

Research on the Reasons and Impacts of The Implementation of The New Stamp Duty Law and Tax Rate Adjustment

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Abstract: On June 10, 2021, the Standing Committee of the National People's Congress adopted the Stamp Tax Law of the People's Republic of China, which was officially implemented on July 1, 2022. This is the first official legal document issued for stamp duty since the Provisional Regulations of the People's Republic of China on Stamp Duty issued by the State Council in 1988. The new stamp tax law redefines the stamp duty items, tax rates, tax bases, etc. on the premise of ensuring that the current tax system framework remains unchanged and the tax burden level is relatively stable. This article will analyze the impact of the reform of the new stamp tax law from the perspective of legislative thinking, market background, etc., and put forward suggestions on the direction of tax law reform based on this.

Keywords: Stamp, Tax, Policy tax law.

1. Literature Review

Stamp tax originated earlier. Its collection scope is wide, the tax sources are complex, and it has the "Three-Self" principle of self-calculation, self-purchase of flowers, and self-appliqué, which results in many traps in related tax processing and is very easy to make mistakes. With the current economic system becoming more and more perfect and digital tax platforms becoming mainstream, a rigorous tax management attitude is indispensable for enterprises. Therefore, as a small tax with more tax-related risks, stamp tax related research will inevitably provide a The improvement of tax laws and corporate tax management play a positive role.

1.1. Related literature review

Yao Xuange (2019) believes that the current research on national tax collection and management should be based on the digital economy era, starting from the taxpayers, supervision methods and tax calculation basis, and drawing on international tax collection and management experience to improve our country's tax management system. Bian Wenzhi (2022) conducted an in-depth analysis of the new stamp tax law and affirmed the positive role of the new stamp tax law in my country's market legal environment protection and high-quality economic development. Lu Xun (2006) analyzed the information asymmetry between enterprises and tax authorities in tax collection and administration issues from a game perspective and put forward relevant suggestions. Lai Wenjun, Xu Yue, and Wan Genhua (2022) expressed their views on the implementation of the new stamp duty law. Wu Xiaoyan (2022) started from the shortcomings of stamp tax, analyzed the incompatibility of stamp tax with the current market environment, and proposed reform ideas. Meng Chen and Zhang Ying (2021) believe that in the e-commerce environment, due to consumers' neglect of electronic invoices and the difficulty in supervising electronic invoices, a large amount of e-commerce tax revenue has been lost. Li Qian (2020) believes that C2C e-commerce has brought huge

impact to the traditional business model and subverted the traditional tax collection and management model. The tax supervision system needs to be improved urgently to meet the challenges. Duan Zhiqing and Liu Zuo (2022) reviewed the development of my country's stamp tax system since the founding of the People's Republic of China, and gave a detailed description of three important time points.

1.2. Research purpose and significance

Since the 20th National Congress of the Communist Party of China, my country has listed the construction of a high-level socialist market economic system as an important goal. The tax system is an important link in financial support for national economic development. Good tax policies are not only conducive to cultivating the enthusiasm of enterprises to pay taxes, but also ensuring that the country The stability of fiscal revenue. Stamp tax is a wide-ranging category of small taxes. Due to its self-calculation characteristics and the lack of professional skills of grassroots financial personnel, many companies still cannot handle stamp tax correctly. Therefore, the new Stamp Duty Law has simplified a large number of tax items in stamp tax and lowered the tax rate, which will reduce the burden on enterprises. This article aims to analyze the causes and impacts of changes related to the new stamp duty law, analyze the tax system reform trends, and provide certain suggestions for the reform direction of other tax types.

