Research on Innovation of Grass-roots Working Mechanism Based on Accurate Supply Service: Take Shunde Taxation Bureau’s Innovation Reform as an Example

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Abstract: In recent years, with the continuous improvement of China’s economic level and the accelerating social transformation, the social demand for grass-roots public services has begun to diversify and refine. As an important part of grass-roots public services, tax service is also facing the transformation of service demand. However, the traditional grass roots working mechanism of tax departments has limited effect under the new situation, it is difficult to meet the increasingly refined service needs of taxpayers, and there is a gap between the fragmented working mechanism at the grass-roots level and diversified service demands. It is urgent to respond to social needs and deliver services accurately through institutional reform and innovation. Firstly, this paper analyzes the problems existing in the grass-roots working mechanism of tax departments in China. Then, by introducing a series of measures for the reform and innovation of grass-roots working mechanism based on precise supply service in Shunde District Taxation Bureau of Foshan City, State Taxation Administration of The People’s Republic of China (hereinafter referred to as “Shunde Taxation Bureau”), and based on analyzing the achievements of its reform and innovation, this paper summarizes the reference and enlightenment of its reform experience to the innovation of grass roots working mechanism of tax departments in China.

Keywords: Grass-roots working mechanism; Tax service; Innovation and reform; Shunde Taxation Bureau

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1. Introduction

At present, from the reality of China’s public service supply side reform, the main problems faced by China’s public service supply have changed from solving the contradiction from “nothing” to “having” to how to realize the development from “having” to “excellent,” “refined” and “accurate.” For the tax department, it is necessary to further solve the problems of unbalanced tax service supply and low tax service quality [1]. Grass-roots tax departments, as the front-line facing taxpayers and payers, are the face to face “windows” in close contact with the masses, and need to accurately identify service demands and provide high quality and efficient results. However, at present, the grass-roots working mechanisms of China’s tax departments have been relatively solidified, and the decision making information mechanism, service supply mode and cooperative governance capacity are all in a fragmented state, which is difficult to meet the diversified social needs of the new era, and there is a dilemma of mismatch between supply and demand in service delivery [2]. In order to steadily push forward the innovation of grass-roots working
mechanism of tax departments, therefore, efforts must be made to solve the fragmentation problem of grass-roots working mechanism, so as to ensure the formation of the overall synergy of innovation and reform of grass roots working mechanism. Therefore, this paper analyzes the problems existing in the grass-roots working mechanism of tax departments in China at present, and takes Shunde Taxation Bureau as an example, in the process of reform and innovation of grass-roots working mechanism, fully coordinate and integrate the functions and strengths of multi-subjects, respond to social demands and the needs of the masses from a holistic perspective, successfully break the fragmentation dilemma of grass roots working mechanism under the operation of traditional administrative system, and analyze the effectiveness of its grass-roots working mechanism reform and innovation, in order to provide experience for the reform of grass roots working mechanism of tax departments in other regions of China.

2. The current problems in the grass roots working mechanism of China’s tax departments
At present, the grass-roots working mechanism of China’s tax departments mainly have the problems of fragmentation of decision-making information mechanism, fragmentation of service supply mode and fragmentation of cooperative governance capacity.

2.1. Fragmentation of decision-making information mechanism
At present, the fragmentation of decision-making information mechanism in the grass-roots working mechanism of tax departments in China is mainly manifested in that the decision making of grass-roots tax departments often follows the top-down decision making mode, while the decision making power and knowledge sharing of higher level departments have not yet been fully realized. On the one hand, as the direct supplier of services, grass roots tax departments, it mainly plays the role of decision-making executors of higher authorities. The organizational structure and functional integration design of “one thousand lines above, one needle below” makes the construction of grass roots decision making system lag behind or even missing, and various decision-making mechanisms and processes such as information collection, organization and consultation, decision-making consultation and staff assistance are not perfect. Decision making power is generally in the hands of superior leaders, and the “gunfire” at the grass-roots level is difficult to reach. On the other hand, as the demand side, taxpayers’ demands are mostly expressed in a fragmented state. In addition, due to the lack of smooth expression channels and participation channels, the tax authorities cannot accurately identify and integrate the collected service demand information. The phenomenon of “isolated information island” easily appears, which makes it difficult for taxpayers to meet their public service needs. However, with the continuous increase and accumulation of public opinion expression, the efficiency of tax departments to absorb, transform and respond to it is still not high, which eventually leads to the disconnection between top level design and grass-roots practice and the needs of the masses. Form the contradiction and deviation between fragmented supply and integrated demand.

