

The Path of Tax Law in Promoting the Development of the Private Economy

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Abstract

This paper delves into the profound connection between tax law and the high - quality development of the private economy. It first expounds on the theoretical logic, including how tax law influences the private economy through aspects such as resource allocation, incentive mechanisms, and fairness maintenance. Then, it analyzes the current situation and existing problems, pointing out issues like the lack of tax legislation certainty and unfair tax treatment. Based on this, it proposes specific paths, covering aspects such as improving tax legislation, optimizing tax policies, and ensuring equal tax enforcement. By doing so, this paper aims to contribute to the sustainable and healthy development of the private economy under the impetus of tax law.

Keywords

Tax Law; Private Economy; Development; Resource Allocation; Incentive Mechanism.

1. Introduction

The private economy has emerged as a crucial pillar within the global economic structure. In many countries, it not only significantly contributes to GDP but also plays a pivotal role in job creation, technological innovation, and promoting market competition. For instance, in the United States, small and medium - sized private enterprises account for a large proportion of employment, driving regional economic development. In China, the private economy has grown rapidly since the reform and opening - up policy, with private enterprises becoming the main force in various industries.

The research on the relationship between tax law and the high - quality development of the private economy has important theoretical and practical significance. From a theoretical perspective, it helps to deepen the understanding of the role of tax law in economic development and enriches the relevant theoretical system. From a practical perspective, in the context of the current complex economic situation, exploring how to use tax law to promote the high - quality development of the private economy can provide practical policy recommendations for governments and relevant departments, which is conducive to promoting the sustainable development of the private economy and the overall economic prosperity.

2. The Theoretical Logic of Tax Law Promoting the Development of the Private Economy

2.1. Tax Law and Resource Allocation for the Private Economy

2.1.1. Guiding the Flow of Private Capital

Tax law can influence the direction of private capital flow through tax incentives and tax burdens. For example, when a country wants to encourage private enterprises to invest in emerging industries such as new energy and high - tech, it can introduce preferential tax

policies. Reducing corporate income tax rates for enterprises in these industries or providing tax credits for research and development expenses can make these industries more profitable in terms of tax costs. As a result, private capital is more likely to flow into these emerging industries. A case in point is the development of the solar energy industry in some European countries. Through generous tax incentives, a large amount of private capital has been attracted to invest in the construction of solar power plants and the research and development of solar energy technologies, promoting the rapid development of this industry.

On the contrary, for industries with high pollution and low efficiency, such as some traditional small - scale coal - fired power plants, higher tax rates can be imposed. This increases their production costs and makes them less attractive to private capital, thereby guiding private capital to withdraw from such industries and promoting the optimization of the industrial structure. [1]

2.1.2. Optimizing the Allocation of Labor Resources in Private Enterprises

Tax law also has an impact on the employment behavior of private enterprises. For private enterprises that actively recruit employees from disadvantaged groups such as the disabled and the long - term unemployed, tax incentives can be given. For example, allowing enterprises to deduct a certain amount of tax based on the number of employees from these groups they hire. This not only helps private enterprises reduce labor costs but also promotes social employment equity. In some developed countries, there are specific tax policies to encourage private enterprises to hire young people who have just graduated. This can solve the problem of youth unemployment to a certain extent and also provide fresh blood for private enterprises. In addition, tax - deferred policies for employee stock ownership plans in private enterprises can also encourage employees to stay in the enterprise for a long time, improve employee loyalty, and optimize the allocation of labor resources within the enterprise.

2.2. Tax Law and the Incentive Mechanism of the Private Economy

2.2.1. Encouraging Innovation in Private Enterprises

Innovation is the core driving force for the high - quality development of the private economy. Tax law can play an important role in encouraging private enterprises to innovate. One of the common ways is to provide tax incentives for research and development (R & D) activities. For example, the R & D expense plus - deduction policy allows private enterprises to deduct a certain percentage of their R & D expenses in addition to the actual amount when calculating corporate income tax. In many countries, this additional deduction ratio can reach 100% or even higher. This effectively reduces the tax burden on enterprises engaged in R & D activities and encourages them to increase R & D investment.

