

Research on Performance Evaluation of Preferential Tax Policies in Minority Areas

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ABSTRACT

Ethnic minorities in China are mostly distributed in the remote areas in the west and its economic development is relatively backward, remote, so how to effectively promote the harmonious development of all kinds of ethnic minority areas economy has long been a is an important part of our country economy and stable development, under the new “difference” planning, more requirements attaches great importance to the quality and economic development in national minority areas. Compared with the eastern developed areas, the economic development of ethnic minority areas is not balanced, and the government needs to give them a certain slant support in the relevant financial policies. Taxation plays a lever role in regulating the economy. In recent years, China has introduced tax policies related to the Western Development and other related tax policies to provide tax incentives to enterprises in ethnic minority areas, aiming to promote the overall rapid development of ethnic minority areas. However, there are still many problems to be optimized. Based on performance analysis of preferential tax policies in minority area as the research framework, this paper for the preferential tax policies for minority areas of China in recent years, further analysis under the preferential tax policies to support the national minority area development, points out the challenges facing the current preferential tax policy, combining with the in less developed areas of foreign tax policies related experience, and finally put forward our country minority areas the optimum path of preferential tax policy, to further promote the development of minority areas economy for a long time.

KEYWORDS

Ethnic Minorities; Preferential Tax Policy; Economic Development.

1. INTRODUCTION

Our country has always attached great importance to the overall development of ethnic areas. Unity, progress and stable development of all ethnic groups is a major task of our country. Strengthening the economic development of ethnic areas in the new period is beneficial to our country's overall economy stepping to a higher quality. Tax revenue plays a regulating role in economic development, and the implementation of preferential tax policies in ethnic minority areas can further improve the level of local economic development, accelerate the development of the economy to a high quality, and have a profound impact on local politics, culture and ecology. The introduction of preferential tax policies such as the Western Development strategy on ethnic minority areas[40] Economic development plays a certain leading role, and tax incentives are not a simple arrangement and sum of various preferential policies. Each preferential method or intensity will have an impact on the final result of economic development, so some problems still exist cannot be ignored. Studying the performance of preferential tax policies in ethnic minority areas is conducive to promoting high-quality economic development in ethnic minority areas.

2. THE NECESSITY OF IMPLEMENTING PREFERENTIAL TAX POLICIES IN MINORITY AREAS

2.1. Preferential Tax Policies Play an Important Role in the Healthy Political and Cultural Development of Ethnic Minority Areas

Political stability in ethnic minority areas has an important impact on the implementation of China's overall strategy. Political stability has long been a fundamental force for the development and well-being of ethnic minority areas. Ethnic minority areas are remote and have prominent ideological and cultural characteristics, and some ethnic minorities occupy important strategic positions along China's borders. The orderly development of minority areas has a great influence on the overall stable development of our country. In order to achieve political stability and development, all ethnic areas must first have a sustainable and stable economic growth space, formulate local development policies according to different industries and growth environments, and conduct economic analysis of tax data in a timely manner to narrow the economic gap between different regions. Tax data can accurately and objectively reflect the economic operation, provide scientific decision-making reference opinions for governments at all levels, and ensure the smooth implementation of national policies. To ensure the healthy inheritance of ethnic cultural characteristics and religious beliefs, develop characteristic industries according to local conditions, adjust the internal structure, and promote balanced economic development, all these need the support of preferential tax policies and the guarantee of economic development. Therefore, the formulation of various preferential tax policies plays a basic and leading role in the healthy political and cultural development of ethnic minorities.

2.2. The Preferential Tax Policy has a Regulating Effect on the Economic Development of Minority Areas

Tax incentives can play a regulating role in regional economic development, such as the formulation of slanting tax policies, tax rules and regulations, and targeted preferential support for national industries to achieve the original intention of regulating the overall economic development. Tax incentives can be divided into direct incentives and indirect incentives in general, the former is after tax incentives, the latter is pre-tax incentives. Tax incentives have their own characteristics, such as tax rate reduction, accelerated depreciation, tax deferral, etc., the effect of different preferential ways will be different and have different impacts on economic benefits. Preferential tax policies can not only improve the investment and business environment, accelerate the flow of capital, but also greatly benefit the development of ethnic regional economy, which is an important method used by the state to regulate the economy. Rational use of tax leverage to enhance the effective control and correct grasp of the economy in minority areas.

