

# Reconstruction of Tax Business Environment from the Perspective of Public Service

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**Keywords:** Business environment assessment; tax collection and management; public service system; regional development; grassroots taxation

**Abstract:** The evaluation results of "China's Urban Business Environment Assessment" show that under the implementation of the "The pipes suit" reform across the country, the government service efficiency has been greatly improved, and the level of public services has been continuously improved. However, with the transformation of the economic development model, the regional environment has gradually diverged, the innovation environment between different regions is still unbalanced, and the regional differences in social capital are significant. This paper will analyze the results of the regional taxation business environment survey from the perspective of public service to find out the problems in the construction of the urban taxation business environment. According to the governance ability and functional authority of the taxation department, it puts forward practical and feasible countermeasures and provides meaningful conclusions and valuable clues for exploring the management policies and reform direction of the taxation and business environment in China's grassroots tax bureaus. At the same time, in order to enrich the construction of China's public service system, it provides theoretical basis and practical experience for the same type of cities in China to optimize the taxation business environment.

## 1. Introduction

In recent years, as China's economy has shifted from high-speed growth to high-quality development, the business environment has become more and more critical to the government and society. Since 2018, the two-State Council executive meetings have focused on the business environment, and proposed to deepen the reform of "The pipes suits" to further optimize the business environment. At the State Council executive meeting on July 18, 2018, Premier Li Keqiang emphasized that "if we cannot stimulate the vitality of the market and mobilize people's enthusiasm, it is not what we want to do." Under the background of the State Council's promotion of the "The pipes suit" reform, creating a more stable, transparent and predictable business environment has become an essential goal of reform.

The pros and cons of a country or region's business environment have become a critical factor in whether a country or region can win in the global economic competition. The quality of the business environment will determine the strength of a country or region attract foreign investment. Therefore, the business environment as a hot word in the process of reform has been highly concerned by governments at all levels. China uses the ranking changes in the World Bank's Doing Business Report to measure the progress of the domestic "The pipes suit" reform. The business environment reflects the economic soft power and competitiveness of a country or region. A pleasant business environment can promote high economic growth — quality development.

Since 2003, the World Bank has issued the Business Environment Report for 16 consecutive times. According to the World Bank's 2019 Business Environment Report, China's overall ranking has increased significantly, from 78th in 2018 to 46th, which is the best ranking China has ever achieved since 2003. As one of the essential indicators to measure the business environment, the

taxation business environment is one of the essential tasks for countries to optimize their business environment.

In order to further optimize the taxation business environment, the State Administration of Taxation has reduced the tax burden of enterprises through tax reforms such as “reform of the camp”, implemented the “three-phase project of Golden Tax”, implemented the “Internet + Taxation” action plan, and simplified the certification of individual VAT invoices. We will continue to implement taxation management measures such as “Private Taxation Action,” continuously optimize taxation services, promote the reform of the tax system “The pipes suit,” strive to reduce tax compliance costs, improve taxpayer satisfaction, and accurately address the pain and blockage of taxation. The problematic problem has achieved remarkable results. Although the vertical ratio of China's business environment has improved a lot, China's business environment rankings are not only behind developed economies but also behind many developing countries. How to optimize the taxation business environment in the context of the "The pipes suit" reform is an urgent issue to be considered.

## **2. Classical interpretation and modern experience of the business environment**

The World Bank believes that the “business environment” is the difficulty of starting and operating a business in a country or region. Since the World Bank’s first release of the Doing Business Report in 2003, the number of tax index reforms ranked second. Secondly, it is easier to start the enterprise requirements index, which shows that countries and regions attach importance to optimizing taxation to improve the business environment.

In 1776, Adam Smith pointed out in the "The Wealth of Nations" that the impact of taxation on economic growth is mainly manifested in two aspects: that is, by reducing the expected rate of return of investors and the disposable income of residents through taxation, the reduction of income is Investment and capital accumulation are both obstacles. Therefore, the principle of taxation should be reduced as much as possible, and government functions should be reduced. Among the four principles of “equality,” “determination,” “convenience” and “least expense” tax proposed by Adam Smith, the first is the principle of tax burden fairness, and the other three are the principles of tax administration, and the content is taxation. The maximum convenience should be paid for the taxation with the least amount of levy, and it must be stipulated and cannot be changed at will. Western scholar William Pei's analysis of the relationship between taxation, national income, and national economy in "taxation theory" and "political arithmetic" put forward the principle of fairness, certainty, convenience and saving. Roker Gordon believes that the differential tax rate and tax incentives between different industries in the taxation business environment indicators can adjust the industrial structure. Different tax rates and tax incentives can reduce the burden on enterprises and promote the development of emerging industries. At the same time, some scholars believe that tax incentives contribute to the transformation of economic growth mode and economic transformation.

