Mode Construction of “Managing the Real Estate Tax by Information” in the Big-data Times

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Abstract. With the development of the application of the big data technology, the tax information management, especially the information management of the real estate tax is feasible and urgent. Thus, it is essential to understand the necessity of fastening the construction of “managing tax by information” in the historical background of the big data and to explore a new way to construct a suitable mode of “managing the real estate tax by information” on the basis of learning from developed countries and taking full advantage of the big data development. According to this research, in order to acquire the external tax-related information so as to provide the substantial legal guarantees to “managing tax by information”, the taxation authority should be specifically empowered through Law on the Tax Collection and Administration. The research methods mainly adopted in this research are the literature research method, the case method and the interview method, and case studies are used in small scale.

Introduction

The real estate tax is the taxation on the real estate, such as houses and lands in the chain of tenure. [1] At present, the real estate tax law has already been brought into the legislation program of the current National People’s Congress and it will take effect and begin to collect the real estate tax through the legislation soon. The real estate tax is a direct tax, which covers a wide range of complicated tax information. The top priority of the tax collection and administration is how to begin to collect the real estate tax. In recent years, the State Taxation Administration has put forward the brand-new concept of “managing tax by information” and made great progress, which will be beneficial to carry out the collection and administration of the real estate tax. [2] Nevertheless, the process lags behind compared with the developed countries. With the implementation of the real estate registration, it is extremely important to apply the big data quickly to the collection and administration of the real estate tax.

1 Big-data Times Making “Managing the Real Estate Tax by Information” Necessary

With the rapid development of new information technology, such as mobile internet, internet of things and clouding computing, we are entering the brand-new epoch of big data, in which information resources are increasingly becoming the essential production factors, immaterial assets and social wealth.

However, compared with the changing information technology, the current level of “managing tax by information” still falls behind. First and foremost, it is difficult for the taxation authority to efficiently and fully collect the scattering tax source information of the real estate. [3] Besides, as for the tax-related information in the hands of the third party, the taxation authority lacks the high-efficiency sharing mechanism. On the one hand, government sectors independently store their own data and information. On the other side, the third party information main body of the real estate
The tax base assessment does not become the main information channel of the tax collection and management, which leads to the ineffective utilization of the tax-related information. Additionally, the tax-related information in the internal taxation system is not fully integrated and shared. Thus, the fragment of collecting and managing the resource information of the taxation system tends to cause the information asymmetry between tax levy and payment, which is exploited by taxpayers to evade tax.

As a matter of fact, the characteristics of big data, such as large quantity, dispersity, low value density and high processing speed are in favor of the taxation authority that they can deeply dig and meticulously analyze the potential important tax-related information. Firstly, big data can make it possible to eliminate the asymmetry problem of information in the collection and management of tax. Secondly, the application of big data can dramatically decreases the administrative costs of collecting and managing tax. Thirdly, big data can provide the overall and real data support for the decision making of the taxation system. Fourthly, big data can offer the foundation to better taxation service, which is beneficial for developing the cooperative and mutual-trusted relationship between tax levy and payment.

Against this background, the breakthrough of reforming the existing mode of the tax collection and management is to fully apply thoughts and techniques of big data to fastening the pace of “managing the real estate tax by information”, which is also the indispensable choice of the modernization of tax management.

2 Advanced Experience of “Managing Tax by Information” in Developed Countries

At present, most member countries in Organization for Economic Cooperation and Development (OECD), such as America, Germany and Italy, all apply the methods of the big data to the area of tax administration and consider that as the efficient means of realizing the modernization of tax administration. Two aspects of experience about “managing tax by information” from the practice in developed countries can be extracted.

2.1 Great emphases placed on the information construction

First of all, many countries invest tremendous and constant manpower and physical resources in the construction of the tax information and regard the tax data and the information base as the important database for government operations. The analysts of Internal Revenue Service (IRS) in America have modified and improved the system for several times since the 1960s. Germany also attached much importance to the construction of the tax-related information. The basic taxation department collected, revised, summarized and integrated individual taxation information on the basis of the only citizen number for each person. The information degree of tax data was high and the electronification of tax declaration was realized. As German governments at all levels gradually became “E-government”, the government taxation gradually evolved to “E-taxation” mode.

