CHARLES UNIVERSITY

FACULTY OF SOCIAL SCIENCES

Institute of Political Studies

Department of Political Science

Master's Thesis

2022   **Yuanpeng Wang**

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Feasibility analysis of local taxation of cross-regional companies in selected industries in China

Master's thesis

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Declaration

1. I hereby declare that I have compiled this thesis using the listed literature and resources only.

2. I hereby declare that my thesis has not been used to gain any other academic title.

3. I fully agree to my work being used for study and scientific purposes.

In Jinlin 2 8, 2022   Yuanpeng Wang

Abstract

Previous research on Internet taxes in China has focused on the need to establish a tax system, and little has been done on specific tax enforcement methods and the value of Internet consumers themselves. The approach to Internet taxes in China will be proposed and its viability will be evaluated in the paper. That is giving local governments higher taxing authority and establishing a local Internet tax collection system that allows some business activities to pay a portion of the tax in the user's region, rather than just giving the tax to the city where the company is located. The findings of this paper may provide reference and theoretical support for the development of a future Internet tax bill in China.

The paper introduces the research background through the development of international Internet tax bills and international debates. I will provide theoretical and moral support for local Internet taxes by introducing user participation theory, destination tax theory, site-specific rent theory, and new economic geography. In addition, I will quantitatively measure the tax losses caused by a representative business model of the Chinese Internet, namely, the iQIYI online video payment project, to other Chinese cities, and concludes that this alone provides data support. Finally, the analysis of the Internet business model provides the target, proportion and method of collecting local taxes on the Internet.

Keywords

Internet Tax, Digital Services Tax, Tax Loss, User Participation Theory, Location-Specific Rent, Meta-analysis, Fiscal Decentralization, Fiscal Federalism

Title

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