The OECD proposed to rely on Internet technology at the Global Tax Administration Forum to deepen the sharing of tax-related information. Under the condition of ensuring the information security of tax-related data, based on sharing regular tax-related information, the OECD gradually increased the specific tax-related information. Sharing, forming the integrity, security, and confidentiality of tax-related information sharing, providing a more specific method of operation for the big data tax collection and management model.

All in all, the business environment, that is, the survival and development environment of a company, is a regional investment environment. The business environment is the conditions and factors such as the time and cost required for the market entity to engage in production, operation or trade activities in accordance with the political system and the code of conduct. A right business environment can at least promote economic and tax growth by promoting tax compliance, attracting factors, and forming the virtuous regional competition.

### **3. Optimize the path selection of the business environment from a macro perspective**

Different from hardware facilities such as infrastructure conditions, as a kind of “soft” environment, the business environment should start from the system construction, and start to change the regional imbalance of the business environment, avoiding “one size fits all” and “one standard.” Long-term, long-term mechanisms are tailored to local conditions and differentiated by category.

(1) Taking the reform of “The pipes suit” as the starting point and strengthening the efficient government service function

The reform of “The pipes suit” involves various aspects such as decentralization and optimization of services. It is closely related to the optimization of the business environment. It should be based on the reform of “The pipes suit” and strengthen the function of high-efficiency government services. First, do a good job in the approval process reengineering service, aimed at facilitating the whole process of the work, and systematically reconstruct the original department-based approval process. Second, in light of the outstanding problems reflected by the market and enterprises, priority should be given to the difficulties faced by various small and micro enterprises in the process of starting a business, giving policy support and policy inclination. Third, open up the “barriers” of departmental interests, take the market as the guide, break the “self-protection” barrier, and strengthen the high efficiency and low cost of government service functions.

(2) Constructing a business environment governance platform that is coordinated by the government and market entities

The relationship between the government and the market is the key to improving and optimizing the business environment. We should focus on building a new type of “pro-” and “clear” relationship with Chinese characteristics and build a business environment governance platform that is coordinated by the government and market entities. The government's main body and the market's main body are coordinated. The first is to define the equal status relationship between the government and the market. The government cannot be higher than the market. At the same time, the market cannot be outside government supervision. Tax reduction and fee reduction are not to reduce the authority of the government, but to enhance the government's approval. The second is to clarify the division of labor and functions between the government and the market. The government serves the market in a convenient way and the market self-regulates and self-restraint through the rule of law. The government needs to respect the market position of the company and treat public enterprises and non-public enterprises equally. The third is to establish a communication and dialogue mechanism between the government and the market, stimulate entrepreneurship, foster and develop markets, promote market development, and unify the economic vitality and reduce government pressure.

(3) Strengthening the construction of a credit system to create a new era of commercial civilization

The improvement of the social credit system is mainly reflected in the four aspects of government integrity, business integrity, social integrity, and judicial public trust. Important factors such as new technology application, education investment, business atmosphere, and honest society need to be taken into account. Carry out system layout and strengthen the integrity mechanism of government integrity, business integrity, social integrity, and judicial public trust. Only a society with a high degree of credibility can increase the confidence of market investors in the business environment. Strengthen the sustainability of policies and the credibility of government workers, strengthen the self-discipline of market entities in core elements such as products and services, and build a refined atmosphere of honesty and trustworthiness for all, and do everything in the case of filing, trial, and execution. To be fair and just, to maintain judicial authority.

(4) Aligning international standards and constructing a business environment assessment system with Chinese characteristics

In the process of improving and optimizing the business environment, we must comply with international standards and recognized norms, and establish a systematic business environment assessment mechanism and evaluation system with Chinese characteristics. Comprehensive analysis

of market environment, investment environment, rule of law environment, moral integrity environment, etc., using big data and cloud computing to strengthen the overall data sampling and statistics, qualitative and quantitative analysis through market environment, investment environment, rule of law environment, moral integrity environment. Scientifically evaluate the investment attractiveness of regions and cities, promote the improvement of the business environment in each region, and carry out key governance and support for weak areas. Besides, the establishment of the indicator system for the business environment should fully consider the relevant situation in the central and western regions, and refine the indicators of the business environment in different industries to provide comprehensive, reliable and specific reference information for investors from different industries and industries.

