

## INTRODUCTON

### 1. Urgency of the research

For Vietnam today, expanding the tax base is an urgent issue from both a theoretical and practical perspective.

Tax revenue depends on many factors, of which the tax base is one of the most important factors. Tax base is a factor that reflects the income, asset value or value of goods and services used to determine the amount of tax payable by the taxpayer. For example, taxable income is the personal income tax base, and the value of assets is the property tax base.

Whether the tax base is wide or narrow, tight or not tight will directly affect the amount of tax payable by taxpayers and the amount of state budget revenue (state budget). Determining the tax base also reflects and realizes the views of each State on the use of taxes to macro-regulate the socio-economy. For that reason, in recent years, countries have been very interested in expanding the tax base and preventing tax base erosion to create conditions for lowering tax rates while still ensuring revenue for the state budget.

In the current conditions in Vietnam, the 4.0 industrial revolution is developing strongly and at the same time in the context of increasingly deep international economic integration, many forms of economy, trade and services are appearing. Foreexample: global interconnected economy, sharing economy, e-commerce..., specifically types of transportation services operating using new technology methods such as Grab, Gojek; book tours online, advertise via Google, sell products via Facebook, Tik Tok... At the same time, due to the increasing spending needs of the state budget, the pressure of international tax competition with the tendency to reduce tax rates of direct taxes revenue, expanding the tax base is necessary and inevitable in Vietnam in the coming time.

Stemming from the above issues, the author has chosen the topic "*Expanding the tax base in Vietnam*" as the research content of the thesis.

### 2. Research objectives

The thesis "*Expanding the tax base in Vietnam*" aims to achieve the following goals:

(1) Clarify theoretical issues about the tax base and expanding the tax base to serve as a basis for assessing the current status of the tax base in Vietnam as well as finding solutions to expand the tax base in Vietnam until 2025 with a view to 2030.

(2) Refer to the experience of expanding the tax base in developing countries, thereby drawing reference lessons for Vietnam.

(3) Synthesize, analyze, comment and evaluate the current status of the tax base in Vietnam in the period 2009 - 2021; clarify the achieved results, the limitations and the causes of those limitations.

(4) Orient and propose important solutions to expand the tax base in Vietnam to increase revenue for the state budget, while contributing to regulating and promoting Vietnam's economic and social development.

### 3. Subject and scope of research

*Research subjects:* The research object of the thesis is the tax base.

*Research scope:* The basis of taxes in Vietnam from 2009 to 2021, forecast until 2025 with a view to 2030.

### 4. Research Methodology

To achieve the research goals during the thesis implementation, the author uses the following main methods:

*Methodology of dialectical materialism, historical materialism and systematic method:* The research is carried out in a synchronous manner linked to specific circumstances, conditions and periods. The contents of the research are considered in close connection with each other in both space and time.

*Method of systematizing investigation and statistics:* The author uses appropriate statistical data to analyze the current status of the tax base in Vietnam.

*Methods of synthesis, analysis and comparison:* Based on the analysis of each specific content, the thesis provides general assessments of the current status of the tax base in Vietnam.

*Compare and contrast method:* The current status of the tax base in Vietnam and other countries is considered on the basis of comparison between periods, as well as comparison with the actual tax base in countries around the world.

*Primary data collection methods:* The author uses the primary data collection method through surveys and investigations of the current status of the tax base in Vietnam, including questionnaire surveys and expert interviews.

*Secondary data collection methods:* Secondary data includes works related to domestic and foreign documents collected through document sources at libraries, electronic academic journals and the websites of the relevant government bodies.

### 5. Scientific and practical significance of the research

*Scientific significance:* Based on collection and synthesis, the author has systematizes and clarifies some basic theoretical issues about the tax base. In addition, the thesis references the experience of expanding the tax base in a number of countries around the world, thereby drawing valuable lessons for expanding the tax base in Vietnam.

*Practical significance:* The author systematically synthesizes, analyzes and evaluates the current status of the tax base in Vietnam in the period of 2009 - 2021, pointing out successes, limitations and causes. Combined with experience expanding the tax base in a number of countries around the world, the thesis proposes solutions to expand the tax base in Vietnam to 2025 with a view to 2030.

