



華東政法大學

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# Trump's Tax Reform Plan: a Chinese Perspective

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# Overview

- **Engaging in tax competition or not?**
- **Adhere to China's own plans for tax reforms**
- **Reform of China's Enterprise Income Tax**



## **Engaging in tax competition or not?**

***“Trump’s tax reform plan would initiate a world war for tax competition.”***

**– People’s Daily (28 Apr. 2017)**



# Engaging in tax competition or not?

- **China's two major concerns:**
  - **distort the location decisions of both individuals and businesses;**
  - **jeopardize China's aim of establishing a more important role**



# My Arguments

- Ignoring “Trump’s trap”
- Adhere to China’s own plans for tax reforms
  - Individual Income Tax
  - VAT
  - Corporate Income Tax
  - Tax Administration



# Reform of China's Enterprise Income Tax

- cutting the standard tax rate from 25% to a lower one?
- changing from worldwide income to territorial income?
- what tax incentives could be used?
- tax treaties



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**Thank you!**

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