

Distributive Justice and the Reform of China's Individual Income Tax

Zhengwen Shi¹

Abstract:

Both the ratios of the labor remuneration and the residents' income are too low in Chinese national income distribution. In order to resolve this prominent problem, the Chinese authority should attach great importance to the tax adjustment for realizing the positive effect of the distributive justice. Therefore, the objective of the Individual Income Tax reform is to strengthen its function on regulating income distribution and to select the dual (composite) income tax model (to combine the global model with the scheduler model), which should be based on the foundation of gradual increase of the individual income tax revenue. In the legislation of Individual Income Tax Law, the key points of the substantive law construction are the perfection of the deduction system, the reform and optimization of tax rate structure; the key points of the procedural aspect are, to construct a collection and management mechanism combining withholding at source with self-declaration, and to improve the monitor system of individual income information. The authority should also formulate work schedule of boosting Individual Income Tax Law reform, and also accelerate the modification of the Tax Administration Law.

Keywords: Distributive Justice, Individual Income Tax Law, Tax Legislation, Tax Reform

I .The Income Distribution Gap in China Is a Serious Problem

With the economic and social transformation and rapid development, the income gap and property disparity between the rich and the poor have become increasingly prominent in China. The major problem of income distribution in China is the low "two proportions": the proportion of labor remuneration in the primary distribution dropped from 93.79% in 2000 to 83.49% in 2007; the proportion of residents' income in the national income dropped from 62.18% in 1994 to 57.92% in 2007. It indicates that the proportion of labor factor in the production factors is lower, and the resident income is also relatively low compared with corporate and government income.² At the same time, the Gini coefficient which reflects the Chinese residents' income gap has increased steadily from 0.389 in 1996 to 0.50 in 2006 that has surpassed the international warning line of 0.4.

In addition, the income gap can also be reflected in the Chinese economy structure. The income gap between urban and rural reached 3.23 in 2010, exacerbated by the dual structure of the urban and rural areas. The average wage level of the monopolized industries, such as the electric power, telecommunications, finance, insurance, water and electricity supply, tobacco, etc. is 3 to 4 times higher than the average wage level of the entire society. From the perspective of group comparison, the gap between the top 20% and the lowest 20% average income of the urban residents is 21.7 times. According to the Report of the World Bank, such

¹ Zhengwen Shi, Professor of Law, Director of Center for Fiscal and Tax Law of China University of Political Science and Law (CUPL), Vice President of Chinese Association for Fiscal and Tax Law, Budget Supervision Consultant of Beijing Municipal People's Congress.

² See, Ji Liang, "Two proportions" and the individual income tax, 3 Tax Research, (2010).

gap in United States is 8.4 times, in India is 4.9 times and, only 3.4 times in Japan. The large income gap between groups is not conducive to the formation of an "olive shape" distribution pattern, in which middle-income people normally makes up the majority. Among provinces, the gap of disposable income per capita between the highest (Guangdong, Shanghai) and the lowest (Guizhou, Henan) is 2.40.

II. The Adjustment Function of China's Income Taxation Is Insufficient

During the initial distribution period, the Chinese economy was in transition. The boundary between the government and the market was poorly defined and, the situation of monopolization was not rectified. Therefore, huge income gaps have been created between different sectors, regions, industries, urban and rural areas. The initial distribution did create a serious disparity and this is the main reason for causing the widening income gap. In the second distribution period, first, there is a lack of income distribution mechanism of the tax adjustment since the main tax structure of the current tax system is based on indirect tax, which mainly comprises of the value-added tax, the consumption tax and the business tax, and they have accounted for 70% of the total tax revenue. Regarding the direct tax, in addition to the low revenue, the fairness of the tax system is not enough (especially to individual income tax), and taxes which have adjustment function are absent. For example, there is no real estate tax or inheritance tax, therefore, the adjustment for stock of wealth is grossly inadequate. Second, the fiscal expenditure is not fair, as the proportion of social security expenditure in the total expenditure is too low which was only 10.87% in 2008; the fiscal transfer payment system is far from perfect as it has no distribution function for regulating the regional income disparity.