The research results of the thesis will be a source of valuable information in planning mechanisms, policies and implementing solutions to improve tax policy in Vietnam towards expanding the tax base to increase revenue of state budget.

### 6. Structure of the thesis

In addition to the introduction and conclusion, the thesis is divided into 4 chapters:

*Chapter 1: Overview of research on tax base and tax base expansion*

*Chapter 2: Theoretical basis for tax base and tax base expansion*

*Chapter 3: Current status of the tax base in Vietnam*

*Chapter 4: Some solutions to expand the tax base in Vietnam.*

## **CHAPTER 1: OVERVIEW OF RESEARCH ON TAX BASE AND TAX BASE EXPANSION**

### **1.1 Domestic scientific publications**

In recent times, there have been many domestic projects researching tax policy in the form of doctoral dissertations, scientific research works or scientific articles published in academic journals. Besides, we could find the research projects on tax base and tax base expansion. Some of the researches can be gathered and classified as follows:

Economics doctoral dissertations: *Solutions to improve tax system reform in Vietnam*, Nguyen Van Hieu (2003); *Tax policy with improving the competitiveness of Vietnamese industrial enterprises in the context of international economic integration*, Le Xuan Truong (2006); *Perfecting income tax policy in Vietnam in accordance with the process of international economic integration*, Nguyen Xuan Son (2007). *Improving the tax policy system in Vietnam under the conditions of joining the WTO*, Vuong Thi Thu Hien (2008). *Adjusting the income tax system in the context that Vietnam is a member of the World Trade Organization (WTO)*, Cao Anh Tuan (2010). *Tax policy for economic development in Vietnam*, La Xuan Dao (2012). *Improving tax policy to support the development of small and medium-sized enterprises in Vietnam*, Pham Xuan Hoa (2013). *Completing corporate income tax to promote restructuring of the Vietnamese economy*, Duong Ngoc Quang (2015). *Tax policy with the goal of sustainable economic development in Vietnam*, Ngo Van Khuong (2016). *Improving tax policy for financial services in Vietnam*, Bui Thi Men (2017). *Perfecting corporate income tax in Vietnam*, Le Thi Minh Phuong (2020).

Scientific research works: *Orientation for corporate income tax reform to implement economic restructuring and state budget collection*, Ministry of Finance, 2010, PhD. Nguyen Ngoc Tuyen - Principle Investigator; *Corporate income tax policy in Vietnam in the context of international economic integration*, Financial institutions, 2011, Associate Professor, PhD. Vuong Thi Thu Hien - Principle Investigator. *Direct tax policy with the goal of sustainable development in Vietnam*, Academy of Finance, 2013, Associate Professor. Dr. Nguyen Thi Thanh Hoai and Hoang Thi Giang.

In Vietnam, there have also been a number of scientific research projects on the tax base and tax base expansion. Can be classified as follows:

Scientific research works: *Action package on tax base erosion and profit shifting (BEPS): applicability in Vietnam*, Ministry of Finance, 2016, PhD. Vu Nhu Thang - Principle Investigator; *Expanding the tax base and preventing erosion of state budget revenues*, Financial journal, 2020, M.S. Luu Duc Huy - Principle Investigator; *Theoretical and practical basis for expanding the special consumption tax base*, Ministry of Finance, 2021, Associate Professor. Dr. Le Xuan Truong - Principle Investigator.

Scientific articles: *Expanding the tax base: theoretical and practical issues* (Associate Professor, Dr. Le Xuan Truong 2017); *Some issues raised in expanding the tax base during the period of*

*international economic integration* (Associate Professor, Dr. Nguyen Hong Thang, 2017); *Expanding the tax base for income in Vietnam* (Associate Professor, Dr. Ly Phuong Duyen, 2017); *Expanding the consumption tax base in Vietnam* (Associate Professor, Dr. Nguyen Thi Thanh Hoai, 2017); *International cooperation prevents tax base erosion and profit shifting* (M.S. Nguyen Quang Tien, 2017); *Expanding the tax base in Vietnam in the context of integration and some proposals* (M.S. Pham Thi Mai Huyen, 2018)...

