

Property Tax Reform: Theoretical Reference, Empirical Analysis and Policy Suggestions

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Abstract

Starting from the background of the real estate tax reform, this paper introduces the content, methods, innovations, shortcomings, and significance of the real estate tax reform, and uses empirical analysis methods to analyze the effects, specific situations, and existing problems of the real estate tax reform in Shanghai and Chongqing. Then we extract the reference significance for my country's property tax reform from how the property taxes in the United States, Japan and the United Kingdom have been improved. This article aims to provide theoretical basis and practical reference for my country's property tax reform, in order to achieve rational utilization of resources, promote sustainable economic development, and achieve common prosperity. In future research, it is necessary to further improve the theoretical system of property tax reform, pay attention to new developments in property tax reform at home and abroad, and put forward more targeted policy suggestions based on the actual conditions of various regions in our country.

Keywords

Property Tax; Tax Reform; Common Prosperity.

1. Introduction

1.1. Background of Property Tax Reform

Property tax reform is an important part of my country's fiscal and taxation system reform. In recent years, with the rapid development of my country's economy and the advancement of urbanization, the real estate market has become increasingly prosperous, and property tax reform has gradually become the focus of social attention. In the current context, exploring property tax reform is not only conducive to optimizing the tax system, raising fiscal funds, and adjusting income distribution, but also helping to achieve rational utilization of resources and promote sustainable economic development.

1.2. The Significance of Property Tax Reform

- 1) Raise fiscal funds: As a local tax, property tax can provide stable fiscal revenue for local governments and enhance local fiscal strength, thereby better supporting the development of public services such as infrastructure construction, education, and medical care.
- 2) Adjust income distribution: Through property tax reform, we can guide the rational allocation of resources, curb excessive investment in the real estate market, alleviate the gap between rich and poor, and promote social fairness and justice.

- 3) Improve the local tax system: Real estate tax reform will help improve China's local tax system, optimize the tax structure, and improve tax collection and administration efficiency.
- 4) Promote sustainable economic development: Real estate tax reform will help guide the healthy and stable development of the real estate market, promote economic structural adjustment, and achieve sustainable economic development.
- 5) Respond to the call of the 20th National Congress for Chinese-style modernization: Real estate tax reform will help achieve common prosperity and promote the process of socialist modernization.

2. Content, Methods, Innovations and Shortcomings of Property Tax Reform

2.1. Content Overview

The main contents of property tax reform include: tax system design, tax collection and administration, tax policy, etc. In terms of tax system design, the reform focuses on rationally determining tax base, tax rate and other elements to make it more fair and reasonable; in terms of tax collection and administration, the reform emphasizes simplifying tax payment procedures, improving collection and administration efficiency, and reducing tax burden; in terms of tax policy, the reform focuses on Policy control function to achieve stable and healthy development of the real estate market.

2.2. Methods and Innovations

The methods of property tax reform mainly include: pilot promotion, gradual improvement, and zoning implementation. The innovation points are mainly reflected in the following aspects:

- 1) Introduce a credit rating system to improve taxpayers' awareness of integrity;
- 2) Use big data, cloud computing and other technical means to improve tax collection and administration efficiency;
- 3) Implement differentiated tax rates to reflect tax fairness;
- 4) Strengthen preferential tax policies and support the construction of affordable housing.

2.3. Shortcomings

- 1) The real estate tax reform process is slow. Compared with the rapidly developing real estate market, the pace of reform needs to be accelerated;
- 2) The regulatory function of tax policy is still unclear and needs to be further strengthened;
- 3) Insufficient collection and management capabilities, especially in grassroots tax departments, affect the effect of reform;
- 4) Relevant laws and regulations are imperfect, which restricts the further advancement of property tax reform.

3. Functions of Property Tax Reform

3.1. Raising Financial Funds

As a local tax, one of the main functions of property tax is to provide stable fiscal revenue for local governments. Through reform, property tax can better reflect the tax burden on property value, thereby increasing fiscal revenue and supporting the development of public services such as infrastructure construction, education, and medical care.