Due to the defects in tax system, tax collection and other reasons, China's current individual income tax law has serious deficiencies in its fairness. First, the scale of personal income tax is small, which hampers its function of income distribution seriously. The revenue of individual income tax in 2015 was RMB 861.8 billion, accounting for only 6.3% of the total tax revenue and 1.2% of the GDP, much less than the 30% of the average level of OECD countries and, it is also lower than the average level of 8% in other developing countries. Second, the implementation of scheduler income tax system also creates the fairness deficiencies. The current individual income tax law divides income into 11 categories, but the deduction standard, applicable tax rates and tax method for each income category are different. Unfair tax burden will certainly be created between income types, which not only results in the absence of adjustment function of the global income tax through the uniform application of progressive tax rates, but also provides a tax avoidance loophole for taxpayers through the conversion of income categories. Third, the current deduction of expenses takes no factors such as family support, health issue and other family burdens of taxpayers into consideration of, and the "one size fits all" approach does not reflect the humanitarian deduction on the basis of individual needs and it contradicts to the ability principle in taxation. Fourth, it has an irrational tax rate structure. The top marginal tax rate is 45%, which results in high tax burden but low tax compliance and finally causes relative low tax burden to the high-income earners. Fifth, the lack of collection and management capacities has formed a "reverse adjustment" in individual income tax. For the general income groups, wage and salary income are relatively transparent and the withholding method makes the collection much

easier. However, for the high-income group, the sources of income are various and cryptic , such as interest, dividends, income from transfer of property, capital gains, etc., so the control is much more difficult than the labor income. Therefore, tax evasion is more serious and in many cases, and rich people pay less tax than the poor one.

III. International Experience Sharing for Individual Income Tax Law Reform

A. To Large the Scale of Income Tax

Individual income tax is an important source of fiscal revenue in most countries in the world and it is the main tax in developed countries. The average proportion of individual income tax revenue to total tax revenue between 1986 and 1992 was 46% in United States , 31% in United Kingdom, 56% in Australia, 39% in Japan and 15% in Germany. Among the developing countries over the same period, African countries was 11.4%, and Asian countries was 12.7%. The proportion of individual income tax revenue to GDP of OECD countries was accounted for an average of 10.9% between 1996 and 2000. The larger proportion of tax revenues can help the individual income tax to play an active role in adjustment for income distribution and to stabilize the economy.

B. Timely Adjust the Functional Orientation

From the functional orientation perspective, the changes in individual income tax system have made through three stages: the first was the individual income tax to merely raise revenue. The initial main purpose for collecting individual income tax in United Kingdom, United States, Germany and other countries was to raise war funds and, the collection was stopped after the war was over. The second was the individual income tax to raise revenue, to regulate distribution and to stabilize the economy. At this stage, the function of collecting individual income tax revenue continued to be strengthened. At the same time, the individual income tax had played an important role in regulating income distribution and the progressive tax rates somehow become an "automatic stabilizing device" for economic development by raising the progressive tax rates and providing tax relief for low-income people. The third stage of individual income tax is to improve the competitiveness of the tax system. Since raising tax rate results in more tax evasion and the goal for promoting equity has not been achieved, the international mobility of tax base reduces the international competitiveness of the high tax rate system, most countries would adopt the "broader tax base and lower tax rate" for tax reform, then the distribution function of the individual income tax has been diluted to some extent. Therefore, the principle of equity is often made place for the principle of international competitiveness.³

C. Widespread Use of the Global Income Tax

The global income tax system combines different kinds of taxable income of the taxpayer then minus deductions and, use the uniform applicable progressive tax rates for tax calculation. It considers a taxpayer's integrated ability to pay and reflects the principle of tax fairness. It can also effectively regulate income distribution.

D. Lower Tax Rates and Broaden the Tax Base

"Lower tax rates and broaden tax base" is the basic characteristic of tax reform in the

³ See, ZhiYong Yang, *Income Distribution and individual income tax Reform in China*, 10 International Taxation in China, (2009).

world. Nowadays countries have been generally lowering tax rates and the number of brackets. In order to ensure revenues and to reduce economic distortion, the tax base of individual income continues to expand and, countries have reduced the varieties of tax relief, special deductions and refunds. Capital gains, and other fringe benefits are included in the tax base, which has enhanced the neutrality and efficiency of the tax system.⁴

E. Collection Mechanism Combining Withholding at Source with Self-declaration

Wages, salaries and other incomes, which are applicable to withholding method, will be collected through that system. Income that is not applicable to the withholding system will be demanded for advance tax payments at source. At the same time, most countries have adopted self-declaration system, which includes daily self-declaration and year-end self-declaration.