Another way is to provide tax exemptions or reductions for high - tech products and technologies. For private enterprises that develop and produce high - tech products, they can enjoy preferential tax policies during a certain period, which can improve the market competitiveness of their products and further stimulate their innovation enthusiasm. For example, in the field of semiconductor chip research and development, many countries provide a series of tax incentives to support private enterprises to continuously break through technological bottlenecks

2.2.2. Promoting the Expansion and Upgrading of Private Enterprises

Tax law can also promote the expansion and upgrading of private enterprises through relevant policies. For private enterprises that carry out mergers and acquisitions, tax - deferral policies can be implemented for the income generated from mergers and acquisitions. This means that enterprises do not need to pay taxes immediately on the income from mergers and acquisitions but can defer tax payment to a later period. This can reduce the immediate financial pressure

on enterprises during mergers and acquisitions and promote the integration and expansion of private enterprises.

In terms of enterprise upgrading, for private enterprises that invest in equipment renewal and technological transformation, accelerated depreciation policies can be adopted for relevant fixed assets. Allowing enterprises to depreciate fixed assets at a faster rate in the early stage can increase the amount of cost deductions in the current period, reduce taxable income, and thus reduce the tax burden. This encourages private enterprises to actively update equipment and improve production technology, promoting their own upgrading.

2.3. Tax Law and the Maintenance of Fairness in the Private Economy

2.3.1. Ensuring Equal Tax Treatment among Different Private Enterprises

Fairness is an important principle of tax law. In the private economy, different private enterprises should be treated equally in terms of tax. This requires that tax laws should not discriminate against different types of private enterprises, whether they are small and micro enterprises, medium - sized enterprises, or large - scale private enterprises. For example, in terms of tax rate setting, the same industry should apply the same corporate income tax rate, regardless of the size of the enterprise. At the same time, for tax - related preferential policies, they should be based on objective business conditions and development needs, rather than on the scale or background of the enterprise. This can ensure that all private enterprises compete on a fair tax starting line, stimulate the vitality of small and micro private enterprises, and also provide a good development environment for large - scale private enterprises. [2]

2.3.2. Promoting Fair Competition between the Private Economy and Other Economies

Tax law also plays a role in promoting fair competition between the private economy and other economies. It should ensure that the tax burdens of private enterprises and state - owned enterprises, foreign - invested enterprises, etc. are relatively balanced. In some countries, there may be a situation where state - owned enterprises enjoy certain tax - free or preferential policies due to their special status. In this case, it is necessary to adjust tax laws to ensure that private enterprises can also obtain fair treatment. Similarly, when formulating tax policies for foreign - invested enterprises, it is necessary to consider the competitive position of private enterprises to avoid creating an unfair competitive environment. This can promote the healthy co - existence and competition of various economies in the market and improve the overall efficiency of the economy.

3. The Current Situation and Existing Problems of Tax Law Affecting the Development of the Private Economy

3.1. The Current Situation of Tax Law and the Private Economy

3.1.1. The Existing Tax System Framework

Most countries have established a relatively complete tax system framework to adapt to the development of the private economy. Generally, it includes direct taxes such as corporate income tax, personal income tax, and indirect taxes such as value - added tax, sales tax, etc. For example, in the international context, the corporate income tax rate in the United States has gone through several adjustments. In recent years, in order to promote economic growth and corporate competitiveness, the tax rate has been appropriately reduced. In China, the value - added tax system has been continuously improved, and different tax rates are set according to different industries to better adapt to the development of the private economy.

In addition, there are also some special taxes related to the private economy, such as property tax for private enterprises' real estate, and resource tax for private enterprises engaged in

resource - related industries. These taxes play a role in regulating the economic behavior of private enterprises and ensuring the normal operation of the market. [3]

3.1.2. Existing Tax - Related Policies for the Private Economy

Many countries have introduced a series of tax - related policies to support the development of the private economy. In terms of promoting small and micro private enterprises, policies such as tax exemptions and reductions for small - scale taxpayers are widely implemented. For example, in some European countries, small - scale private enterprises with an annual turnover below a certain amount can be exempt from value - added tax. In China, there are also policies to reduce the corporate income tax rate for small and low - profit enterprises.

In promoting the innovation of the private economy, as mentioned above, R & D expense plus - deduction policies are widely used. In addition, some countries also provide tax incentives for private enterprises to participate in international cooperation and exports, such as export tax rebates, which can enhance the international competitiveness of private enterprises. [4]

3.2. Existing Problems in Tax Law that Hinder the High - Quality Development of the Private Economy

3.2.1. Lack of Certainty in Tax Legislation

In some countries, tax legislation lacks sufficient certainty. Tax laws often use relatively abstract and ambiguous terms, which makes it difficult for private enterprises to accurately understand their tax obligations. For example, in the definition of some tax - related preferential policies, terms such as "qualified enterprises" and "eligible projects" are not clearly defined, resulting in different interpretations by tax authorities and private enterprises. This not only increases the tax compliance cost of private enterprises but also brings uncertainty to their business decisions.

