

Research on the Influence of China's Cross-Border E-Commerce Tax Reform Policy on Microeconomic Subjects

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Abstract

As a crucial part of cross-border e-commerce supervision, the formulation and implementation of cross-border e-commerce tax policy is of great significance to effectively regulate the development of cross-border e-commerce and promote the orderly competition of cross-border e-commerce. This paper studies the impact of cross-border e-commerce tax reform policies on micro economic entities such as consumers and practitioners. Firstly, it analyzes the definition and characteristics of cross-border e-commerce and the content of cross-border e-commerce tax reform policy; secondly, it analyzes the impact of cross-border e-commerce tax reform policy on consumers from the aspects of purchasing cost and overseas shopping guarantee; thirdly, it analyzes the impact of cross-border e-commerce tax reform policy on practitioners from the aspects of legal status, standardized operation and operation cost; finally, it proposes cross-border e-commerce development Countermeasures and suggestions for the exhibition.

Keywords

Cross border e-commerce; tax reform policy; microeconomic subject.

1. INTRODUCTION

The development of information technology is changing life of people with its unprecedented depth and breadth. E-commerce, which relies on information technology, has gradually become an indispensable part of life of people in modern society. The traditional e-commerce industry pursues the principle of specialization, that is, it only pays attention to the development in its own field. On the one hand, it is out of the inevitable law of the development of emerging industries. As an emerging industry, e-commerce entrepreneurs in their own fields need to go through fierce market competition, establish a relatively stable competitive advantage in their respective fields, and obtain a relatively stable market share and revenue model, so as to have a capital and foundation for expansion. Cross border e-commerce is built on the basis of the high development of e-commerce, through the e-commerce platform, logistics system, credit rating system, third-party payment means and other existing conditions of e-commerce, thus realizing the shopping without borders. From the perspective of global economic development trend, cross-border e-commerce is also the embodiment of economic globalization in the field of consumption. Based on the definition and development of cross-border e-commerce, the characteristics of cross-border e-commerce include globality, invisibility, anonymity and timeliness. These characteristics of cross-border e-commerce make the supervision and management of cross-border e-commerce more difficult than traditional e-commerce. As a crucial part of cross-border e-commerce supervision, the formulation and implementation of cross-border e-commerce tax policy is of great significance to effectively regulate the

development of cross-border e-commerce and promote the orderly competition of cross-border e-commerce. Therefore, this paper studies the impact of cross-border e-commerce tax reform policies on microeconomic subjects such as consumers and practitioners, which is conducive to us to deal with the impact of the new deal more calmly.

2. CROSS BORDER E-COMMERCE AND ITS TAX REFORM POLICY

2.1. Definition and Characteristics of Cross-Border E-commerce

Cross border e-commerce is built on the basis of the high development of e-commerce, through e-commerce platform, logistics system, credit rating system, third-party payment means and other existing conditions, to achieve shopping without borders. From the perspective of global economic development trend, cross-border e-commerce is also the embodiment of economic globalization in the field of consumption.

Cross border e-commerce has the following characteristics: first, it is global. Cross border e-commerce realizes the borderless of shopping and consumption, breaking through the restriction of traditional geographical factors on the global circulation of consumption. Although the global cross-border e-commerce has great geographical advantages, it also brings potential shopping risks caused by cultural differences and political system differences. At the same time, the supervision of cross-border e-commerce also brings great challenges to the consumption supervision departments of various countries. Second, intangibility. Intangibility is mainly reflected in the e-commerce attribute of cross-border e-commerce. Because the whole process of cross-border e-commerce consumption can be completed in an instant in the network, it causes difficulties for tax authorities. Third, anonymity. Anonymity is similar to intangibility, which is based on the inherent attributes of e-commerce. Anonymity allows cross-border e-commerce consumers to realize cross-border purchase without publicizing private information, which brings great freedom to consumers. However, the larger free space also makes the responsibility of consumers more limited, which leads to the asymmetry of freedom and responsibility, and it is easy to breed some irresponsible and even illegal cross-border shopping behaviors. Fourth, timeliness. Compared with the traditional transnational shopping, and even the business forms based on e-commerce, cross-border e-commerce has a higher timeliness, which greatly improves the efficiency of transaction of people and avoids the complex intermediary links in the traditional international trade, but also leads to the randomness of trade and serious lag in the law.