## **1.2 International publications**

Regarding tax policy, there have been many foreign studies that have been disseminated and scientifically cited. For example: *Analysis of a tax incentive to stimulate product development in Michigan*, 1961, Frank R. Bacon; *Tax policy for industrial development*, 1991, Dale Chua, Harvard Institute for International Development; *Sri Lanka Corporation Income Tax Policy: Options and recommendations for Industrial Development*, 1999, Glenn P. Jenkins, Harvard Institute for International Development; *Options to improve tax compliance and reform tax expenditures*, 2005, The Staff of the joint committee on taxation.

Studies on the tax base and tax base expansion that have been widely published internationally include: *Broadening the Sales Tax Base: Answering One Question Leads to Others*, 1986, Robert A. Pierce and Carol D. Peacock, Florida State University Law Review, Volume 14, Issue 3; *World Bank thematic report: Tax Reform in Developing Country*, 1997; *Tax Reform Trends in OECD Countries*, 2011, Bert Brys, Stephen Matthews và Jeffrey Owens, World Bank. *OECD report on identifying tax base erosion and profit shifting*, 2013; *OECD report on Action Plan on Base Erosion and Profit Shifting*, 2013. *IMF study on Tax Base Erosion, Profit Shifting and Developing Countries*, 2015.

## **1.3. Research evaluation**

After studying the above published works, the author draws the following conclusions:

- The above research projects have mentioned and resolved a number of theoretical and practical issues related to the tax base and tax base expansion. And many solutions have been proposed to expand the tax base.
- However, these works were carried out in the specific economic, cultural, political and institutional periods and environments in the different economies. From the perception that there can be no uniformity in the environment and historical circumstances in different countries, in different historical periods. Besides, there are differences in political, cultural, economic, and educational backgrounds, so the author believes that research on expanding the tax base in a specific country, in a specific period may be necessary to perfect tax policies in accordance with the characteristics of each country from time to time. Theoretical issues on expanding the tax base need to be additionally developed and perfected to suit reality. Therefore, it is necessary to continue to research and propose specific solutions with more practical results.

## **1.4. Research gaps**

The above research projects have mentioned and resolved a number of theoretical and practical issues related to the tax base and tax base expansion. At the same time, many solutions have been proposed to expand the tax base. However, these works were carried out in the specific economic, cultural, political and institutional periods and environments in which the research works took place. Realizing that there cannot be uniformity in the environment and historical circumstances in different countries and different historical periods, the author of the thesis believes that:

*The first*, research in other countries cannot be applied to Vietnam due to different socio-economic conditions.

*The second*, previous studies or just on consumption tax expansion; or just about expanding income tax; or expand property tax and when reality fluctuates, tax policy also fluctuates accordingly.

*The third*, there has not been any comprehensive research on expanding the tax base in theory and practice to have a clearer scientific and practical basis for proposing solutions to expand the tax base in Vietnam in the coming time.

## **CHAPTER 2: THEORETICAL BASE OF TAX BASE AND EXPANDING TAX BASE**

### **2.1 General overview of tax base**

#### **2.1.1 Overview of tax base**

The tax base is the basis for calculating and determining the tax amount payable by taxpayers of a specific tax, based on taxable objects after deducting non-taxable objects, tax exemption and reduction or below the specified threshold level.

#### **2.1.2. Factors that determine the tax base**

The factors determining the tax base analyzed in this part of thesis include:

- Scope of taxable objects
- Tax exemption and tax reduction
- Tax threshold
- Deductible expenses (deductions)
- Carry-over loss

#### **2.1.2 Principles for establishing the tax base**

In this part, the author analyzes the principles of establishing the tax base according to consumption taxes, income taxes and property taxes.

### **2.2. Expand the tax base**

The main content of this section is to analyze the concept of tax base expansion, evaluate the impact of tax base expansion (positive and negative); Go deeper into analyzing the content of expanding the tax base.

#### **2.2.3 Content of tax base expansion**

The content of expanding the tax base includes two main types: (i) Expanding the size of the tax base; (ii) Expand (increase) the value of the tax base. Specifically:

- Expanding taxable subjects
- Narrowing non-taxable objects and tax-exempt objects
- No threshold or a low taxable threshold
- Deductible expenses (deductions)
- Ensure the actual tax base matches the nominal tax base
- Increase tax base value

#### **2.2.4 Factors affecting tax base expansion**

Some basic factors that have a significant impact on tax base expansion are presented and analyzed in this section including:

- International commitments and practices
- State spending needs
- Domestic economic development trends and socio-economic characteristics of each country.