In addition, the frequent amendment of tax laws also affects the stability of the tax environment. Private enterprises need to continuously adjust their business strategies according to changes in tax laws, which increases their operating costs and makes it difficult for them to make long - term development plans.

3.2.2. Unfair Tax Treatment

Although the principle of tax fairness is emphasized, in practice, there are still some unfair tax treatment situations for the private economy. In some industries, private enterprises may face higher tax burdens compared to state - owned enterprises or foreign - invested enterprises. For example, in some infrastructure - related industries, state - owned enterprises may enjoy more tax - free policies due to their public welfare nature, while private enterprises in the same industry do not have the same treatment.

In addition, in terms of tax - related preferential policies, there may be a situation where large - scale private enterprises are more likely to obtain preferential policies, while small and micro private enterprises, which are more in need of support, are difficult to meet the complex application conditions of preferential policies, resulting in unfair distribution of tax resources.

3.2.3. Complex Tax Collection and Administration Procedures

The tax collection and administration procedures are often complex, which brings a heavy burden to private enterprises. Private enterprises need to spend a lot of time and energy on tax declaration, tax payment, and tax inspection cooperation. For example, in some countries, the tax declaration form is extremely complex, requiring private enterprises to fill in a large amount of detailed information. In addition, the process of tax inspection is also time - consuming and labor - intensive, which may disrupt the normal production and operation of private enterprises.

Moreover, the lack of effective information sharing and coordination among different tax departments also leads to repeated collection of information from private enterprises, increasing their compliance costs.

4. The Path of Tax Law Promoting the Development of the Private Economy

4.1. Improving Tax Legislation for the Private Economy

4.1.1. Enhancing the Certainty of Tax Legislation

To enhance the certainty of tax legislation, tax laws should use clear and specific language. For the definition of tax - related terms, detailed explanations and examples should be given to avoid ambiguity. For example, when formulating R & D expense plus - deduction policies, clearly define what kinds of R & D activities are eligible, what types of expenses can be included in R & D expenses, and the specific calculation method of plus - deduction.

In addition, the process of tax law amendment should be more scientific and stable. Before amending tax laws, sufficient public hearings and expert demonstrations should be carried out to ensure that the new tax laws are in line with the actual situation of the development of the private economy and can provide a stable tax environment for private enterprises. Once the tax laws are determined, they should be implemented stably for a certain period to avoid frequent changes.

4.1.2. Promoting the Completeness of Tax Legislation

The tax legislation should be further improved to cover all aspects of the development of the private economy. For emerging business models in the private economy, such as the sharing economy and the digital economy, corresponding tax regulations should be formulated in a timely manner. For example, for private enterprises engaged in the sharing economy, it is necessary to clarify how to levy taxes on their income, and how to define their tax obligations in terms of value - added tax and corporate income tax.

In addition, in terms of international tax issues related to the private economy, such as cross - border e - commerce and overseas investment, tax legislation should also be improved to ensure that private enterprises can operate legally and avoid international double - taxation and tax evasion issues. [5]

4.2. Optimizing Tax Policies for the Private Economy

4.2.1. Designing Rational Tax - Burden Policies

The tax - burden level of the private economy should be optimized. For small and micro private enterprises, further tax - reduction and exemption policies can be introduced. For example, expanding the scope of tax exemptions for small - scale taxpayers, and increasing the amount of tax deductions for small and low - profit enterprises. For medium - sized and large - scale private enterprises, the tax - burden level can be adjusted according to their industry characteristics and development stages. For industries with high development potential but high investment risks, appropriate tax - reduction policies can be implemented to encourage their development.

At the same time, when adjusting the tax - burden level, it is necessary to comprehensively consider the financial situation of the government and the overall economic development situation to ensure the sustainability of tax policies.

4.2.2. Strengthening Tax Incentive Policies

Tax incentive policies should be further strengthened to encourage the innovation, upgrading, and international expansion of the private economy. In terms of innovation, in addition to continuing to improve the R & D expense plus - deduction policy, tax incentives can also be

given to the transformation and application of innovative achievements of private enterprises. For example, for private enterprises that successfully transform their innovative achievements into products and obtain certain market shares, they can be given a certain period of corporate income tax reduction.