These characteristics of cross-border e-commerce make the supervision and management of cross-border e-commerce more difficult than traditional e-commerce. As an important part of cross-border e-commerce supervision, the formulation and implementation of cross-border e-commerce tax policy is of great significance to regulate the development of cross-border e-commerce and promote the orderly competition of cross-border e-commerce.

2.2. Content of Cross Border E-Commerce Tax Reform Policy

The focus of this cross-border e-commerce tax reform policy is to guide the cross-border e-commerce tax in a standardized and orderly way, so that the cross-border e-commerce tax work can be based on laws, and also guide the development of cross-border e-commerce at the policy level. Specifically on the content level, this cross-border e-commerce tax reform policy mainly focuses on three specific models of cross-border e-commerce, including bonded import model, direct mail model and general trade model. It mainly adjusts or regulates the starting point, collection scope and collection content of cross-border e-commerce tax. The specific contents of this cross-border e-commerce tax reform policy are shown in Table 1:

Table 1. Comparison of cross border e-commerce tax reform policies before and after

	Before reform	After reform
Bonded import mode (B to C)	The tax rate is divided into four categories: 10%, 20%, 30% and 50% (exemption within 50 yuan).The import tariff + value-added tax + consumption tax shall be levied, and the amount of tax exemption below 50 yuan shall be cancelled.	If the single limit is less than 2000 yuan, the tariff rate is temporarily set as 0, and the tax shall be levied at 70% of the tax payable; if the single value is more than 2000 yuan, the import goods of general trade shall be taxed in full.
Direct mail mode	The bank post tax shall be levied, and the tax rate shall be divided into four categories (10%, 20%, 30% and 50%) (exemption within 50 yuan).	For the collection of postal tax, the tax rate shall be adjusted to 15%, 30% and 60%, and the starting point of 50 yuan shall be reserved.
General trade model	Import tariff + value added tax + consumption tax shall be levied in full.	Import tariff + value added tax + consumption tax shall be levied in full.

3. THE IMPACT OF CROSS-BORDER E-COMMERCE TAX REFORM POLICIES ON CONSUMERS

3.1. Increase or Decrease in Purchasing Cost

Before the formulation and implementation of this cross-border e-commerce tax reform policy, the Ministry of finance, the General Administration of customs and the State Administration of Taxation issued this policy to maintain the fairness of market competition [1].According to the new deal, the single transaction limit of cross-border e-commerce retail import goods is 2000 yuan, and the individual annual transaction limit is 20000 yuan. For the cross-border e-commerce retail import goods imported within the limit, the tariff rate is temporarily set as 0%; for the import value-added tax and consumption tax, the tax exemption is cancelled, and the tax is temporarily levied at 70% of the legal tax payable; for the single transaction exceeding the single limit, the accumulated value exceeding the individual annual limit, and the single indivisible goods with the tax payment price exceeding the 2000 yuan limit, the general trade mode is adopted Full tax. After the tax reform, the range and direction of commodity price changes according to different types are also different, which makes the purchasing cost increase and decrease.

The tax reform has a significant impact on the cost of food, health care, mother and child, daily necessities. From the basic exemption in the past to the present, 11.9% cross-border tax on the total purchase price will be levied. With the sharp increase of some commodity prices, on the contrary, the prices of some categories, such as electrical appliances and personal care, will decrease by 8.1% to 38.1% [2].But for the cosmetics category including consumption tax, the tax rate is basically no adjustment. In other words, the tax increases and decreases, and the direction and strength of tax reform vary according to different categories. As a result, the price of goods has increased or decreased, and therefore the purchasing cost has increased or decreased.