IV. Functional Orientation and Mode Selection Under the Distributive Justice of China Individual Income Tax Law

A. Functional Orientation

Justice is a virtue and grand ideal of human society. Law is the system guarantee to promote and protect the distributive justice. "Justice can only be achieved by good law". "Law is the art of virtuous and justice." The tax law takes the allocation of the tax burden as its regulative objective, therefore the ability principle is viewed as a basic principle in tax law. China proposes to share its achievements of reform and development among all members of society. This proposal enables a reasonable and orderly income distribution pattern in the society and enhances the function of the tax redistribution adjustment.

The global tax system is normally applied in the individual income tax implementation, it combines income comes from all different sources for tax calculation. It also should consider any related living and household factors for tax deduction and reduction. Progressive tax rates should then be applied on this basis to make the high income earners pay more tax while the low income earners pay less or no tax.

Thus, the goals of the current individual income tax law reform in China are to organize fiscal revenue and stabilize economy in a fair and efficient order. At the same time, it aims at strengthening the regulative function of income distribution on the basis of gradually increasing income scale.

B. Taxation Mode

The individual income tax model is divided into three types around the world: the global income tax, the scheduler income tax, and the combination of them (dual income tax). China should choose the combination model. It can not only levy tax according to the levels of income, which is consistent with the ability-to-pay principle, but also apply classification method on certain types of income. Thus it makes room for tax policy adjustment on labor income and capital gain in future, which would be in line with the tax administration situation and the development of the individual income tax implementation and the trends of our country. It should be highlighted that the single tax mode does simplify tax system and speed up tax

⁴ See, Wen Li, *The trends and Causes of foreign individual income tax reform*, 10 International Taxation in China, (2009).

implementation. Russia and some other countries have demonstrated success in this area.⁵ However, the situations of labor supply, individual income and economic policy in China are different from Russia. The application of single tax mode means abandoning the function of income distribution adjustment, which will contradict to China's own current conditions and the functions of the individual income tax.

V. Design a Fair Individual Income Tax System Scientifically

A. Expense Deductions

Deductions should include three major categories: costs, living spending and expenses related to special policies (such as deductions of charitable donation). Costs refer to trading or business costs related to the transactions which generate taxable income and it is designed specially for the feature of the individual income tax, that is, it only tax on the net taxable income. For instance, transportation expenses should be deducted from wages; corresponding costs, expenses and loss should be deducted from the income generated by a proprietor; maintenance fees should be deducted from the rental income, etc.. The types of costs that can be deducted from taxable income vary greatly among different taxpayers and they should be deducted according to the principle of actual occurrence. In the Federal Income Tax Law of United States, these deductions are prior to the Adjusted Gross Income.⁶

The core of the expense deduction system is the deduction of living expenses, which are the basic expenses that a taxpayer maintains his/her living. In U.S., it refers the deductions after the adjusted gross income, including exemption, the standard deduction or itemized deduction (whichever is lower). In order to reflect the justice of distribution, the deduction of living expenses in the comprehensive collection in China should abandon the "one size fits all" deduction system which means either with a fixed amount or a fixed rate. Instead, it should adopt the individual deduction method which combines the basic deduction with special deduction to reflect the actual situations of taxpayers. Basic deduction is the deduction of all costs that an individual spent to support his/her living (it is called "exemption" in U.S.) and it is calculated on individual basis. Basic deduction should also include dependent exemption, which is the spending on raising children and caring elderly dependents (It also applies to non-working spouse) and the same individual basic deduction standard should be applied. So, if a couple has a child, they can get three basic deductions in their joint tax return. Special deduction is a kind of social welfare deduction taking consideration of any special situation occurred to the taxpayer or his/her families. That should include the paid social security costs, the personal liable portion of any major disease bill, tuition fees of full time education, mortgage loan interest or rental expenses.⁷ In addition, the special deduction should also cover costs associated with employment-related activities of the taxpayer such as transportation and communication costs, the costs for job hunting, non-reimbursed business expenses, training fees for occupation skills improvement, etc. In order to unify fairness and efficiency, the implementation of the special deduction could take reference from U.S., making

⁵ See, "Mr DaoKui Li shelling the mentally handicapped individual tax system: has become a 'payroll tax'", "21st Century Business Herald", May 4, 2011.