2.3. Preferential Tax Policies Can Promote the Development of Ethnic Minority Areas in the New Period

Since the founding of New China, China has constantly explored and formulated policies favorable to the economic development of ethnic minorities, focusing on the use of tax means to regulate and stimulate regional economic growth. In the past 2020, China has successfully achieved a great victory in poverty alleviation, but at the same time, it has also suffered the impact of the novel coronavirus epidemic. Ethnic minority areas are the focus of attention in the process of poverty alleviation, and green economic development and rural revitalization are important guidelines proposed by the state for the economic development of ethnic minority areas in the new era. The use of tax incentives to promote the economic development of ethnic areas, further achieve green and stable development, industrial structure upgrading, tax incentives can drive the transformation of regional economic structure, give full play to the industrial advantages of ethnic areas, guided by tax incentives, and guide domestic and foreign investment to transfer to ethnic areas. At the same time, for the ethnic

minority areas just lifted out of poverty, the implementation of preferential tax policies can further consolidate the achievements of poverty alleviation, ensure high-quality economic development, and accumulate energy for the work of ethnic minority areas in the new era.

3. SORTING OUT THE CURRENT PREFERENTIAL TAX POLICIES IN MINORITY AREAS

This paper mainly focuses on key preferential tax policies in ethnic minority areas, and the coverage of local self-made preferential tax policies is not comprehensive. Based on the time line, the preferential tax policies implemented by the state in recent years in ethnic minority areas are summarized as follows:

Table 1. Preferential tax policies for major ethnic minority areas

Implementation time	Policy content
1950-1993	Industrial and commercial taxes will be reduced and exempted in border minority areas.
1953-Discontinued	Light taxation on agriculture and animal husbandry in ethnic minority areas.
1979-1985	Township enterprises in frontier counties and ethnic autonomous counties are exempt from industrial and commercial income tax for five years.
1985-present	Income tax relief for poor areas.
1991-1994	Preferential tax policies shall be adopted for border trade.
1992-Discontinued	The adjustment tax on the direction of investment in fixed assets in ethnic minority areas will be reduced or exempted.
1992-1995	Some border trade imports will be exempted or reduced.
2001-2030	Enterprises in encouraged industries in the western region shall be taxed at a reduced rate of 15%.
2011-2020	Enterprises and units will be exempted from property tax and urban land use tax for the second phase of the Natural Forest protection project.
2008-present	Organs of national self-government may decide to reduce or exempt the part of the enterprise income tax paid by local enterprises that belongs to the local share.
2010-2020	A new enterprise income tax exemption scheme in poverty-stricken areas of Xinjiang is encouraged.
2006-present	The Qinghai-Tibet Railway Company and its affiliated units are exempt from stamp duty on business books and cargo transport contracts; The sand, stone and other materials collected for their own use shall be exempted from resource tax; Exemption from deed tax for the use of the land and house ownership in office and transportation; The real estate and land for their own use shall be exempted from property tax and land use tax.

Sources: China Taxation News, Ministry of Finance, State Administration of Taxation, etc.

From Table 1, we can find that since the 1950s, China began to implement various tax incentives for ethnic minority areas. With the continuous development of economy, tax policies are constantly adjusted, and some taxes involved have been suspended, although various tax incentives have a

certain role in promoting the economic development of ethnic minority areas. However, it is undeniable that there are still some limitations. For example, the implementation time of tax policy is short, the coverage is narrow, and the reflection of national characteristics is limited. The preferential tax is mainly related to income tax, and the preferential tax is dominated by direct preferential tax, which does not effectively play the role of tax in regulating the economy.