3.2. Overseas Shopping Is More Secure

Before the promulgation of this cross-border e-commerce tax reform policy, overseas shopping business in cross-border e-commerce, including cross-border direct selling mode and purchasing mode, was in the gray area of legal supervision, and has not been officially recognized by relevant laws [3].This cross-border e-commerce tax reform policy indirectly

recognizes the legal status of cross-border e-commerce through formal tax laws and regulations. Because the state tax department will only collect taxes on legitimate industries. Moreover, through the implementation of the tax reform policy, the common tax evasion and tax evasion of cross-border e-commerce in the past are guaranteed, the reasonable and orderly development of cross-border e-commerce is further standardized, and the illegal activities at the tax level of cross-border e-commerce are put an end to a certain extent; at the same time, the state will supervise and manage the cross-border E-commerce while carrying out the tax collection work for cross-border e-commerce, and even it will be specifically implemented at the check level of every single business of cross-border e-commerce, thus making cross-border e-commerce more secure. In the past, consumers could not get effective protection when their own interests were damaged due to the lack of relevant policies. The introduction of cross-border e-commerce tax reform policy, not only in the normative level of the industry, but also in the whole consumption process, further promote the protection of consumers' overseas shopping activities.

4. THE IMPACT OF CROSS-BORDER E-COMMERCE TAX REFORM POLICIES ON PRACTITIONERS

This cross-border e-commerce tax reform policy has obvious changes in policies, regulations, tax rules and other aspects, the first affected is the practitioners of cross-border e-commerce industry [4].The impact of cross-border e-commerce tax reform policy on practitioners is mainly reflected in the recognition of the legal status of the industry, promoting the standardized operation of the industry and increasing the operation cost of the industry.

4.1. Legalization of Cross-Border E-Commerce Status

This tax reform policy clearly ensures the legal status of cross-border e-commerce in the form of legal documents. Although there is no lack of this at the cost of increasing the operating costs of practitioners in this industry, through the comparison of the new and old tax policies, we can find that the tax reform policy is more inclined to leverage in the form of law and tax, which not only ensures the legal status of cross-border e-commerce, but also promotes the fair development of cross-border e-commerce [5].With the realization of the legal status of cross-border e-commerce, under the guidance of more detailed and reasonable step-by-step cross-border e-commerce tax collection policies, the interests of small and medium-sized cross-border e-commerce practitioners can not only be effectively protected, but also the large-scale cross-border e-commerce practitioners can avoid the uncertainty of policies, laying a solid foundation for their large-scale operation.

4.2. Promote Standardized Operation of Cross-Border E-Commerce

In the future, compliance enterprises must follow the newly established laws and regulations. Sometimes there are loopholes in channels such as postal pass and express mail, which are hotbeds for illegal behaviors such as tax evasion, under reporting and tax evasion [6].In this way, some people began to move the "crooked mind" of legal loopholes. The policy after tax reform is more legal and normative, and the availability of standardized channels will be greatly improved. At the same time, the government will also strictly control the inspection rate of postal clearance and strive to push the goods in cross-border e-commerce channels to legal channels. Through the implementation of the tax reform policy, it also ensures the common tax evasion and tax evasion of cross-border e-commerce in the past, further standardizes the reasonable and orderly development of cross-border e-commerce, and to a certain extent, eliminates the illegal activities at the tax level of cross-border e-commerce; at the same time, the state will supervise and manage the cross-border e-commerce, and implement each of them.

The check of single cross-border e-commerce business will provide a strong guarantee for the operation of cross-border e-commerce [7].

5. SUGGESTIONS ON THE DEVELOPMENT OF CROSS-BORDER E-COMMERCE

5.1. The Government Strengthens Efforts to Support the Development of Cross-Border E-Commerce Industry and Provides A Good Policy Environment

As a new economic growth point, the cross-border e-commerce industry should be strengthened to support its development and establish a policy system and regulatory system based on the characteristics of cross-border e-commerce development [8]. At the same time, the General Administration of customs should strive to improve the customs entry-exit supervision system, select cities that meet the requirements to set up experimental sites, promote the innovative supervision system of international trade e-commerce, take local materials, try to deal with the primary difficulties hindering the operation of international e-commerce, improve the work procedures of international e-commerce, improve the inspection and supervision system, and give strong financial assistance. Policies to promote the steady and sound development of cross-border e-commerce.