⁶ See, Kai Sun, *The U.S. Federal Tax System*, 20 China Tax Press, (1997).

⁷ See, Fengyu Huang, *The envisage of the individual income tax comprehensive taxable system*, 3Taxation Research, (2011).

the taxpayer select between standard deduction or itemized deduction. Standard deduction has a unified deduction limit and it requires no proof from the taxpayer; while itemized deduction requires the taxpayer to itemize all expenses and to provide related proofs.

To determine the standard for basic deduction, the principle that no taxation on minimum cost of living should be followed. This is the need to safeguard the constitutional rights of citizens, including the right of living, the right of equality and the right of development. It is also the requirement of the principle of ability-to-pay that taxpayers should be taxed only on the part of income which exceeds all expenses for maintaining a basic living standard of an individual and family. Human rights should be protected and respected according to the Constitution of China, and the image of China being a powerful and rapid developing country should also be portrayed. So, some cultural expenses shall be adequately considered when determining the deduction standard in order to protect the legitimate demands of Chinese to live respectably and colorfully.

In order to eliminate the effect of aggravated tax burden created by "climbing tax rate" during the time when inflation has become a normal trend, we should implement a taxation indexation system like other countries and establish a dynamic adjustment mechanism for expense deduction.

B. Tax Rate Structure

We can still adopt the proportional tax rate for income under the scheduler income tax system and, to maintain current level of tax rate at 20%. For income under the global income tax system, progressive tax rate can be applied after all taxable income has been summed up. Factors that affect the effectiveness of the progressive tax rate system included marginal tax rates, number of tax brackets and span of the tax brackets. Marginal tax rates include the starting tax rate and the highest marginal tax rate. The average starting individual income tax rate in OECD countries is 14.65%, among them, both the United States and the United Kingdom is at 10%, Germany is at 14%. These rates are far higher than developing countries and emerging countries. For instance, the starting income tax rate in Pakistan is 0.5%, in Malaysia is 1%, in Hong Kong is 2%, in Singapore is 3.5% and in Taiwan is 6%. From an international point of view, the too high tax rate will easily have a substitute effect and stimulate tax evasion that will affect the competitiveness of the tax system and may result in opposite effects. This coincides with the standpoint of the optimal tax theory, which recommends that tax rates should be designed in an inverted "U" shape. In the past over 20 years, the most important trend for tax system reforms in the world is to lower tax rates. Among the 30 OECD countries and 13 developing countries and regions, in 2008, there were 6 countries had marginal tax rate over 45%; 11 countries had marginal tax rate at 40% to 45%, occupying roughly 40% in the 43 countries; 12 countries were at 30% to 40%; 11 countries were at 20% to 30% and 3 countries were below 20%. Almost each of them implemented single tax rate and the highest tax rate in the U.S. was 35%. As more and more concern is paid to the vertical equity, to raise the exceeding marginal tax rate for high income earners could ensure the increment of the progressive degree. Presently, most countries have 3 – 5 brackets of tax rates, e.g. there are 6 levels in the U.S. and Japan; 3 levels in U.K. and Germany. Less tax rate brackets are good for simplifying the tax system and would improve efficiency in tax administration. The span of tax rate brackets will affect the degree of tax progressivity. Wide tax rate bracket would have a flat tax change in income distribution for the neighboring

population while narrow tax bracket will cause an opposite effect. In order to increase the degree of adjustment to high-income earners, the span of brackets for the applicable high marginal tax rate should be expanded.

The current structure of wages and salary income tax in China has the following problems. First, the applicable span of the starting tax rate is too small. The income range for the applicable 3% starting tax rate is between RMB 0 and RMB1500, less than half of the standard deduction, which easily makes the wages earners who once are eligible to be a taxpayer be taxed by a higher marginal tax rate. The average income range applicable to the starting tax rate in OECD countries is 8 times of the deductions, and 1 to 2 times of the deduction amount in other developing and emerging countries. Second, the span of the tax rate bracket is too dense and there are too many brackets. There are 3 tax rate brackets and 17% gap (from 3% to 20%) for monthly taxable income between RMB 1 to 9000. For income between RMB 9,000 to 80,000, it covers 4 tax rate brackets and 15% gap (from 20% to 35%), but the taxable income has increased by RMB 71,000. This clearly shows the progressive scale of the applicable tax rate for the low income earners is larger than the high income earners, which leads to an unfair tax burden between the low income earners and high income earners.⁸ Third, the 45% top marginal tax rate is too high, which affects the international competitiveness of our tax system and harms the tax compliance. In order to resolve these problems, to balance the tax burden and raise the actual effect of tax collection, we recommend the following applicable tax rates for comprehensive income of the individual income tax (attached with current rates for comparison):