4. PERFORMANCE ANALYSIS OF PREFERENTIAL TAX POLICIES IN MINORITY AREAS

4.1. The Positive Effect of the Implementation of Preferential Tax Policies in Minority Areas

4.1.1. The Effect of Preferential Tax Policy on Local Economy in Minority Areas

Since 2001, China's western development strategy has been implemented for more than 20 years, according to incomplete statistics, the gross domestic product of China's minority areas has jumped from 939.411 billion yuan in 2000 to 19,113518 billion yuan in 2020, the gross domestic product has doubled nearly 20 times compared with the previous two decades, and the national economic level has advanced significantly. Comparing the 10-year GDP data of ethnic minority areas respectively, as shown in Figure 1 below, it is not difficult to find that after the first extension of the Western development strategy, the total GDP of most regions in the decade from 2011 to 2020 far exceeds the total of the decade from 2001 to 2010, and all regions show an overall growth trend. However, in regions such as Tibet, Qinghai and Ningxia, although the GDP has shown a growth trend in the 20 years after the implementation of the policy, its growth rate has not been greatly improved.

According to statistics, from 2001 to 2010, the GDP of ethnic minority areas was 36,326,081 billion yuan, accounting for 14 percent of China's GDP. From 2011 to 2020, the gross domestic product of ethnic minority regions will reach 13,5806.077 billion yuan, an increase of three times over the previous decade. The implementation of the strategy of the development of the western region will stimulate the vitality of the high-speed economic development of ethnic minority areas, and the implementation of the current preferential policies will also save energy for the long-term development of ethnic minority areas, further effectively improve the speed and quality of production in all ethnic minority areas, and accelerate the sound economic progress of all regions[41].

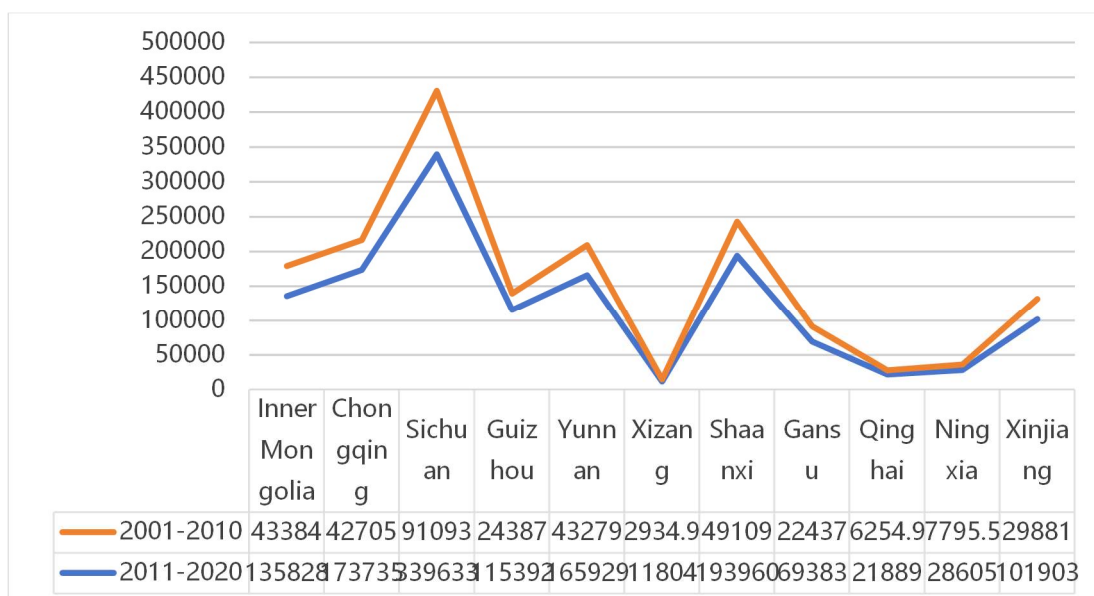


Figure 1. Comparison of economic development in ethnic minority areas from 2001 to 2020

4.1.2. The Impact of the Implementation of Preferential Tax Policies in Minority Areas on Local Infrastructure Construction