2. Concepts Related to Stamp Duty

2.1. stamp duty concept

Stamp duty originated in the Netherlands in the context of the economic crisis in the 17th century. Due to financial difficulties, a new tax was designed based on transaction documents, contracts, etc. This new tax has a light tax burden, low tax costs, and a wide range of tax sources. Once this tax was introduced, on the one hand, it brought huge fiscal revenue to the government and alleviated the economic crisis to a certain extent. On the other hand, due to the extremely low tax rate, each transaction was taxed independently, and

the paper tax amount was almost negligible. It can provide legal protection for transactions at a lower cost, and people are willing to accept it, which fully embodies the tax principle of "plucking the most feathers and listening to the least squawking".

Based on the needs of market development in the stage of free capitalism, stamp duty has been gradually adopted by European and American governments since its inception, and has become an internationally accepted tax. After long-term exploration of the market economy, various countries have continuously introduced new tax policies, and stamp duty has been used by various countries to this day because of its low tax cost due to its low tax cost.

2.2. Changes in Stamp Duty Related Policies

In recent years, adjustments to stamp duty have mainly focused on preferential policies and clarifying tax items. In 2018, the country introduced some tax-free policies, including tax exemption for legal certificates, tax exemption for cases where the tax amount is less than one cent, and tax exemption for specific certificates and specific circumstances. A series of adjustments were made in 2019. In addition to preferential policies and tax exemption policies, it also clearly stipulates the circumstances under which tax decals are required. In 2021, capital account books with stamps will be levied at a half tax rate of 5/10,000, and other account books originally priced at 5 yuan per piece will be exempted from stamp tax, which further narrows the scope of taxation and lowers the tax rate. It was passed in the same year The Stamp Duty Law of the People's Republic of China was enacted. In July 2022, the "Stamp Duty Law of the People's Republic of China" was officially implemented, which clearly stated the tax rate adjustment details such as a reduction in the tax rate for contracts such as contracting and construction projects, and a slight increase in the tax rate for property insurance contracts. In addition, the country is still introducing a series of policies for exemptions and reductions.

Combined with the market background of the epidemic era starting in 2020, it can be believed that the overall stamp tax collection policy reform tends to reduce the tax amount, encourage industrial development, and at the same time simplify tax items, tax sources and related regulations, reduce corporate tax burden pressure from two levels, and reduce the process of corporate tax payment. errors.

2.3. The tax function of stamp duty under the new economic development model

In the early days of stamp tax, its main function was to increase fiscal revenue. In the evolution of the capital market, in order to cater to the needs of economic development, stamp tax objectively played a market regulatory role. Especially in the securities market, the tax rate of stamp tax can affect stock transactions. The cost has a direct impact, effectively curbing speculation, regulating the stock market, preventing the formation of stock market bubbles to a certain extent, and suppressing large fluctuations in the stock market. At the same time, stamp duty can supervise enterprise contracts, promote the standardization of contract management, and guarantee the collection of other taxes.

2.3.1. fiscal revenue capacity

Judging from the stamp tax revenue situation in recent years, the total tax revenue has shown an overall upward trend. Among them, securities transaction stamp tax is the main source of stamp tax revenue, and its proportion has not

fluctuated much, about 40% to 60%. From an overall tax perspective, the total national fiscal revenue from 2016 to 2021 was 11.6 trillion yuan, 12.6 trillion yuan, 17 trillion yuan, 15.8 trillion yuan, 13 trillion yuan, and 17.3 trillion yuan respectively, except for 2020. In addition to the sharp decline in fiscal revenue due to the impact of the epidemic in 2017, the overall revenue is relatively stable. The proportion of stamp duty year by year is 1.90%, 1.75%, 1.29%, 1.56%, 2.37%, and 2.36% respectively. The overall rate remains at about 2%, which is a huge gap with the income from the main types of turnover tax. It is a veritable small tax. It can be seen that its fiscal revenue function is no longer able to meet the needs of the country's economic development.

2.3.2. Market control ability

The market control ability of stamp tax is mainly reflected in the securities trading market. The adjustment of stamp tax rate can directly affect the profits of both parties to the transaction. When the securities market is sluggish, the stamp tax rate is reduced to revitalize the securities market; when the transaction volume of the securities market is artificially high, the stamp tax rate is increased. To suppress bubbles in the securities market and prevent large fluctuations in the stock market from affecting the development of the real economy.

