeast regions between 2013 and 2020. To develop a new large-scale trade economy needs the support of tax policies. The replicability of Shanghai Free Trade Area Tax Policies designates the direction for its to build tax policy mechanisms to serving the border economic development.

1.1 Shanghai Free Trade Area Structure of the Tax Policy System

The creation of Shanghai FTA got the tax policies support of State taxation authority. The Shanghai government responded positively to the national call, and actively use the existing preferential tax policies such as the import of advanced technology and equipment and the development of bonded warehouses, and combine with the objective needs of the development of free trade to establish a set of tax systems of both quickly adapting to the free trade zone development and can be replicated nationwide, Detailed in T

Table 1. List of tax policies in Shanghai Free Trade Area Shanghai FTA tax policies list

Taxes	Content Policy
Enterprise Income tax	For key core interconnected companies in key industries such as integrated circuits, artificial intelligence, biomedicine, civil aviation and other key industries that are compatible with the industrial development plan of the new area, the enterprise income for a certain period of time (within 5 years from the date of establishment) Tax rate is collected at 15%.
Personal Income tax	<p>The period of transfer of talents for residence (transfer of residence permit) has been shortened from 7 years to 5 years, and core talents have been further shortened to 3 years. In order to attract talents to work in new districts, the qualifications of non-city resident talents to purchase houses are adjusted by residents' families. As an individual; buying a house requires paying a tax or the social security period is shortened from 5 to 3 years.</p> <p>Give reward to business high-end talents and short-supplied talents with stock or rental proportion and other Equity forms, implement equity incentives and paying income tax by installments policies</p>
VAT	<p>The plane which its domestic leasing company or its subsidiaries are registered in test area ,used by buying from abroad in more than 25 tons in deadweight and leased to domestic airlines use registered in can enjoy a 5% import VAT preferential policies.</p> <p>The goods produced and processed in test area, sold to the mainland by the "second line" is imposed Import VAT and consumption tax as normal.</p> <p>The goods sold to Hengqin, Pingtan in other areas which is applied in VAT and consumption tax rebate policy is treated as exports. Those companies which purchase goods from outside the region or the water and electricity companies in test area should competent and refund VAT and excise tax to the competent tax authorities.</p>
Tariff	<p>Under the premise of the strict implementation of the goods import tax policy, allowing the establishment of bonded display trading platform in a specific area;</p> <p>The test area producers and producer services necessary for enterprises imported machinery, equipment and other goods are exempted from tax.</p> <p>In addition to the import tax policy, the Shanghai Waigaoqiao Free Trade Zone, China (Shanghai) free trade test area belongs, Shanghai Waigaoqiao Bonded Logistics Park, Yangshan Bonded Port and Shanghai Pudong Airport Comprehensive Bonded executes of existing special customs supervision area corresponding respectively tax policy.</p> <p>According to enterprise applications based in the experimental area of production, processing and by "second line" corresponding to their domestic goods imported materials or the actual post-mortem state impose tariffs</p> <p>Re-export regional trade: imports of goods cannot be cross-tariff (until the goods when they leave the Free Trade Area and then pay), entrepot cannot</p>

1.2 Shanghai FTA Tax Policies Copying Requirements

First of all, it should be emphasized that copying the tax policy of the Shanghai Free Trade Zone is not a copy of its original model, nor can it be done in a hurry. It should be combined with the objective and practical situation of the province and region wanting to develop a free trade economy, and in accordance with the “innovative” guiding ideology, introduce while learning while implementing, improve them. and gradually form one tax policy system model that is suitable for the development of free trade within the country[1].

