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Analysis of the Phenomenon of Star Tax Evasion and Countermeasures for Governance

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Abstract: Against the backdrop of steady economic development in China, the quality of life of the people is constantly improving, and their spiritual needs are gradually increasing. The film and television industry has ushered in unprecedented development opportunities and produced superstars, forming a fan economy. Therefore, industry practitioners, especially film and television stars, have a relatively high-income level. However, due to the development of the film and television industry, there has been a mismatch in the personal income tax collection and management system, resulting in a significant loss of tax revenue. The frequent occurrence of high-income celebrities evading huge taxes indicates that there are certain loopholes in the personal income tax collection and management of high-income groups in China's film and television industry. This article is based on the problems discovered in the Zheng Shuang tax evasion case, delving into the issue of personal income tax collection and management, and proposing beneficial solutions. In response to the current issue of personal income tax collection and management in China's film and television industry, the following suggestions are proposed: optimizing the tax system, strengthening tax collection and management, and improving the tax related environment. Through the research in this article, we hope to provide some ideas for the tax authorities to strengthen the personal income tax collection and management of the film and television industry, and reduce the loss of personal income tax.

Keywords: High-income Film and Television Celebrities; Tax Evasion; Tax Administration.

1. The Current Situation of Tax Collection and Management in the Film and Television Industry

1.1. Current Situation of Personal Income Tax Collection and Management in China's Film and Television Industry

The rapid development of China's film and television industry is not limited to the traditional fields of television, film, and animation, but has also given rise to new forms of entertainment such as web dramas and short videos. At the same time, the form of commercial activities has expanded from endorsements and platforms to multiple fields such as promotion and live streaming. These changes have provided more employment opportunities and sources of income for practitioners in the film and television industry. The main taxable items involved in personal income tax include: the first category is income from wages and salaries. For practitioners in the film and television industry, such as actors, directors, screenwriters, storytellers, and post production professionals, the remuneration obtained from participating in the production of their own film and television projects should be subject to personal income tax based on their wages and salaries. The personal income tax payable is generally withheld and paid by their respective film and television units. The second type is income from labor remuneration. The remuneration obtained by practitioners in the film and television industry for temporarily working for other units for a specific matter does not fall under the category of "employment" in tax law, such as participating in magazine shooting, advertising endorsement commercial platforms, and film and television projects of film and television production companies. The remuneration paid by the other unit to practitioners in the film and television industry based on the quantity and quality of services provided shall be calculated and paid personal income tax under the item of "labor remuneration". The "labor remuneration" project is the main source of income for high-income groups in the film and television industry. The third type is operating income. Most high-income individuals in the film industry will establish their own studios, sign contracts under the name of the studio, and include their salary income in the operating income of the studio. If it is a small-scale individual business with incomplete accounting books, it should be taxed according to the approved taxation method. In the case of high profits in studios, the amount of personal income tax that should be paid using the approved collection method is relatively small, so many high-income individuals in the film and television industry use this project to evade taxes. The fourth category is income from interest, dividends, and bonuses. High income individuals in the film and television industry receive interest, dividends, and bonuses from investing in film and television companies or projects. Film and television companies use funds to pay for consumer or property expenses unrelated to production and operation for relevant personnel, which is equivalent to distributing dividends to individual investors. Personal income tax should also be paid under the items of "interest, dividends, and dividend income". The fifth category is income from royalties. One is copyright income, which refers to the income obtained by relevant personnel from the transfer of their own film and television works copyright, distribution rights, broadcasting rights, or screening rights. The second is that film and television stars will be subject to personal income tax on the income obtained from lending their portrait rights, name rights, and other rights to others for use under specific conditions, calculated as a "franchise fee". The sixth category is income from remuneration. Firstly, film

and television writers republish film and television literary scripts in the form of books and newspapers. The second is that some film and television celebrities, well-known directors and other industry practitioners publish personal autobiographies, photography collections, art and design works, etc. The remuneration obtained from the above actions should be included in the "remuneration income" item.