- Level of economic and social development of a country.
- Other social factors such as: the State's ability to invest and create more jobs; State welfare regime; occupational awareness level of workers; property ownership rights of individuals; people's consumption and saving habits...
- Infrastructure factor.
- Factors belonging to the tax authority:
  - ✓ Organizing the tax administration apparatus.
  - ✓ Human resource.
  - ✓ Tax administration mechanism.

## **2.3 Trends in tax base expansion in countries around the world and issues to Vietnam**

### **2.3.1 The trend of expanding the tax base in countries around the world**

- Expand the consumption tax base to offset the decline in revenue from export and import taxes
- Expand the tax base of income taxes with lower tax rates to increase state budget revenue
- Promoting the neutrality of the tax system for investment and business activities through eliminating tax incentives, exemptions, and reductions
- Expanding the tax base on assets by covering all stages and forms of assets
- Apply separate taxation methods for each type of asset
- Limit tax exemptions and reductions on property
- The new tax policy covers new activities arising in the digital economy
- Enact the Greenhouse Gas Tax Law

### **2.3.2. Lessons learned for Vietnam**

- Countries tend to expand their tax base to increase state budget revenue in the context of international economic integration.
- Expanding the consumption tax base is often given more emphasis in developing countries and expanding the income tax base is given more emphasis in developed countries.
- Income tax incentives should be applied to encourage investment in technology development, tax incentives should ensure transparency, efficiency and suitability for tax management in each countries.
- To ensure the feasibility of tax policy, measures to expand the tax base are often accompanied by measures to reduce tax rates or keep tax rates unchanged. Therefore, state budget revenue could increase without causing a reaction of different strata of society.
- The tax management system and model have a decisive influence on the effectiveness of the tax policy reform process in general and tax base expansion in particular.
- In the context of international economic integration and developing digital economic activities, reviewing tax policies to cover newly arising economic activities is necessary for the world in general and Vietnam specifically to expand the tax base and prevent erosion of state budget revenue.
- Gathering the experience of other countries to promulgate and apply a greenhouse gas tax is an effective measure in Vietnam now. Thus, expanding the tax base could increase state budget revenue and reduce greenhouse gas emissions.

## **CHAPTER 3: CURRENT STATUS OF TAX BASE IN VIETNAM**

### **3.1. Overview of the current status of the tax base in Vietnam**

#### **3.1.1 Current status of consumption tax base**

In this part, the author presents the current status of the basic consumption tax base in Vietnam including: value added tax; special consumption tax; export tax, import tax; environmental protection tax.

#### **3.1.2 Current status of income tax base**

The content of this section is to synthesize, analyze and evaluate the current status of income tax base in Vietnam including corporate income tax and personal income tax.

#### **3.1.3 Current status of property tax base**

This part of the thesis presents the current status of the property tax base in Vietnam including agricultural land use tax, non-agricultural land use tax and natural resources tax.

### **3.2 State budget revenue results in Vietnam in the period 2009 - 2021**

In this section, the author synthesizes and evaluates the results of budget revenue in Vietnam in the period 2009 - 2021. The results of analyzing the proportion of contributions to the budget of taxes are the basis for analysis and assessment of the actual tax base status during this period. According to the results of evaluating the implementation of the tax reform strategy for the period 2011 - 2020 of the Ministry of Finance, the average rate of mobilization into the state budget in the period 2011-2020 reached about 24.5% of GDP. Of which: in the period 2011-2020, it reached about 23.6% of GDP (planned target is 23-24% of GDP); In the period 2016-2020, it reached about 25.2% of GDP (planned target is 23.5% of GDP), exceeding the target set in Documents of the 11th and 12th Party Congresses. Total revenue from taxes, fees and charges reached an average of 20.7% of GDP in the period 2011-2015 (planned target is 22-23% of GDP); 20.8% of GDP in the period 2016-2020 (target plan is 21% of GDP). The average growth rate of total state budget revenue in the period 2016-2020 reached 8.6%/year, of which, revenue from taxes, fees and charges grew at an average annual rate of 6.7%/year in the period 2016-2020.

