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The Construction of Tax Center with Digital Reform—Take Taking Taxation Bureau in Y City as an Example

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ABSTRACT
The process of globalization and the evolution of digital technologies are propelling human society towards a new phase of industrial revolution, primarily centered on information technology. Nations worldwide are actively exploring ways to enhance governmental governance mechanisms. A significant aspect of this drive is the ongoing transformation in government administration driven by digital governance. Taxation, as a crucial pillar supporting a country's economic progress, assumes a paramount role both domestically and internationally in governmental operations. Recent years have witnessed substantial progress in the reform of tax collection and management systems, underscoring the essential contribution of taxation to China's fiscal revenue. Functioning as the tax authority at various levels, tasked with the responsibility of 'taking taxes from the people, utilizing them for the people, and benefiting the people,' the tax administration is diligently enhancing its service approach. By embracing a customer-centric philosophy, expanding service offerings, enhancing operational efficiency, and gradually elevating taxpayer satisfaction and compliance levels, the tax bureau is reinforcing its commitment to public service. Nevertheless, discrepancies between theory and practical implementation persist. At the grassroots level of tax administration, challenges related to personnel awareness, management frameworks, and tax service methodologies continue to impede the enhancement of service quality and efficiency. The paper will focus on enhancing and optimizing the big data infrastructure, integrating and transforming grassroots tax services through digital reforms, merging front-end and back-end operations, and establishing a comprehensive platform system for large and medium enterprises. The initiatives aim to enhance tax services at the grassroots level, address inefficiencies and ineffectiveness in tax services, and foster a conducive business environment for all to appreciate the benefits of taxation.

KEYWORDS
digital reform; tax service; tax center

It is a fact that a new round of information revolution is coming. All stem from the digital reform, such as going out without a wallet, fingerprint press paying as you go, going to work face recognition and so on this series of changes. In addition to the small things that are personally related to the lives of people, the official processing and document flow between government departments have also undergone radical changes, entering into the time of paperlessness. The tax center, as an important government department, has the responsibility of regional tax collection, and the same digital governance tentacles have been extended to the field of tax collection. With the deeper of the reform of the tax administration system and the refinement of the tax services of the tax center, the ranks of taxpayers and contributors are getting more and more, and the pressure of tax services is also increasing, and the traditional tax platform, tax modes and tax services have been more and more incapable of meeting the needs of taxpayers and contributors. In order to solve such problem and essentially enhance the satisfaction and sense of gain of taxpayers and contributors, the tax department needs to keep in touch with the times, continue to develop and innovate, set up a new concept of tax service, respond to the different tax-related needs put forward by taxpayers and contributors, and, in conjunction with the current digitalization reform, actively explore the application of information technology in the tax service, and strive to improve the level of tax service. The following is an example of how Taxation Bureau in the Y City to operate:

1 General Information of Taxation Bureau in the Y City and the Current Status of Tax Data

There are 136,312 enterprises registered in Y City. Small-scale taxpayers account for the majority of the small-scale taxpayers, and most of the small-scale taxpayers are self-employed, and it can be said that the self-employed account for more than 80 per cent of the enterprises in Y City. Almost all of the self-employed businesses do not have accountant apartment to do the accounts, so from the point of view of the ratio of the main object of the Taxation Bureau Hall services is bound to be based on the self-employed business.

Taxation Bureau in Y city combines the situation of enterprises in jurisdiction, takes questionnaire surveys to collect relevant issues of taxpayers, accurately analyses the needs of taxpayers, and explores smart ways of tax administration such as online office, handheld office, and tax office at home. On the basis of the preliminary design of smart tax handling in the early stage, it is proposed that the front office and the back office will be mutually integrated to promote the construction of a new model of integration of the big center and ultimately realize the transformation of taxpayers' tax handling from “waiting for tax” to “running at most once” to “not leaving home”. The final goal is to achieve the transformation of taxpayers' tax handling from “immediate access” to “one visit at most” to “not leaving home”.

The first tax office of Taxation Bureauin Y city has spearheaded the implementation of a cutting-edge 'tax center' as part of a smart tax processing initiative. This innovative approach involves restructuring the tax service hall by integrating data reception and processing into a centralized data processing center, allowing for a seamless and contactless tax experience for taxpayers. The 'Tax Centre' builds upon the foundation laid by the Chao Tax Cloud Digital Intelligence Processing Centre, requiring a comprehensive overhaul encompassing hardware, software, and personnel integration. Hardware upgrades include the incorporation of face recognition technology at the entrance, enabling personalized guidance and configuration based on pre-captured taxpayer data. The software component focuses on establishing a streamlined information exchange system to facilitate rapid data transfer and collaboration among various departments. Additionally, skilled tax officials are strategically assigned roles tailored to their expertise, ranging from invoice distribution to data processing and operational maintenance.

