

Research on the Impact of Preferential Tax Policies on Agricultural Industrialization under the Background of Poverty Alleviation

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Abstract

Based on agriculture, the development of agriculture is vital to the development of my country's national economy. It is also related to the overall development of winning the battle against poverty and building a well-off society in an all-round way. As an important lever to regulate the economy, taxation policy is an important link in the targeted poverty alleviation policy and a strong support for the development of agricultural industrialization. This article is one of the research results of the national college student innovation and entrepreneurship project "Tangerine Country Supporting Agriculture, Tangerine Fragrant Self" that the author's team successfully applied in 2020. This article will take the poverty alleviation strategy as the background, according to the implementation of the current agricultural tax preferential policies. Analyze the role of preferential agricultural taxation policies in promoting the development of agricultural industrialization, reducing the tax burden of agricultural producers, and improving economic growth. In addition, the relevant policy recommendations are put forward based on the problems of scattered preferential policies, not implemented in practice, and small preferential scope during the implementation of tax preferential policies. Give full play to the role of preferential taxation policies in the field of helping farmers and poverty alleviation, and better promote the development of agricultural sustainability and industrialization.

Keywords

Tax Incentives; Agricultural Industry; Alleviate Poverty.

1. Introduction

China has been a major agricultural country since ancient times, and the development of agriculture has played a decisive role in the growth of our national economy. As the saying goes, if agriculture is strong, the country is strong, and farmers are rich, the country is prosperous. Supporting agricultural development is vital to poverty alleviation. Therefore, we must attach importance to consolidating the development of agriculture. In addition to realizing agricultural modernization, it also needs the support of the superstructure. Tax preferential policies are one of the most important measures and an important part of national macro-control. The report of the 19th National Congress of the Communist Party of China stated that in order to accelerate the victory of poverty alleviation, the State Administration of Taxation has issued 110 preferential tax policies to promote poverty alleviation, covering six major aspects. Among them, "promoting the development of agriculture-related industries" has accounted for 41 items in five categories, accounting for 37.2% of the total issued policies. (Figure 1) [1] Preferential tax policies can effectively promote the development of agricultural industrialization, reduce the tax burden of agricultural producers, and help alleviate poverty and become rich. But at the same time, the current preferential taxation policies inevitably have

problems such as scattered and complicated preferential policies, low operability, and failure to implement agricultural preferences. This article will analyze the impetus brought about by the implementation of preferential tax policies and the existing problems, and propose targeted suggestions accordingly.