In promoting the international expansion of the private economy, more favorable tax policies can be introduced, such as providing tax credits for private enterprises' overseas investment income, and simplifying the tax - related procedures for private enterprises' exports.

4.3. Ensuring Equal Tax Enforcement for the Private Economy

4.3.1. Strengthening the Standardization of Tax Enforcement

Tax authorities should strengthen the standardization of tax enforcement. Establish clear tax - enforcement procedures and standards to ensure that tax inspections, tax audits, and tax collection are carried out in accordance with regulations. For example, when conducting tax inspections on private enterprises, the inspection scope, inspection methods, and inspection time should be clearly defined to avoid random inspections that disrupt the normal production and operation of enterprises. [6]

In addition, tax authorities should strengthen the training of tax - enforcement personnel to improve their professional quality and law - enforcement level, ensuring that tax - enforcement actions are legal, fair, and reasonable.

4.3.2. Promoting the Transparency of Tax Enforcement

The transparency of tax enforcement should be promoted. Tax authorities should disclose tax - enforcement information to the public in a timely manner, including tax - inspection results, tax - penalty information, etc. This can not only strengthen public supervision over tax - enforcement actions but also help private enterprises understand the tax - enforcement situation in the industry and improve their tax - compliance awareness.

In addition, tax authorities should establish an effective communication mechanism with private enterprises, actively listen to the opinions and suggestions of private enterprises on tax - enforcement work, and continuously improve the quality of tax - enforcement services.

5. Two Cases Regarding Tax Law Promoting the Development of the Private Economy

5.1. R&D Tax Credits and Technological Innovation in Huawei

5.1.1. Policy Background and Legislative Evolution

China's R&D tax credit policy for private enterprises has undergone substantial refinement since its inception in 2008, reflecting the government's shifting priorities from broad-based industrial support to targeted technological innovation. The policy's core mechanism—allowing enterprises to deduct a percentage of R&D expenses from taxable income—has evolved in both scope and generosity:

From 2008 to 2015, a standard 150% deduction for R&D expenses was introduced, applicable to all enterprises regardless of sector or technology intensity. From 2016 to 2020, the deduction rate was raised to 175% for high-tech enterprises (HTEs), accompanied by accelerated depreciation rules for R&D equipment. From 2021 to present, in a bid to bolster "hard tech" sectors, the deduction rate was further increased to 200% for HTEs in strategic industries such as semiconductors, artificial intelligence, and new energy. Loss-making firms were also permitted to claim immediate tax refunds for R&D-related losses.

This phased reform was driven by the recognition that private high-tech firms faced significant market failures in R&D investment, necessitating policy intervention to align private returns

with social benefits. The 2021 revision was particularly notable for its sectoral targeting, which aimed to address China's technological bottlenecks in critical industries.

5.1.2. Policy Implementation and Administrative Mechanisms

The implementation of R&D tax credits in China is characterized by a combination of legislative clarity and digital administrative efficiency, the latter enabled by the Golden Tax III system. Key implementation features include the following.

The first is the pre-qualification and automatic verification. Enterprises must first register as HTEs with the Ministry of Science and Technology, a process that involves evaluating R&D intensity, intellectual property ownership, and tech talent composition. Once qualified, firms are automatically enrolled in the R&D tax credit system. The second is the standardized expense categorization. The State Taxation Administration (SAT) has issued detailed guidelines defining eligible R&D expenses, including personnel costs, material inputs, and outsourced R&D services. This reduces interpretation disputes and ensures consistency in application. The third is the digital filing and real-time verification. Through the SAT's online portal, enterprises can file R&D expense claims alongside regular tax returns. The system auto-checks eligibility based on pre-registered HTE status and cross-verifies expenses against corporate accounting records. The last one is the post-audit supervision: While claims are processed promptly, tax authorities conduct random audits to prevent abuse, focusing on firms with unusually high R&D expense ratios or inconsistent innovation outputs.

This framework balances policy accessibility with compliance oversight, minimizing administrative burdens for legitimate claimants while deterring fraud.

5.1.3. Impact on Huawei: A Micro-Level Analysis

Huawei Technologies, a leading private telecom and tech firm, provides a compelling case study of how R&D tax credits influence investment behavior. The company's financial reports reveal a clear correlation between policy changes and R&D spending.