The positive effects of tax policy on the creation and development of industrial and economic zone has become Law. To create Shanghai Free Trade Area, involving foreign capital investment, asset leasing, equipment imports, import and export processing and other activities, but also to high technology, human resources, together constitutes the Free Trade Area economy. Economy is the source of tax, the tax is economic levers and regulator. From the all over national tax needs. Free Trade Area tax policy is not as people imagine retreat back to take care of all the tax benefits and the like. In fact, Shanghai tax policies is to create more tax-quality, it is also important to national requirements which may be copied Spirit and is the first thing to do a good job to do to achieve on behalf of the Shanghai tax adjustment of modern economic innovation model to become a model for national replication. Its main tasks can be summarized by two points: First, pay close attention to country to encourage innovation policy related to tax-related landing, so that product innovation, innovation through the transfer, substitution, investment, promote innovation; At the same time, actively support and nurture small and micro businesses to drive the people business, give the strict implementation of the national small and micro enterprises VAT, business tax and income tax preferential policies, vigorously develop and support small and micro enterprises, Even before the financial tensions, but also determined not to levy “taxes to” in order to allow small businesses to move to ensure that the city’s economy alive[2]. The second is through the implementation of equity incentive and time of their choice within five years of tax policies to attract and retain innovative talent. Third, establish and improve the tax service policy system, which is the core content can be copied. Adhere to tax service credit first, and the first seriously study pilot Internet + tax, explore the establishment of electronic IRD, perfect line taxation system, achieve tax registration, taxpayer identification authentication, registration tax breaks, tax returns, and tax payment network integration of other types of tax matters, and gradually narrow the scope of the tax service hall artificial, save time, energy and non-tax burden of payment for taxpayers.

As can be seen, the national call to Shanghai to build Free Trade Area tax policies can be copied, not as many people as imagined- retreat back tax breaks and other preferential policies, but to build a suite of services to attract investment, entrepreneurship and trade development tax service innovations model that allows the country to follow the tax authority to copy, to better serve the investment, entrepreneurship and trade around, give full play to the tax to promote local economic development lever of performance.

2. The Region Environmental Requirements that Copy the Shanghai FTA Tax Policy

2.1 Speed Enhance the Status of Development and Opening up the center of the City Harbin

By national planning requirements will build Harbin Russia and Northeast Asia open border big channel central node and megacities function of the machine, Provincial Development and Reform Commission to assist the preparation of the municipal government of Kazakhstan’s business hub of Northeast Asia, urban planning, the focus on high-end services (high-tech services, international logistics, international finance, international business exhibition, and leisure travel, subway, etc.)

and advanced manufacturing (high-end equipment, modern medicine, new materials, new energy, bio, etc.) industry, the national Development and Reform Commission on the preparations for the demonstration project, support for large projects and special funds to support the construction.

2.2 Accelerate the Construction of the Development of Open Border “With a two Area” Pattern

Firstly, the pilot band. The province’s cities and counties in Yanbian “group style” with Russia open goal requires collaboration between the two cities Mudanjiang and Jixi, Hegang and Jiamusi cities synergies, Yichun and Heihe cities synergies to develop Mu Sui Sanjiang, Larix, etc. 3 a trade group with construction planning, report Provincial Development and Reform Commission review report, each group must be considered complementary urban railways, highways, high-speed rail construction through the contents, reported to the uniform implementation after the approval of the provincial government[3].

Explore water, land and air transport developed urban centers to create Songbei, Mudanjiang City, Jiamusi, Heihe City Central Province and other free trade zone experiment, radiate Suifenhe City, Mishan, Hulin, Tongjiang City Jiayin , border trade and other circles, other regions to maintain border trade and cargo transit trade. To demonstrate in North Pine, Jiamusi create container port, while speeding up the completion of Chaoyang Town Jiayin Port Port expansion project Fuyuan Mang Gita and port construction.

Secondly, the support belt. Focus on “pilot band” surrounding or adjacent counties from the pilot zone extending inland, in conjunction with the pilot counties adjacent respective trade market demand, fully exploit local resources, early arrange industrial development plan ,wide develop Headquarters economy, focus on high-end equipment manufacturing, energy, chemical industry, food, medicine, electronic information, metallurgy and building materials manufacturing and financial services, R & D, information consulting, logistics, service outsourcing, cultural and creative modern service industry, build high-end industrial gathering area, provide open border trade export goods and provide high-end services[4].

Thirdly, the drive zone. Away from the border counties and mining city of agriculture, need to pay close attention to “self-production”, develop of local high-quality resources, focus on environmental maintenance and repair, agricultural counties improve rural urbanization and industrialization of agriculture development, promote agriculture, forestry, animal husbandry and aquatic products processing undertake industrial transfer base construction; mining city and the “support zone” join together, develop coal mining and deep processing, new energy, building materials, petrochemical equipment and supporting industries, do a good job in developing alternative industries. At the same time, to create a beautiful natural environment, ecological landscape and cultural landscape, with the travel trade to promote industrial development in the Mainland.