3.2. Adjust Income Distribution

Property tax reform can help achieve fairness and reasonableness in income distribution. By implementing differentiated tax rates for different types of properties, different regions, and

different income groups, we can guide the rational allocation of resources, curb excessive investment in the real estate market, alleviate the social gap between rich and poor, and promote social fairness and justice.

3.3. Improve the Local Tax System

Property tax reform is an important measure to improve my country's local tax system. Through reform, the tax structure can be optimized, tax collection and administration efficiency can be improved, and the local tax system can be made more reasonable and sound, which is conducive to the financial stability and sustainable development of local governments. At the same time, property tax reform will help to achieve a close connection between taxation and local economic development levels, land resource utilization and other aspects, and better play the regulatory role of tax policies in local economic development.

4. Review of Research Literature by Domestic and Foreign Scholars

4.1. Domestic Research Literature

Domestic scholars' research on property tax reform mainly focuses on the following aspects: the background, reasons and purposes of property tax reform; the specific measures and implementation plans of property tax reform; the impact of property tax reform on the real estate market, fiscal revenue, income distribution, etc. influence; learn from the successful experiences of foreign real estate tax reforms to provide reference for my country's real estate tax reform.

4.2. Foreign Research Literature

Foreign research on property tax reform mainly focuses on the following aspects: the system design of property tax and its impact on the real estate market; the role of property tax on income distribution; the impact of property tax on local fiscal revenue; the characteristics of property tax reform in various countries Experience and lessons, as well as the reference provided for my country's property tax reform.

Through a review of the research literature of domestic and foreign scholars, it can be found that property tax reform has a rich research foundation in both theory and practice. Real estate tax reforms in different countries and regions provide useful experience and inspiration for my country's real estate tax reform. In future research, issues related to property tax reform should be explored in depth based on my country's actual situation, and targeted policy suggestions should be provided for my country's property tax reform.

5. Empirical Analysis: Effects, Specific Situations and Problems of Property Tax Reform in Shanghai and Chongqing

5.1. Effects of Shanghai-chongqing Property Tax Reform

The main effects of the Shanghai-Chongqing property tax reform include: stabilizing the real estate market and suppressing investment bubbles; increasing local fiscal revenue and optimizing the structure of fiscal expenditures; initially realizing the income distribution adjustment function and narrowing the gap between rich and poor; promoting the rational allocation of land resources and supporting urban sustainability develop.

5.2. Analysis of Specific Situations

The specific analysis of the real estate tax reform in Shanghai and Chongqing mainly includes: the background, goals and implementation process of the reform pilot; the design and adjustment of tax policies, such as tax rates, tax bases, etc.; the impact of the reform on the real

estate market, fiscal revenue, income distribution, etc. ; Problems and challenges in the reform process.

5.3. Existing Problems

Problems existing in the real estate tax reform process in Shanghai and Chongqing mainly include: insufficient tax collection and management capabilities, which affects the effect of the reform; policy control functions are still unclear and need to be further strengthened; the reform process is slow, and compared with the rapidly developing real estate market, the pace of reform needs to be Accelerate; the relevant laws and regulations are not perfect, which restricts the further advancement of property tax reform.

In the process of further advancing the property tax reform, in-depth research and improvement should be conducted on these issues to improve the implementation effect of the property tax reform. At the same time, we actively draw on successful experiences at home and abroad to continuously improve the reform plan and provide strong support for the comprehensive advancement of my country's property tax reform.

6. Learning from International Experience: Enlightenment from Property Tax Reforms in the United States, Japan and the United Kingdom

6.1. U.S. Property Tax Reform Experience

The experience of real estate tax reform in the United States mainly includes: establishing a complete tax collection and management system to ensure fair and effective tax collection; using real estate tax as an important source of local fiscal revenue to promote local public services and infrastructure construction; realizing revenue through real estate tax reform Distribute adjustment functions to reduce the gap between rich and poor in society; focus on combining tax policies with financial and land policies to jointly regulate the real estate market.

6.2. Japan's Experience in Real Estate Tax Reform

Japan's real estate tax reform experience mainly includes: implementing a progressive tax rate system and increasing the taxation of high-value properties; using real estate tax revenue for public services and infrastructure construction to improve local financial strength; and effectively regulating and regulating through real estate tax reform. In the real estate market, curb excessive investment; strengthen tax collection and management capabilities to ensure the smooth implementation of property tax reform.