2.2. Fragmentation of service supply methods
In the era of digital economy, the explicit demand and technological progress drive the change of service supply structure, and tax data has become an important means to drive the digital upgrade and intelligent transformation of tax collection and management in an all-round way. However, in concrete practice, grass-roots tax departments are often faced with the huge contradiction between complicated management information, scattered management resources, accurate matching between supply and demand and efficient management efficiency, which leads to the fragmentation of tax service supply mode. On one hand, the support level of information technology to tax service needs to be improved. At present, the whole process of online tax service is incomplete in coverage and low in quality. The developed online tax platform has many problems, such as multi-source, unstable operation, imperfect function and insufficient
service support, which cannot realize the support of information technology for tax business. At the same time, tax related information sharing and sharing still exist “barriers,” and the management information platform that can support horizontal information communication and sharing is still immature. As a result, the application of big data technology is insufficient and the direction of information flow is limited. On the other hand, there are also deficiencies in the standardization of tax services. The specific performance is as follows: at present, there are still individual businesses that need taxpayers to “run errands” again because of the complete core elements of tax matters and the lack of secondary materials. At the same time, in the post epidemic era, taxpayers have put forward higher requirements for the “contactless” tax management which is not limited by geographical regions and space. However, there are still certain operational thresholds for some groups with low frequency of tax matters and low degree of tax professionalization. Therefore, it is urgent for tax authorities to further deepen the concept of “managing tax by numbers,” explore and build a smart tax system with high integration function, high security performance and high application efficiency, improve the accuracy of service supply while meeting the requirements of service supply accessibility, so as to cope with the fragmentation of service mode.

2.3. Fragmentation of cooperative governance capability
As the mode of public service supply in China has gradually changed from the government led mode to a diversified supply mode in which the government, market entities, social organizations and individuals participate in and cooperate with each other, the demand of taxpayers and payers for services has gradually changed from “passive acceptance” to “active expression,” however, there are some “misplacement,” “offside” and “vacancy” phenomena in the service supply of grass roots tax departments, which leads to the fragmentation of cooperative governance ability in grass-roots work system of tax departments. From the point of view of administrative system, under the dual tax management system, due to the compartmentalized management mechanism and the complexity of administrative relations between them, it is not only difficult to form service synergy, but even there may be competition among grass-roots tax departments, tax departments at different levels, and tax departments and other government departments. It is precisely because of the departmentalization tendency of the responsibility system and performance appraisal that the grass-roots departments reduce their willingness to cooperate with each other out of their own interests. Even refuse to cooperate in order to avoid responsibility, which eventually leads to the inconsistency of management policies and service objectives and the difficulty of resource integration between grass-roots tax departments and other departments, which makes tax service fall into a state of decentralized management, multi-head management and repeated management. Therefore, how to perform their duties and responsibilities among grass roots tax departments, tax departments at different levels, tax departments and other government departments, and even between grass-roots tax departments and external social subjects has become a key issue to enhance the realization of accurate service supply and solve the fragmentation of cooperative governance capacity.

3. Shunde Taxation Bureau’s grass-roots work mechanism innovation and reform experience
Under the background of serious fragmentation of grass-roots work system in tax department, which can’t meet the increasing demand of taxpayers for tax service, Shunde Taxation Bureau strives for superior support and top-level attitude, multi-policy and accurate supply, and ensures two-way interaction, matching supply and demand, and collaborative and accurate production. The measures to achieve internal synergy and horizontal linkage have innovated the grass-roots working mechanism of the tax department from the perspective of precise service supply, and successfully solved the fragmentation dilemma of the grass-roots working mechanism of the tax department.
3.1. Party building leads accurately and strives for superior support and top-level attitude

