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Research on Tax Countermeasures under the Condition of Electronic Commerce

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Abstract: This paper focuses on the current B2C e-commerce tax policy, which is representative of transactions, analyzes the development of China's e-commerce industry, studies the actual collection and management methods of the current tax authorities for e-commerce (such as invoice management, tax source control), and evaluates and verifies the current tax practice based on the tax system comparison and the actual operation difficulty of tax collection and management, and improves the tax collection and management information system measures such as establishing an online tax certification center, coordinating international tax relations, improving the overall quality of tax staff and citizens' awareness of tax payment will promote the rapid development of e-commerce in China and even the world.

Keywords: *Tax Countermeasures; Electronic Commerce*

I. INTRODUCTION

E-commerce is a new industry that is different from the traditional business operation mode. It is a business activity with network information technology as the means and commodity exchange as the center. It can also be understood that the activities of trading and related services on the Internet in the form of electronic transactions are the electronization, networking and informatization of all links of traditional business activities. According to the degree of participation of all parties in the e-commerce operation mechanism. Secondly, because e-commerce brings users faster trading methods and cheaper transaction costs, more and more enterprises (especially multinational companies) move to the Internet to trade, It will inevitably lead to a reduction in the number of transactions in traditional trade methods and affect tax revenue.

According to statistics, 85% of the world's 500 largest companies have joined the Internet. The globalization of the Internet not only provides a means for enterprises to maximize profits, but also becomes a hotbed for enterprises to avoid taxes to some extent. E-mail, videoconference, IP phone and fax technology based on the Internet will build a real-time communication bridge for enterprises. It will be easier to "reasonably" distribute the development, design, production and sales of products around the world through the Internet, and it will also be easy to establish base companies in tax havens. The rapid development of e-commerce has opened up a vast space for tax sources, and has also had an unprecedented impact on traditional tax systems, policies and international taxes.

In the face of the coming tide of e-commerce development, the tax administration department has no time to study the corresponding collection and management measures, and there is no systematic laws and regulations to regulate and restrict the e-commerce behavior of enterprises. There is a vacuum and vacancy in tax management, resulting in the loss of tax payable. Formal invoices are also issued after the transaction, which makes the transaction of enterprises more open and difficult to hide. Fourth, enterprises participating in e-commerce transactions have a complete financial system and financial accounting system, which can be used to identify tax payment. Therefore, the current enterprise e-commerce is not different from traditional business, and can basically be collected according to the current tax management measures.

As a new business model, e-commerce, while promoting the rapid development of China's economy, also poses a huge challenge to the traditional business operation model, including the tax system under which the government depends on the traditional business model. Assuming that the current 17% value-added tax is levied on e-commerce transactions, According to the data, the tax revenue of e-commerce in domestic trade alone reached 659.141 billion yuan (the domestic value-added tax in 2015 was 311.9 billion yuan). Based on a series of paperless virtual online transactions such as commodity ordering and payment, transaction contracts, orders, sales bills, etc. also exist in the form of electronic bills that are easy to modify and delete, which makes the traditional tax management and inspection lose direct basis.

II. THE PROPOSED METHODOLOGY

(1) Impact Of E-Commerce on Traditional Tax Field

In cyberspace, it is difficult to determine the nationality of the actor or the exact location of each remote login, the location of the operator or the location of the economic activity, and the location of the service provider. Thus, it cuts off the connection factors of "territory" or "person" related to tax jurisdiction, making it difficult to define tax jurisdiction and coordinate international tax. Traditionally, the source of business income is determined by the permanent establishment, the location of business activities or the location of labor activities. E-commerce activities are in a virtual market. There is no tangible "place" for online trading activities of enterprises, and the provision of products or services does not require the actual presence of enterprises. These objectively make the concepts of permanent establishment, place of business activities or place of labor activities under the traditional economic model unclear.

B2C is a business-to-consumer transaction mode, and consumers are the recipients of services. The most important thing for consumers is to select high-quality and cheap goods and enjoy high-quality and value-added services. However, under the traditional transaction mode, the products produced by manufacturers must pass through the wholesaler, then the dealer, and finally reach the consumers. Every link in this process must be profitable, The principle of tax neutrality is to minimize the distorting effect of national taxation on resource allocation. The development of e-commerce in China is at the initial stage, but it is expected that it will replace the traditional business model as the most important business form in the future. The tax policy for Internet transactions should meet the principle of tax neutrality, so as to keep the excessive tax burden of e-commerce industry at a low level, So as to promote the

development of e-commerce in China. In addition, with the increasingly perfect banking network and electronic payment system, some companies have begun to use electronic money to open capital accounts in "online banks" in tax havens and carry out overseas investment business. The "choice" of tax jurisdiction is becoming more and more flexible.