Most ethnic minority areas are located in remote areas with poor infrastructure construction, inconvenient transportation hindering local development, and poor ecological environment, which makes it difficult to form a high level of attraction for enterprises, easily leading to a vicious circle. Therefore, in addition to increasing tax support for enterprises, the state has also gradually increased preferential tax support for infrastructure construction in ethnic minority areas in recent years. For example, enterprises and units that implement natural forest protection projects are exempt from property tax, urban land use tax and other related taxes to improve the ecological environment. According to statistics, as of 2018, the urban water penetration rate, per capita urban road area, per capita park green area and other indicators in all ethnic areas have shown an increasing trend, and even the per capita park green area in some ethnic areas exceeds that in developed areas. In terms of transportation facilities construction, compared with the central and eastern regions, the railway operating mileage in the western region accounted for 40.1% of the country, and the highway mileage accounted for 41.1% of the country, twice that of the eastern region, and the transportation infrastructure construction was more complete than before the implementation of relevant tax incentives. The overall improvement of infrastructure construction in minority areas indicates that the implementation of tax policy plays a positive role in improving the overall environment in minority areas.

4.1.3. The Impact of the Implementation of Preferential Tax Policies in Minority Areas on Enterprises

According to statistics, in 2018, corporate income tax revenue in the middle and western regions still maintained rapid growth, with an increase of 17.9% in the western region, higher than that of 7.2% in the eastern region. In terms of income, the gap between the proportion of inter-regional income tax has narrowed, with the proportion of corporate income tax in the central and western regions both increasing by 0.9% to 14.5% and 13%, while the proportion in the eastern region decreased by 1.8% to 72.5%.[42] Income tax is usually linked to enterprise income, and the rapid growth of income tax revenue reflects that enterprises in the western region have developed well and their business income has maintained rapid growth to a certain extent. Under the traction of preferential tax policies, the production vitality of local enterprises has been stimulated and the local economy has been developing steadily.

The western development strategy mainly provides income tax relief for industrial enterprises located in remote areas of the west, attracts domestic and foreign enterprises with development momentum and potential to settle down, and encourages the development of local high-tech industries. Innovation can stimulate the endogenous growth momentum of regional economy. According to statistics, in 2018, industrial enterprises above designated size in ethnic minority areas invested 128.188 billion yuan in R&D, accounting for 9.89% of the national R&D investment, and invested about 40,000 R&D projects, accounting for 9% of all R&D projects. Compared with 3.636 billion yuan of R&D investment in 2000, the increase in investment^[43] has significantly increased, and the number of R&D projects of various enterprises has also increased year by year. With the continuous in-depth implementation of tax policies related to enterprise innovation, innovation has received more attention in the development of enterprises. In the future, it will have a long-term impact on the characteristic development of ethnic enterprises and improve the overall economic strength of ethnic minority areas.

4.2. Problems Existing in the Current Preferential Tax Policies in Minority Areas

4.2.1. The Regional Characteristics of Tax Incentives are not Obvious, and the Industrial Orientation is not Clear

Most ethnic minority areas are located in remote areas with different resources and folk customs, among which the ethnic minority gathering areas have their own characteristics and the industries suitable for development are not the same, and each region should implement targeted tax incentives according to production policies and local conditions. However, the current western development and other preferential tax policies lack the prominence of local characteristics, do not pay attention to the differences in the process of economic development of various regions, and implement a one-size-fits-all model, which is not conducive to the economic development of ethnic areas to achieve long-term benefits. Although the current policy from the surface of all ethnic areas can enjoy preferential treatment, but in essence, in the actual implementation of the policy, due to the different regional characteristics of the industry is limited, resulting in some ethnic areas can only enjoy a small part of the tax concessions. Ethnic minority industries are the key objects of national support, and preferential tax support should be given to local characteristic industries in order to give full play to the role of tax revenue in promoting regional economy.