1.2. The Current Situation of Personal Income Tax Loss in China's Film and Television Industry

The situation of personal income tax loss in China's film and television industry is relatively serious, which is manifested in the frequent occurrence of high-income groups in the film and television industry engaging in large-scale tax evasion incidents. In 2018, the most widely discussed and socially influential tax evasion case involving Fan Bingbing occurred in recent years. Famous actress Fan Bingbing used a "yin-yang contract" to divide and conceal her income, evading personal income tax payments of 6.18 million yuan and other taxes of 1.12 million yuan. In addition, as the legal representative of the company, Fan Bingbing also reduced taxes by 248 million yuan, including 134 million yuan in tax evasion. The tax authorities have lawfully recovered the paid taxes and imposed additional late fees, fines, and other taxes, totaling 833 million yuan.

After the tax evasion case involving Fan Bingbing, the government began to crack down severely on the "sky high remuneration" behavior in the film and television industry, and severely rectify the tax chaos in the industry. On October 10, 2018, the tax department issued a notice requiring film and television companies and high-income individuals in the film and television industry in various regions to conduct self-examination and self correction of their tax behavior from 2016 to 2018. And in the policy details of this self inspection and self correction action, it is explicitly stated that "personal income obtained by entertainment personnel in the film and television industry" and "operating income of their studios" should be strictly distinguished. If there is any confusion between the previous two income items, the portion belonging to the "labor remuneration" income item should be re declared. After the completion of the special action for self-examination and self correction of personal income tax in the film and television industry, the tax department received a total of 11.747 billion yuan in tax declarations from the industry.

However, after the special inspection activities ended, there were still a series of tax evasion cases among high-income groups in the film and television industry (as shown in Table 1). In 2019, film and television star Zheng Shuang still used "yin-yang contracts" and changed the nature of personal income to evade personal tax obligations, seriously damaging the country's tax interests. The tax authorities in Shanghai have required Zheng Shuang to make up for tax payments, pay late fees and fines totaling RMB 299 million in accordance with the law. During the period from 2019 to 2020, online anchor Zhu Chenhui registered and established sole proprietorships in multiple regions, using methods such as fictitious business and transforming the nature of personal income to evade personal tax obligations. This is not only an infringement on the relevant tax authorities, but also a violation of the national tax management order. In November 2021, the Inspection Bureau of Hangzhou Taxation Bureau imposed corresponding tax penalties on Zhu Chenhui in accordance with relevant laws and regulations, with a total fine of 65553100 yuan. During the period from 2019 to 2020, internet anchor Huang Wei evaded 643 million yuan of personal income tax and underpaid 60 million yuan in other taxes by concealing personal income, fabricating business to change the nature of personal income, and making false declarations. In December 2021, the Zhejiang Provincial Taxation Bureau imposed tax administrative penalties on him in accordance with the law, totaling 1.341 billion yuan. Film and television star Deng Lun evaded personal income tax of 47.6582 million yuan and other taxes and fees of 13.9932 million yuan by fabricating his business and changing the nature of his income. In March 2022, the tax department recovered all of Deng Lun's taxes and imposed a late fee of 106 million yuan on him. In the same year, Chongqing Liyan Culture and Media Company, with film and television star Yuan Bingyan as the legal representative, was exposed for failing to fulfill its withholding and payment obligations in accordance with the law, confusing the company's production and operation expenses with Yuan Bingyan's personal consumption expenses of 8.15 million yuan. According to the relevant provisions of the tax law, the above-mentioned expenses should be regarded as the distribution of dividends by the enterprise to individual investors. Personal income tax should be calculated and paid according to the "interest, dividends, and dividend income" items. Liyan Cultural Media Company should withhold and pay personal income tax of 1.63 million yuan on behalf of Yuan Bingyan. However, Liyan Cultural Media Company did not fulfill its withholding and payment obligations in accordance with regulations. Therefore, in accordance with Article 69 of China's Tax Administration Law, the tax authorities imposed a fine on Liyan Culture and Media Company, amounting to 60% of the tax payable but not deducted or receivable but not collected, approximately 978000 yuan.