Tax Rates Table before and after the Reform

Level	Tax rates before the reform (for wages earning)		Tax rates after the reform (for comprehensive earning)	
	Annual Taxable earnings (replaced month by year)	rate (%)	Annual Taxable earnings	rate (%)
1	Not Over RMB18,000	3	Not Over RMB36,000	3
2	Over RMB18,000–RMB54,000	10	Over RMB36,000–RMB120,000	10
3	Over RMB54,000–RMB108,000	20	Over RMB120,000–RMB240,000	15
4	Over RMB108,000–RMB420,000	25	Over RMB240,000–RMB960,000	25
5	Over RMB420,000–RMB660,000	30	Over RMB960,000	35
6	Over RMB660,000–RMB960,000	35		
7	Over RMB960,000	45		

Compared with the current progressive rates on wages and salary income, the revised progressive tax rates on comprehensive income have the following characteristics and changes. First, the applicable income amount of the lowest grade tax rate is increased from RMB18,000 to RMB36,000 for expanding the applicable low income stratum. Second, there is a significant reduction of tax burden for the layer of middle income earners. Only 10% and 15% tax rates are applied to the taxable income range between RMB 36,000 to RMB240,000, which helps the development of the middle class. Third, the tax rates applicable to the high

⁸ See, Yi Liu & others, *The Individual income tax progressive tax rate design for salary income: Problems and improvements*, 9 Taxation Research,(2010).

income earners are also reduced and the top marginal tax rate is reduced from 45% to 35%, It helps the high income earners to expand their investment as well as to improve the tax compliance. It also strengthens the international competitiveness of our tax system. Fourth, the tax system is simplified by reducing the tax brackets from 7 to 5. Overall, the revised tax rate table reflects a more reasonable tax rate structure and the level of tax burden. Tax burden reduction for the middle and low income classes will increase their disposable income so that more consumption can be stimulated. Though the nominal tax rate for the high income earners is reduced, they will indeed pay more tax because the original proportional tax rate for calculating incomes other than wages and salaries is changed to progressive tax rate and the tax compliance has been enhanced. Thus, the revised tax rate system is a kind of important system innovation, which not only maintains an adequate progressive adjustment effect but also improves effectively the competitiveness of the tax system and the degree of tax compliance.

VI.To Establish an Effective Tax Administration Procedural System

In the past 20 years, in line with tax system reform, OECD countries have launched a series of tax administration reforms, including the implementation of the accumulated withholding system, the non-accumulated withholding system, the pre-filled declaration system and the fully self-declaration system.⁹ Among these systems, the accumulated withholding system has been widely used. This system requires an employee to submit all his/her rightful entitled deductions to the employer before being taxed. The employer will calculate the accumulated taxable income and whole tax liability base on that and the annual accumulated actual income and allowable deductions of the employee for, then subtract the already paid tax in the previous periods to derive the remaining tax liability for the current period. Under the accumulated withholding system, the withholding tax held by the employer basically is the same as the tax amount to be paid by the taxpayer if the employee only works for one employer. Thus the tax law does not strictly require the taxpayers to have tax registration and to make tax declaration at the year end. Employers will submit to the tax authority the information about the remunerations paid to their staff and the tax amount withheld for them on an annual basis or periodically, so the employees usually have no obligation to file the information. Now the sluggish reform of our tax administration system reform and the inadequate of administration capacity have been the main obstacles for the individual income tax reform. Since the accumulated withholding system focuses on withholding and reduces the workload for final settlement, the relationships among withholding, self-declaration and information reporting have been easily dealt with, and it can be a great reference to us. Therefore, the objective of building the individual income tax administration procedural system in China should combine the implementation of the withholding system and self-declaration, and the former one should be the prime tax administration mode.

