



Study on the Realization Path of the Incentive Effect of Tax Preferences on Micro and Small Enterprises in the Post-Epidemic Era

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Abstract. In the post epidemic era, small and micro enterprises, as an important force for economic development, their survival and development play a key role in stabilizing employment, promoting innovation and enhancing economic vitality. Taking Anhui Province as an example, this paper discusses in depth the realization path of the incentive effect of tax preferences on small and micro enterprises. It is found that, through precise measures, optimized services, strengthened supervision, improved mechanisms and other measures, tax incentives can significantly reduce the tax burden of small and micro enterprises, enhance their market competitiveness, stimulate their innovative vitality, and then realize the healthy and sustainable development of small and micro enterprises. At the same time, this paper also combines the actual situation in Anhui Province, analyzes the implementation effect of tax incentives and existing problems, and puts forward corresponding optimization suggestions.

Keywords: post epidemic era; tax incentives; small and micro enterprises; incentive effect; Anhui Province

1 Introduction

With the effective control of the Xinguan epidemic, the global economy is gradually moving into the post-epidemic era. In this context, as the "capillary" of the market economy, the survival and development of micro and small enterprises are directly related to the overall stability and healthy development of the national economy. As one of the important means for the government to support the development of small and micro enterprises, the realization path of its incentive effect has become a hot spot of current research. Anhui Province, as a region with more active economic development, has a large number and rich types of micro and small enterprises, which provides a rich sample for researching the incentive effect of tax preferences on micro and small enterprises. Therefore, this paper takes Anhui Province as an example, aiming to reveal the realization path of the incentive effect of tax preferences on micro and small enterprises, and provide theoretical basis and practical reference for the formulation and improvement of related policies.

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2 Analysis of the Incentive Effect of Tax Incentives

During the epidemic, small and micro enterprises faced tremendous business pressure and survival challenges. Tax incentives, as one of the important means of government support for enterprises, provided the necessary financial support to MSMEs to help them tide over the difficulties by reducing their tax burden. These policies not only help the short-term survival of MSMEs, but also promote their long-term development and make positive contributions to economic recovery and stability^[1].

2.1 The Intrinsic Link Between Tax Incentives and MSME Development

Tax incentives, in simple terms, are policy measures taken by the State to reduce the tax burden on enterprises by means of tax reductions, preferential tax rates, etc., in order to promote the development of a particular field or industry. These policies take various forms, including but not limited to direct tax relief, lowering tax rates, and raising the starting point.

Micro and small enterprises, as an important part of the national economy, are characterized by their small size, flexible operation and strong innovative capacity. However, due to the limitations of capital, technology and other aspects, MSMEs are often in a weak position in market competition. Therefore, the development needs of MSMEs are mainly focused on reducing operating costs, improving profitability and enhancing market competitiveness.

The mutually reinforcing relationship between tax incentives and the development of micro and small enterprises is manifested in the following: on the one hand, tax incentives directly promote the enhancement of profitability and capital liquidity of micro and small enterprises by lowering their tax burdens; on the other hand, the development and growth of micro and small enterprises can create more sources of tax revenues for the State, thus forming a virtuous circle.

2.2 Direct Incentives of Tax Incentives

Tax incentives can directly reduce the tax burden of small and microenterprises, thereby enhancing their profitability. By reducing the amount of tax payable or lowering the tax rate, enterprises can utilize more funds for expanding production, research and development and innovation, thereby enhancing market competitiveness.

Tax incentives help reduce the financial pressure on MSMEs and promote their investment and expansion. For capital-starved MSMEs, tax relief means more disposable capital, which helps enterprises to relieve short-term capital pressure and increase investment in long-term development.

Tax incentives can also improve the market competitiveness of small and microenterprises. By reducing enterprise costs and improving product quality and service levels, small and micro enterprises can better meet market demand and win more customers. At the same time, tax incentives can also incentivize enterprises to increase R & D investment, promote technological innovation, and thus enhance the overall competitiveness of the industry.

2.3 Indirect Incentives of Tax Incentives

In addition to direct incentives, tax incentives also have indirect incentive effects. First, by optimizing the business environment, tax incentives can attract more small and microenterprises to set up. A fair, transparent and predictable tax environment can reduce the institutional transaction costs of enterprises and improve market efficiency, thus attracting more entrepreneurs and investors.

Tax incentives can stimulate social innovation and promote the transformation and upgrading of small and micro enterprises. By giving tax support to innovative enterprises, the State can encourage more enterprises to devote themselves to scientific and technological innovation, industrial upgrading and other fields, thereby promoting the sustainable development of the entire economy and society.

Tax incentives also help small and microenterprises to integrate into the global industrial chain and enhance their international competitiveness. By reducing the tax burden on export enterprises, the State is able to support enterprises in expanding overseas markets and participating in international competition. This not only helps to enhance the international influence of small and micro enterprises, but also injects new momentum into the country's economic development.

