Research on Tax Collection and Management Based on Network Platform Transaction

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Abstract. The current society is in an information era, the continuous development of Internet technology not only makes the public's daily life becomes more convenient in all aspects, but also helps the economic system develop with the new normal background of the development trend. The most obvious change is the economic system content adjustment. This article briefly describes the issues of tax collection and management based on online platform transactions.

Keywords: Network Platform, Tax Collection and Administration, E-commerce Model

1. Introduction
In recent years, the Internet industry has achieved a leap development with the Internet penetration rate reaching nearly 50%. The number of Internet users in China has surpassed that of the United States, ranking first in the world and it is the country with the largest transaction scale on the Internet platform. The rapid development of the network economy has met people's needs for a better life. However, the continuous development of various online trading models centering on Internet media or platforms has exerted a considerable impact on the current tax collection and management system in China. The rapid development of the Internet industry will inevitably affect the development model of other related industries and e-commerce is one of them. [1] A survey of China's e-commerce market in 2018 shows that the revenue of domestic e-commerce platforms in the first half of the year was 116.4 billion yuan, with an year-on-year increase of 39.1%. China's tax collection and management structure and ability are not enough to adapt to the rapidly changing e-commerce model, so tax authorities at all levels need to find out the core of the problems and then formulate countermeasures to make the tax collection and management model adapt to the needs of the new era.

2. China's e-commerce and Internet tax status analysis
E-commerce developed in the late 20th century when China's e-commerce transaction amount is only 200 million yuan. More businesses and profit models based on the pattern of the Internet are still in exploring stage. If taxing on e-commerce transactions, there will be few profits but with high, which is not conducive to the development of the emerging business model. Now, whether in the world or in China, e-commerce trade has formed a series of mature transaction forms that have a relatively stable scale. [2] At present, the main forms of e-commerce in China include B2B(business-to-business
transaction), B2C(business-to-consumer transaction) and C2C(consumer-to-consumer transaction), as shown in Figure 1. In fact, e-commerce mode trading is an extension of the traditional retail sales model through the Internet platform, but it only changes the form of trading while the essence of trading is the same as what it used to be.

![Diagram of e-commerce forms]

**Figure 1.** Main forms of e-commerce

E-In view of the Internet tax problem, our country proposed the plan that is not to levy new taxes. According to the characteristics of paperless, border-less and virtual transactions on the Internet, more and more scholars have made detailed analysis on the problems arising from the development of e-commerce, as shown in Figure 2. The first is to study the impact of tax guidelines. E-commerce has a threat on the fundamental principle of fair and efficient tax. The relationship between questions of what about "zero tariff" and "tax neutral" taxes and contributions to the industry development has become what scholars discussed the most. Whether the electronic commerce can be newly taxed but protect the development of the emerging technologies at the same time and without violating the interests of the state tax has become hot spot. The second is to study the impact of the current tax system factors. It is difficult for taxpayers to separate the uncertainty of tax location from the change of tax object. The third point is the current tax model. The virtual nature and diversity of tax registration, account book vouchers, invoice management and tax declaration, difficulties in tax collection and administration and legal liability caused by Internet transactions are still unclear.

![Diagram of problems arising from e-commerce development]

**Figure 2.** Problems arising from the development of e-commerce
3. Relevant improvement strategies for e-commerce tax issues

3.1. Raise the threshold for e-commerce
The purpose of increasing the tax threshold to the e-commerce trading platform is to reduce the cost of tax collection and administration by the government, as well as to improve the success rate of small and medium-sized enterprises in starting their own businesses and lower the threshold for starting their own businesses. [4] The sales side of the enterprise shall pay tax in full and timely according to the current tax law of the state. For individual sales, it will give more opportunities to individuals and the community to increase employment opportunities and the government should give incentives to support this tax. In fact, in the current market environment, the development of e-commerce itself will drive it to pay taxes. When small sellers on Taobao grow to a certain scale, they will log on to the B2C platform actively in order to obtain more traffic, transactions and profits. Sellers like Tmall have to pay taxes, so they are willing to register and pay taxes actively.

3.2. Improve the current tax collection and administration system
In view of the fact that e-commerce is an invisible transaction mode in the virtual market, the paperless transaction form objectively makes the audit of tax collection management more difficult. At the same time, electronic currency is mostly anonymous transactions and it is difficult to track the supply lines and sources of goods, [5] making it difficult to confirm the identity of online customers. Moreover, the development of computer encryption technology makes it more difficult for tax authorities to collect data. This requires relevant government agencies to effectively adjust the current tax system (clearly stipulate the legal effect of electronic credentials, etc.), strengthen tax supervision, and implement online monitoring and auditing.

3.3. Strengthen the awareness of citizens to pay taxes consciously
Every Chinese citizen is obliged to pay taxes according to law. The weak tax awareness of citizens will make tax supervision more difficult. Therefore, the state should strengthen the publicity of tax payment consciously and establish tax incentives for taxpayers and penalties for tax evasion to improve citizens' awareness of tax payment.

3.4. Strengthen investment in the network information technology industry
The transformation of China's e-commerce tax model needs to be nurtured and guided by more convenient policies. In addition, it is necessary to strengthen the construction of information network related hardware equipment, improve the electronic technology of tax collection and management and use high technology to solve network tax problems. Research and development of tracking, monitoring and automatic tax collection system can actively identify the taxable goods or services through the network transactions, confirm the type of tax, number, tax rate and other information, achieve automatic calculation of tax and automatically transfer the tax into the tax authority designated account. In addition, the state should actively communicate and cooperate with other countries, requiring tax authorities of all countries to exchange information, cooperate closely with tax evasion inspection techniques and methods, [6] effectively deal with information asymmetry of all countries, jointly prevent international tax evasion and strive to maintain international coordination of e-commerce tax collection and administration.

3.5. Clearly delineate Internet tax jurisdiction
The distribution of e-commerce enterprises in China is relatively concentrated. If the tax jurisdiction of online merchants cannot be reasonably divided, the tax revenue of online sellers all over the country may flow to these cities. This is not only unfair to other cities, but also exacerbates the problem of "metropolitan disease" with huge capital inflow. The imbalance of regional development in China has reached a very serious level. The design of tax system in China should maintain the reasonable and balanced allocation of domestic economic resources and prevent the excessive concentration of
domestic economic resources.

4. Conclusion
The continuous development of economy and society as well as the adjustment of tax source system and business operation mode are the driving force of the optimization and upgrading of tax collection and management system. If the construction of tax collection and management system cannot keep pace with the development of the times, the situation that if it does not advance, it will fall back will happen. Through the online trading platform, China has entered a new data management model, which will become the core of fax collection and management. At present, tax authorities at all levels in China have adopted innovative measures of data thinking and management technology, aiming to create a new all-dimensional and all-coverage Internet tax collection and management model and make suggestion on the development of the era of big data.

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