

INDEX

- Account management, 83–85, 103, 112, 131
- Allingham, Michael, 229
- Atomism. *See also* Coercion, tools of
 Equilibrium, 22–23, 120, 146–147
 Information paradox, 119
 Tax farming, 35, 104–105, 245
- Audits
 Adjustments, 67, 131–142
 Coverage, 64–67, 132
- Audits, types of
 Correspondence audits, 134
 Field audits, 136–144
 Office audits, 136
 Self-audits, 84, 136–144, 173, 240
- Austin, John, 17, 257
- Besley, Tim. *See also* State capacity
 Complementarity between law and taxation, 228, 242–244
 Fiscal capacity, 10–11, 178, 179
 Formal sector, 243–244
 Government monitoring, 243, 244
- Bureaus
 Full-service, 53
 Subordinate units, 53
- Business Tax, 14, 27, 28, 100, 182, 198, 209, 220, 272
- China Taxation Yearbook, 29, 59, 64, 70, 108, 111, 154
- China's Constitution (1982), 206, 223, 224
- Chinese Communist Party
 Authoritarian legality, 260
 Internal incentives, 148, 162
 Members, numbers of, 263
 Operations, 212
 Political structure, 165, 262
- Poverty eradication campaign, 265
- Cities and districts
 Beijing, 13, 100, 101, 112, 120, 184
 Chongqing. *See also* Property tax (2011), 210
 Huai'an. *See also* Jiangsu, Reform in and Officials – Chen Jianpu, 120–125, 165, 166, 249
 Huanggu. *See* Tax returns – Service halls, 40
 Qingdao, 92, 93
 Shanghai. *See also* Property tax (2011), 184, 187, 199, 206, 210
- Coercion, tools of
 ex ante interventions, 107, 128, 149, 164, 177, 193, 230–233, 238, 246, 252
 ex post sanctions, 105–107, 112, 113, 116, 122, 231, 238, 244, 252
- Corporate Income Tax, 10, 11, 14, 24, 27, 111, 113, 116, 180, 186, 215, 220, 245
- Corruption
 Anti-corruption campaign (2014), 143
 Capture, phenomenon of, 99, 102
 Context, 97–99
 Dereliction of duty, 99, 102
 Gift giving, 99
- COVID-19
 Chinese response (2020), 191, 265
 Economic growth, 265
- Decentralization, 21, 48, 52–56, 94, 225, 264
- Delegation
 Statutes, promulgation of, 214, 223
 Taxing authority, 210
- Dwenger, Nadja, 234

- Enforcement elasticities, 240–241
- Enterprise Income Tax Law, 216–218
- Enterprises
Collectively owned, 20, 30, 222
State owned, 1, 3, 30, 175, 178, 224, 245
- Evaluations, types of
Departmental, 159, 162
Individual, 159, 162
- Fiscal contracting, 30, 225
- Formality
Firm, 116, 243
Labor, 117
Transactional, 116, 117
- Fuller, Lon, 256
- Global Financial Crisis, 14, 67, 152, 195, 198
- Göbel, Christian, 195
- Golden Tax Project. *See also* value-added tax, 57–58, 246
Anti-fraud system, 56–58
GTP Phase II, 56–58
Invoice cross-matching, 247–248, 266
- Grassroots tax agency, 41, 53–55, 90, 94, 112, 169, 253
- Hadfield, Gillian. *See also* Law – Rule of law, 255–261
- Hart, H. L. A., 17, 256
- Incentives
Information based, 185, 194
Limitations, 44
Management by pressure, 167
Monetary, 23, 98, 164, 168, 174, 233
Political, 15, 148–149, 242, 263
Private enforcement, 146, 256
Promotions, 150, 157, 164–167, 169
- Income, inequality of, 16, 182, 185, 267
- Informality
Firm, 8, 117
Labor, 8, 117
- Information, acquisition of
Bottlenecks, 16, 24, 179, 192–195
Data sharing, 39, 103, 105, 251
- Intelligent taxation, 249–250
- Third-party information reporting, 6, 230, 236, 242, 255
- Information technology, 21, 45, 56–58, 130, 176, 245
- Inspections, types of
Government inspections, 64–67, 70–74, 136
Self-inspections, 21, 60–78, 84, 136, 173, 239, 240
- Internal Revenue Service, 4, 10, 55, 97
- Jiangsu, reform in. *See also* Officials – Chen Jianpu
Changes, 124, 127–131, 172
Criticism, 127, 145
New audit system, 131–142
Records management, 103
- Judges in China
Numbers, 220
Power, limits on, 218–222
Tax litigation, lack of, 221
- Khan, Adnan, 11
- Kleven, Hendrik, 11, 230
- Large Taxpayer Units, 67
- Late payment interests, 100, 112, 136, 153
- Law
Legal norms, 17–20, 24, 37, 208, 213, 218, 222, 227, 233–238, 241, 243–246, 252, 255–259, 267
Rule by law, 25
Rule of law, 18, 24, 121, 145, 158, 202, 222, 252, 255–264, 267–268
Rules of recognition. *See also* Hart, H. L. A., 24, 202, 207, 255–256
State without law, 18
Superstructures, 20, 36
- Law on Legislation, 206–215, 255
- Liability rules, 231
- Local tax bureau (DS system)
Characteristics, 28, 48–52
Personnel, 53
Provincial and city bureaus, examples of, 94, 100, 101, 120, 124, 159