As the end of the formal administrative system, the reform and innovation of its working mechanism is bound to be inseparable from the recognition of innovation attitude by superior support and top authority [5]. In order to effectively win superior support and top-level attitude, Shunde Taxation Bureau has implemented the precise leading strategy of party building. First, strengthen ideological guidance. Adhere to the guidance of Xi Jinping’s new era of socialism with Chinese characteristics, build a global coverage and four level linkage learning and education system that includes functions such as missionary lecture hall, intelligent exhibition hall, AR classroom, live recording and activity base, and change the passive situation of “waiting, relying and demanding” in the past party building learning. Make plans to improve the study and education of party history and the theoretical study of youth, effectively improve the political “three forces” of party members and cadres, and provide strong ideological guarantee for scientific planning of overall innovation projects. Second, strengthen action guidance. Give full play to the leading and checking role of the Party Committee, set up and plan Shunde Taxation Bureau cause during the “14th Five-Year Plan” period from top to bottom, and develop a “brainstorming group.” Set up six kinds of seminar classes, and carry out seminars and demonstrations in different categories, batches and levels by means of executive meetings and symposiums. It not only presents the benefits of work innovation and the limitations of the existing working mechanism from the perspective of superiors, but also promotes the consensus of all subjects on the reform of working mechanism from the vertical line, laying a legal foundation for the innovation of grass roots working mechanism. On this basis, Shunde Taxation Bureau Party Committee put forward the work plan of “continuously leading and leading,” which was fully affirmed by the higher-level tax authorities, and with the support of the higher-level tax authorities, it was used as a pilot demonstration bureau for building a first-class tax business environment and high-quality development of service manufacturing industry in the whole city. It creatively put forward 13 measures to reform the service for the convenience of the people, so as to help build a first-class tax business environment.

3.2. Multi-policy accurate supply to ensure two-way interaction and matching between supply and demand

The innovation and reform of grass-roots work mechanism is to better serve the society and respond to social demands. Therefore, in the process of grass-roots work innovation of tax departments, it is necessary to keep continuous interaction with social groups, bring the broad masses of the society into the multi-subject scope of mechanism reform, and accurately understand the demands of the masses and amplify their voices. The innovation of the grass roots working mechanism of the tax department should be effectively linked with the needs of the masses, so as to strive for a wider range of external support and ensure that the innovative content can always meet the social needs. Based on this background, Shunde Taxation Bureau adheres to the concept of “internet plus Tax Service,” and realizes the matching of supply and demand by accurately identifying the needs of taxpayers and making precise policies. First, broaden the channels of demand expression. In order to further expand people’s participation and improve the responsiveness of grass-roots tax departments, Shunde Taxation Bureau established a three-level linkage working mechanism of “Municipal Bureau, District Bureau and Branch Bureau (Office),” established nearly 150 “Rainbow service” collection and payment interactive communication groups by classification and classification, and dispatched “grid liaison” for tax related matters to district and town business associations, collecting nearly 100 opinions and suggestions from taxpayers, it will feed back and solve the needs of the masses at the first time, serve nearly 30,000 taxpayers in the coverage area and indirectly radiate more than 100,000 taxpayers. Second, improve the ability of demand information integration. Shunde Taxation Bureau innovated and launched the “one lesson to promote communication” project to deeply collect and analyze the tax related needs of business associations under the jurisdiction of the District Federation of industry and Commerce.
and the General Chamber of Commerce, so as to realize the “accurate portrait” of taxpayers, personalized tax lectures will be held on demand to promote the normalization of tax enterprise exchanges. At the same time, make full use of information technology, rely on the “smart tax micro hall” to mine, collect and cluster analyze the data of people’s service demand, strengthen the information integration and aggregation ability at the county and district level, cover the fragmented demand of the people, break the barrier of information asymmetry, and provide data support for the accurate supply of tax services. Third, pay attention to the evaluation of service satisfaction. Tracking public service satisfaction is an important means to test its service quality, and it is also the final link of the government’s public service supply decision-making. On this basis, Shunde Taxation Bureau first launched the cultural brand of “100 branches with great satisfaction”. Establish and improve the long-term mechanism of service satisfaction evaluation, grasp the public’s satisfaction with tax service supply by organizing online and offline questionnaires and entrusting third-party evaluation companies, provide realistic basis for systematic and accurate supply of tax service, further improve the matching degree between supply and demand of tax service, and enhance the accuracy of tax service supply.