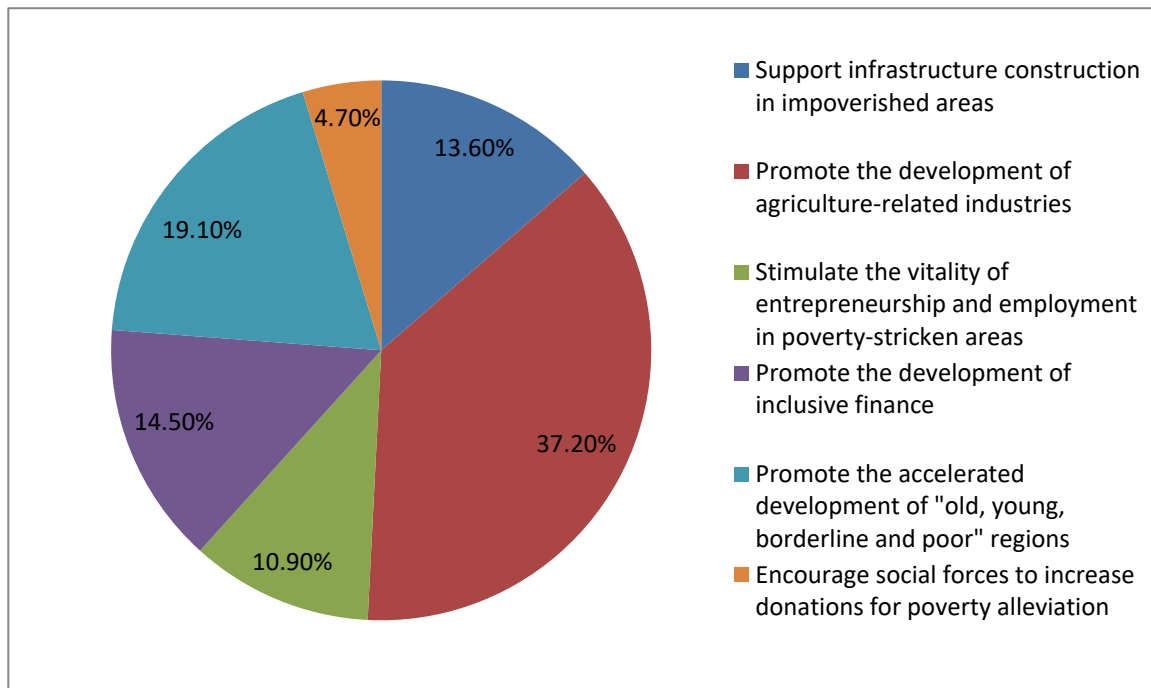


Figure 1. 110 tax preferential policies promulgated by the State Administration of Taxation to promote poverty alleviation

2. The Implementation of Preferential Taxation Policies Will Promote the Development of Agricultural Industrialization

2.1. Tax Incentives Help the Development of Agricultural Industrialization

Since 2006, in order to increase farmers' income, the government has introduced a series of preferential tax policies for farmers. There are many agricultural tax policies promulgated at present. [2] It not only covers personal and corporate income tax, value-added tax, consumption tax, stamp duty and other major taxes, involving all aspects of agricultural production and sales; but also includes various preferential forms such as tax exemption, temporary exemption, half collection, pre - tax deduction and exemption Policy. Especially since the country sounded the clarion call for the fight against poverty, tax incentives have continued to increase and coverage has continued to expand. The implementation of preferential tax policies has reduced agricultural costs and operating costs in a comprehensive and three-dimensional manner, increased net profit growth, and improved operations and risk resistance capabilities. For small and medium-sized agricultural enterprises in their early stages of growth, the implementation of preferential tax policies is very important for the stable production of enterprises and the promotion of expansion of reproduction. From the value-added tax invoice data, in 2020, the sales revenue of more than 4,500 poverty alleviation product distribution enterprises across the country increased by 32.9% year - on - year, and the growth rate was 19.4 and 17.7 percentage points higher than in 2019 and 2018, which was significantly higher than the national enterprise sales in 2020. The overall growth rate, these data fully reflect the strong support and consolidation of poverty alleviation by consumption. [3]

The principle of the preferential tax policy is: tax reduction and exemption - increase accumulation-expansion of reproduction. The implementation of preferential tax policies related to agriculture has reduced operating costs, obtained product price advantages, occupied more market resources, and increased corporate profits. As a result, companies have more funds to invest in production and expand the ability to reproduce agricultural products. Stimulation has activated various agricultural production factors, which is conducive to promoting the development of the industry and boosting the prosperity and growth of the industry. [2] It can be seen that the implementation of agricultural taxation policies not only provides good development opportunities for the development of agricultural industrialization, but also promotes the sustainable development of the agricultural industry.

2.2. Tax Incentives Increase Economic Growth in Poor Areas

A strong agriculture makes a country strong, and a rich farmer makes the country rich. Industrial development is the fundamental move to alleviate poverty. Supporting poverty-stricken areas to develop agriculture-related industries based on local conditions and resource endowments is an important link in achieving targeted poverty alleviation. [4] Taxation has the functions of stabilizing the economy, distributing income and resource allocation. The government can help poor areas obtain more favorable social resources through the regulation and control of tax preferential policies, support the development of agricultural industrialization, promote social employment, and promote local economic development. The number of poor people. Relevant research shows that for every 1% increase in agricultural tax reduction and exemption, the per capita net income of farmers will increase by 0.264%. According to the latest data on poverty alleviation results, from 2013 to 2020, the national poverty incidence rate dropped from 8.5% to zero, and the per capita disposable income of rural residents increased from 9,430 yuan to 17,131 yuan. (Figure 2) According to the latest data from the State Administration of Taxation, the national taxation system has implemented preferential tax policies to support poverty alleviation and realized tax reductions from 26.3 billion yuan in 2015 to 74.2 billion yuan in 2019, and 102.2 billion yuan in 2020, an average annual increase of more than 30%. A series of data shows that preferential tax policies have effectively promoted poverty alleviation in poverty-stricken areas. [3]