Furthermore, the construction of the communication platform of the trans-department network tax-related information and the sharing of the tax information played a critical role in developing a complete, dynamic, timely and comprehensive network of monitoring the tax sources. America stipulated the cooperative obligations of departments, including Security Department, Industrial and Commercial Department, Financial Department, Fiscal Department and Customs Department, of the tax-related information in legal form. The taxation authority could master numerous amounts of tax-related information. [4]

2.2 The whole process of “managing tax by information”

In America, over 80% of the federal tax revenues are declared and paid electrically through the computer system. By observing the data trend, simulating the environment and optimizing data models and so on, it only takes several hours instead of several weeks or months to select Audit cases. [5]

The concrete operating procedure: (a) In the process of monitoring and controlling the tax sources, America insisted on carrying out researches on the trend of tax compliance of taxpayers
with data. Because of the universal property of the tax number, it was very easy for the taxation authority to exchange the tax-related information with other departments, which made the information sources of taxation registration adequately rich. (b) In the tax declaration process, IRS continuously met the service requirements of taxpayers by innovation. For instance, the rate of E-declaration, one of the innovative projects was only 30% in 2001 and reached 70% in 2011. The effect of saving the E-declaration costs was very remarkable. (c) In the process of collecting tax, IRS stipulated that individuals with their duty-paid proofs could not operate the account system of taxpayers in order to avoid the internal corrupt transaction among tax departments. Then the computer would automatically collate accounts with tax categories and connect the base to the computer network of the central treasury to collate taxes and income conditions. (d) In the process of the case inspection and selection, the function identification system was used to select cases in terms of given standards. The system could score the taxpayers. The higher the score was, the more complicated cases were, the higher possibility the case was selected. Generally, the proportion of the tax payers inspected was controlled near 2%, 1% of which would be inspected intensively. In the whole procedure, the taxation authority attached much importance to the collection of the three-party tax-related information.

3 Promotion of Breakthrough of “Managing the Real Estate Tax by Information” Construction

The above-mentioned experience of “managing tax by information” in developed countries can be regarded as the pattern of “managing the real estate tax by information” in the future. However, constructing the stable and strong information system is a long-term, complicated system engineering. The priority should fasten the pace of constructing the Gold Tax Third-phase System while the information technology platform is based on the Gold Tax Third-phase System. The online taxation, risk management, tax service evaluation and supervision and performance management of the real estate tax are completely put into a united, open and sharing information network system. The taxation operation and the organizational system are continuously optimized in order to set up the suitable modern administration mode with the basic target of satisfying the legitimate tax-related requirements and to develop the intensive and flattening tax organizing system.

3.1 The stable information system

The stable information system is a unified, standardized, mature and stable platform, which is the material basis of the information system.

First of all, a high-standard data processing center with a disaster recovery and backup system should be constructed at the aim of establishing the centralized data processing of regional and provincial headquarter which can handle the daily operation and meet the needs of the disaster recovery and backup. At the same time, the national unified version of national and land taxes should be applied to enabling this comprehensive tax collection and management system to possess the high portability.

Moreover, the external information exchanging system should be set up to share the trans-department tax-related information, to cooperate with the third-party information main body except the government sectors and to construct the tax data warehouse after the efficient integration of tax revenue data of tax departments.

Eventually, a decision support system will be established and tax data are used to provide information support to the management and scientific policy decision.

3.2 The construction of the real estate information management platform

The national and unified information management platform of the real estate information will be constructed. Under the assistant of the external information exchanging system, this platform can share the information with the land branch and the house managing department.
On the one hand, the platform will realize the national network (including the rural areas) to take the real estate tax into the scope of “controlling tax with land and saving lands with tax” with the combination of the newly-implemented real estate registration system. Currently, some provinces and cities have established their local unified real estate information management platforms. However, the horizontal and vertical information communication and sharing still needs improving.