Judging from the history of adjustments to the stamp tax rate for securities transactions in my country, after it was lowered from 4‰ to 2‰ in 2001, the stock market rose slightly. On January 23, 2005, the stamp tax rate was lowered again, from 2‰ to 1‰. This time it was lowered. The impact has been far-reaching. The A-share market has made rapid progress for three consecutive years, ushering in an unprecedented bull market. In 2007, the Shanghai Composite Index reached a historical peak of 6,124 points, which has not been surpassed so far. In order to prevent the overheating of the securities market from triggering a bubble economy crisis, the stamp tax rate was raised for the only time on May 30, 2007, from 1‰ to 3‰. However, due to the strong stock market frenzy at that time, the immediate effect of the tax rate adjustment was very limited. After the Shanghai Stock Exchange Index reached its historical peak in mid-October of the same year, the entire stock market began to show a cooling trend. Within half a year after that, the Shanghai Composite Index continued to decline, once approaching the 3,000-point mark. In order to protect the market, the government adjusted the tax rate again to 1‰. The Shanghai Stock Exchange Index rose slightly in the short term. However, because it was at the juncture of the subprime mortgage crisis sweeping the world, the domestic market was affected, and the economic environment was sluggish. The stamp duty adjustment was nothing more than a drop in the bucket. The Shanghai Stock Exchange Index fell to 1,800 in just a few months. In this context, the Chinese government has continued to adopt a variety of measures to deal with the crisis, including changing the tax on both parties in securities transactions to only taxing the transferor, with the stamp duty rate remaining unchanged. After this move came into effect, the entire securities market has regained its vitality. After a certain period of buffering, the market has also begun to stop falling and rebound. Under the joint action of a series of stimulus policies, it has returned to 3,000 points. Since then, the stamp tax rate for securities transactions has maintained a one-way collection policy of 1‰.

Combined with the history and economic background of my country's stamp tax rate adjustment, we can see that the

stamp tax rate for securities transactions has a very obvious regulatory effect on the securities market. Every change directly affects the vitality of the securities market. Fundamentally, although the tax rate is one thousandth of the transaction amount, it seems insignificant, but under the premise that the number of transactions in the securities exchange market is frequent, profits and losses are uncertain, and shareholders' profits are generally between 5% and 20%, the impact of its changes on the actual profit rate of securities transactions is far greater than its paper ratio. However, in the face of drastic changes in the economic environment, stamp duty, as a small tax, has very limited ability to respond, and it still needs to be combined with relevant economic policies to play its role.

2.3.3. Market surveillance capabilities

Due to the provisions of the Stamp Duty Law, individuals or entities that write taxable certificates, conduct securities transactions, or establish taxable certificates for domestic use abroad must pay stamp tax in accordance with the law. Therefore, theoretically, in the taxation work of stamp tax, the tax authorities can grasp the relevant economic activities of tax-paying units, help relevant departments understand the laws of microeconomic operation, and thus provide support for macro-control. However, in fact, there are a large number of oral agreements and tax-exempt objects such as e-commerce in market economic activities. The contract supervision function of stamp tax is not comprehensive. The coverage is limited and relies on enterprises to consciously register and pay taxes. It can only play a certain supporting role in contract supervision.

2.3.4. Comprehensive analysis of tax capabilities

Based on the above analysis, the main functions of stamp tax include fiscal revenue capability, market regulation capability, and market supervision capability. However, in the current market operation, due to the low tax rate of stamp tax and relevant policies tend to reduce the tax burden pressure on enterprises, its fiscal revenue Functions and market supervision functions have been weakened to a certain extent, and market regulation capabilities are still retained objectively. However, the current domestic economic development remains good, the securities trading market is relatively stable, there is not much demand for regulation, and changes in tax rates have a greater impact on the securities market. Therefore, There have been no adjustments since 2008. In addition, stamp tax also has derivative functions such as tax payment certificates and cultivating citizens' tax awareness. Generally speaking, various functions of stamp tax are difficult to meet the needs in the current market environment and need to be improved urgently to meet the needs of economic development.