The promulgation and implementation of agricultural taxation policies promote industrial development, promote economic growth in impoverished areas, narrow the gap between the rich and the poor, and provide new impetus for the fight against poverty. At the same time, the taxation policy has made the relationship between industrial development and the promotion of economic growth in poverty-stricken areas closer, so that the two can complement each other, effectively make up for the shortcomings of the agricultural industry, and better develop the economy.

2.3. Tax Incentives Drive Agricultural Technology Progress

To help the victory in the fight against poverty, in addition to supporting the development of agricultural industrialization, It is also necessary to realize the modernization of agricultural science and technology, promote the progress of agricultural technology, and give play to the role of science and technology as the "primary productive force". The implementation of preferential tax policies not only promotes the sound development of agricultural industrialization, reduces costs, increases capital accumulation, and further expands reproduction. It can also invest more funds in scientific and technological research and development, promote technological innovation, increase the technological content of agricultural technology, increase the added value of agricultural products, and play a certain role in promoting agricultural industrialization and extending industries, thereby promoting the ultimate benefits of agriculture. In addition, the role of preferential tax policies in promoting the advancement of agricultural science and technology is also reflected in: deduction of

expenses, income tax credits and other preferential treatments for agricultural industry investment in research and development costs, capital investment losses and financing services, and improve the ability of the agricultural industry to resist risks. Which effectively boosts investment in scientific and technological research and development.

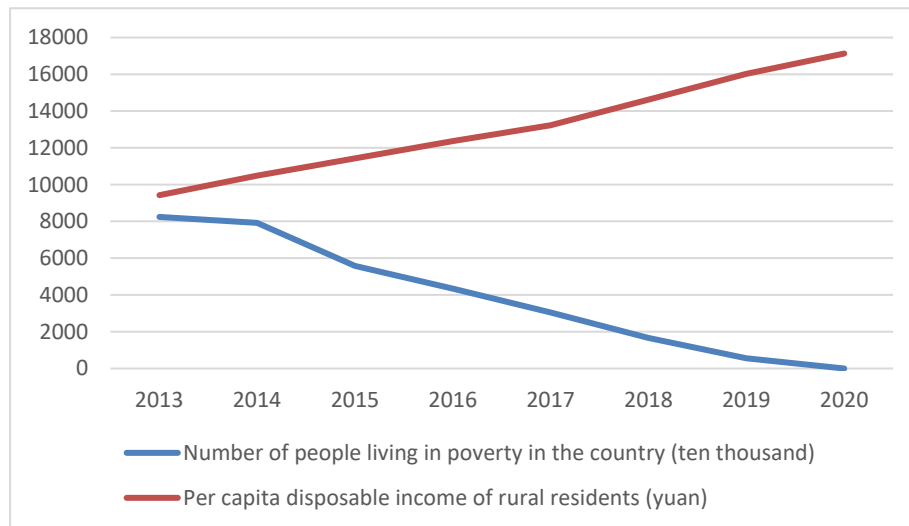


Figure 2. The number of poor people in the country and the per capita disposable income of rural residents