3.3. Collaborative precision production to achieve internal synergy and horizontal linkage
When grass-roots work innovation won the support of higher authorities and the top-level attitude, it began to enter the practical stage of working mechanism innovation. In this stage, the reform and innovation of any grass-roots mechanism may lead to changes in working methods and systems among grass-roots departments. At this time, mutual support and cooperation among grass-roots departments are needed to strengthen the reform momentum. The same is true of the reform of grass-roots working mechanism in tax departments. Shunde Taxation Bureau adheres to this concept and the principle of coordination, and realizes precise production by further integrating resources, thus creating a good environment for the innovation of grass roots working mechanism. First, build a precise and creative platform internally. Create a standardized chain of “asking for needs-bidding-creating ideas-guiding-executing”, incubate grass roots creativity through professional guidance and resource support, and promote grass-roots accurate proposals and accurate outputs from top to bottom and bottom to top. At the same time, the confidence and motivation of innovation should be strengthened with the vision of mechanism innovation performance, and the linkage mechanism between accurate result evaluation and departmental performance should be established, with the double quantitative evaluation of “quantity+quality.” Linking departmental performance with the achievements of innovative projects, and mobilizing the creative passion of striving for excellence through positive incentives. Second, external cooperation and governance should be strengthened. Relying on the Media Demonstration Center, an efficient communication and overall planning mechanism will be established, and the publicity, legal popularization departments, youth league organizations and mainstream media will be linked horizontally. On the basis of not changing the existing government organizational structure, the sharing of data and resources breaks down the barriers of different departments and blocks that hinder services, which makes negotiations, consultations and cooperation between departments more frequent than before, realizes the vertical and horizontal circulation linkage of information and resources between tax departments and government departments, and effectively solves the information fragmentation problem of grass-roots working mechanisms. Fully mobilize multi-subjects to participate in tax service supply.

4. Shunde Taxation Bureau’s grass-roots work mechanism innovation and reform results
Shunde Taxation Bureau has successfully solved the fragmentation problem of the grass-roots working mechanism of the current tax department based on the perspective of precise service, and achieved good reform results. The details are as follows.
4.1 The level of party and industry integration is higher

Through the implementation of a series of measures, such as strengthening ideological guidance and strengthening action guidance, the level of party industry integration in Shunde Taxation Bureau has been significantly improved. On the one hand, through carrying out all kinds of theoretical study and education, the cadres’ political consciousness and the consciousness of playing an exemplary leading role of all party members in Shunde Taxation Bureau have been obviously enhanced. And by accurately leading the service tax center around the party building, in 2020 alone, the newly increased tax reduction and fee reduction in Shunde District exceeded 8 billion yuan, ranking first in Foshan with the scale of tax and fee income in the same period, realizing the successful delivery of policy dividends to the society and providing a solid financial guarantee for local development. On the other hand, the social “tax perception” of Shunde District has also been significantly improved, and the change in the proportion of tax credit rating indicators can reflect the change of taxpayers’ awareness of tax rule of law. Therefore, this paper selects the proportion of taxpayers with different tax credit ratings in Shunde District from 2017 to 2020 for analysis, as shown in Table 1.

Table 1. The proportion of taxpayers’ credit rating in Shunde District from 2017 to 2020**

<table>
<thead>
<tr>
<th>Year</th>
<th>Proportion of Class A taxpayers</th>
<th>Proportion of Class B taxpayers</th>
<th>Proportion of M-level taxpayers</th>
<th>Proportion of Class C taxpayers</th>
<th>Proportion of Class D taxpayers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8.46%</td>
<td>41.65%</td>
<td>40.23%</td>
<td>3.13%</td>
<td>6.52%</td>
</tr>
<tr>
<td>2018</td>
<td>12.60%</td>
<td>47.71%</td>
<td>30.78%</td>
<td>1.49%</td>
<td>7.42%</td>
</tr>
<tr>
<td>2019</td>
<td>9.87%</td>
<td>54.58%</td>
<td>28.48%</td>
<td>0.75%</td>
<td>6.31%</td>
</tr>
<tr>
<td>2020</td>
<td>16.08%</td>
<td>49.14%</td>
<td>28.31%</td>
<td>0.76%</td>
<td>5.71%</td>
</tr>
</tbody>
</table>

Data source: Shunde Taxation Bureau’s intranet official information.

**From April 1, 2018, an Class M tax credit rating will be added, of which Class A taxpayers refer to taxpayers with an annual evaluation index of 90 points or more; Class B taxpayers are taxpayers with an annual index score of 70 points or more and less than 90 points; Class M taxpayers refer to newly established enterprises that have no production and operation income in the evaluation year and have an annual rating index score of 70 points or more; Class C taxpayers refer to taxpayers whose annual evaluation index scores more than 40 points and less than 70 points; Class D taxpayers refer to taxpayers whose annual index score is less than 40 points.

It can be seen from Table 1 that during 2017-2020, the proportion of taxpayers with credit rating of Class C and D in Shunde district is decreasing year by year, while that of Class A and B taxpayers is increasing year by year, which reflects that the awareness of tax rule by law of social groups in Shunde district is constantly increasing.