2. A typical Case of Celebrity Tax Evasion -- Zheng Shuang's Tax Evasion Case

2.1. Case Introduction

In April 2021, Zheng Shuang's ex boyfriend Zhang Heng reported on social media that Zheng Shuang received a high remuneration of 160 million yuan for filming a TV drama produced by Beijing Century Partner Culture Media Co., Ltd. (referred to as Century Partner Company) in 2019. He also claimed that Zheng Shuang had evaded taxes by signing "yin-yang contracts" and splitting income. He requested the State Administration of Taxation to conduct an in-depth investigation and attached Zhang Heng WeChat screenshots of Zheng Shuang and Zheng Shuang's parents discussing tax avoidance measures, as well as some evidence pictures such as yin-yang contracts and transfer receipts.

Based on known information, it can be understood that Zheng Shuang's tax evasion methods mainly include the following two: the first one is "Yang Contract" - a disguised compensation route. The producer Century Partners Company paid a total of 48 million yuan in performance remuneration to Zheng Shuang (after tax price, which means that the tax will be borne and paid by Century Partners Company on behalf of Zheng Shuang). Article 2: "Yin Contract" - Capital Increase Route. The remaining 112 million yuan will be increased through Zhejiang Weizhong Film and Television Media Co., Ltd., a puppet company

actually controlled by Century Partners, to Shanghai Jingyansha Technology Co., Ltd. (referred to as Jingyansha Company), which is controlled by Zheng Shuang's mother. Finally, Jingyansha Company will transfer the funds to Zheng Shuang's mother's account in the name of borrowing.

2.2. Methods Involved in the Case

According to Zhang Heng's disclosure, Zheng Shuang's 160 million yuan film remuneration mainly splits the contract into two parts, yin and yang, through the following two paths, to achieve the decomposition of the tax amount. The "tax inclusive" agreement adopted in the Yang contract takes advantage of the loophole in the tax law that does not explicitly stipulate that the taxpayer is the taxpayer, in order to avoid taxes and transfer the tax burden of celebrities to the film and television industry; Disguised compensation and the use of tax havens are both tax avoidance measures that take advantage of the differences in tax rates across different income items and the differences in tax preferential policies across different regions. All three methods are legal but unreasonable tax avoidance behaviors. However, the signing of negative contracts belongs to the category of tax evasion, which involves concealing one's own income in large amounts and transferring property through capital increase, with a negative motive of refusing to pay taxes, and is an illegal act.

2.3. Case Handling Results

In August 2021, the Shanghai Municipal Taxation Bureau of the State Administration of Taxation announced the handling results of Zheng Shuang's suspected tax evasion issue: he agreed with the production company to pay 160 million yuan for the film, but actually obtained 156 million yuan, evaded taxes of 43.027 million yuan, and underpaid taxes of 16.1778 million yuan. In addition, there were other entertainment income that had not been declared and taxed in accordance with the law, with a total of 299 million yuan in recovered taxes and additional late fees. As Zheng Shuang was the first offender, he also paid the fine within the prescribed time limit, So the tax bureau did not impose criminal responsibility on Zheng Shuang. In October of the same year, the Shanghai Taxation Bureau announced the punishment for Zhang Heng, the whistleblower of Zheng Shuang. As Zhang Heng also participated in the formulation of the "yin-yang contract", he helped Zheng Shuang evade his tax obligations. However, considering the merits of the whistleblower, a fine of 32.27 million yuan was imposed on Zhang Heng, which was 0.75 times Zheng Shuang's tax evasion of 43.027 million yuan. As the production company Century Partners, although it did not receive any punishment due to Zheng Shuang's tax evasion case, in August 2021, Century Partners' parent company, Beijing Jingxi Cultural Tourism Co., Ltd. (hereinafter referred to as Beijing Culture), was suspected of falsely transferring the investment share return rights of the TV series and fabricating the circulation of funds back to its subsidiaries, The Beijing Regulatory Bureau of the China Securities Regulatory Commission has issued an Administrative Penalty and Market Entry Prohibition Notice to the company, and has made a decision to ban the company from entering the market.