2.3 Tax Environment Province Area Optimization

This is the most important prerequisite to copy Shanghai tax policy and to achieve tangible results. The province to copy need to seriously eradicate “King thought “of tax and the chronic of the difficulty to carry out policies.

Firstly, environmental Thought. Eradicate the long-term concept of the “big finance small economy, high tax low service”, firmly establish the thought of “big economy small finance, the same to tax and service” . Financial obeys economy, not to destroy the economy because of financial, financial enduring temporary operation will not affect the government, but businesses will

rise again difficultly once step back. Learn from Shanghai Tax Bureau, regardless of financial difficulties are more determined not to levy “taxes too far,” the government would rather endure the short-term finances tight, nor to the tax assessed on the forced recruitment task, but not allowed to check their levied. Instead, do everything possible to help companies and find ways to make tax incentives landing. Such training sources of revenue thought is what Heilongjiang province most should copy.

Secondly, Environmental Enforcement. Take encouraging the development and opening to expand investment and the introduction of talent of tax policy implementation as the starting point, focusing on: First of all, Comb national tax which is law more general, vague and need to develop specific policies to implement the provincial bureau but is undetermined (such as a tax on wage the resulting boundary issues and the resulting remuneration), should pay close attention to the development, unify tax law caliber around the province, standardize tax behavior; Secondly. Eliminate tax law enforcement misconduct (such as compliance with the conditions imposed audit companies hard to take approved levy), to maintain the local economy construction; At last, Clean up the non-tax items, including the levying of union funds, pension funds, the disabled security payments, local education surcharges.

3. Heilongjiang, Shanghai Tax Policy Replication Policy

3.1 The Meaning of Copied Shanghai Tax Policy

“Copy” is the imitation of the original, which means faking repeatedly. The copy of Shanghai tax policy means that provinces develop trade and economic process, the taxation authorities may follow the example of Shanghai FTA about the successful model of tax policy, tax policy study and formulate mechanisms to adapt to the province and the region in the form of trade development needs. It is permitted by the state under the conditions of Tax Policy and Administration modes provincial lateral reference and follow, not only embodies the further decentralization of national tax policy unified management authority, but also ensures consistency provinces style and direction of tax policy.

Innovation will be copied, and the copy can also drive innovation. Shanghai FTA is a national initiative to trade emerging economies, as a tax collection service policy mechanisms and modes to promote trade and economic development can be copied completely by other provinces trade. It should be emphasized, to copy Shanghai tax policy, is not a direct copy and simply application, tax incentives related to the State for the Shanghai FTA, it is only applicable to Shanghai FTA, the city of approved the establishment such as Fujian, Guangdong, Tianjin and other FTA will need to introduce special tax policy. In other words, the state created a free trade zone with “experiment” in nature, with a distinctive exploratory in Shanghai and other places. The development of tax policy to FTA support have a strictly limited or targeted, the state will respectively provide appropriate tax policies to the State Council approved the establishment of any free trade area. Similarly, the relevant Shanghai FTA tax policy formulated by Shanghai taxation authorities, but also only suitable within the scope of relevant companies in Shanghai, other provinces can copy the contents of its associated mode, but must be in the name of the province government taxation authorities issued special policy area.

3.2 Guidelines of Tax Policy Copy

Copy the Shanghai tax policy, start with tax policy needs of trade and economic development, take in transforming government functions and enhancing tax service capabilities as the core, take in

ensuring the revenue and cultivate sources for the ultimate goal, adhere to provide policy guidance and tax incentives to enhance tax services combined, and resolutely combat Tax bureaucracy and tax corruption , with the innovative concept of high-quality tax service to promote trade and economic development. Research innovation service platform and means to reduce the tax cost take warmth to the taxpayers while paying close attention to the state's tax policy landing

3.3 Shanghai FTA Policy Model Replication Tactics

State policy to give care Shanghai FTA is not much, Shanghai Municipal Government has little custom tax incentives the same. The key to its replicable model policy is tax services and electronic key platform in level. This is also the key to other provinces intended to copy.