3. Defects in the Old Version of the Stamp Duty Ordinance and Improvements in the Stamp Duty Law

3.1. Defects in the Interim Regulations on Stamp Duty and Improvements in the Stamp Duty Law

3.1.1. Legal regulations

This stamp tax legislation formally included the stamp tax on securities transactions in statutory provisions for the first time, added the tax item "securities transactions", and made

detailed provisions on the taxation of securities transactions; the penalty clauses in the interim regulations were abolished and were instead implemented in accordance with the Collection and Administration Law; The tax location and tax deadline are clarified, and tax exemption objects are confirmed. These changes fully reflect the legal principle of taxation and contribute to the legal construction of my country's market economy.

3.1.2. Adjustment of tax items

Specifically, it includes unifying the schedule of tax rates and tax items, integrating the original thirteen tax items into four general tax items: contracts, property rights transfer data, business accounts, and securities transactions, including a total of seventeen sub-tax items, and adjusting the tax objects and tax rates. The tax rates corresponding to each sub-tax item are respectively indicated, which is clearer than the previous interim regulations on stamp duty. It can reduce the situation where enterprises in the past did not clearly define the tax vouchers during the tax payment process, resulting in overpayment and underpayment, as well as missed payments; cancellation of rights, The license is based on relevant tax items, standardizes the basis for tax calculation, avoids the phenomenon of double taxation, cancels the mantissa requirement, and based on the actual calculation amount, improves the accuracy of the tax amount. These changes help enterprises understand tax policies, reduce tax payment errors, and reflect the principles of tax efficiency and tax fairness.

3.1.3. Tax rate adjustment

In the Stamp Duty Law, the statutory tax rate for business accounts was reduced from 5/10,000 to 2.5/10,000, and data on the transfer of processing contracts, construction project contracts, transportation contracts, trademark exclusive rights, copyrights, patent rights, and proprietary technology use rights The statutory tax rate for such contracts has been lowered from 5/10,000 to 3/10000. At the same time, the tax rate for property insurance contracts has been raised from 0.3/10000 of the insured amount to 1/1000 of the insurance premium. The tax rate has been adjusted overall. slightly lowered.

3.2. Analysis of the motivations for changes in the Stamp Duty Law

Due to the small amount of stamp tax itself, the numerous and complex tax items, and the characteristics of easy omission and confusion, many companies and even government agencies are calling for the abolition of stamp tax, or the merger of relevant tax items into other taxes. However, the weakening of the stamp tax function is not the only factor causing this phenomenon. The old version of the Stamp Duty Regulations was promulgated in 1988 and was last officially revised in 2011. Since then, adjustments have been mostly made in the form of policies, detailed rules, etc., resulting in many regulations and provisions being relatively vague and difficult to implement. It is also not standardized and brings obstacles to corporate tax payment behavior. Therefore, this revision of the Stamp Duty Law has optimized the above aspects while maintaining the same tax framework.

From the perspective of legal regulations, the actual impact of this change is not significant. The main reason is that it has been upgraded from interim regulations to laws and regulations, clarifying that securities transactions are included in stamp tax items, and describing tax items, tax rates and related regulations in more concise and easy-to-understand

legal language. It is easier for enterprises to understand the policy. Although the actual changes are small, it is not difficult to see that our country's legislation is developing towards standardization and transparency.