2.4. Tax Incentives Improve and Consolidate the Production and Operation Model of the Agricultural Industry

The core of the poverty alleviation strategy lies in the development of industries. In supporting the development of agricultural industrialization, give full play to the leading and leading role of new agricultural business entities in industrial poverty alleviation, and further improve and consolidate the new production and operation model of "company + farmer" and farmers' professional cooperatives. To improve the profit linkage mechanism and operating mechanism of industrialized operation, strengthen the endogenous motivation of poverty alleviation and income increase, and improve the enthusiasm and organization of farmers to enter the market. Driven by leading enterprises, the degree of standardization and quality of agricultural production has gradually increased, and a large number of high-quality agricultural production bases have been incubated to meet the deep processing needs of the agricultural industry and improve the standardized production level of farmers, thereby attracting more farmers to participate in the agricultural industry. In the production and management system, it has effectively promoted agricultural efficiency and farmers' income, providing strong support for winning the battle against poverty.

3. The Main Problems Faced by Preferential Taxation Policies in Promoting the Development of Agricultural Industrialization

3.1. The Current Preferential Policies are Messy and Complicated, with Low Operability

At present, there are many preferential tax policies related to agriculture in my country, involving various types of taxes, which are distributed in various preferential tax policies and regulations. Some principled tax preferences are included in various relevant laws and regulations, and with the promotion of tax policies; the Ministry of Finance and the Ministry of Taxation change over time, and new preferential policies and supplementary policies will be

introduced in real time. As a result, taxation policies lack a systematic integration plan, and problems such as fragmented, unsystematic, and incomplete taxation policies have gradually emerged during the implementation process. Furthermore, the preferential tax policies related to agriculture are distributed in all aspects of agricultural production, and there are many ways, types, and targets of preferential taxation. This makes it difficult for relevant collection, administration departments and agricultural producers to grasp tax preferential policies in a timely and accurate manner, and it is not convenient to implement actual policies. It also makes some preferential policies just stay on the surface. The weak internal links between some Agricultural-related tax preferential policies have led to restrictions on the implementation of tax preferential policies, and affected the effectiveness and operability of policy implementation. [5]

In addition, there are too many prerequisites for taxpayers to enjoy preferential tax policies, and most of them use identity verification to determine whether taxpayers enjoy tax incentives. However, in the actual operation judgment, there are problems such as cumbersome identification, collection of proof materials, and difficult storage. In addition, there is a shortage of professionals such as tax officials, policy popularization is limited, agricultural producers generally have a low level of knowledge, and they have little understanding of some tax incentives, and fail to enjoy the benefits, which is unfavorable for the implementation of policies. [6]

3.2. Some Agricultural-related Preferential Policies have not been Implemented

Implementing the policy is an important measure for poverty alleviation, and it is also the first condition for stable poverty alleviation. The purpose of implementing preferential tax policies is to promote industrial development and drive economic growth. However, from the perspective of their implementation effects, some of the current agricultural tax preferential policies have not been truly implemented. The main problems are: First, the stability of tax preferential policies Poor sex, changes are made every day, and taxpayers continue to introduce new and new tax policies without understanding the current policies. Even some preferential policies are only introduced in response to the country's policy changes every year, which show the contingency of taxation policies and lack seriousness. Second, tax incentives are not thorough. For example, in the Agricultural-related tax preferential policies, the main content is indirect tax represented by value-added tax. However, according to taxation principles, the value-added tax can be transferred from the producer to the final consumer and borne by the final consumer, which makes the direct producers of agricultural products unable to truly enjoy the benefits brought about by the implementation of certain policies. The purpose of the state's implementation of tax incentives is to reduce the burden on farmers, but in the actual application of relevant agricultural - related preferential policies, the burden on farmers has not been greatly reduced, and the tax incentives have not been fully utilized, which means that the preferential policies of value-added tax have Agricultural producers themselves are not playing a real role.

