

# **A characteristic of the modern Chinese taxation system**

## **~Historic background and the Golden Tax Project~**

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This study analyzes the Chinese taxation system. The study of Professor Nanbu clarified a basic characteristic of the Chinese taxation system of "the socialist planned economy", but, in other studies, there insist that were reformed all by tax reform in 1978 and 1994. We can't find the truth if we don't see relevance with a historical background. In addition, we can't explain all even if we use an analysis tool used in capitalism taxation systems for the Chinese taxation system.

I analyzed the history of the Chinese taxation system, statistics, and systems. And I found "fiscal resource center principles" and "Turnover tax center principles" in Chinese taxation system. "The income taxation system" introduced about 20 years ago takes time still more to spread. In addition, "the income taxation system" came easily influenced of an economic change. However, "the turnover taxation system" became stable. Judging from a basic characteristic of the Chinese taxation system, a leading position of "the turnover taxation system" will not change in future either.

In order to confirm those perceptions, I analyzed issue of modern taxation systems, especially "a transfer pricing" and "electronic commerce". One of these solutions is "Golden tax project" that carries out at "the value added tax system". State administration of taxation is already connected to some tax payers. These tax payers pay "the value added tax" automatically. As the results, we can find that "the value added tax" continues to play important role in the Chinese taxation system for a while.