

Study on Tax Preferential Policies to Promote Research and Development Innovation in Enterprises in Jilin Province

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Abstract. All along, scientific and technological innovation is the driving force and strength of national progress, and is the core of the national development strategy. In order to promote enterprise research and development innovation, governments at all levels have introduced a series of preferential policies. This paper takes Jilin Province's innovative research and development enterprises as the research object, combs the relevant tax preferential policies and implementation status quo, summarizes the current Jilin Province policy implementation process, the existence of the tax system is not perfect, the imbalance of tax preferential methods and other issues, and put forward the preferential tax incentives to promote enterprise research and development innovation in Jilin Province in supporting incentives, The scope and mode of tax preferences, the construction of tax system and other aspects of countermeasures and suggestions.

General Situation of Basic Development in Jilin Province

Economic Profile

The land area of Jilin Province accounts for 2% of the total area of the country. In the development strategy of "one belt and one road", it is located in the Northeast Asian center and offshore provinces, so it is particularly important. As an important industrial base in China, the developed agriculture and processing manufacturing industry support the development of Jilin Province. The automobile, optoelectronics and light industry textile industry is the unique feature of Jilin Province. The proportion of the primary industry in Jilin Province has been declining, while the proportion of the secondary industry has been rising, and the fluctuation of the tertiary industry is relatively small.

Overview of Enterprise Development in Jilin Province

(1) Natural conditions of geographical location. There are no ports in Jilin Province, which makes it difficult for small and medium-sized enterprises to export many special commodities such as ginseng and processed agricultural products. Sometimes, they can only rely on "borrowing sea to port" or "selling at home", and it is difficult to occupy the domestic and international markets. Winter is cold and long. In winter, factories should be equipped with corresponding heating equipment. The operation cost of small and medium-sized enterprises increases.

(2) The mode of production, industrial structure and industrial clusters of enterprises. In recent years, especially since the implementation of the national vibration of the old industrial base in Northeast China, Jilin Province and even Northeast China have made some progress in production mode and structural adjustment. The rapid development of small and medium-sized enterprises in Jilin Province has created a number of key enterprises, such as Changchun Da cheng Industrial Group Co., Ltd., Revised Pharmaceutical Group, Changchun Hao yue. Muslim Meat Co., Ltd., Ya tai Group, etc. But the effect of industrial cluster is not obvious.

(3) The development of small and medium-sized enterprises. The innovation ability of small and medium-sized enterprises in Jilin Province is not strong, and is declining. The investment in R&D and innovation is less than 1% of the main business income. Most enterprises do not have the ability of independent innovation. They mainly rely on imitation and grafting to obtain technology.

Jilin Province's own financial system construction is not complete, and the development of capital market is lagging behind. It is more difficult for small and medium-sized enterprises to finance through bank loans or capital market. 75% of the enterprises reflect the lack of funds, financing difficulties, especially the "financing difficulties" of small and micro enterprises is more prominent. In addition, the government's system and policy on innovation incentives and talent support for small and medium-sized enterprises need to be improved.

Fiscal and taxation policy is to support innovation of R&D investment by the amount of tax incentives and government subsidies. Government subsidies and tax incentives are the two most common policies to encourage enterprises to innovate. Government subsidy refers to a certain amount of financial support given by the government to specific enterprises or specific projects within a certain period of time in accordance with relevant national policies. It is a way to optimize the allocation of resources and make up for market failure. Tax preference means that the government reduces taxes on specific tax payers through tax means, that is to say, it reduces the cost that enterprises need to bear for innovation. Based on the study of preferential tax policies, this paper provides countermeasures and suggestions for innovative research and development of enterprises in Jilin Province.

Problems Existing in Technological Research and Development and Tax Preferential Policies of Enterprises in Jilin Province

Preferential Tax Policy and Input in Jilin Province

(1) Tax preferential policies for R&D investment. In recent years, with the national emphasis on innovative research, the increase of research funding is increasing. However, compared with countries in the forefront of scientific and technological development, such as the proportion of basic research funding in the United States and the proportion of applied research funding in France, China's investment in the source of technological innovation is far from enough. Not to mention the provincial and municipal investment in basic research and applied research.