Reasonable industrial structure can make the economy develop healthily. In order to further narrow the economic gap between the east and the west, it is necessary to synchronize the industrial development of the minority areas with that of the eastern developed areas. However, from the actual situation of ethnic minority areas, affected by regional location, slow economic development and other factors, there is a lack of high-tech enterprises in ethnic minority areas, and most of their enterprise types are basic enterprises or resource-based enterprises, resulting in an imbalance in regional industrial structure. However, in the current tax policy, there is no preferential regional policy for high-tech industry enterprises in minority areas, and some preferential policies for high-tech industry enterprises are generally applicable throughout the country, with no obvious regional differentiation, insufficient inclination of preferential policies, and short timeliness. Such preferential policies have limited incentive effect on the economic development of the western region.

4.2.2. Single Means of Tax Incentives with Short Timeliness

In addition to the regional characteristics of the preferential policies in ethnic areas are not prominent, the way of tax incentives is too simple, most of them are direct incentives, that is, direct tax relief or tax rate reduction, and there are few indirect preferential ways, which do not play the maximum role of policy incentives. Tax relief beyond a certain limit may even lead to the problem of unfair tax burden. Compared with direct preferential methods, indirect preferential methods such as accelerated depreciation and deferred tax payment only change the time of fiscal revenue rather than the total amount, which is more conducive to the long-term development of ethnic areas. At present, the main categories of tax preference focus on income tax, but the proportion of current turnover tax in our country is still very heavy, and a single tax on income tax is preferential, which is not attractive enough for enterprises. The limitation of preferential tax methods and preferential tax types makes the economic growth of our country's minority areas relatively slow in recent years, and it is difficult to achieve the goal of regulating the economy with tax revenue.

Up to now, many preferential tax policies have been suspended, and only the western development policy has been temporarily extended for ten years to 2030. In ethnic minority areas, the timeliness of tax-related preferential policies is too short, and the policies often become ineffective when the conditions for the application of policies are met. Ethnic minority areas already have slow economic development. The short timeliness increases the cost of tax payment and reduces the compliance of tax payers, which is not conducive to the healthy development of minority areas.

4.2.3. The Intensity of Tax Incentives is not Obvious, and the Preferential Effect is Unbalanced

The purpose of the preferential tax policy is to strengthen the attraction of investment and talents in minority areas, improve the construction of enterprises in various ethnic areas, adjust industrial structure, and solve certain population employment problems in minority areas. According to statistics, the population employment rate in China's minority areas was about 50% in 2000. From 2001 to 2018, the average growth rate of the number of employees per unit in ethnic minority areas was only 0.2, and each region only had a small growth in recent years, and the tax related policies did not achieve the ideal effect of stimulating employment in ethnic minority areas[44].

The new era requires the government governance model to focus on "balance", and tax incentives, as a public policy supply, urgently need to achieve more balanced policy effects. The existing preferential tax policy for ethnic regions is centered on solving problems, which is easy to fall into the dilemma of discussing problems on the basis of problems. With the continuous development of economy and the constant change of social structure, there is a lack of in-depth understanding of characteristic industries and advantageous industries in ethnic areas. In the process of poverty alleviation in ethnic minority areas, corresponding tax policies have been formulated to address the constraints of factors such as lack of capital, brain drain and inadequate infrastructure construction. Although certain results have been achieved, tax incentives are too targeted, which is easy to cause imbalance and hinder the sustainable economic development of ethnic minority areas. As far as the current tax incentives are concerned, there is a lack of relevant policies on the cultural construction of ethnic regions. There is also a lack of corresponding tax incentives for modern fields such as big data, Internet +, and artificial intelligence, which has a certain impact on the balanced development of various industries in ethnic regions. And the preferential tax types are single, the lack of other taxes such as resource tax, farmland occupation tax and other taxes are not conducive to the effective play of the comprehensive coordination effect of various taxes.