2.4. Summary of Tax Evasion Methods in Case Studies

(1) Splitting income and signing different contracts is a common tax evasion method in the film and television industry. Both parties signed two contracts at the same transaction time, but the amount was different. In these two types of contracts, the contract with a smaller transaction amount can be made public, while the contract with a larger transaction amount cannot be made public. The contract content on the surface is declared by the film and television star studio to the tax authority for tax payment. The other contract is not publicly disclosed and only the signing parties are aware of its existence. And through this "complex" operation, the taxable income of film and television celebrities can be reduced. If the parties to the contract have sufficient trust in each other, a "negative contract" can exist in the form of an oral agreement rather than in written form. This form is more covert and less noticeable, increasing the difficulty for tax authorities to collect tax information. Although yin-yang contracts are more common in the film and television industry, they do not fall within the scope of national tax policies for tax planning activities. The yin-yang agreement secretly agreed upon by film and television artists is not effective. Once the other party violates the rules and refuses to fulfill the provisions of the yin-yang agreement, they have to rely on the agreement recorded by relevant government agencies as the basis. This invisibly increases the transaction risk for both parties and will cause various legal risks in the future.

(2) Using studio accounts to change the nature of income. Film and television star studios are often composed of a small number of employees, serving as a professional team specifically responsible for the affairs of one or more film and television stars. Registering a studio for celebrities in the film industry not only allows them to enjoy more operational autonomy, but the establishment of the studio also creates opportunities for celebrities to evade taxes. Under the protection of the studio, film and television stars can conceal the actual nature of their personal income and successfully convert labor remuneration income into business income suitable for individual businesses.

(3) Fictitious equity and capital increase forms to pay film remuneration. After the release of the salary limit order, celebrities have resorted to new tax evasion methods to avoid industry regulation, paying some of their film remuneration through equity and capital increase. This payment method is more covert and less likely to be detected. In addition, the production company also collaborates to establish a company, paying film remuneration through investment, equity, and dividends, converting the personal income of celebrities into company profits, and then engaging in arbitrage in the capital market. The transformation of an actor's identity into a producer or producer not only avoids the industry and tax authorities' regulation of exorbitant film remuneration, but also increases the company's profits and generates more income.

(4) Register the studio in a tax preferential location. In order to support local enterprises, some places have adopted tax preferential policies, and enterprises registered in the above-mentioned areas enjoy corresponding tax preferential policies. This has to some extent promoted regional development, but also provided opportunities for taxpayers to evade taxes. Therefore, these places are also known as "tax havens" because the tax burden level is lower than normal.

3. Issues Reflected in the Case

3.1. Serious Tax Loss and Low Tax Awareness Among Employees

The celebrity taxpayers in the film and television industry have generated abnormally high profits due to their huge traffic and high popularity. As a high-income group, enjoying the dividends of national development and receiving exorbitant film remuneration, which should have regulated taxation, the film and television industry has resorted to yin-yang contracts, split contracts, and established studios to change the nature of income. Through "tax havens" and "tax avoidance", the film and television industry has seriously eroded its tax base, resulting in huge tax losses. In the past, the self inspection and self correction of the film and television industry resulted in a tax declaration of 11.747 billion yuan. Now, Zheng Shuang has been punished with a total of 299 million yuan. All of this indicates that the tax losses in the film and television industry are very serious, reflecting the weak tax awareness of celebrity taxpayers. Star taxpayers do not pay taxes, firstly to pursue profits, and secondly because their tax concepts have not deeply rooted in people's hearts, and they have not correctly understood the nature of taxation.

3.2. Insufficient Supervision from Tax Authorities

No collusion was found between the film and television company and the film and television production company. The reason why Zhang Heng exposed Zheng Shuang's tax evasion was entirely due to their own private conflicts. Zhang Heng, as Zheng Shuang's boyfriend and agent, handled everything from signing contracts to negotiating film remuneration, to formulating "capital increase agreements", and even to "covering the company". Tax evasion cases in the film and television industry have all been exposed due to personal grievances. After the Zheng Shuang incident, the self inspection of the film and television industry was also applied for by the film and television companies themselves. From this, it can be seen that the current tax authorities in China are not actively supervising tax violations in the film and television industry.