Tax preferential legal system has not yet been established. At the legislative level, the National People's Congress voted to pass some small tax laws, such as the Individual Income Tax Law, the Enterprise Income Tax Law and the Tax Administration Law. Lack of a special tax preferential legal system, there are some problems such as lack of authority, lagging legislation, imperfect policy-making, etc. At the level of law enforcement, the relevant tax preferential policies have many links and complicated processes; in the process of policy implementation, there are different standards among different departments, unclear collection and management responsibilities, and tax policies. Renewal and abolition often occur, and the taxpayers are not skilled in business, which increases the cost of taxation by tax authorities and consumes the time and energy of taxpayers.

(2) Tax preferential policies are mainly direct preferential policies, but lack of indirect preferential policies. Among the current preferential tax policies enjoyed by high-tech enterprises, direct tax accounts for the majority. Tax preferences are concentrated on reducing tax rates and tax exemptions, which are reflected in the direct reduction of tax payable by enterprises. Thus, the increased operating profits play a smaller role in promoting the development of R&D links and are not conducive to the opening of R&D activities of enterprises. Expansion and long-term investment. Increase the indirect preferential method, effectively reduce the initial investment cost of enterprises in the project, so that enterprises are confident to further increase investment in R&D activities.

(3) Relevant issues of turnover tax. Among the tax preferential policies enjoyed by high-tech enterprises in our country, the proportion of enterprise income tax is relatively large, but the value-added tax, as the main type of tax in our country, especially after the "business-to-business" increase, the relevant preferential policies of turnover tax are still lacking. For the R&D achievements of high-tech enterprises, most of them belong to intangible high-value-added products. The investment in R&D process is mostly human resources, technology and capital, which makes it difficult to form a systematic deduction chain, which results in the non-deduction of part of the tax amount in the R&D process.

Our province lacks tax incentive policies for small and medium-sized high-tech enterprises.

In 2016, the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation jointly issued the Circular on Revising and Publishing Measures for the Recognition and Management of High-tech Enterprises, stipulating the conditions for small and medium-sized high-tech enterprises to enjoy preferential tax rates. For enterprises whose sales revenue is less than 50 million RMB (including) in the last year, the proportion of total R& D expenditure to total sales revenue in the same period is not less than 5%. They can enjoy preferential tax rate. Referring to national statistics, only 4.4% of small enterprises in China meet the requirement of 5% R& D expenditure. It shows that the recognition standard of high-tech enterprises for small and medium-sized enterprises is too high, and the failure to obtain the recognition of high-tech enterprises means that they can not enjoy preferential tax policies for high-tech enterprises. There is no clear definition of tax preferential policies for high-tech enterprises in our province. As the main force to open up the situation of "mass entrepreneurship and innovation", small and medium-sized enterprises are facing tremendous pressure. In terms of funding sources, whether government subsidies or external financing, depend on the operating profits within the enterprise, which leads to the shortage of R&D resources and R& D talents. It is difficult for small and medium-sized high-tech enterprises to form sustained competitiveness because of the high threshold to attack their enthusiasm for R& D.

Lack of Tax Incentive Policy for R&D Talents

In the process of R&D, relevant technical talents are the key to determine whether R&D achievements can be produced. The lack of preferential policies for R&D personnel in high-tech enterprises has aggravated the tax burden borne by enterprises in Jilin Province. Secondly, for some R&D personnel reward allowances and bonuses, the application conditions are more stringent, and the scope involved is relatively small. For example, the allowances for special personnel are limited to academicians or senior academicians, and bonuses paid at a certain level can be exempted from personal income tax, which to some extent harms the enthusiasm of scientific researchers in research and development work.

Countermeasures and Suggestions on Promoting Enterprises' Innovative R&D Tax Preferential Policy in Jilin Province

Countermeasures and Suggestions on Promoting Enterprise Innovation by Tax Preferences in Jilin Province

(1) Establishing a comprehensive tax incentive policy system. At the present stage, preferential tax policies are concentrated in the policy documents of relevant departments, lacking of links and coordination among them. The development of R&D activities in different regions and industries and the lack of pertinence of relevant tax preferential policies lead to the structural imbalance of R&D investment in regions and industries. Therefore, we should first improve the legislative level of preferential tax policies for R&D investment of technology enterprises. Regulate the tax system, form the relevant legal system, and provide policy dividends for long-term R&D investment. At the same time, we should streamline declaration and examination and approval procedures, and timely carry out business training for tax personnel at the front line on renewing high-tech tax preferential policies, so as to improve efficiency. We will encourage regions and industries with relatively weak R&D investment to carry out R&D activities. On the basis of implementing preferential tax policies, relevant departments will introduce targeted tax incentives to make up for the congenital development disadvantages of these regions and industries.