#### **4. Renovation of grassroots public services from a micro perspective**

Tax payment service is an essential basis for tax collection and management. Abstractly speaking, tax officials provide taxpayers with high-quality and efficient tax-related services. Specifically, it is the relationship between the “fish and water” between the tax authorities and the taxpayers; it is the exact requirement for optimizing the tax environment and promoting local economic development, and it is the unshakable responsibility of the tax authorities and tax officials. How to do an excellent job in tax service is the top priority of the current taxation work. The higher-level taxation department should focus on reducing the extra work burden of the grassroots taxation department and reducing the unnecessary tax burden of taxpayers, and focus on taxpayers to improve tax compliance. As the goal, process-oriented, relying on information technology to improve tax service work, earnestly protect the legitimate rights and interests of taxpayers, build a harmonious tax collection relationship, achieve law enforcement standards, reduce costs, social satisfaction, and continuously improve the quality of tax collection, management and efficiency.

#### **5. In the process of tax service, there are often the following problems:**

1) Tax officials and taxpayers have poor communication. Under the influence of various factors such as the uneven quality of tax cadres, per capita management, rapid tax policy update, and low taxpayer cooperation, the communication channels between the levies are not smooth. On the one hand, it is difficult for the taxation department to accurately grasp the relevant information of taxpayers, affecting the effects of tax collection and management, law enforcement and services; on the other hand, taxpayers are often refused to do taxes because of lack of policy knowledge or taxation by experience.

2) The implementation of tax policy services is not in place. On the one hand, the taxation department focuses on the form of propaganda, and the propaganda materials are fixed singly. The content of the policy disclosure is biased towards the original text of the legal policy, and there is a lack of practical explanations for the legal provisions. The legal policy is to be publicized to the taxpayers. Different people have different understandings of some fundamental provisions of the tax law. After implementation, there must be different results. By studying the legal provisions, taxpayers cannot avoid mistakes and make the propaganda, not in place. On the other hand, taxpayers lack active awareness and pay little attention to the services provided by the tax authorities. Only when they are involved in their interests, they find that they know little about them and use them insufficiently, so that the actual publicity effect is not satisfactory.

#### **6. In the specific micro-resolution path, the following measures should be taken:**

(1) Effectively improve service awareness. Through study and education, we will correctly understand and understand the significance of taxation services, clarify the content and tasks of taxation services, and effectively enhance the initiative and enthusiasm of doing a good job in tax service.

(2) Correct the position between the taxpayer and the taxpayer. It is necessary to correct the ideological concept and correct the position of both parties. Recognizing that service is a free product is a state of mind and a responsibility. Taxpayers pay taxes and deserve to be respected and enjoy tax services provided by tax authorities. The tax authorities should enhance the initiative of the service and learn the laws and regulations. The business management department timely explained the legal and policy provisions and compiled the propaganda materials one by one. The management personnel directly facing the taxpayers should strengthen the propaganda and transmission, and feedback the different opinions of the taxpayers in time to avoid mistakes caused by understanding the ambiguity.

(3) Develop superb work skills. Taxpayers need not only to smile but more importantly to solve problems. In reality, all the management personnel with high level of collection and management, good service quality, respected by taxpayers and powerful shocks are people who are proficient in business. Therefore, cultivating the excellent work skills of tax management personnel is conducive to close communication with taxpayers. Taxpayers can solve the practical problems, and only with the excellent work skills can the tax service be continuously raised to a new level.

(4) Establish a system of responsibilities and responsibilities, so that services and collection and management are closely integrated. Clarify the responsibilities, tasks, and authority of each position, solve the problem of whom to do, what to do, how to do it, give an evaluation of how to do it, establish and reward advanced models, and create a good atmosphere for creating superiority. The first is to serve from a deep level. According to the process of each taxation work business, the duties, tasks, business scope and service standards of each working link are reasonably set, so that each work has a specific assessment basis. The second is to strengthen information technology services. Select partners with strong information technology, such as banks, to expand the scope of service radiation, so that tax returns are not affected by issues such as time, space, technology and technology. The third is to decentralize approval authority. The higher authorities focus on dispatching, monitoring, and correcting, and the ability to let go is put down to the urban bureau as much as possible, thereby shortening the time limit for approval and improving the efficiency of work.

(5) Strengthen the overall quality of the care team. Managers should be good at using the "squid effect," always maintain the initiative and enthusiasm of services, services, and services in various positions, and enhance the vitality of service work; be good at using the "wooden theory," and strive to build a team spirit and do a good job. The coordination and coordination between departments and individuals will improve taxation services in an all-round way.