5.2. Encourage the Development Mode of Cross-Border E-Commerce to Innovate and Enhance the Vitality of the Industry

The development mode of cross-border e-commerce has been reformed, promoting the development of cross-border e-commerce direct purchase and import, bonded goods preparation, flash purchase and other new formats. The cross-border e-commerce opened by the customs adopts the mode of "automatic declaration, automatic review and settlement, delivery and release of goods, collection and taxation" to promote the electronic and efficient overseas shopping. According to the local economic conditions and development level, taking measures according to local conditions, overseas shopping has reached a speed comparable to air transportation and a price comparable to sea transportation, which has pushed the development of cross-border e-commerce onto the "fast lane". Tmall global vigorously promotes the process of cross-border import, which makes a large number of international brands enter Tmall global, so that consumers can buy products of the same price and quality at the first time. At the same time, many domestic first-class e-commerce companies have also launched flash purchase services. So far, our government should continue to take policy innovation as an important starting point, comprehensively promote the development of new formats, and take satisfying the personalized needs of consumers as the primary goal to comprehensively improve the development quality of cross-border e-commerce in China.

5.3. Improve the Development Quality Of Cross-Border E-Commerce Service Industry and Enhance International Competitiveness in An All-Round Way

Service industry is an important prerequisite for overseas shopping business to achieve that consumers can buy products from all over the world and businesses can sell products to the world. From the perspective of the future trend of cross-border e-commerce transactions, first, we need to have a global concept, have a long-term goal, give priority to quality, vigorously improve the credibility and influence of the brand, optimize services, and expand the market; second, we need to improve the pattern construction, expand overseas warehouses, improve the level of logistics services, minimize costs, and improve operational efficiency; third, we need to learn from the advanced experience of overseas e-commerce, and be practical. At present, we are managing on a large scale, improving services, and innovating trading channels and processes. The first link of cross-border e-commerce service industry is logistics service. Thanks to the rapid popularization of cross-border e-commerce, China's logistics industry has also achieved unprecedented development in recent years. China's domestic express industry,

such as China Post, SF express, ZTO express, YTO express, should seize the opportunity, strive to carry out international logistics services, improve work efficiency, improve information mechanism, encourage innovation in distribution, sign in and other modes, promote personalized services, and stand firm in the fierce competition. The second aspect of cross-border e-commerce service industry is payment service. In recent years, bank transfer, credit card, third-party payment and other means are the main forms of cross-border e-commerce payment. Cross border e-commerce B2B is mainly achieved by traditional offline methods, with letter of credit, bank transfer such as Western Union remittance as the main means [9]. Relying on Internet technology, cross-border e-commerce B2B uses third-party payment tools in a wide range. With the promotion of cross-border e-commerce, some new forms of third party payment have surfaced, such as Alipay, JD wallet, WeChat payment and other forms, which have been widely accepted and applied by cross-border online consumers. In today's era, the third-party payment tools should maintain the capital security of consumers and provide efficient and convenient high-quality services. Generally speaking, although the local enterprises of the third-party payment have the development potential, they are far away from the counterparts in other countries so far [10]. We will continue to focus on promoting financial innovation, guide and support domestic financial institutions, especially payment enterprises, to "go global", optimize third-party payment instruments, provide safe and high-quality services, and provide guarantee for the development of cross-border e-commerce.

6. CONCLUSION

This paper studies the impact of cross-border e-commerce tax reform policies on consumers and practitioners and other microeconomic entities, and draws the following conclusions: from the perspective of the impact of cross-border e-commerce tax reform policies on consumers, the tax reform policies lead to the rise and fall of commodity prices, the increase and decrease of purchasing costs, and the tax reform policies make consumers more secure in overseas shopping. From the perspective of the impact of cross-border e-commerce tax reform policy on practitioners, the tax reform policy determines the legal status of cross-border e-commerce in the form of legislation, promotes the standardized operation of cross-border e-commerce, and increases the operation cost of cross-border e-commerce. In order to promote the sustainable development of cross-border e-commerce, the government should increase its efforts to support the development of cross-border e-commerce industry in order to provide a good policy environment, encourage the innovation of cross-border e-commerce development mode in order to enhance the vitality of the industry, in addition, it should also vigorously enhance the development level and international competitiveness of cross-border e-commerce service industry.

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