From the perspective of adjustment of tax rates and tax items, under the background of the epidemic environment, tax reduction targets are mainly enterprises related to the real economy such as manufacturing and transportation industries. It can be considered that the policy orientation tends to reduce tax burden pressure on enterprises, including reducing the amount of tax on enterprises. Operating pressure, reducing corporate financial work pressure in the tax process, encouraging the development of the real economy, and reducing the fiscal revenue function of stamp tax to a certain extent may pave the way for focusing on its functionalization in the future.

4. Analysis on the Applicability of The Stamp Duty Law and Countermeasures on Implementation Issues

The debate over the existence and abolition of stamp tax has been going on for many years. However, starting from the source of stamp tax collection, enterprises sign contracts and the state provides legal protection to the contracts, or in securities trading activities, the state provides platforms and support. All these costs need to be included in fiscal expenditures. , and this type of economic activity entity expects transactions to bring benefits, then it is reasonable to tax transactions; the collection of stamp duty is based on contract law and securities law, so it can be considered that the exploration of the stamp tax law itself is also a The exploration of contract law and securities law; at the same time, the function of stamp tax is not as good as before, which does not mean that one size fits all. The implementation of the new stamp tax law also represents the country's willingness to optimize the current tax framework and comply with the policy's planning for the future development direction of stamp tax. What researchers should do now is to make judgments about functional allocation and let stamp tax play its role again.

4.1. Analysis on the applicability of stamp duty law in the current market environment

At present, my country's market economy is still in a stage of rapid development, and building a high-level socialist market economic system is one of the primary tasks to promote high-quality development. A healthy socialist market economic system is inseparable from a stable economic environment and a good legal system, and the tax system is an important bridge that spans the economy and the rule of law and supports the market economy. Especially in the era of the epidemic, the global economy is in a volatile situation, and the implementation of policies often affects the whole body. It needs to be handled carefully, not only to fit the current market environment, but also to leave room for future market changes.

In recent years, due to the volatility of the epidemic, small and micro businesses have been the most affected. In the first half of 2022 alone, 460,000 companies closed down and 3.1 million individual industrial and commercial households canceled their business. The situation is even worse than in 2021. Although it can barely withstand the pressure with the

support of national policies and the overall economy maintains a growth trend, it is undeniable that this phenomenon has severely affected the entrepreneurial enthusiasm of small and micro enterprises, and the national economic foundation has been shaken. Therefore, there is an urgent need for policy support to guide the economic operation, and regulations provide enterprises with Survival guarantee forms a dual-driven economic engine. This stamp tax legislation not only adjusts the tax items and tax rates, but also converts the tax items that were originally declared on a monthly basis to a quarterly or annual declaration, which reduces the burden on enterprises based on actual conditions and improves the unfavorable conditions of Chinese enterprises in the market environment to a certain extent; for For tax authorities, transparent and standardized tax law provisions can reduce unnecessary communication with taxpayers in tax collection and reduce tax collection costs; from a national perspective, stamp tax reform has a clear direction and relevant regulations are more adaptable to financial needs. , is an important exploration in my country's independent legislation on tax types. Therefore, it can be considered that the current stamp duty law is based on the actual situation, caters to the demands of all levels of my country's economic development, and meets the objective needs of a high-level socialist market economic system.

4.2. Implementation of Stamp Duty Law

There is a lack of forward-looking attitude; due to the inclusion of overseas bookends, taxable certificates used within the country and other objects that are not clearly defined in the scope of taxation, it has brought considerable challenges to the tax authorities' verification work; finally, the current method of paying stamp duty is still In order to calculate and pay by themselves, the tax authorities have insufficient inspection methods, which makes it difficult to fully investigate conscious tax evasion or unconscious tax evasion. This is also the biggest obstacle to the current implementation of the Stamp Duty Law.