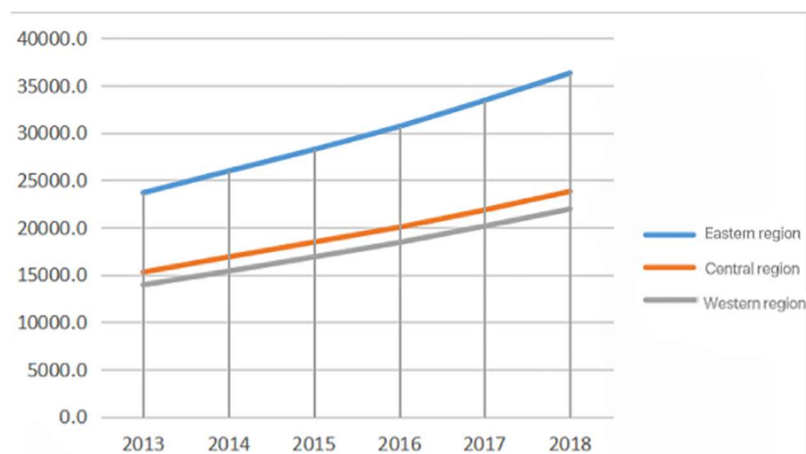


Figure 2. Per capita disposable income of national residents grouped by eastern, central and western regions, 2013-2018

Income can stimulate consumption and drive economic growth. By analyzing the per capita disposable income of residents in different regions of the country from 2013 to 2018, it can be found that the per capita disposable income growth in the western region is much lower than that in the eastern region, and the growth rate is relatively slow. Although people's living standards are gradually improving, the development imbalance is significant, and the gap is gradually widening. It is not conducive to the high-quality development of the national economy and the Party's requirements for the forward development of the nation in the new era under the new situation. We will implement

preferential regional tax policies, adjust the tax burden of people in different regions, vigorously support the development of industries with characteristics of ethnic minority areas, formulate relevant preferential tax policies in a targeted manner, and narrow the economic gap with the developed eastern and central regions as far as possible.

4.2.4. Tax Preferential Policies Lack Standardization

The work of ethnic minorities is closely related to the overall development of the Party and the people, but in recent years, almost no legal provisions have been promulgated for the preferential tax policies in ethnic areas, and no perfect legal system has been formed to protect them. Most preferential tax policies in ethnic areas are issued in the form of individual laws and regulations, most of which are provisional regulations and administrative regulations. The preferential level is extensive, the division is complex, and the legislative level is low, which is easy to cause the phenomenon of multiple administration, multiple management, and power greater than law. In the specific implementation of preferential tax policies in various regions, there will even be some poor ethnic areas in order to attract capital to attract talents, the wrong interpretation of preferential tax policies, expand the actual scope of preferential tax policies, and ignore the fairness and objectivity of tax laws and regulations. Without a unified implementation standard, it is often difficult for all regions to reach a unified action, which hinders the economic development of all regions. Without rigid legal protection, it is difficult to reach the goal of formulating various preferential tax policies in ethnic areas.

5. SOME FOREIGN COUNTRIES FOR THE DOMESTIC LESS DEVELOPED AREAS OF PREFERENTIAL TAX POLICIES EXPERIENCE

5.1. Some Countries Have Sorted Out Preferential Tax Policies for Their Less Developed Regions

Table 2. Main preferential tax policies of some foreign countries for less developed areas

Nation	Preferential mode	Preferential tax policy
Italy	Tax relief	From the 1950s to the 1970s, in order to promote the development of the southern region, Italy reduced the profit income tax for 10 years for newly established factories in the south.
America	Expanded tax exemption	Expand tax exemptions for less developed states and governments.
	Tax relief	Some states offer tax investment incentives and corporate income tax breaks for five years to companies that build factories in poor areas.
France	Establish tax-free special zones	To set up a "tax-free special zone" for less developed areas, that is, to invest in the area within three years from local tax, income tax, corporate tax and other types of taxes.
Korea	Tax relief	In 1978, the Industrial Allocation Law was promulgated, reducing the comprehensive tax on the construction of relocated factories, and increasing the reduction and exemption of income tax, asset tax, and registration tax.
Brazil	Tax exemption	A 10 - or 15-year tax holiday for qualified enterprises established before 1993 in underdeveloped areas; Enterprises engaged in specific industries in specified areas are exempt from income tax for 10 years.
	Establish a free trade zone	We will set up free trade zones in less developed areas and exempt some products from import duties and taxes on industrial products.