3 The Realization Path of Tax Incentives to Stimulate Small and Micro Enterprises to Explore

As an important means for the government to support the development of MSMEs, the design, implementation and effect of tax incentives are directly related to the survival and development of MSMEs. In the post epidemic era, how to ensure that the tax preferential policies are accurate and efficient in incentivizing MSMEs has become the focus of attention of policy makers and implementers. In the following, the realization path of tax incentives to stimulate MSMEs will be explored in depth from three aspects: policy design and implementation mechanism, innovation and improvement of tax incentives, and MSMEs' own ability to improve and utilize the policies.

3.1 Policy Design and Implementation Mechanisms

The design and implementation of tax incentives are key to ensuring that their incentive effects are realized. First, the policy design needs to be precisely positioned to ensure that the policy can truly benefit the target group. This requires policymakers to formulate tax incentives that meet the actual needs of micro and small enterprises on the basis of a full understanding of their development situation and needs. For example, more favorable tax policies can be formulated for start-up micro and small enterprises to reduce their start-up costs and improve their viability. Through the implementation of targeted tax incentives, it can reduce the pressure of the tax burden of small and micro enterprises, improve their risk-resistant ability, and then promote the sustainable development of enterprises^[2].

Simplifying the policy implementation process and improving the efficiency of policy implementation are also crucial. Cumbersome declaration procedures and approval processes often discourage small and microenterprises, missing the opportunity to enjoy policy benefits. Therefore, policy makers should simplify the declaration process, reduce the number of approval links, and lower the time and economic costs of policy implementation. At the same time, strengthening policy publicity and training to increase MSMEs' awareness and utilization of policies is also an important way to improve the efficiency of policy implementation.

Strengthening supervision is an important means of ensuring that policies are implemented. Policymakers need to establish a sound monitoring mechanism to regularly check and evaluate the implementation of policies to ensure that they really take root. For policy implementation is not in place, timely measures should be taken to correct the situation, to ensure that the incentive effect of the policy can be fully realized.

3.2 Innovation and Improvement of Tax Incentives

As the economic situation changes and the development needs of micro and small enterprises change, tax incentives need to be constantly innovated and improved. First of all, policy makers should combine the actual development of micro and small enterprises and formulate differentiated tax policies. Different industries, different development stages and different sizes of micro and small enterprises will have different needs for preferential tax policies. Therefore, policymakers should formulate targeted tax preferential policies according to the characteristics of different micro and small enterprises to meet their different development needs.

It is also important to explore synergies between tax incentives and other support policies. Tax incentives are only one of the means by which the Government supports MSEs, and need to be synergized with other policies such as financial subsidies and financing support to form a policy synergy and jointly promote the development of MSEs. Policymakers should strengthen coordination between policies to ensure that they complement and promote each other.

Finally, the establishment of a dynamic adjustment mechanism for tax incentives is also essential. Changes in the economic situation and the development needs of micro and small enterprises are constantly changing, and tax preferential policies need to be dynamically adjusted in accordance with these changes. Policymakers should regularly evaluate and adjust tax incentives to ensure that they can adapt to changes in economic development and maintain a continuous incentive effect on MSMEs.

3.3 MSMEs' Own Capacity Enhancement and Ability to Utilize Policies

In addition to the policy design and implementation mechanism and the innovation and improvement of policies, the enhancement of MSMEs' own capacity and their ability to utilize policies are also key to realizing the incentive effect of tax preferences. First of all, improving the level of financial management is the basis for fully enjoying the tax incentives. MSMEs should strengthen financial management, standardize accounting, and ensure the accuracy and compliance of tax declaration. Only by doing a good

job of financial management can we ensure that enterprises can fully enjoy the dividends brought by tax incentives.

Second, strengthening technological R&D and innovation is the key to enhancing core competitiveness. Tax incentives tend to give more support to innovative enterprises, so MSMEs should increase their R&D investment and improve their independent innovation capability in order to obtain more policy incentives. Through technological innovation, enterprises can develop more market-competitive products and enhance their profitability and market share.

Active participation in policy training and consultation is an important way to improve the efficiency of policy utilization. Policy training and consultation can help MSMEs better understand the content of policies, filing procedures and precautions, and improve the success rate and utilization rate of policy filing. Therefore, MSMEs should actively participate in policy training and consulting activities organized by the government or relevant institutions, strengthen policy learning and exchange, and improve their own policy utilization capacity.

4 Conclusions and Policy Recommendations

4.1 Conclusions of the Study

This study draws the following conclusions through an in-depth analysis of the incentive effect of tax incentives on MSMEs and an examination of the multifaceted efforts required to realize this effect:

Tax incentives play a crucial role in promoting the development of micro and small enterprises. By reducing the tax burden and increasing capital liquidity, these policies have effectively stimulated the innovative vitality and market competitiveness of small and micro enterprises. In the current economic situation, tax incentives have had a significant effect on easing the operational pressure faced by MSMEs and promoting their healthy and stable development.