### **3.3 The current status of the tax base in Vietnam in recent years**

#### **3.3.1 Achieved results**

In this part, the author synthesizes, analyzes and evaluates some results achieved from the practice of building and operating tax policy in Vietnam through tax bases. Specifically:

- The tax policy system in Vietnam has a wide scope of regulation, contributing to ensuring the main source of revenue for the state budget.
- The tax base specified in the tax policies system is gradually being operated in a transparent manner, consistent with practice and revenue management.
- The tax base specified in tax policies is gradually supplemented and improved to comply with international practices and prevent erosion of state budget revenue.

#### **3.3.2 Limitations**

Although the tax policy reform process in Vietnam in recent years has achieved many positive results, there are still many limitations that need to be overcome in the coming time. Specifically, there are some basic limitations as follows:

- Regulations on taxable subjects in tax policies are still narrow
- There are many non-taxable subjects specified in tax policy
- There are too many cases of tax exemption
- Deductible (reduced) expenses are still inadequate
  
- The impact of income tax incentives on the target is not effective but causes a decline in the tax base
  
- There is also a discrepancy between the nominal tax base and the real tax base
  
- Tax policies do not cover all new activities arising in the economy, causing the erosion of the tax base

### **Cause of limitation**

The reason why in past years, the tax policy system in Vietnam still has some inadequacies in expanding the tax base, affecting state budget revenue, comes from the following basic reasons:

- Vietnam's economy is still weak in terms of production and management levels and the competitiveness of domestic enterprises is still limited.
  
- The legal system and mechanism are not complete and synchronous. The experience of many countries shows that the process of perfecting the legal system and mechanisms must precede the process of opening up and integration.
  
- The capacity and organization of the tax collection management apparatus as well as the qualifications of tax officials are still limited.
  
- The income distribution mechanism is uneven and does not ensure balance.

## **CHAPTER 4: SOLUTIONS TO EXPAND THE TAX BASE IN VIETNAM IN THE COMING TIME**

### **4.1 International and Vietnamese economic context in the coming time and issues to state budget revenue in Vietnam**

#### **4.1.1 International and Vietnamese economic context in the coming time**

##### **4.1.1.1 International economic context**

The Covid-19 pandemic has created a severe recession worldwide. The epidemic and blockade and shutdown measures have caused millions of deaths and hundreds of millions of people to fall into poverty.

##### **4.1.1.2 Socio-economic context in Vietnam**

Economic growth is expected to slow down in the short term due to developments in the Covid-19 pandemic, which has a strong impact on Vietnam's economic growth prospects. The macroeconomic balance is basically stable, inflation is controlled, but there are still many difficulties stemming from within the economy.

#### **4.1.2 Opportunities and challenges for State budget revenue in Vietnam in the coming time**

##### **4.1.2.1 Opportunity**



*First*, Vietnam is a country with a stable political system. The Government always makes great efforts continuously to control the pandemic and have effective Covid-19 response policies, supporting the economy to overcome the impact of the pandemic and prepare conditions for a quick recovery.

*Second*, although the pandemic has a negative impact, it is also an opportunity to restructure the economy. Industries (including processing and manufacturing industries) have the motivation to innovate and create faster, applying 4.0 technology and digital technology in the production process.

*Third*, the legal system is increasingly improving, the effectiveness and efficiency of law enforcement is increasing.

*Fourth*, the important role and initiative of the Government in planning and operating economic policy is extremely important to the process of perfecting the budget revenue structure.

*Fifth*, despite being severely affected by the pandemic, Vietnamese businesses can still see opportunities to develop and improve capacity.

*Sixth*, the requirements for socio-economic development and integration both create pressure and are an important driving force contributing to promoting the process of perfecting the budget revenue structure. Especially, the tax reform process would create a productive environment, aiming at socio-economic development and a sustainable public financial system.

#### **4.1.2.2 Challenges**

*First*, Vietnam's economic development is not stable and sustainable.

*Second*, trade tensions are complicated and difficult to predict, continuing to affect the global economic outlook and the consumption and investment needs of countries around the world. Meanwhile, Vietnam's economy has a large degree of openness and dependence largely to the FDI sector.

*Third*, due to the increasingly deep international economic integration process, including the implementation of commitments under Free Trade Agreements (FTAs) and regional and world economic partnership agreements, many import tax lines have been cut.