In response to the above problems, China's tax authorities and enterprises should increase publicity, organize tax law-related studies, and take the new stamp tax law seriously; stamp tax collection is closely related to the contract law, securities law and other codes in the Civil Code, and implementation details can be issued. On the one hand, as a stamp tax The tax law implementation guidance document will help to open up the boundaries between relevant laws and strengthen linkage on the one hand; improve tax administration methods, strengthen stamp duty supervision, reduce the pressure on both parties in the taxation work by establishing an entrusted collection mechanism, and fundamentally improve tax evasion; The problem of tax evasion; finally, promote account-based tax management on digital tax platforms, use stamp duty as the vanguard of joint collection of taxes, use stamp tax to help understand the characteristics of microeconomic operations, and change the current situation in which various taxes are managed in our country and are relatively decentralized, so as to strengthen Construction of tax management system.

4.3. Suggestions for improving the new version of the Stamp Duty Law

Judging from the actual economic activities of enterprises, there is still room for improvement in stamp tax. For example, some small-scale manufacturing enterprises or retail-oriented

enterprises have the characteristics of many customers, many types of goods, many contracts, and generally small amounts, resulting in stamp tax calculations. Tax pressure is still very high and labor costs are high. You can try to manage contracts within a certain amount by range and levy fixed tax amounts. In this way, in each tax cycle, companies only need to combine contracts with the same amount range for calculation. , significantly reducing the workload of such enterprises.

Furthermore, for centuries, stamp duty has maintained a self-applied and self-paid tax method. However, this method was actually based on the limited tax collection methods in the past, contracts were not supervised by tax authorities, and was helpless to save tax costs. Act of. From the current perspective, as the only tax payment method that needs to be handled by oneself, it obviously lacks rationality, is contrary to the development direction of intelligent and transparent taxation, and is not conducive to the unification of the future tax framework. In view of the fact that the current promotion of digital tax platforms in China has achieved results, stamp tax collection can completely take advantage of the digital reform. The contract amount can be obtained through the tax number registration of taxable certificates, and the system can automatically determine whether stamp tax should be paid and calculate the stamp tax payable. Transferring tax calculation work to a digital platform can not only solve the problem of difficulty in stamp tax administration and the lack of tax source management methods, but can also further reduce the burden on enterprises and increase their enthusiasm for paying taxes.

In general, the stamp duty tax system is relatively old and has never experienced innovation, so its improvement ideas can be completely outside the framework, with tax as a supplement and function as the main function, to promote modern tax reform, and design to meet the needs of our country's market and have Chinese characteristics stamp duty.

4.4. Enlightenment of stamp duty legislation on tax reform

At present, there are 18 tax types in our country, 12 of which have completed separate legislation. The remaining six tax types are either still implemented with interim regulations, or are in the process of issuing drafts for comments to prepare for legislation. However, it is foreseeable that each tax type will be legislated separately. It is bound to be the general trend. Judging from the legislative ideas of tax laws such as stamp duty, the formulation of these tax laws follows the principles of being based on social needs, solving current difficulties, giving full play to the characteristics of tax types, and focusing on long-term economic development. If the Stamp Duty Law can pass the test of market economy, it will be a good reference for the legislation of other tax types, especially property tax and land value-added tax, which are both small taxes and have high demand for legislation.

Considering independent legislation as the preliminary work of the rule of law in the construction of my country's

market economic system, combined with the instructions of the 19th National Congress of the Communist Party of China to "deepen the reform of the tax system and improve the local tax system", it is not difficult to imagine that after the independent legislation is fully completed, the next step will be various Coordination between various tax laws and optimization of tax system structure to achieve a higher level of legislative integration. Therefore, the legislative work of any tax type needs to consider the future tax framework to ensure that these different gears can be closely integrated and operate in a coordinated manner to support the operation of the national economic machine.

5. Conclusion

Although stamp tax is small, it is an indispensable part of my country's tax framework. The study of stamp tax must start from the deep logic of legislation. It must not only refine itself, but also understand it in detail, from the perspective of national policy orientation, macroeconomic regulation, and time and space evolution characteristics. Explore the development path of my country's tax system by starting from multiple dimensions.

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