Tax incentives for national. In the “one city with a two area” construction, the government should also start to apply to the State Council three tax incentives program: Product the machinery and equipment import tax exemption, investment and equity incentives and other preferential tax policies; China and Russia consultation and mutual exemption of tariffs on electronic customs clearance support; Mining and mineral processing industry in “Bring zone” should seize the opportunity of “resource-based sustainable urban development planning” (Guo Fa [2013] No. 45) ,request mature resource-based cities (Heihe, Daqing, Jixi, Mudanjiang, Hisashi) and recession city (Yichun, Hegang, Shuangyashan and Qitaihe)to report viable alternative resource development of alternative industries and competent leadership, “the implementation of lump sum” planning, The provincial government strive for mining VAT which is returned as immediately as imposed and exemption resources tax policy to the state, tax-free refund is dedicated sustainable urban development and construction.

Construction of electronic tax service platform. First of all, Pay close attention to tax policy landing. Focus on accelerated depreciation of fixed assets and other tax policy floor, including tax hardship apply deferred tax declaration statutory provisions, small and micro enterprise income tax, the manufacturing sector accelerated depreciation of fixed assets, strictly prohibited to take the approved tax collection and other relevant policies to business in line with the conditions of audit collection; effectively do as “one impose two help three check” to ensure that the premise of tax law, companies try to help correct application of tax policies to guide its reasonable and legitimate tax management, inspection and supervision is the later.

Tax services and electronic platform to build. To copy Shanghai FTA optimization Revenue Service policy platform should be within our capabilities. In conjunction with the province's business tax environment and construction conditions, select the path to develop the implementation of short, low cost, effective tax service policy model replication. Can first use the implementation of electronic invoice tax control system, the provincial Department of Finance should issue a document clearly as it can be accounted for reimbursement vouchers, tax authorities accordingly do follow-up and tracking services work; and gradually explore the use of “Internet +” system to set up an electronic platform and the establishment of electronic tax Bureau, More business tax service hall will be migrated to the electronic platform of tax.

3.4 Copy and Independent Innovation.

Shanghai Free Trade Zone tax policy model is the innovation of Shanghai's tax system. The province should be based on the copy, and actively explore for border trade band (zone) development features innovative service models, including three aspects:

One is Incentives include both venture investment incentives and high-end talent equity incentive, three points should be pay attention to: Implement the state's tax incentives; Strive for the country's

new tax incentives; Develop the province tax incentives.

The other one is, Tax service policy model. Based on to improve tax compliance and reduce tax risk, the tax authorities construct mechanism regular service and a combination of personalized service. Heilongjiang Province for example first: Pilot with corporate priorities VAT declaration “dated transfer season” and VAT levy that is returned to the month to pay back the month, shortening the period of tax retention, enhance cash flow ability; establish linkage talent mechanisms to enhance interaction with business executives to introduce tax policies to encourage enterprises to high-end talent intermediary agents tax returns seek the views of senior personnel to work and efforts to improve the tax; Study the development of trade and tax services standardize corporate tax regulations, do to tax service standardization, transparency of taxpayer rights. Simplify collection. With the “Internet + tax” ,upgrade existing tax services, try out the export tax rebate pilot paperless trade facilitation; expand the Internet Tax project, reduce labor and from the tax service hall cumbersome; fully implement network data to transfer application review, reduce paper reporting and tax audits of trouble pressure; mobilize social forces to participate in the tax service, recruit and train tax volunteers, set up a “corporate tax services group” to carry out interviews and information collection work.