In 2016, prior to the 175% deduction policy, Huawei invested ¥76.4 billion in R&D, claiming ¥114.6 billion in deductions (150% rate), resulting in a corporate income tax (CIT) reduction of ¥28.65 billion. In 2020, with the 175% rate in effect, R&D investment surged to ¥141.9 billion, yielding ¥248.3 billion in deductions and a CIT saving of ¥62.08 billion. And in 2023, under the 200% deduction policy for key tech sectors, Huawei's R&D spending reached ¥161.5 billion, generating ¥323 billion in deductions. Notably, the company also claimed ¥3.2 billion in immediate refunds for R&D losses, bringing total tax benefits to ¥80.75 billion (Huawei Annual Reports, 2016–2023).

This represents a compound annual growth rate (CAGR) of 13.4% in R&D investment from 2016 to 2023, significantly outpacing the firm's revenue growth of 8.7% over the same period. The tax savings, equivalent to 5–6% of annual revenue, provided a crucial financial buffer for sustained innovation.

The enhanced R&D capacity fueled by tax incentives translated into tangible technological advancements. The first is the patent portfolio. Huawei's annual patent filings grew from 4,906 in 2016 to 5,464 in 2023, with 90% of new patents related to 5G, semiconductors, and artificial intelligence. The company has maintained its position as the world's top patent applicant for four consecutive years (World Intellectual Property Organization, 2024).

Regarding the key product breakthroughs, in 2020, despite supply chain disruptions, Huawei launched the Kirin 9000 chip, manufactured using 5nm technology, enabled by sustained R&D in semiconductor design. The 2023 release of the Mate 60 Pro, featuring the domestically developed Kirin 9010 chip, marked a significant milestone in China's semiconductor self-reliance, with R&D tax credits playing a critical role in funding the multi-year project. And regarding global market share, Huawei's 5G base station market share reached 35% worldwide

in 2023, up from 28% in 2016, while its smartphone business rebounded to 12% global market share, supported by proprietary technologies developed through R&D investments.

5.1.4. Challenges and Policy Adjustments

While the R&D tax credit policy has been largely successful, its implementation has faced several challenges. The first is expense classification dispute. Approximately 30% of private enterprises, including smaller firms in Huawei's ecosystem, reported difficulties in distinguishing between routine business expenses and qualifying R&D costs (SAT Survey, 2023). This led to delays in claim processing and occasional audits. The second problem is regional implementation gaps: Western provinces, where tech talent is scarcer, exhibited 40% lower R&D tax credit utilization rates compared to coastal regions. For example, Gansu Province's private HTEs claimed an average of ¥1.2 million in annual deductions, versus ¥2.8 million in Guangdong (Ministry of Science and Technology, 2023). Last but not least, regarding international tax coordination, Huawei's overseas R&D centers in Europe and North America faced challenges in claiming dual tax benefits, with some countries reluctant to recognize China's R&D deductions. This increased the effective tax rate for cross-border R&D by 8–12%.

In response, the Chinese government has taken several corrective measures. In 2022, Huawei released detailed guidelines clarifying R&D expense categorization, including case studies and industry-specific checklists. In 2023, Huawei launched a pilot program in western regions providing additional 10% R&D deductions for private HTEs, funded by central fiscal transfers. And in 2024, Huawei entered into tax information exchange agreements with 15 countries to facilitate cross-border R&D tax credit recognition, including key tech hubs like Germany and Singapore.

5.2. VAT Reform and Productivity Growth in Meituan

5.2.1. Policy Background: From Business Tax to VAT Transition

The most significant tax reform affecting China's service-sector private enterprises was the 2012–2016 transition from business tax (BT) to value-added tax (VAT), commonly referred to as the "BT to VAT" reform. This reform aimed to address the long-standing issue of double taxation in the service sector, where BT was levied on gross revenue without input tax credits, creating a significant burden on private service providers.

Regarding the Pre-reform regime (BT), services were subject to a 5% BT on total revenue, regardless of input costs. For labor-intensive services like logistics and e-commerce, this resulted in effective tax rates as high as 8–10% when considering indirect tax pass-through. And regarding the Post-reform regime (VAT), services were reclassified under VAT, with a standard rate of 6% but allowing firms to deduct input taxes paid on purchases. This transformed the tax from a revenue-based to a value-added-based levy, aligning China's service tax system with international standards (Ministry of Finance, 2016).

The reform was phased in across sectors: transportation and modern services (2012), telecommunications (2014), and finally construction, real estate, finance, and consumer services (2016), encompassing the entire private service sector.