(2) The preferential tax policy has shifted to indirect preferential tax policy. In the relevant preferential policies of income tax in Jilin Province, the form of direct preferential is in the majority. Income tax itself, as a direct tax, makes it difficult for enterprises to transfer their income tax burden. The indirect preferential form of tax incentives is equivalent to the form of government tax expenditure to participate in the enterprise's early R&D work. For the R&D work which needs to

invest a certain amount of manpower, material resources and time, it can alleviate the risk faced by the enterprise's R&D and alleviate the financial pressure of the enterprise in the initial stage of R&D. Therefore, indirect incentives such as deduction, accelerated depreciation, loss carry-over and deferred tax payment can be established, and the standard of deduction for R&D expenses can fluctuate within a certain range at different stages of R&D; and the state is allowed to be particularly solid in training technical and scientific research personnel of different types of enterprises. In order to reduce the risk of failure in the early stage of R&D, special depreciation preferential policies should be implemented for fixed assets in the early stage of R&D.

(3) Improving the relevant policies of turnover tax. To further expand the scope of VAT input tax deduction, we should deduct some or all of the expenses related to R&D activities of enterprises, such as technology transfer and technology consultation, which are included in the current input tax of VAT. On the other hand, tax incentives for current turnover tax should be strengthened. The current preferential policies of turnover tax mainly focus on value-added tax and tariff. To improve the preferential intensity of turnover tax, we can increase the value-added tax input tax of R&D equipment in the purchase process by expanding the scope of R&D equipment needed by enterprises in the process of R&D, and expand the introduction of advanced production technology by high-tech enterprises. The coverage of R&D equipment and related scientific research articles shall be exempted from import VAT and customs duties.

Strengthen the Tax Preferential Policy to Support SMEs Technology

Small and medium-sized high-tech enterprises are the foundation and guarantee for the improvement of national innovation and the breakthrough of core production technology. At present, there are some excessive standards for the recognition of tax preferential policies for small and medium-sized high-tech enterprises in China. We can learn from the ideas and policies of western countries to support the development of small and medium-sized high-tech enterprises. 1. Give more support to small and medium-sized enterprises in the current tax preferential policies, further reduce the income tax rate and turnover tax rate, increase the proportion of R&D expenses plus deductions, shorten the depreciation period of fixed assets used for R&D, apply accelerated depreciation and special depreciation, and allow enterprises to sell revenue in that year. A certain proportion of R&D reserve is deducted before tax. 2. To make up for the shortage of funds, we should expand the scope of tax incentives for investment activities of small and medium-sized high-tech enterprises, so that investors of small and medium-sized high-tech enterprises can enjoy a higher proportion of investment tax credits, and the investment losses of the invested enterprises can be deducted before tax. We will encourage investors to invest in R&D activities of small and medium-sized high-tech enterprises and alleviate the problems of lack of funds and difficult turnover in the initial stage of R&D.

Improving the Tax Incentive Policy for R&D Talents

Talents are the key to technological competition, and technological innovation lies in the cultivation of R&D talents in the final analysis. China's current tax preferential policies rarely involve enterprises to increase investment in human resources. Therefore, it is imperative to further improve the tax preferential policies enjoyed by R&D talents. First, we need to increase the personal income tax incentives for R&D professionals. For R&D personnel who meet certain requirements, raise their personal income tax salary and Salary starting point; reduce and exempt the income related to R&D work such as technology transfer and technical consultation acquired by R&D personnel; and further develop the incentive role of tax preferential policies in R&D personnel training. According to the different scale, type and operation of enterprises, we should adjust the proportion of education funds for employees of high-tech enterprises, and increase the support of Taxation for enterprise personnel training.

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