The early operations of the Digital Intelligence Processing Centre at the Chao Tax Cloud have yielded positive outcomes for both the Pocket Tax Office and Online Tax Office. According to data in Table 1, the total online tax transactions processed by Tax Bureau in Y city have ranked highest among prefecture-level cities from January to August this year, with an online tax transaction rate exceeding 99 percent. This achievement positions X Municipality at the forefront of innovative online tax services. Additionally, Table 2 reveals that while the overall palmistry rate stands at 6.17%, the palmistry rate for natural person social security contributions (normal + retroactive) has reached

99.93%, and the palmistry rate for vehicle purchase tax declaration and payment is at 95.99%. These figures indicate that focusing on services tailored to natural person taxpayers can significantly boost palmistry rates. Despite advancements, some taxpayers still prefer traditional methods over computer terminals or tax offices due to operational challenges. Barriers to wider adoption of digital services include difficulties faced by certain demographics like the elderly, the need for increased public awareness, and varying levels of cultural acceptance. Further exploration and refinement of digital tax services are necessary to address these challenges.

Table 1 Offices Online Tax Rates of the Branches in Y City

Tax Authorities	Overall Portfolio	The Volume of Window Business	The Volume of Self-service Business	The Volume ofOnline Business	The Tax Rate of Online	Rank
A.B	635243	10270	22897	602076	98.38	5
C	415071	3325	12778	398968	99.2	4
D	312329	1817	11849	298663	99.42	1
E	145589	919	3264	141406	99.37	2
F	128239	905	5296	122038	99.29	3
Municipal	501076	316	218	500542	99.94	
Total	2137547	17552	56302	2063693	99.18	X city juxtaposed 1

As can be seen from the table, no matter whether it is the palm office rate or the net office rate, it is still in the stage of continuous upgrading and speeding up. Therefore, on the basis of the current construction of the smart tax office, it is an important topic to be solved by proposing to combine the tax front office with the back office, building a large centre system, improving the effectiveness of tax service, achieving complete internal management and assessment, satisfying the external taxpayers, and improving the efficiency of tax collection and management, so as to make it a scalable and replicable tax model.

2 Main Issues

2.1 Inadequate Hardware and Software Facilities in Tax Centre

From the experience of daily work, we have found that the unstable operation of the hardware of the tax office is the most important reason for taxpayers to believe that there are hardware aspects of the tax office. At the same time, there are certain problems in terms of operation, system operations, problem solving and solution effects, all of which require attention.

The traditional tax service centers are mainly counselling-based, where taxpayers are guided by staff and counselled hand-by-hand, which leads to the problems mentioned above when taxpayers operate on their own during the big levy period or busy business periods.

2.2 Inadequate Publicity for Tax Services

Taxpayers exhibit varying levels of familiarity with current online tax, palm tax, and smart tax procedures. Enterprise taxpayers are generally more informed due to their frequent interactions with the tax department and access to diverse information channels. In contrast, individual taxpayers, excluding the elderly, often resort to mobile platforms for simple tax tasks, turning to tax offices for more complex matters without utilizing available helpline resources. Elderly taxpayers typically visit tax offices directly or rely on family members for tax affairs, avoiding mobile tax handling methods. Behind this phenomenon, it shows that there is still room for progress in the work of tax publicity, and only by truly popularizing tax publicity to every corner can we further put the ‘non-contact’ tax practice into practice.

Table 2 The Rate of Handle Things on Hand in Y City from January to August 2024

Classification (%)	A.B	C	D	E	F	G	A	B	Y 市
Overall Portfolio	635273	415088	312336	145590	128240		37764	597509	2250671
The Volume of Mobile	39731	12924	8377	4487	5058	30	26263	13468	138761
The Volume of Handing in Hand	6.25	3.11	2.68	3.08	3.94	-	69.55	2.25	6.17
The Volume of Key Event	47.98	35.89	34.49	47.7	47.08	4.95	79.96	26.41	59.72
Social Security Payment (normal + supplementary payment)	0	0	0	0	0	0	0	0	99.93
Electronic Payment Certificate	0	0	0	0	0	0	0	0	0
Social Security Fee Certificate	0	0	0	0	0	0	0	0	0
Social Security Payment Agreement	0	0	0	0	0	0	0	0	98.44
Ordinary VAT Invoices (excluding private housing rental)	75	0	0	0	0	0	76.88	0.69	77.95
Issuance of VAT Ordinary Invoices (private rental)	47.73	37.04	24.31	48.34	39.58	0	21.05	75.6	38.05
Issue Special VAT Invoices	52.29	55.68	67.87	87.11	69	0	0	52.29	60.08
Declaration of Vehicle Purchase Tax Declaration Payment	96.9	79.55	89.72	89	93.67	100	97.36	90.33	95.99
Tax-free	-	-	-	-	-	-	-	-	-
Declaration of Real estate Transaction (incremental housing)	64.95	46.82	0	0	0	0	67.24	0	61.06
Declaration of Property Transactions (stock)	38.67	48.57	0	0	0	0	40.82	4.44	40.93
Invoicing	22.71	43.96	19.34	51	49.76	10	0	22.71	32.88
Payment and Cancellation of Invoices	84.65	47.89	48.84	33.33	38.46	0	0	84.65	52.91
Closure of Business Registration	0	0	0	0	0	0	0	0	0

The consolidated palpation rate of Y city ranked second in X city.