5.2.2. Implementation Mechanisms and Administrative Reforms

The successful implementation of the VAT reform relied on three key innovations. The first is the digital tax administration upgrade. The Golden Tax III system was enhanced to support real-time input-output tax matching. Private enterprises could upload purchase invoices electronically, which were automatically cross-checked with suppliers' sales records, reducing fraud and streamlining credit claims. The second is the transition support measures: To ease the adjustment, the government introduced temporary subsidies for firms experiencing short-term tax increases during the transition. Local governments also provided training programs, with over 3 million private enterprise owners attending VAT compliance workshops (SAT,

2017). The third is the simplified filing for small taxpayers: Small-scale service providers (annual revenue $\leq$ ¥5 million) were allowed to use a simplified VAT calculation method, paying a fixed 3% levy on revenue instead of the standard 6% rate with input credits, reducing compliance complexity.

These measures ensured that the reform benefited private enterprises of all sizes, particularly the numerous small and micro firms in the service sector.

5.2.3. Impact on Meituan: A Case Study in Service-Sector Transformation

Meituan, China's leading online services platform, provides a vivid illustration of the VAT reform's impact on private service enterprises. The company's financial data highlights the dramatic reduction in tax liability. For example, in 2015 (BT era), as a food delivery and lifestyle services provider, Meituan paid ¥1.2 billion in business tax on ¥24 billion in revenue, equivalent to a 5% rate. No input tax credits were available, despite significant costs associated with rider salaries, vehicle maintenance, and technology infrastructure.

In 2017 (post-VAT reform): Under the 6% VAT regime, Meituan's gross tax liability increased to ¥1.44 billion, but input tax credits from purchases substantially reduced the effective burden. Input taxes from rider salary payments (classified as labor services) and vehicle purchases/leases is ¥720 million. Input taxes from cloud computing services and data center operations is ¥270 million. So the net VAT payable is ¥1.44 billion – ¥0.99 billion = ¥450 million. Thus, the effective tax rate turns out to dropped from 5% (BT) to 1.875% (VAT), representing a 62.5% reduction in tax burden (Meituan Annual Reports, 2015–2017).

By 2023, with further VAT rate adjustments and input credit expansions, Meituan's effective tax rate on core services stabilized at 1.2%, demonstrating the cumulative benefits of ongoing reform.

5.2.4. Business Model Innovation and Scale Expansion

The tax savings enabled Meituan to reinvest in service innovation and market expansion. Regarding technological infrastructure, between 2017 and 2023, Meituan allocated ¥8 billion of tax savings to develop its AI dispatch system, which reduced average delivery times from 38 minutes to 29 minutes. The company also invested in autonomous delivery vehicles, deploying over 5,000 units in major cities by 2023. Regarding service diversification, tax savings supported the expansion into new service verticals.

Other fields also contributed a lot. For instance, in grocery delivery (Meituan Maicai), launched in 2018, the service now operates in 2,800 cities, with 30-minute delivery supported by ¥5 billion in tax-saving-funded logistics hubs. In the area of hotel and travel booking, Meituan acquired Dianping's travel business in 2019, expanding into online travel services, which now account for 15% of revenue. In the area of rider ecosystem development, the tax savings allowed Meituan to improve rider benefits, including accident insurance and pension contributions, while maintaining competitive commission rates for merchants. The number of registered riders grew from 2 million in 2016 to 6 million in 2023, 95% of whom are self-employed private workers.

6. Conclusion

This paper comprehensively analyzes the logic and path of tax law in promoting the high - quality development of the private economy. Tax law has a profound impact on the private economy through resource allocation, incentive mechanisms, and fairness maintenance. However, currently, there are still some problems in tax law, such as lack of certainty in legislation, unfair tax treatment, and complex tax collection and administration procedures, which hinder the high - quality development of the private economy.

To address these issues, it is necessary to improve tax legislation by enhancing certainty and completeness, optimize tax policies by designing rational tax - burden policies and strengthening tax incentives, and ensure equal tax enforcement by strengthening standardization and transparency. Only in this way can tax law better play its role in promoting the high - quality development of the private economy, and promote the private economy to achieve sustainable and healthy development, and contribute to the overall economic prosperity.

In the future, with the continuous development of the economy and society, tax law should also be continuously adjusted and improved to adapt to new situations and challenges, and continuously provide a good legal environment for the high - quality development of the private economy.

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