4. Research Enlightenment of Duplication of Shanghai Free Trade Zone Tax Policy Models by Provinces

Studies have shown that the construction of the Shanghai Free Trade Zone has not applied to the state for special preferential policies such as tax reduction or exemption, and the state has not granted Shanghai and its Pudong District government the “privileges” formulated by local preferential tax policies. It should be said that the construction and development of the Shanghai Free Trade Zone completely integrates and makes full use of the current tax policies issued by the state, which is prominently reflected in the active cooperation of the local tax authorities with the government, and actively promotes policies to encourage foreign trade import and export, strengthen tax service policies and attract The centralized implementation of tax policies such as talents “landed”, and effective use of national calls to actively develop and continuously expand the “Internet + tax” service scope and fields, successfully implemented electronic invoices and electronic tax bureaus, and gradually replace the manual tax service hall. These successful practices and experiences have been recognized by the State Administration of Taxation and the Ministry of Finance, and efforts have been made to promote and apply them to the national tax system. It can be seen that some local governments of such as other provinces, especially the northern provinces, are waiting for the state to give policy, trying to imitate Shanghai’s declared free trade zone to compete for national special tax incentives. It is an unwise “waiting for help” ideology. As a result, resources can only be wasted and development opportunities lost. We must learn the spirit of the Shanghai Municipal Government’s active thinking and taxation. We must implement the preferential tax policies for enterprises, and we must not conceal and withhold policies. Those who provide services to taxpayers must “wholeheartedly.” Through efficient and high-quality tax services, improve tax compliance and reduce tax risks; and withdraw a piece of local tax revenue to support the introduction of talents, strive to create a superior regional economic environment and development space, and promote business investment and investment. This is to replicate the essence and profound connotation of the Shanghai Free Trade Zone tax policy.

5. Conclusion

In the process of formulating major strategies for the development of international trade in

domestic provinces and autonomous regions, it is correct to actively study and replicate the tax policy of the Shanghai Free Trade Zone, but its thinking should be changed. Don't expect any "preferential" tax policy from the country, nor wait for the national tax policy to help you become a free trade zone. Expecting and waiting means lost opportunities. The construction of the Shanghai Free Trade Zone does not rely on special national tax policies, but it makes full and effective use of relevant national tax policies. What we need to copy is not how Shanghai asks the state for policies and how much tax concessions to take care of. It is to replicate its experience and practices on how to stimulate the vitality of the country's existing policies and promote the comprehensive implementation of tariff reduction and exemption policies, equity incentive policies, tax management and tax service policies for large enterprises; For decision-making, turn waiting into action, turn tax control into tax service, and turn "inviting and building a nest" into "building a nest and attracting phoenix". Therefore, the party and government organs in all provinces and regions must completely abolish the rotten ideas that rely on the state's preferential policies, comprehensively clean up the inert management style of lazy actions, slow actions, and chaotic actions, and discard the malignant "daydreaming" all day long. Get used to the collective decision-making power and be good at adopting the high-end wisdom of experts and scholars, study the nature of the tax policy model of the Shanghai Free Trade Zone in detail, and make full use of the various measures issued by the state to support the local economy, support the industrial economy, and encourage the trade economy. And a series of tax policies to encourage talents, in-depth research and formulation of measures to strengthen administrative and tax management, to ensure that the existing stimulus economic policies collectively produce the development promotion effect of "holding together" forces, fully tap the regional industrial economic resources, and effectively play the border location Advantages and the conditions of sea, land, and air transport links, carefully plan the construction of the free trade zone, work hard to build a development platform, and seriously study and formulate a local tax preferential policy system for service companies, benefiting talents, active economics, and facilitating trade, and form a tax mechanism to promote the construction of the province's free trade zone or border mutual trade zone, comprehensively promote the trinity development of the core trade zone, industrial support zone, and export processing and manufacturing zone, and form an innovative policy pattern that supports regional economic revitalization.

Acknowledgement

Economic and social development in Heilongjiang province key research project "Research on the Tax Policy in Heilongjiang Province copied Shanghai FTA " (15048)

References

- [1] Wang Baozhi. *The Development Trend of Preferential Policies in the Free Trade Zone from the Evolution of Corporate Income Tax Preferential Taxes*. *Learning of Finance and Accounting*, 2019 (36): 26-27.
- [2] Sha Hingping, Wang Bin, talk, Xu Naiping. *Free Trade Area of Shanghai Finance and Taxation System Problems and Improvement*. *Finance and Accounting*, 2015.14.
- [3] Wang Shuguang. *Regional development of foreign trade in Heilongjiang Province under location quotient perspective* [2] *Business Studies*, 2013.4: 28-31.
- [4] BAI Chun-ye, QI Ying. *Research on the Actualization Strategies of Heilongjiang Province National Tourism Destination's Tourism Resource*. *Journal of Changchun Normal University*, 20