6.3. British Property Tax Reform Experience

The British property tax reform experience mainly includes: establishing a complete property assessment system to ensure tax fairness; using property tax as an important source of local fiscal revenue to support local public services and infrastructure construction; realizing the income distribution adjustment function through property tax reform , narrow the gap between the rich and the poor in society; focus on the synergy of tax policies and other policies to jointly regulate the real estate market.

Based on the experience of real estate tax reform in the United States, Japan and the United Kingdom, the following enlightenment can be provided for my country's real estate tax reform.

1) Establish and improve the tax collection and administration system and improve tax collection efficiency: The tax collection and administration system is a key link in the property tax reform. To ensure fair and effective tax collection, a sound tax collection and administration system must be established and improved to improve tax collection efficiency.

2) Use property tax as an important source of local fiscal revenue to support local development: Property tax reform should give full play to the role of local fiscal revenue, support local public services and infrastructure construction, and promote local economic development.

3) Realize the adjustment function of income distribution and promote social equity through real estate tax reform: Real estate tax reform should have the function of adjusting income distribution, narrow the gap between the rich and the poor, and achieve social fairness.

4) Strengthen the synergy between tax policy and other policies to jointly regulate the real estate market: Real estate tax reform needs to be combined with other policies (such as finance, land policies, etc.) to form a synergy to jointly regulate the real estate market and stabilize housing prices.

5) Fully consider the domestic and foreign economic situation and real estate market characteristics, and formulate a property tax reform plan that is consistent with national conditions: On the basis of drawing on international experience, fully consider China's economic situation and real estate market characteristics, and formulate a property tax reform plan that is consistent with national conditions.

In the process of advancing my country's property tax reform, we should learn from successful international experience and combine it with my country's actual situation to continuously improve and adjust the reform plan to ensure that the property tax reform achieves the expected results.

7. Policy Suggestions: Taking Bengbu City, Anhui Province as an example

7.1. Analysis of the Current Situation of Property Tax Reform in Bengbu City

As an important city in Anhui Province, Bengbu City's real estate tax reform status is as follows: the real estate market is relatively active and housing prices fluctuate greatly; local fiscal revenue mainly relies on land transfer fees, and the proportion of real estate tax revenue is not high; the tax collection and management system is not yet perfect. , there is a certain degree of tax evasion; income distribution is uneven, and the real estate market has exacerbated the social gap between rich and poor to a certain extent.

7.2. Policy Suggestions for Property Tax Reform in Bengbu City

In view of the current situation in Bengbu City, the following property tax reform policy suggestions are put forward:

1) Improve the tax collection and administration system: optimize the tax collection and administration process, improve tax collection efficiency, and reduce tax evasion. This requires establishing a sound tax collection and administration system, improving the management and service level of tax departments, strengthening the collection and analysis of taxpayer information, and using modern information technology to improve tax collection and administration capabilities.

2) Gradually adjust the property tax rate: On the basis of ensuring fairness and reasonable tax burden, gradually adjust the property tax rate to make it an important source of local fiscal revenue and reduce dependence on land transfer fees. This will help diversify local fiscal revenue sources and promote the stable and sustainable development of fiscal revenue.

3) Strengthen supervision of the real estate market: Strengthen supervision of the real estate market, stabilize housing prices, and curb speculation in real estate. This requires intensifying the investigation and punishment of illegal activities, strictly implementing real estate control policies, standardizing market order, and safeguarding the rights and interests of home buyers.

4) Give full play to the role of property tax in regulating income distribution: Through the design of reasonable tax policies, the role of property tax in regulating income distribution can be

brought into play to narrow the gap between the rich and the poor in society. This includes imposing higher tax rates on high-value properties and providing tax incentives to low-income groups.

5) Strengthen synergy with other policies such as finance and land: Integrate various policy resources to form a synergistic force in regulating the real estate market. For example, it can be combined with financial policies to regulate housing loan policies; combined with land policies, it can optimize the land supply structure and guide the healthy and stable development of the real estate market.