- Market-preserving federalism, 261, 262
- Ministry of Finance
Policy failure in the 1980s, 225
Tax policies, 150, 209, 214–218, 223
- National People's Congress
Policies, 14, 182, 203
Rubber-stamping Parliament, 212, 218
- National Taxpayer Survey, 193
- Noncompliance
Prevention, 23, 82, 84, 95, 107, 115–116, 119, 144, 233, 236
Revenue raising, 173, 174
- Officials
Chen Jianpu, 120–124, 127–129, 143, 165, 249
Huang Qifan, 204
Li Keqiang, 199, 203, 215
Li Xiaoping, 124
Ma Yimin, 66
Ni Hongri, 129, 136
Sun Ruibiao, 69
Wen Jiabao, 183
Xie Xuezhi, 69
Xie Xuren, 46, 92
Zhu Rongji, 28, 57
- Optimal tax administration, 238–242
- Organization for Economic Cooperation and Development (OECD), 12, 55, 82, 111, 180, 187
- Performance metrics
Challenges, 44, 103
Examples, 23, 77, 85, 145, 151–154, 160, 161, 175
Implications, 150, 159–164
- Personal Income Tax
Effect on elites, 184–185, 214
Exemption threshold, raising of, 182–184
Revenue, 27, 180–182
- Persson, Torsten. *See* Besley, Tim.
- Piketty, Thomas, 181, 182
- Politics
Fiscal, 13–17, 25, 189, 201
Personnel, 15, 16
Property rules, 231
Property tax (2011)
Background, 203–205
Formal legal regime, 206
Red letterhead documents, 207
- Qian, Nancy. *See* Piketty, Thomas
- Quasi-compliance, 99–102, 115, 126, 221, 238, 250
- Rawls, John, 256
- Redistribution. *See also* Social insurance, 18, 186–188, 192, 255
- Reform pilots, 126, 199, 204
- Regional experiments
Property tax – pilot provinces, 204
VAT reform (2008), 195–199
VAT reform (2012–2016), 14, 199–201
- Revenue management system
Characteristics, 20, 83, 102, 105
Competition, 84
Control, issue of, 94
Limitations, 146, 193
- Revenue managers. *See also* Atomism
Basic management, 83, 123, 128, 146, 174
Challenges, 93–95, 97, 102, 193
Reformist criticisms, 121, 123, 127
Responsibilities. *See also* State Administration of Taxation – 2005 circular, 21, 82, 87, 91, 105, 145
- Risk response. *See also* Jiangsu, reform in and Officials – Chen Jianpu
Intermediate-risk response, 124, 131, 136, 141, 143, 174
Risk, tiers of, 123
- Self-assessment
Business context, 237
Importance, 33, 228
Law, role of, 238, 244
Meaning and implications, 229, 234
Substitutes, 238, 247–251, 257

- Taxpayer incentives, 8, 130, 146
- Small and micro-profit enterprise (SMPE), 216–217
- Social insurance
 - Compliance, 189–192
 - Pooling, 186–189
 - Statistics, 117, 185
- State Administration of Taxation
 - Composition, 55
 - Guiding Opinions (2010), 86, 126–127, 140
 - Performance metrics (2000), 151–154
 - Revenue Management Circular (2005), 89–97
 - Tax administration reform (1997), 38–48, 176–177, 250
- State capacity. See also Besley, Tim, 5, 10–11, 25, 189, 202, 228, 246, 251–253, 265
- State Council
 - Inclusive tax cuts, 215
 - Power, delegation of, 206, 214, 226
 - Tax administration reform (2021), 249
 - Tax cut (2008), 195
 - Tax Reform Notice (1993), 33–38, 45
- State tax bureau (GS system)
 - Bureaus, number of, 53
 - Characteristics, 28, 48–56
 - Personnel, 29, 43
- Supreme People's Court, 224
- Tax administrator
 - Dedicated tax administrator, 31–32
 - Duties, 33, 36, 59, 82, 90–92, 94–95
 - Nanny style, 31–32, 46, 96, 121, 250
 - Personnel, numbers of, 30, 33, 47, 53, 61
 - Reform. See State Administration of Taxation – Tax administration reform (1997), 38
 - Taxpayer data, 130, 194
 - Taxpayer, relationship to, 114, 128, 141, 144
 - Trade-offs, 7–9, 60, 114
- Tax amnesties. See also Inspections, types of – Self-inspections, 60, 74
- Tax collection
 - Characteristics and organization, 8, 10, 31, 78, 94, 105, 151
 - Inspection bureaus, 59, 68, 80
 - Personnel, 29
 - Reform, 38, 176
- Tax compliance
 - Business firms, 237
 - Government intervention, 107, 177
 - High-compliance countries, 230
 - Legal rules, relevance of, 19, 235, 237, 241
 - Theories, 21, 25, 233–234, 237, 241
- Tax evasion
 - Incentives, 233
 - Prevention, 6
 - Reports, 41
- Tax inspections, data on, 64, 70, 71, 78, 134, 140
- Tax policy
 - Development, 5, 12, 178, 201, 227
 - Examples, 184, 215
 - Limits, 23, 225
- Tax reform (1994), 26–37, 254
- Tax returns
 - Reporting, accuracy of, 22, 35, 85, 113, 115, 119, 233, 247
 - Rule-following behaviour, 19
 - Service halls, 40–41
 - Statistics, 108, 111
- Taxation according to law, 158, 214–218, 222–224
- Tiered control, 49
- Truthful reporting, 7–8, 21, 58, 60–61, 75, 112, 114, 119, 147, 173, 238, 239, 240–241, 257
- Ulyssa, Gabriel, 8, 117
- Value Added Tax, 14, 42, 57, 100, 182, 195–201, 248
- Vertical control, 48, 49

288

Voluntary compliance, 145, 229,
234, 238

Weakening of accountability,
43–45, 176

Weber, Max, 25, 264, 274

INDEX

Weigel, Jonathan, 9–11

Weingast, Barry. *See* Hadfield, Gillian

World Trade Organization, 254,
255

Zero reporting, 113–115, 119, 176