*Fourth*, crude oil prices in the world are still unpredictable, greatly affecting the estimation and implementation of annual state budget.

*Fifth*, the adverse impact of the Covid-19 pandemic has had a major impact on the world and Vietnamese economies since the beginning of 2020.

*Sixth*, the impact of climate change on agricultural production and hydroelectricity can cause a lot of revenue loss, especially in agricultural provinces or with hydroelectric projects.

*Seventh*, budget spending needs and budget fairness requirements always create great pressure on perfecting the budget revenue structure, reducing the proactiveness and positivity of the process of perfecting the budget revenue structure because it always has to aim for revenue increase goal.

*Eighth*, the economy is developed at a low level and is in transition, so it has a great influence on the scale and structure of the budget revenue system.

*Ninth is*, conflicts in the design of goals and the content of the policy system often appear during the process of policy planning and implementation. In some cases, they are quite serious so leading to a lack of focus in the goals and content of policy.

*Tenth*, the risks of international economic integration and the process of international tax competition are also a big challenge to the process of perfecting the budget revenue structure.

## **4.2 Proposed viewpoints on solutions to expand the tax base in Vietnam**

*First*, expanding the tax base must be based on cooperation and unified action with the international community, seeking international assistance to comprehensively resolve all domestic and cross-border tax issues.

*Second*, it is necessary to design an elastic tax system, closely tied to GDP.

*Third*, to build a tax culture, all organizations and individuals are encouraged and protected by the State to do legal business but must comply with the law, including tax laws.

*Fourth*, in expanding the tax base, Vietnam could face the following challenges: (1) Low national competitiveness, mainly competing on cheap prices and low added value, making it difficult to expand the tax base in terms of value; (2) The quality of economic growth is not deep, making it difficult to expand the tax base in a sustainable way; (3) Tax officers' qualifications and tax management quality are not high. There is no tax management technology to keep up with advanced countries, making it difficult to expand the tax base in terms of quantity; (4) Tax data is still thin and not comprehensive, making it difficult to control transactions that can erode the tax base; (5) Unfavorable social factors are shown by the very low tax culture in the community of more than 96 million people, so the level of voluntary compliance of people is weak. Such social factors have influenced the political will to design and implement a drastic policy to expand the tax base.

*Fifth*, ensuring the fairness and effectiveness of the tax policy system by expanding the scope, tax base and subjects of collection, while maintaining reasonable and competitive tax rates. Gradually narrow the scope of tax incentives and exemptions, eliminate different regulations on payment obligations between subjects and gradually separate social policies from state budget revenue policies.

*Sixth*, ensuring relative stability of the tax policy system in the medium and long term, consistent with the country's socio-economic conditions in the context of international economic integration.

## **4.3. Solutions to expand the tax base in Vietnam in the coming years**

### **4.3.1 Expanding the scope of application of consumption tax**

In the context of reduced export and import tax revenues due to the impact of trade liberalization, income tax revenues also decreased, affecting the economic recession, especially after the negative impact of many aspects of the pandemic Covid-19. The problem for the world in general and for Vietnam is to consider expanding the consumption tax base in the followings:

- Reduce the items which not subject to value added tax
- Clearer regulations on taxable subjects in the digital economy
- Expand subjects to special sales tax
  
- Add more items to the subject of environmental protection tax
  
- Eliminate import tax exemptions

- Strengthen tax management activities
- Public spending transparency

#### **4.3.2 Expanding the corporate income tax base**

Expanding the tax base on income is a trend in tax reform around the world and a popular measure by governments to aim for a more equitable tax policy system. Starting from the perspective and orientation of tax reform in Vietnam and tax reform trends in countries around the world, the author has the following proposals:

- Expand the scope of application of corporate income tax
- Implement selective corporate income tax incentives, eliminate ineffective incentives to expand the tax base
- Separate social policies from corporate income tax incentives
- Eliminate tax exemptions and reductions and increase the use of other forms of incentives to attract investment
- The corporate income tax incentive policy is built based on clear criteria to ensure transparency and efficiency
- Reduce the number of subjects eligible for tax incentives over a period of time
- Tax incentive policies need to be developed in sync with other legal policies to ensure compliance with international practices and control the phenomenon of transfer pricing.