3.3. Insufficient Transparency in Information Disclosure and Insufficient Punishment

After the incident of celebrities evading taxes, the total amount of self inspection tax paid by the film and television industry was 11.747 billion yuan, including multiple film and television celebrities, which has not yet been announced by the tax authorities. The staff of the film company only paid fines and did not receive any punishment. Compared to Zheng Shuang being banned by the entire entertainment industry, these people can continue to make money in public, and the punishment is much lighter. The Seventh Amendment to the Criminal Law of the People's Republic of China has added a "first time crime exemption clause" in Article 201, exempting Zheng Shuang and other "celebrity taxpayers" from legal responsibility for their criminal acts. Poor punishment will make celebrity taxpayers more inclined to take chances. So Zheng Shuang still dares to take risks and use yin-yang contracts to evade the supervision of the tax department.

3.4. Neglecting Punishment for Producers Involved in Collusive Tax Evasion

Beijing Culture conducted false accounting treatment based on a revenue of 660 million yuan and a net profit of 191 million yuan. The China Securities Regulatory Commission has issued an administrative warning and imposed a penalty of 600000 yuan on Beijing Culture. Because the China Securities Regulatory Commission only imposed a fine of 600000 yuan on listed companies, compared to falsely reporting a net profit of 191 million yuan, this amount of money is nothing at all. And for the Beijing culture that helped Zheng Shuang evade taxes, no relevant punishment measures have been found so far. Zhang Heng, as the whistleblower and agent, assisted Zheng Shuang in tax evasion and was fined 0.75 times the fine. The amount of tax evasion in "The Ghost of a Beautiful Girl" was 43.027 million yuan. So, for the withholding agents of the producers, it is also an issue that cannot be ignored.

3.5. Weak Motivation for Reporting

According to Article 6 of the Interim Measures for Rewarding Taxpayers for Reporting Tax Violations in China, if the amount of collected and stored tax is between 50 million yuan and 100 million yuan, a bonus of no more than 60000 yuan shall be given; If the amount of tax collected for storage is more than 100 million yuan, a bonus of less than 100000 yuan will be given. This regulation was implemented on March 1, 2007 and has not been updated to date. Compared to the amount of tax collected and the importance of whistleblowing behavior, this reward amount appears less attractive.

4. Analysis of the Reasons for Celebrities Evading Taxes

The phenomenon of tax evasion among high net worth individuals in China is quite serious, as it has a significant impact on society. Once tax evasion cases are discovered, their negative impact will be even more severe. Therefore, it is necessary to impose taxes on high net worth individuals to promote social justice. At present, there are still certain deficiencies in China's tax collection and management of high net worth film and television industries, mainly manifested in incomplete tax systems, inadequate tax collection and management, and weak taxpayer awareness.

4.1. Incomplete Tax System

The withholding and payment system is not perfect. The remuneration obtained by celebrities attending general public welfare performances is tax-free (because the remuneration is relatively small), and many production units cover up the fact of their commercial performances under the guise of public welfare performances, failing to fulfill their withholding and payment obligations, in order to help celebrities avoid paying taxes. The production unit is openly building a boardwalk and secretly concealing the fact that fans are selling tickets like commercial performances. Since then, production units have also evaded paying taxes under the guise of public welfare. The celebrity advertising endorsement revenue publicly claims to be after tax income, but employers are hesitant to disclose whether they have paid taxes on their behalf. In practical operation, companies try their best to classify this part of the expenses as advertising or management fees, which can be deducted before tax. In this way, both celebrities and

businesses have achieved the goal of paying less taxes. The motivation for post reporting is weak. At present, rewards for reporting tax violations in China are based on the level of detail provided by the whistleblower and the amount of tax collected and stored. If the amount of tax collected and stored is over 100 million yuan, a bonus of less than 100000 yuan will be given. If the amount of tax collected into the warehouse is more than 50 million yuan but less than 100 million yuan, a bonus of less than 60000 yuan will be given.