3.3. The Scope of Preferential Tax Policy is Limited

According to the analysis of the value-added tax invoice data, the trend of poverty alleviation products from primary agricultural products to deep-processed agricultural products is more obvious, but in fact, the current preferential tax policies mainly benefit the production and primary processing of agricultural products, and fail to fully penetrate the preservation and storage of agricultural products. The later stages of links such as transportation, transportation and sales are too narrow and insufficient. This is likely to become the key reason for the slow or stagnant development of the agricultural industry and hinder the process of poverty alleviation. In addition, optimizing and adjusting the rural industrial structure is the key to

achieving poverty alleviation and prosperity and industrial revitalization. However, the current preferential tax policies are insufficient to support innovative agricultural industries. If preferential tax policies only focus on traditional agriculture and give less attention to emerging agricultural industries, they will not be conducive to the development of agricultural industrialization and lack competitiveness in the market. Although the current taxation policy has made a difference in supporting industrial innovation and has stimulated the transformation and innovation of the agricultural industry to a certain extent, the transformation of industrial innovation is arduous and difficult, and more and more preferential policy support is still needed.

3.4. The Export Tax Rebate Rate of Agricultural Products is Low

As a large agricultural country, our country's agricultural product export occupies an important position in the country's export trade, and agricultural product export trade plays a major role in promoting the development of my country's agricultural industrialization. In terms of exporting agricultural products, lower agricultural product export tax rebates have the most direct impact on the increase in export costs and the reduction of profits of agricultural enterprises, and will also make agricultural enterprises incur a greater burden of expenses. Although agricultural enterprises can partially offset the impact of low export tax rebate rates by increasing the prices of agricultural products. Moreover, the impact on export trade due to price increases and declining international competitiveness is inevitable. At the same time, for some high-tech processing equipment of agricultural products purchased by agricultural enterprises, if the corresponding tax reduction and exemption and other tax incentives cannot be implemented, the operating costs of agricultural enterprises will be greatly increased, and at the same time, the competitiveness of domestic agricultural products in the international market will be restricted. Further improvement is very unfavorable for domestic enterprises to go international.

4. Suggestions on Improving My Country's Agricultural Tax Preferential Policies

4.1. Integrate Preferential Tax Policies and Optimize Service Work

Regarding how to deal with the messiness and complexity of the current preferential policies and the lack of certain operability, it is mainly necessary to do a good job in two aspects. One is to optimize tax collection and management and tax services. Fully integrate reality and proceed from reality to simplify the relevant procedures of tax collection and management, so as to further simplify tax procedures, explore and implement methods such as verification and collection, effectively reduce the burden on taxpayers and reduce the cost of taxation. The second is to simplify the approval procedures for the sale of invoices, streamline tax - related materials and filing procedures, unify preferential standards and basic principles, implement mobile tax processing and solve the problem of tax processing in rural areas. [6] Carry out a comprehensive review of the existing preferential policies to form a relatively complete system to make different agricultural tax preferential policies more comprehensive and systematic, so as to continuously strengthen the links between policies and improve the chaotic situation of policies. Continuously optimize preferential tax policies, select the essence and discard the dross, broaden the restrictive conditions of preferential tax policies, and allow more taxpayers to enjoy preferential treatment. The third is to strengthen tax law publicity, increase the awareness rate of preferential policies, popularize the basic knowledge of preferential tax policies in rural areas, come from the masses to the masses, truly understand the problems encountered in the process of preferential taxation, and provide services within our capacity, so that tax collection and management and tax service work can be better developed. The fourth

is to strengthen education, improve the professional knowledge of tax personnel, and improve the knowledge level of farmers, which is conducive to more convenient implementation of tax incentives; in this way, in the context of poverty alleviation, the advancement, operability and implementation of agricultural tax incentives can be better utilized. Promote the sound development of the agricultural industry.