A.Sound Withholding System

The advantages of the withholding system are controlling tax base at source, low tax collection costs and high administration efficiency. Thus it should be applied to the maximum

⁹ See, HongWei Xia, JingHua Wang, *Comparative studies of the OECD member countries' individual Income tax administration system*,10 International Taxation in China, (2009).

range. For example, when applying the withholding tax system to wages and salaries, the accumulated taxable income is determined by subtracting the accumulated deductions from the accumulated income of a taxpayer, then to apply the annual tax rate, and to subtract the last period accumulated tax paid for deriving the actual tax liable for the current period; for comprehensive income other than wages and salaries, a pre-tax rate (middle tax rate) would be used to calculate the withholding individual income tax. Therefore, the accumulated withholding system would avoid any tax loss due to the non-compliance of certain self-declaration taxpayers. In consideration of the value orientation, the withholding system should emphasize on efficiency. For example, only the basic living deduction is allowed so that the base of tax prepayment would be expanded, which will prevent tax evasion and enhance the annual declaration by taxpayers. For the income that withholding system could not be applied, the taxpayer is obligated to make tax prepayment to the tax authority periodically whenever income is received.

B.To Implement the Self-declaration System

When making the annual comprehensive declaration, all comprehensive income should be merged and subtracted by all allowable deductions to reflect the fair value. Self-declaration includes daily self-declaration and annual comprehensive declaration. Daily self-declaration is applicable to the income which withholding system cannot be applied. Annual comprehensive declaration is for calculating the actual tax amount based on the comprehensive income earned by the taxpayer during the year to make up for the deficiency that the withholding system or daily self-declaration may have. Considering that the requirements for handling the annual declaration for both taxpayers and the tax authority may be quite high, we could have annual declaration exemption for some taxpayers who meet the certain requirements (e.g. the comprehensive income of a taxpayer is below a certain level or income comes from a single source only). In addition, we could encourage taxpayers to make self-declaration proactively with a benefit mechanism such as expense deductions, tax refund, additional penalties and etc.

C.To Set up a Monitor System for Individual Income Information

(1) To set up a tax file number system for taxpayers. We can consider to adopt the citizen identity card as the tax file number; to collect and to consolidate basic personal data including information related to income and tax payment for the single account management. (2) To set up an information report system of payers. In order to resolve the tax information asymmetry issue during tax administration, we should legislate to ensure the information report obligations of payers who should report to the tax authority regarding the detailed information of the taxpayers' income and deductions once income was paid and withholding was made, and to issue proofs of income and withholding to taxpayers within a certain period after the income payment or the end of the tax year. (3) To set up an information exchange and sharing system between the tax authority and third parties such as banks. (4) To strengthen the audit and assessment of all declared information. (5) To strongly promote non-cash settlement. In addition, we shall promote the personal income fully monetized, to cancel or limit the issuing of securities in lieu of payment, payment of wages or salaries in the form of rewarding villas and offering travel abroad. We shall strictly comply with the financial discipline to fight against underground economy and eliminate the gray area of income.

D.To Allow Family as a Declaration Unit

Chinese tax has little impact on marriage and female employment. In order to exert the function of fair distribution of the individual income tax, China should adopt such declaration model-- the main individual declaration supplemented by the family declaration. That means a taxpayer is allowed to make declaration under the family unit, to prepay tax separately when income is received, then the tax will be calculated based on a family unit through the annual settlement process. Given the family structure in China and to reduce obstacles of tax administration, we should only allow couples to make declaration jointly. Other types of family declaration should not be allowed.

E.To Improve Tax Service Quality

The global tax system reform of the individual income tax put a higher demand on tax declaration and tax law compliance of a taxpayer, so further improvement on tax service quality is urgently expected. We need to have a variety of service tools, to build an evaluation index system, to strongly develop the tax service agency, and to raise people's tax awareness.¹⁰

F.To Strengthen Tax Administration Informationization Construction

The number of individual income taxpayers is huge and the related information is complicated in China. Any tax administration implementation requires tax informationization to provide technical safeguard and a work platform. We should build a nationwide Individual Income Tax Service Management Information System. The declared information regarding the withholding information of the same taxpayer, the self-declared information, the information provided by third party and the tax source management information around the nation should be merged, analyzed, processed and applied.

¹⁰ See, Jian Shi, *Analysis of the supporting conditions for the individual income tax mode conversion*, 3Taxation Research, (2009).