#### **4.3.3 Expanding the personal income tax base**

There are two important issues that need to be done to expand the personal income tax base: (i) Reduce some deductible income not included in taxable income and tax-exempt income to both expand the base tax and also ensures fairness in income regulation. (ii) The current family allowance should be maintained for an appropriate period in the future.

#### **4.3.4. Expand the scope of application of property tax**

The main property tax base is the assets that can be included in the regulation of property tax. Depending on socio-economic conditions, goals, requirements as well as management capabilities, Vietnam can identify different types of taxable assets, such as financial assets, ownership assets, and property rights. intellectual property, assets are weapons that are allowed to be used, assets are land use rights, assets are houses, structures on land and means of transportation.

#### **4.3.5 Complete the natural resource tax policy towards expanding the tax base**

The natural resource tax policy should be improved in the direction of expanding the tax base. Specifically:

- Issue more clear regulations on taxable objects. To achieve the goal of effectively controlling natural resource exploitation activities, avoiding waste of natural resources, ensuring revenue for the state budget as well as making resource tax policies in consistent with international practices, in the coming time, it is necessary to research and expand a number of taxable subjects which exploiting minerals with super profits such as open-pit mining.
- Issue specific regulations on taxable natural resource output. In order to take advantage of collecting and paying natural resources tax in clarity and transparency process, it is recommended to specifically stipulate the price for calculating natural resource tax for for each of the following cases:

✓ *The exploited resources are sold immediately;*

- ✓ *The exploited resources must go through the screening and classification process before being sold;*
- ✓ *The exploited resources must go through production and processing before being sold.*
- Complete regulations on prices for calculating natural resources tax. In principle, the taxable price is the selling price of the resource at the place of exploitation to limit double taxation on resources transported for consumption and other costs, which is unfair in determining the taxable price, especially for exported resources.

#### **4.3.6 Expanding the tax base from new tax laws**

Not out of the world trend, Vietnam also needs to consider expanding the tax base from new tax laws. For example:

- Digital Tax Law is suitable for the digital economy. This is a tax levied on foreign technology companies that generate income or do business in the online environment in Vietnam. The study of this tax project aims to ensure the principle of tax neutrality, not distinguishing between traditional business models and e-commerce businesses.

- Carbon Emission Tax Law: Unlike the Environmental Protection Tax (indirect tax), the Carbon Emissions Tax is a direct tax levied on businesses with carbon emissions that affect the atmosphere, such as coal-fired power plants and mining companies, metal production enterprises such as aluminum, steel... This not only exploits new sources of revenue but is also a means for the State to control carbon emissions without using the levers of a command economy, thereby controlling production means and limiting carbon emissions.

#### **4.4. Conditions for implementing solutions**

To implement solutions to expand the tax base in Vietnam, it is necessary to research and prepare the following important conditions:

- Complete tax management.
- Strengthen coordination of authorities.
- Implement "segmentation" of taxpayers.
- Increase resources for tax management, including human and material resources.
- Apply information technology in tax management.

### **CONCLUDE**

Expanding the tax base in accordance with socio-economic development conditions to increase state budget revenue and strengthen the State's management capacity is a common trend of all countries.

The main results that the thesis has achieved are:

- (1) Synthesized, analyzed and presented the main content of a number of domestic and foreign research projects related to tax base and tax base expansion; provided comments and a brief

assessment of the research results of these works, thereby pointing out research gaps related to the thesis topic.

(2) Systematized and clarified a number of theoretical issues about the tax base and tax base expansion.

(3) Researched and synthesized the trend of tax base expansion in countries as a reference for Vietnam.

(4) Focused on researching and analyzing the current status of tax base expansion in Vietnam. From there, the thesis points out the achieved results, limitations and causes of limitations.

(5) Pointed out the international and Vietnamese economic context and the opportunities and challenges for state budget revenue in Vietnam in the coming time. On that basis, the thesis offers opinions on proposing solutions to expand the tax base in Vietnam and proposes solutions to expand the tax base in Vietnam.

During the research process, the author made many efforts in finding, collecting, and synthesizing both theoretical and practical sources to complete this thesis. However, this is a large topic with a wide scope, so the thesis inevitably has limitations and shortcomings. Fellows hope to receive comments from the teachers, scientists and managers so that this topic continues to develop and improve./