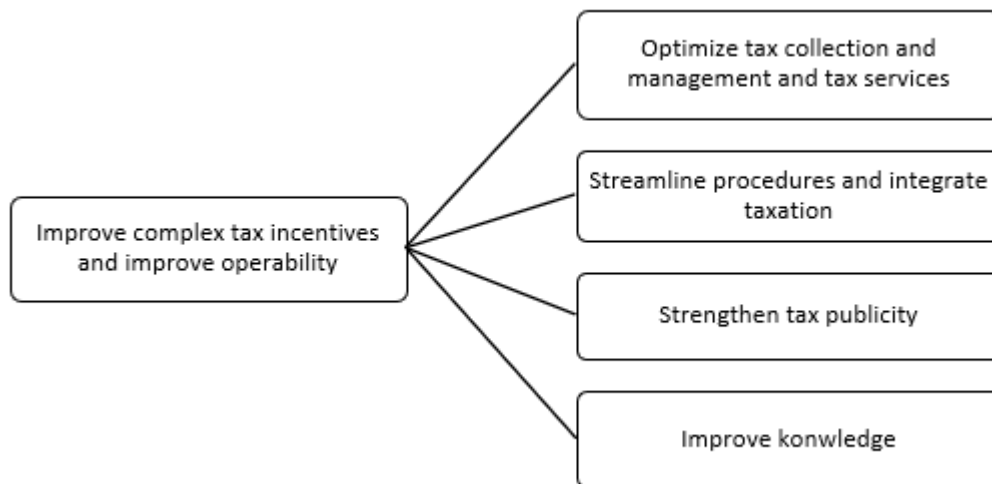


Figure 3. Measures to improve the complexity of preferential tax policies and improve operability

4.2. Optimize Policy Design and Give Full Play to the Role of Tax Regulation

The preferential taxation policies have not been implemented, and the support of the poverty alleviation strategy to agriculture is undoubtedly on paper. The solution to this problem can be done in two ways. On the one hand, innovative methods can be used to strengthen the integration of tax incentives. It is suggested that relevant departments can use Internet technology to establish a taxation data collection platform, upload various taxation policy information and realize data information sharing. The staff can process relatively quickly and accurately, make timely responses and judgments, and do a good job in tax management. Work to improve the intensity and speed of execution. Agricultural enterprises and agricultural producers can also use this platform to learn about the latest tax policies, obtain greater incentives, and facilitate tax management. On the other hand, it is necessary to improve the agricultural tax system, build a long-term mechanism for promoting agriculture, and effectively reduce the tax burden. Agricultural producers are the main reformers of rural poverty alleviation, the key support targets for poverty alleviation, and the most active and active factor in promoting the revitalization of the agricultural industry. By analyzing the practices of agricultural taxation in other countries, we know that the most direct preferential treatment to agricultural producers is the most effective. Therefore, it is recommended to increase the direct tax reduction and exemption for agricultural production enterprises, especially agricultural producers, to truly reflect the support for agriculture. Such as further improving the turnover tax system based on value-added tax, further reducing tax rates, optimizing the tax system and making policy implementation clearer and more convenient; reducing and exempting individual income tax on various incomes obtained by farmers; reducing the encroachment of farmers' income in the circulation link, you can try to the value - added tax borne by the purchase of agricultural production materials shall be refunded on receipt. (Figure 4) [7] The focus of targeted poverty alleviation lies in "bloodmaking", but the difficulty lies in "precision". Through optimizing policy design, taxation will give full play to the role of tax regulation in targeted poverty alleviation and implement preferential tax policies.