At the same time, the wide application of electronic currency and information encryption technology also makes the pricing of taxpayers in transactions more flexible and hidden, and it is difficult to find the "normal transaction price" that can be referenced in the transfer pricing of affiliated enterprises. The neutral principle of taxation requires that the establishment of the tax system should be based on non-interference in the effective operation of the market mechanism, so that the limited resources available in society can be reasonably allocated and economic benefits can be increased. According to the legislation and research results of various countries in the world, the principle of tax neutrality is the basic guiding principle for dealing with e-commerce tax policies. It is difficult to determine the resident status of taxpayers. All countries generally take the presence or absence of residence as the criterion for determining residents' "residents have unlimited tax liability, and non-residents have limited tax liability".

However, e-commerce has gone beyond the time and space constraints of traditional commerce. No matter where the taxpayer's residence or business place is located, it can set up a website to engage in business activities within any tax jurisdiction, with the characteristics of multiple jurisdictions. Under the B2C transaction mode, enterprises and consumers conduct transactions directly. Because the transactions are conducted on the virtual e-commerce platform, it is more difficult to ask for invoices. Consumers generally rarely ask the manufacturer to issue invoices, and the taxes and fees for issuing invoices are generally borne by consumers, which will increase the cost of purchasing goods, and consumers have no incentive to ask for invoices, This has brought difficulties to the tax collection work. Similar to the problems of domestic e-commerce collection and management, the development of e-commerce in international trade has also brought great problems to the international tax field

The white paper of the US Treasury Department on e-commerce summarizes the characteristics of international Internet transactions: both parties can be anonymous. The seller is easy to conceal the trading place. The tax authorities cannot collect taxes without obtaining transaction information. Establish a special e-commerce tax registration system, strengthen tax collection and management, and plug or reduce tax loopholes. After the implementation of e-commerce, the form of enterprises has changed greatly, and virtual enterprises (online enterprises) have emerged. The principle of tax fairness requires that people with the same economic status should bear the same tax burden, and people with different economic status should bear different tax burdens. However, e-commerce with virtual trade based on INTERNET cannot be covered by the current tax system, resulting in unfair tax burden between e-commerce subjects and traditional trade subjects.

First, the nature of the object of taxation is unclear. In e-commerce activities, tangible goods are transmitted and copied in digital form, making it difficult to distinguish between the provision of traditional tangible goods and services. For example, the online information and data sales business, which accounts for the vast majority of e-commerce, has blurred the concept between tangible goods and intangible concessions due to its characteristics of being copied and downloaded, making it difficult for the tax authorities to confirm the nature of income from the aspect of tax objects, resulting in confusion of tax objects.

(2) Tax Countermeasures Under The E-Commerce Environment

The C2C model, also known as the person-to-person transaction model, has been developed since 1999. With the continuous progress and development of Internet technology, C2C has become increasingly popular. At the beginning, C2C is only a second-hand commodity trading platform on the Internet. People can put things they have used on this platform to trade. In recent years, the prosperity of e-commerce in China can not be separated from its own technology to adapt to market demand, It is also inseparable from the strong support of national policies, especially the support of tax policies. The author believes that the healthy development of an industry cannot always rely on the preferential policy support. In the early stage of the development of e-commerce, the preferential tax policy of the government will play a certain role in promoting economic efficiency, that is, improving economic efficiency. For those who directly use electronic currency to pay transaction funds, after clicking the tax button, the tax will be automatically calculated and transferred to the designated account.

At the same time, the tax department should realize the comprehensive connection with the Internet and the connection with banks, customs and online business users as soon as possible, effectively monitor the production and trading activities of enterprises, and truly realize the integration of online taxation, monitoring and inspection. After the implementation of e-commerce, the shape of enterprises has changed greatly, and virtual enterprises have emerged. Therefore, it is necessary to establish a special e-commerce tax registration system, expand the scope of tax registration, stipulate that all units and individuals engaged in e-commerce activities must handle tax registration in a timely manner, actively submit relevant materials to the competent tax authorities, and according to the characteristics of e-commerce

There is no account for tax collection and management. Traditional taxation is based on original records such as invoices, account books, vouchers, etc. In e-commerce, both parties to the transaction can not issue invoices or make account records, or both parties can record the transaction contents and fill in relevant documents in the form of electronic data in the network, but the electronic data can be easily modified without leaving traces. For many self-employed businesses, the cost of establishing their own websites or online stores is high, so this third-party trading platform has become the mainstream channel for C2C transactions. The platform can help merchants to establish stores, publish products for sale, provide price strategies and other services for free, and provide technical guarantee for the smooth progress of transactions. C2C is a person-to-person transaction, with a wide range of transactions, and the transaction is anonymous, So the credit problem is very prominent, and the third-party trading platform just solves this problem

CONCLUSION

Electronic commerce is a new thing. In its continuous development, it has the characteristics of virtualization, digitalization, anonymity, borderless and electronic payment methods, which has a profound and extensive impact on the traditional tax field. In particular, the globalization of

e-commerce has triggered many international tax issues. The choice of a country's tax policy will have a huge impact on other countries. Electronic commerce makes the transaction electronic, makes the transaction link out of control, and brings difficulties to the tax work. Only by transforming virtual transactions into controllable real transactions can we really solve the problem of tax collection and management under the condition of e-commerce.

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