Source: China Taxation News, State Administration of Taxation, foreign tax policy data, etc

First of all, we sorted out and summarized the preferential tax policies issued by some foreign developed countries for their underdeveloped regions, as shown in Table 2 below.

It is not difficult to see from Table 2 that in the early stage of economic development, countries generally adopted light tax policies for less developed areas, choosing the most basic tax incentives such as tax reduction and exemption. However, they are generally targeted at a certain industry or a certain type of enterprise, which is worth learning from. Of course, there are also some good preferential measures, such as the establishment of tax preferential special zones, whether it is no tax special zones or free trade zones, the starting point is to use tax policies to introduce domestic and foreign investment to specific areas, promote investment to the less developed areas, and accelerate the economic construction of the less developed areas.

5.2. Some Foreign Countries for the Domestic Less Developed Areas of Preferential Tax Policies Experience

5.2.1. Adopt Preferential Policies for Less Developed Areas

Most countries have targeted the implementation of preferential tax policies for the less developed areas, such as the reduction of various taxes or the granting of a certain period of tax holiday for enterprises in less developed areas, so as to attract large-scale capital inflows. On the other hand, the increase in the number of enterprises can also solve the local employment problem and promote the overall harmonious development of social economy.

5.2.2. Set up Special Tax Zones in Less Developed Areas

Although many underdeveloped areas are geographically remote in their own countries, they are close to national boundaries and have the natural advantages of developing trade and attracting foreign investment according to local conditions. Free trade zones can be set up in these areas and special preferential tax policies can be formulated to promote domestic economic circulation on the one hand, attract foreign capital investment and talent introduction on the other hand, develop border trade, turn disadvantages into advantages, and give full play to regional characteristics to a greater extent.

5.2.3. Combine Regional Development with Industrial Development

When providing preferential tax policy support to backward areas, attention should be paid to adapting to local development. In addition to providing tax incentives to the region, there should also be a long-term sustainable development concept. For example, South Korea encourages factories to migrate to less developed areas and accelerate the upgrading of industrial structure in less developed areas. The Brazilian government stipulates that enterprises that establish projects related to infrastructure construction, agriculture, forestry and animal husbandry in specific regions are exempt from income tax for 10 years.

5.2.4. Establish and Improve Corresponding Legal Guarantees

Many foreign countries have corresponding legal protection when implementing preferential tax policies for backward regions, which can further supervise the implementation of relevant policies and maintain the fairness and seriousness of tax policies. At the same time, we can learn from foreign countries, appropriately relax the tax exemption in less developed areas, speed up the construction of the legal system, and adjust and modify some preferential tax policies in accordance with local conditions.

6. FURTHER IMPROVE THE PERFORMANCE OPTIMIZATION PATH OF PREFERENTIAL TAX POLICIES IN ETHNIC MINORITY AREAS

6.1. Pay Attention to the Development of Industries with Characteristics in Ethnic Minority Areas

Ethnic minority regions are rich in natural resources, and each region has its representative characteristic industries, but there have been few targeted preferential measures introduced, lack of attention to the growth of ethnic regional characteristic industries, and unclear regional industry orientation. Therefore, the introduction of preferential tax policies should highlight the characteristics of regional industries, formulate matching tax development policies according to the economic growth status and advantageous industries in different regions, improve the support for ethnic regional characteristic industries, and maximize the preferential effect of tax policies. Compared with the developed areas in the east, the infrastructure of ethnic minority areas is weak, but they are rich in natural resources. Therefore, the two should be taken into consideration in the formulation of tax-related preferential policies. At the same time, it is necessary to closely follow the national development plan, attach importance to the adjustment of the overall industrial structure of ethnic minority areas, increase innovation support for ethnic enterprises, and formulate preferential policies for high-tech enterprises that are different from those in other regions. Reasonable allocation of rich resources in minority areas.