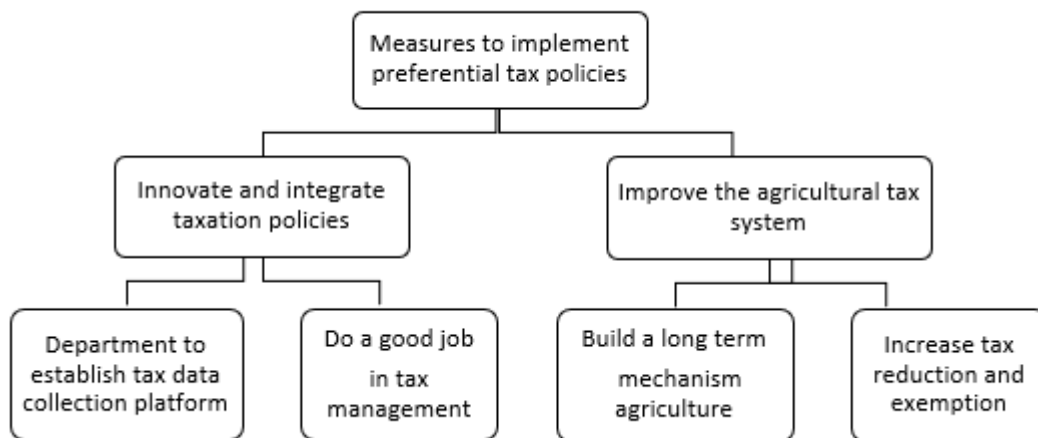


Figure 4. Measures to optimize policy design

4.3. Increase the Intensity of Preferential Tax Policies

Preferential tax policies are a means of macro control, and cultivating industries is the fundamental way out of poverty alleviation. However, at the current stage, there are certain problems with my country's preferential tax policies. In view of the outstanding problem of the low penetration rate of agricultural tax incentives, the state should make corresponding countermeasures and increase tax incentives. First, further expand the scope of benefits of agricultural tax incentives. The state should increase preferential support for deep processing of agricultural products, such as supporting fruit and vegetable processing, extending the industrial chain, obtaining more economic benefits and allowing tax incentives to spread throughout the industry as much as possible. In addition, tax incentives can also be extended to "three rural areas", thereby reducing the tax burden of "three rural areas". Secondly, in the context of the development of innovation and entrepreneurship, the state should also support the development of agricultural modernization, industrialization, and technology, so that it can enjoy preferential tax policies in all aspects. The preferential tax reduction and exemption are also fully deducted from income for scientific research investment related to agricultural industrialization, and individual income tax preferences are given to various incomes obtained by individual laborers in the agricultural industry. [6] This will not only increase the enthusiasm and creativity of agricultural producers, narrow the gap between urban and rural areas, but also promote the sound development of emerging agricultural industries, improve the competitiveness of my country's agriculture in the international market, and promote the steady progress of my country's agricultural economy. Development has brought about the prosperity of our country's overall economy.

4.4. Improve the Export Tax Rebate Policy for Agricultural Products

Since my country's accession to the WTO, the overall export of agricultural products has shown a trend of increasing scale. However, compared with an agricultural power such as the United States, my country's agriculture still faces many challenges in terms of export trade. The government's strong support is needed, and perfecting the export tax rebate policy is one of the effective methods. First, we can properly increase the export tax rebate rate of agricultural products and increase the import rate to protect some weak domestic agricultural industries. The second is to improve the agricultural export tax rebate process and policies, make the process and time limit for agricultural export tax rebates more open and transparent, require enterprises to provide relevant information within the specified time limit, and the tax authority will review the tax refund process within the specified time. Data, tax refunds will be given in time if they meet the tax refund standards. [8] Finally, it is necessary to maintain the relative stability of the tax rebate policy, which is an indispensable condition for continuous

business operations. The instability of the tax rebate policy has made some export companies have cumbersome procedures in foreign trade, lack of price advantages, and face pressure from international competitors. At the same time, they have to avoid the risks brought by the government's macroeconomic policies. This is undoubtedly a problem for companies. Bring great pressure. Therefore, maintaining the relative stability of the agricultural export tax rebate policy and increasing the export tax rebate rate can not only protect the weak domestic agriculture, but also benefit the export trade of agricultural products.

5. Conclusion

Agriculture is of great significance to the improvement of the national economy. In the context of poverty alleviation, my country's agricultural development has moved from poverty alleviation to rural rejuvenation. The preferential taxation policies implemented during this period have a strong role in promoting the development of the agricultural economy, so it is necessary to give full play to the role of taxation in the field of poverty alleviation. Of course, during the implementation of the policy, there will inevitably be problems such as scattered and complicated preferential policies, low operability, failure to implement relevant agricultural preferential policies, and limited scope of application. We should adopt scientific and reasonable methods to improve and solve them. Promote the sustainable and economic development of agriculture, and contribute tax power to win the battle against poverty.

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