On the other side, the platform will be associated with the third-party National Land Department and Housing Assessment Department to timely master the value dynamics and the tax base assessment of the real estate.

3.3 The highly-efficient data application

The highly-efficient data application is the core value of the information system and the important production factor of raising the tax administration and service efficiency. On the one hand, the scientific integrative system of the tax data index should be developed and the national unified, standardized and compulsory data standard and index specifications should be established on the basis of data element. On the other hand, the “fist” products that analyze the real estate tax should be created by the deep big data mining and the convincing data analysis to predict the tax revenues and to support the scientific policy decision.

3.4 The highly-efficient and solid technical supports

The important guarantee of the information system is the highly-efficient and solid technical supports. Meanwhile, the talent team with good proletarian and strong technology is necessary.

First of all, the information security protection system can be constructed to unify the information security protection strategies and technology standards. The tax identity verification system can be applied to the business network, the office network and the security network, which are operated separately. The information security protection network is firmly constructed.

Secondly, the operation and maintenance system should be improved, the procedure be standardized, the platform be constructed and the resources be integrated to form the integrative, multiple-level, national supporting system for ensuring the security, stability and highly-efficient operation of the information system.

4 Promotion of Legal Guarantee of “Managing the Real Estate Tax by Information”

The existing extent of competence of the taxation department includes the promotion of “managing the real estate tax by information”. However, as for the standardized management of taxpayers and the acquisition of the external tax-related information, the tax collection and management law needs to empower the rights in order to form the solid legal guarantees for “managing the real estate tax by information”.

4.1 The implementation of system of identifying numbers of taxpayers

The system of identifying numbers of taxpayers should be implemented as soon as possible. The latest Law on the Tax Collection and Administration (The Exposure Draft) puts forward that the unified system of identifying numbers of taxpayers (No. 8) should be implemented, which deserves to be fully affirmed. The identifying numbers of taxpayers is the only and life-time digital code labels that the tax department uses to identify the identity of taxpayers such as companies and citizens according to the national standards. When the taxpayers sign contracts and agreements, carry out the real estate registration and deal with other tax-related affairs, they should use the numbers of taxpayers. The implantation of the numbers of taxpayers is not only the most important data basis for “managing the real estate tax by information”, but also the origin of much derivative tax-related information.

4.2 The establishment of the third-party system

It is important to establish the third-party system of providing the tax-related information. In terms of the lagging tax-related information management system currently, it is critical to establish
the third-party system of providing the tax-related information in order to adapt to the collection and management requirements of the real estate tax. The latest Law on the Tax Collection and Administration (The Exposure Draft) has responded to it. The 28th newly-increased law regulation clarifies that government, relevant units, banks and other financial institutes have the obligation of providing the tax-related information. This is an important step for the third-party system of providing the tax-related information. However, this law should improve itself in the following two aspects.

First, in the aspect of defining obligations, it can stipulate the taxpayers’ obligations to provide the tax-related information in the transactions. Scopes, standards, contents, formats and time limitation of financial institutes, such as banks can be more specific. For instance, the existing concept of “depositor” is too broad, which should be clearly clarified and defined in the scope of taxpayers.

Secondly, in respect to the regulation of responsibilities, the definite law responsibility should be clarified to urge the third party, especially some government sectors, such as National Land and Housing Department, Industrial and Commercial Department, to actually fulfill the obligations of providing the tax-related information. Besides, in order to protect the business secrets and personal privacy of taxpayers, the taxation authority who violates the relevant obligation of maintaining confidentiality should be held responsible for their violation according to the regulation.

Conclusion

Observing the practices of managing the tax by information in developed countries, we find that not only do they emphasize the fundamental project, such as the information construction, but they also concentrate on “managing tax by information” throughout the taxation collection and management process, of which we should draw on the experience. The priority of the taxation collection and management in China nowadays is to clearly understand factors of operating these modes in order to lay the solid foundation for the smooth operation of informationizing the real estate tax. Furthermore, the taxation authority should be specifically empowered through Law on the Tax Collection and Administration to acquire the external tax-related information so as to provide the substantial legal guarantees to “managing tax by information”.

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Reference