2.3 Intelligent Tax not really Intelligent

During the implementation of the Smart Tax Office project, we have identified certain deficiencies within the e-Tax Office system itself. Some business operations cannot be completed entirely through the e-Tax Office, hindering taxpayers from independently completing all necessary steps as initially intended. For instance, in cases involving tax matters related to foreign construction projects, the process involves declaring the income, undergoing evaluation by an internal auditor, issuing a password for personal income tax declaration, and finally gaining access to the personal income tax system. This entire process takes four days to complete, indicating that taxpayers still require four days to obtain the necessary password for personal income tax declaration. Similarly, when it comes to enterprise cancellations, the liquidation income tax return form takes approximately 2 hours to appear in the system, whereas manual submission at a physical tax office window only takes around 30 minutes. This comparison highlights that the self-service tax system, although intended to streamline processes, sometimes falls short in terms of efficiency and may lead taxpayers to question the effectiveness of the smart tax office.

3 Dicussions

3.1 Accelerating the Construction of the Tax Cener and Innovating a New Model of Office-question Collaboration

It has fostered a collaborative approach to consultation and broadened the scope of addressing challenging issues. The integration of various online consulting platforms such as tax enterprise exchange groups, online consulting forums, manual support, and cloud tax management has been instrumental. The innovative paintbrush function allows for precise guidance and interaction, enabling taxpayers to ask questions and perform actions anytime, anywhere during tax processes, thereby enhancing efficiency. This has led to the establishment of a closed-loop management system to identify and address specific obstacles effectively. The implementation of an intelligent consulting approach involves combining consulting and business acceptance roles, ensuring real-time processing of inquiries for swift resolutions. Emphasis is placed on data analysis to identify and address common challenges faced by taxpayers in tax-related activities. A systematic data analysis mechanism is employed to evaluate high-frequency issues, call rates, satisfaction levels, and other key metrics, enabling the identification of recurring difficulties. Leveraging this analysis, a personalized labeling system is developed to tailor and disseminate relevant policies effectively.

3.2 Promoting Tax Promotion in the Tax Center and Extending the Smart Operation

Innovative methods of tax education have been implemented to facilitate easy access to tax knowledge. Initiatives such as the establishment of the 'green tax' fusion media center and the 'double integration and double construction' taxpayers school, along with activities like the 'tide tax live room' training and creation of micro-videos on topics like 'housing rental invoice on behalf of the opening', are being promoted through the Zhejiang tax levy and payment communication platform. This platform aims to provide convenient tax information right at one's fingertips, ensuring efficient service and assisting enterprises in managing their taxes with ease. In response to the needs of individuals who face challenges in visiting tax offices, a 'door-to-door service day' has been set up to cater to special groups such as the elderly and disabled. This extended service reaches grassroots levels and contributes to rural development.

3.3 Injecting Vitality into the Tax Center and Paying Attention to Talents

Careful selection of elite employee and rigorous training are essential elements in strengthening our forces. By meticulously choosing exceptional party members, service stars, and other distinguished leaders to form the core of our team, we are establishing a robust 'talent pool' and creating a network of skilled professionals dedicated to excellence. Enhancing our systems and reinforcing assessment procedures are crucial steps in this process. The development of 'Taxation Centre Guidelines' to streamline job functions and requirements, along with the creation of emergency protocols, are pivotal in solidifying our operational framework. Implementing the tax center work assessment measures with a focus on service quality, feedback evaluation, and performance incentives is key to driving efficiency and excellence in our services. Emphasizing continuous improvement, knowledge dissemination, and career advancement, we are guided by the principles of five-colour party building' and themed initiatives like 'party flag red', 'tax blue', 'vitality green', 'eco-green', and 'Satisfaction Gold'.

4 Conclusion

Currently, Y City stands at a crucial juncture in establishing a model of high-quality development and inclusive prosperity. It is the responsibility of the tax department to spearhead economic advancement. The establishment of the Tax Centre plays a pivotal role in the 'Smart Tax' ecosystem created by the Y City Tax Bureau. Embracing the ethos of 'public service at its core', the tax center initiative leverages cutting-edge technologies such as mobile Internet, Internet of Things, cloud computing, 5G wireless, among others, to revolutionize tax services. This initiative aims to construct a comprehensive tax system characterized by 'multiple access points, user-friendliness, and high efficiency', offering a novel service experience to the public while enhancing the efficiency of public services. The advent of the tax center in the digital economy era transcends temporal and spatial constraints, making tax services universally accessible. It streamlines the workload of frontline staff, enhances service quality, optimizes office functions, and reduces operational costs. Ultimately, this initiative enhances public service experience, elevating satisfaction levels. Moving forward, the Y Municipal Taxation Bureau will sustain its momentum in tax center development, driving innovation, and leading the way in smart tax processing. The bureau will persist in exploring and establishing new smart tax handling paradigms, intensifying the interactivity of smart tax processing, enhancing the user experience for tax handlers, and advancing the intelligence of tax services.

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