6.2. Improving Preferential Tax Treatment

At present, the main tax preference methods in China are still direct preference, but with the continuous development of the economy, the current preferential methods can no longer achieve the purpose of tax preference. The stimulus effect of direct preference on taxpayers is gradually weakening, but the incentive effect of indirect preference on taxpayers is becoming increasingly significant. Therefore, it is necessary to further improve and expand tax preference methods. For example, different preferential measures such as extending the tax period and accelerating depreciation will be added to promote the diversified development of tax incentives.

In addition, enterprise income tax is the main tax preferential tax in ethnic minority areas, but most enterprises in ethnic minority areas belong to infrastructure industries, with large investment scale and long time cycle, which is not conducive to providing energy for the development of such enterprises. At the same time, tax incentives are mainly aimed at for-profit enterprises, and are not friendly to non-profit enterprises or enterprises with a long income cycle, and have little impact on the development of such enterprises. Therefore, preferential means like tax base can be added to the existing preferential methods to improve the application of mechanism effects in policies, such as accelerating depreciation, shortening amortization or accelerating depreciation life for enterprises with large production scale.

6.3. Increase Tax Incentives and Lower the Entry Threshold

The promotion of ethnic regional development can not be completed in one day, and the implementation time of various tax-related preferential policies should be extended accordingly to further stimulate the economic development of ethnic regions. At present, only individual industries can enjoy tax incentives, many small and medium-sized enterprises, other industries are not within the scope of tax incentives, should be some basic industries, industries with national characteristics to join the scope of tax incentives, at the same time can also expand the scope of tax incentives. For example, Yunnan, Guangxi, Guizhou, Qinghai, Tibet and other places, which have rich tourism resources, can implement value-added tax preferential policies on tourism income in these minority areas to increase local fiscal revenue.

Many small and medium-sized enterprises in minority areas cannot enjoy preferential treatment because they do not meet the specific requirements of the policy. For these enterprises, the tax burden has not been reduced. Therefore, it is necessary to adjust the policy access threshold, reduce or reduce the requirements of policy adaptation conditions, so that more enterprises can meet the conditions and enjoy the real preferential treatment brought by the tax, and better save energy for the development of enterprises in minority areas. We will attract more high-quality resources to ethnic minority areas.

6.4. Improve the Legal System and Strengthen Supervision

At present, the implementation of preferential tax policies in ethnic minority areas has not yet formed a complete tax legal system, and the supervision is insufficient, which is difficult to achieve the ideal effect at the beginning of the formulation of the policy. It is necessary to properly adjust the overall tax administration system in ethnic minority areas and grant partial tax exemptions to ethnic minority areas within the permissible extent. To a certain extent, it is allowed to make appropriate adjustments to tax-related policies according to the economic growth and actual situation of the region, but it is necessary to strengthen its supervision to prevent the phenomenon of adverse adjustment in various regions, or to formulate tax policies that do not meet the regulations and requirements for the development of the region, and destroy the fairness and seriousness of tax policies. At the same time, in order to make taxpayers more comprehensive understanding of tax policy content, all regions should increase the publicity of tax preferential policies, rational use of new media for multi-angle publicity, detailed interpretation of policy content, but also to improve the ethnic regional tax legal system as soon as possible.

The harmonious development of ethnic areas is related to the economic development of the whole country, and the implementation of tax policy in ethnic areas has dual functions of economy and politics. Tax incentives have promoted the economic development of ethnic regions, accelerated the establishment of characteristic industries in ethnic regions, and promoted the overall structural upgrading. However, on the whole, there are still some drawbacks, such as unclear orientation of characteristic industries and insufficient obvious effect of tax incentives, which weaken the effectiveness of tax preferential policies on the stable economic development of ethnic regions. Therefore, in order to better play the role of tax revenue, To regulate the economic development of ethnic areas, it is necessary to adjust the current preferential tax policies in ethnic areas to a certain extent, so as to make them more suitable for the long-term development of ethnic minority areas and give full play to the advantages of tax revenue.

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- [40] Ethnic minority areas in this paper refer to 11 regions in central and western China where a large number of ethnic minorities live in compact communities, including Inner Mongolia, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang.
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- [43] Data from 2019 China Statistical Yearbook.
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