## **7. Path selection and returning essence of government role change**

In the past, the government actively and actively involved in economic activities stemmed from the predicament of China's long-term economic backwardness, and it has certain rationality and should be understood. Now, the government's role needs to achieve a new transformation. In the construction of the business environment, the fundamental transformation of the roles of the governments at all levels needs to withdraw from the market and interests and return to the role of "public authority." Any entity should maintain a positive attitude. The government needs to achieve two transformations: First, withdraw from the traditional "economic man" role of excessively busy economic affairs, and achieve negative role in this role. Second, in public affairs. Transforming the role of public responsibility with the role of "public authority" to achieve positive and dynamic activities in this field. In this process, the government should reduce its involvement and intervention in the economic and economic fields and markets, and more "negativeness" in the economic field and "enthusiasm" in the public service field. In contemporary times, party committees and governments at all levels in China have played an important role in long-term economic construction and development. In the construction of business environment, governments at all levels need to be in the background of this era, and actively look at the rich meaning of the transformation of government roles to optimize the business environment.

Establishing the goal of limited government and stopping the "economic man"-style government behavior

The government needs to restrain and restrain its excessively active and active behavior in the economic field, and give more economic power to economic entities and retain public authority. Character. The modern society operates on a highly complex division of labor. According to Adam Smith, the larger the market, the finer the division of labor. In the context of increasingly fragmented work and increasingly complex functional divisions in the modern society, it is not necessary for the government to deeply intervene in all social fields and even force the decision-making power to replace social subjects. Under the government, above the government, outside the government, there are many new subjects, and their positive effects have an increasingly important impact on government behavior. The government has established good cooperative relations with them to promote excellence. With the formation of business environment and social governance order, China is still in an important position in economic and social development, and it still needs to give full play to its positive role. However, the role played by the government in the economic field is different from the previous "business-oriented" and "economic man" government models that directly entered the economic field and even competed with the people for profit and business. The government has stopped excessive intervention in the economic field and no longer maintains the "economic man" status of the economic and commercial nature. This is a key step in achieving transformation.

(2) Fully empowering the social sphere and releasing the free development rights of social subjects

Transforming the role of the government as an "economic man" in the economic field, and giving more economic development power to other types of entities in the modern economic and social development, first of all, fully empowering the economic development power to its citizens and legal persons. The focus of business environment optimization is on the business environment, and the business environment requires an excellent rule of law environment. The development of modern society is essentially the natural result of all social subjects exercising their rights and freedoms, rather than the product of the private will of powerful governments and political powerhouses. The business environment construction should also have a deep understanding of this, thus encouraging the increasing space for free action in society. This omnipresent freedom, in addition to encouraging businessmen to do business, encourages all creative careers, including technology, art, culture, education, and even adherence to traditional causes. As Hayek said: "The benefits I get from freedom are, to a large extent, the result of the freedom of others, and most of the benefits in the meantime are the use of others by me. The result of the freedom of ability to use. "The free people living in a free society will always be filled with unlimited innovation and entrepreneurial motivation. In the coming period, the transformation tasks faced by governments at all levels are more arduous. In particular, in the empowerment of the people, more active and proactive system creation is needed, especially to break the old system constraints and fully empower society. Empower the people. The report of the 19th National Congress of the Communist Party of China pointed out: "Consolidate grassroots political power, improve grassroots democratic system, and safeguard people's right to know, participate, express, and supervise." Governments at all levels should strive to implement relevant requirements and assign relevant organizations and individuals to society. Right, give them space and stage to allow them to release energy as much as possible and actively participate in business environment activities. Only in this way can we fully utilize innovation and create vitality, ensure the stability of social order and optimize the business environment.

(3) Enhance the ability of public services, expand the government's role in social security, and transform the role of the government as an "economic man".

Inaction and inaction, the government is required to focus its functions more on the cause of public social services. As far as China's reality is concerned, governments at all levels must change their role as "economic people" who directly participate in economic activities in the future, and also make great achievements in areas such as social security and public services, so that the government truly has the status of "public authority". In this sense, the government has the obligation and

responsibility to provide universal and fair services to all social groups and classes. This is the embodiment of the public function of government functions.

## 8. Conclusion

Reform requires time and opportunity and requires a transition period. However, reform requires more force and responsibility. Governments at all levels only have a deep understanding of the new requirements for the role of the government in the construction of the business environment, reducing excessive intervention in the economic field, reducing excessive control over the market, fully empowering the social subjects, and taking up the society promptly. The responsibility of safeguarding and public services, comprehensively optimize the business environment and promote the formation of a more free and open society.

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