4.2. Innovative brand efficiency is higher

On the one hand, Shunde Taxation Bureau revitalized the backbone of the overall situation by innovating the grass-roots working mechanism, relying on the mechanisms of “brainstorming group” and “innovation of green tax”, promoted the organic integration of top-level design and grass-roots initiative, focused on the “14th Five Year Plan”, and took the lead in proposing 31 municipal level innovation actions, among which 6 municipal level innovation actions were the first in China. Twenty innovative achievements have become exemplary benchmarks and replicated throughout the country and the whole province. On the other hand, Shunde Taxation Bureau, driven by the innovative grass roots working mechanism, innovated and
developed media-melting products such as “International Exchange Tax Pass,” “Tax Reduction Treasure” and “Cloud Tax Refund”, which were unveiled at the Second Digital China Exhibition. The first live show of the products launched attracted more than 100,000 netizens’ attention. Related cases have also been reported by CCTV, Xinhua News Agency, Central Broadcasting Network and other national media for over 70 times, and have been published and publicized by powerful countries for over 60 times.

4.3. The level of synergy and co-governance is higher
On the one hand, Shunde Taxation Bureau has successfully broken the current pattern of compartmentalization between grass-roots tax departments and higher-level departments, and tax departments and other government departments doing their own thing, through the linkage of 20 government functional departments on the premise of improving the internal governance mechanism. Pilot construction of a demonstration bureau of “creating a first-class tax business environment and high-quality development of service manufacturing industry” in the whole city. On the other hand, Shunde Taxation Bureau has also cooperated with banks and other financial institutions to launch a series of silver tax interaction measures. During the innovation and reform period, it has obtained more than 26.008 billion yuan of preferential loans for 16,541 honest enterprises, and took the lead in piloting the government service “at the door” in the province. And cooperated with 225 banking outlets in the whole region, and successfully built a “15-minute tax service circle,” which greatly improved the energy efficiency of grass-roots governance linkage between grass-roots tax departments and financial institutions.

4.4. The satisfaction of the masses is higher
On the one hand, Shunde Taxation Bureau has successfully realized the combination of solicitation and active expression by broadening the channels of demand expression and improving the ability of information integration, and established a smooth mechanism of demand expression and feedback, integrating and launching 123 convenience measures on the basis of accurately identifying the needs of taxpayers’ payers, and effectively solving the interest problems closely related to taxpayers’ payers. On the other hand, Shunde Taxation Bureau is committed to improving the support level of information technology to tax business. Since the launch of its key incubation project optimized version of V-Tax remote visual tax system, it has accepted more than 170,000 business transactions and diverted more than 30% of the business volume at the front desk. The “non-contact” tax rate has been raised to 98.50%, truly realizing the taxpayer’s “no need to run once.” In the survey of taxpayers’ satisfaction in the whole province, it ranks first in the tax system of the whole city, which improves people’s satisfaction while meeting the needs of taxpayers.

5. Conclusion and enlightenment
Grass-roots tax service is an important part of grass roots public service, which can provide strong support for the construction of public service system of the whole society. However, the grass roots working mechanism of tax departments is in a fragmented state, which is manifested in the fragmentation of decision-making information mechanism, service supply mode and cooperative governance ability. It is difficult to meet the increasingly complex and diversified needs of taxpayers. Therefore, it is urgent for tax departments to solve the fragmentation problem by reforming and innovating grass roots working mechanisms, so as to provide taxpayers with better tax service. Shunde Taxation Bureau, as the pathfinder and vanguard of tax reform in Guangdong Province, faced with the fragmentation dilemma of traditional grass-roots working mechanism, taking the lead from the perspective of precise service, we explored an innovative path of grass roots working mechanism by leading the innovative concept of precise supply by party building, promoting precise supply by applying data governance technology, and coordinating precise
production by integrating resources from various parties. On the basis of building a new tax and fee service system, it provides valuable experience for grass-roots tax departments to innovate working mechanism and realize accurate service supply. In the exploration process of optimizing the grass-roots working mechanism, other tax departments in China can learn from Shunde Taxation Bureau’s innovation and reform experience, closely combine the different needs of local taxpayers and the needs of actual development, explore the innovative grass roots working mechanism of tax departments with local characteristics.

**Disclosure statement**
The authors declare no conflict of interest.

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