However, the realization of the incentive effect of tax incentives requires the concerted efforts of policy design and implementation, policy innovation and improvement, and the enhancement of enterprises' own capabilities. Policy design should emphasize precision and effectiveness to ensure that preferential policies can truly benefit the target groups. Policy implementation should simplify the process, improve efficiency, and reduce the cost for enterprises to enjoy the preferences. At the same time, policy innovation is also crucial, and the preferential policy system should be continuously adjusted and improved in accordance with the actual development of small and micro enterprises and market demand.

Micro and small enterprises themselves should also actively improve their ability to utilize the policy. Strengthening financial management, technological research and development and market expansion will help MSMEs to better utilize the opportunities brought about by preferential tax policies. The government and all sectors of society should also strengthen their support and assistance to MSMEs and create a favorable environment and conditions for their development.

4.2 Policy Recommendations

Further Optimizing the System of Tax Incentives and Improving the Precision and Effectiveness of Policies

Deepen research and analysis of MSMEs. The government should strengthen regular research on MSMEs to understand their development needs, business pain points and the actual effects of tax incentives. Through in-depth analysis and research, it can provide a scientific basis for formulating tax incentives that are more in line with the actual needs of MSMEs.

Formulating differentiated tax incentives. Differentiated tax preferential policies should be formulated for small and micro enterprises at different stages of development, in different industries and of different sizes. For example, for start-up micro and small enterprises, a higher percentage of tax relief or an extension of the tax relief period can be granted; for science and technology innovative micro and small enterprises, support measures such as additional deduction for research and development expenses can be provided. Tax incentives for specific regions can incentivize enterprises to choose to develop in a specific region, thereby promoting economic growth and employment in that region. In addition, such policies can promote the rational allocation of resources and improve overall economic efficiency. Therefore, the government should take full account of regional differences and formulate targeted tax incentives to better promote the coordinated development of regional economies^[3].

Strengthening the coordination of preferential tax policies with other support policies. The government should strengthen the coordination between preferential tax policies and other supportive policies, such as financial subsidies, financing support and the introduction of talents, so as to form a policy synergy and jointly support the development of small and micro enterprises.

Establishing a dynamic adjustment mechanism for preferential tax policies. As the economic situation changes and the development needs of small and microenterprises change, the Government should regularly evaluate and adjust tax preferential policies. By establishing a dynamic adjustment mechanism, it will ensure that tax preferential policies can always be adapted to the development needs of micro and small enterprises and changes in the market.

Strengthening Policy Implementation to Ensure that Preferential Policies are Put into Practice

Simplifying the declaration process and approval procedures for tax incentives. The government should further optimize the declaration process and approval procedures of tax incentives, reduce unnecessary links and cumbersome procedures, and lower the declaration cost and time cost of small and micro enterprises.

Strengthening policy publicity and training. The Government should increase its efforts to publicize the preferential tax policies, and help small and microenterprises to better understand and make use of the policies by organizing policy seminars and producing policy interpretation manuals. At the same time, it should also strengthen train-

ing for small and micro enterprises to improve their financial management and tax declaration capacity, so as to ensure that they can fully enjoy the dividends brought about by the preferential tax policies.

Establishment of a sound policy monitoring mechanism. The government should establish a sound monitoring mechanism for tax incentives and conduct regular inspections and evaluations of the implementation of the policy. In the event that the policy is not implemented properly, timely measures should be taken to correct the situation and ensure that the policy can really take root.

Enhancing the Capacity of MSMEs to Utilize Policies to Promote Their Healthy and Rapid Development

Guiding small and micro enterprises to strengthen financial management and accounting. The government should guide small and micro enterprises to strengthen financial management and accounting work, standardize tax declaration behavior and improve financial management level. By strengthening financial management, MSMEs can better utilize tax incentives, reduce tax costs and improve economic efficiency.

Encourage small and micro enterprises to increase their investment in R&D and improve their capacity for independent innovation. The Government should increase its support for R&D and innovation in MSMEs, and encourage MSMEs to increase their R&D investment and improve their independent innovation capacity by setting up special funds for R&D and providing technical support. This will help MSMEs enhance their core competitiveness and realize sustainable development. Tax incentives can significantly incentivize MSMEs to increase R&D investment. This is because tax incentives reduce the enterprise's R&D costs, improve the enterprise's profitability and market competitiveness, and then stimulate the enterprise's enthusiasm for technological innovation. This incentive effect helps to promote the technological innovation and industrial upgrading of small and micro enterprises, and enhance the competitiveness of the whole industry^[4].

Strengthening cooperation and exchanges among MSMEs. The Government should set up a platform for cooperation and exchanges among MSMEs to promote resource sharing and complementarity of advantages among MSMEs. By strengthening cooperation and exchange, MSMEs can work together to address market challenges and development problems, and realize mutual benefits and win-win situations. MSMEs hold certain expectations and attitudes towards tax incentives when they are taxpayers. These policies not only affect the financial situation of enterprises, but also have an important impact on their business decisions and long-term development. Therefore, understanding the perception of micro and small enterprises on tax incentives helps policy makers to design and implement relevant policies more precisely in order to better promote the development of micro and small enterprises^[5].

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