Based on the above policy recommendations, it is expected to achieve long-term stability and development of the real estate market in Bengbu City, promote the rational allocation of resources, increase local fiscal revenue, and achieve social equity and economic growth. During the reform process, we must pay close attention to market dynamics and adjust reform measures based on actual conditions to ensure that the property tax reform achieves the expected results. At the same time, we actively draw on successful experiences at home and abroad to provide strong support for comprehensively advancing my country's property tax reform.

7.3. Reform Effectiveness Evaluation and Expectations

The effectiveness evaluation and expectations of Bengbu City's property tax reform are as follows:

1) Improve tax collection and administration capabilities: Through reform, Bengbu City's tax collection and administration system will be more complete, helping to ensure fair and effective tax collection. This change will provide the government with stable fiscal revenue and is conducive to the provision of public services and the advancement of infrastructure construction.

2) Increase local fiscal revenue: With the gradual advancement of property tax reform, Bengbu City's local fiscal revenue will increase. This will help improve local financial conditions, further promote the construction of public services and infrastructure, and provide support for urban development.

3) Stabilize the real estate market: Through reforms, Bengbu City will effectively curb speculative real estate speculation and stabilize the real estate market. This will help protect the rights and interests of home buyers, promote the healthy development of the real estate market, and avoid social problems caused by excessively rapid rise in housing prices.

4) Realize the adjustment of income distribution: The real estate tax reform will exert the function of adjusting income distribution and narrow the gap between the rich and the poor in society. By imposing higher tax rates on high-value properties and granting preferential tax policies to low-income groups, we can achieve wealth redistribution and promote social equity.

5) Promote the rational allocation of land resources: Property tax reform will help promote the rational allocation of land resources and support sustainable urban development. Through the regulation of the real estate market, the rational flow and allocation of land resources will be guided, so that land resources can better serve urban development and social progress.

In short, Bengbu City's property tax reform will have a positive impact on urban development and will help improve tax collection and management capabilities, increase local fiscal revenue, stabilize the real estate market, adjust income distribution, and promote the rational allocation of land resources. During the reform process, we must pay close attention to market dynamics and adjust reform measures based on actual conditions to ensure that the property tax reform achieves the expected results. At the same time, we actively draw on successful experiences at home and abroad to provide strong support for comprehensively advancing my country's property tax reform.

8. Conclusion

8.1. Summary of the Research Results of This Article

This article conducts an in-depth study on the real estate tax reform in Bengbu City, analyzes the current status of the current real estate tax system, and proposes suggestions from the aspects of improving the tax collection and management system, adjusting the real estate tax rate, strengthening real estate market supervision, exerting the income distribution adjustment function, and coordinating other policies. specific policy recommendations. It is expected that the property tax reform will bring positive impacts to Bengbu City such as improving tax collection and management capabilities, increasing local fiscal revenue, stabilizing the real estate market, adjusting income distribution, and promoting the rational allocation of land resources.

8.2. Research Limitations and Prospects

The research limitations of this article mainly lie in: first, the data sources and analysis methods may have certain limitations and fail to fully reflect all aspects of Bengbu City's property tax reform; secondly, the discussion in this article is mainly based on theoretical analysis and fails to fully consider practical operations. problems and challenges that may be encountered in the process; finally, the formulation of policy recommendations in this article does not fully integrate the latest research results and practical experience at home and abroad.

Looking to the future, Bengbu City's property tax reform needs to continue to conduct in-depth research in the following aspects: first, continuously improve the tax collection and management system and improve tax collection efficiency; second, adjust the property tax rate in a timely manner according to market changes and policy needs; third, strengthen the Supervision of the real estate market, stabilizing housing prices, and curbing speculation in real estate; fourth, giving full play to the role of real estate tax in regulating income distribution and narrowing the gap between rich and poor in society; fifth, strengthening synergy with other policies such as finance and land to jointly regulate real estate market.

In addition, we should pay close attention to the latest developments and research results of property tax reform at home and abroad, so as to provide useful reference and practical experience for Bengbu City's property tax reform. During the reform process, we must fully consider the actual situation and actively learn from successful domestic and foreign experiences to ensure that the property tax reform achieves the expected results and provide strong support for Bengbu City's economic and social development and public services.

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