4.2. Inadequate Tax Collection and Management

Firstly, effective exploration and development have not yet been carried out to promote tax risk management through big data and enhance the ability to govern taxes through data. The quality of tax data is crucial for controlling tax risks, and in the current tax system, the analysis and utilization of big data are only limited to obtaining and utilizing tax data, lacking the utilization of third-party data. Secondly, currently in China, the regulation of high net worth groups in the film and television industry is mainly based on post supervision. In 2022, the tax bureau discovered the tax risks of many celebrities and anchors through tax big data and regulated them, which played a good role in promoting the tax order of the entertainment industry. However, big data technology has not fully utilized its function of identifying tax risks in advance and during the process, and cannot effectively analyze tax risks throughout the entire chain and process. Only by fully utilizing the supervision and management of various links such as pre event, during event, and post event, can we better prevent high net worth individuals in the film and television industry from evading taxes.

4.3. Weak Taxpayer Awareness

The high net worth group in the film and television industry has a weak tax awareness and is driven by interests. Many people evade taxes by changing the nature of their income and concealing their income. Some celebrity companies have not even realized the importance of taxation when ordered to carry out tax rectification. If not rectified in a timely manner, it will lead to a comprehensive inspection by the tax authorities. The current personal income tax system in our country is to declare taxes to taxpayers. For high net worth individuals in the film and television industry, if they do not actively declare, the tax department will find it difficult to identify and discover relevant information.

5. The Solution to the Problem of Celebrity Tax Evasion

The tax department should first improve the withholding and payment system and two-way declaration, take reasonable measures to supervise the behavior of withholding and payment personnel, establish strict reward and punishment mechanisms, and ensure comprehensive control over the income of high-income groups in the film and television industry. Secondly, the country should establish and improve a dual reporting system before and after the incident, and encourage whistleblowers to report through active reward policies. Thirdly, the country should strengthen tax collection and management, strengthen tax inspections through the use of big data, strengthen comprehensive supervision of tax sources and tax registration, and increase penalties for tax evasion. Finally, at the social level, efforts should be made to improve the tax related environment and carry out publicity and guidance work.

5.1. Optimize Tax System

5.1.1. Improve the Withholding and Payment System and the Two-Way Declaration System

In the case of Zheng Shuang's Yin Yang contract tax evasion, the withholding agent of the production company, Beijing Culture, chose to collude with Zheng Shuang to evade taxes. Beijing Culture, as a withholding agent, did not fulfill its due responsibilities and instead chose to collude with Zheng Shuang to evade taxes, reflecting the shortcomings of the withholding and payment system. Therefore, the tax department needs to classify and standardize the responsibilities, obligations, rights, powers, procedures, scope, and other contents of withholding and paying agents based on their performance of responsibilities. Take reasonable measures to supervise the behavior of withholding agents and establish strict reward and punishment mechanisms. At the same time, improving the two-way declaration system, the tax department can verify and compare the information declared by celebrity taxpayers in the film and television industry with the information declared by withholding agents of the production company, analyze two different sets of data to determine the authenticity of the declared information, thereby achieving two-way monitoring of taxpayers and withholding agents by the tax department, greatly increasing the difficulty of concealing income and false reporting, and improving the accuracy and authenticity of tax related information. In tax practice, the two-way declaration system does not cover all taxpayers, resulting in incomplete tax related information in the film and television industry. China's tax reform should promote the establishment of a comprehensive two-way declaration system to ensure comprehensive control over the income of high-income groups in the film and television industry.

5.1.2. Establish and Improve a Dual Reporting System Before and After the Incident

Due to the complex and covert methods of tax evasion in the film and television industry, existing tax collection and management methods are difficult to quickly and comprehensively identify potential problems. Therefore, the introduction of an internal reporting mechanism in advance can improve the threshold for tax evasion and cooperation among celebrity taxpayers and producers with withholding agents, as can be seen in the previous model. The threshold for tax evasion for celebrity taxpayers has been raised by 7.6%. The threshold for withholding agents of producers to cooperate in tax evasion has been raised by 18.7%. The greater the reported loss, the greater the inhibitory effect on tax evasion and cooperative tax evasion. If the party with the intention of tax evasion is reported, the subsequent tax evasion behavior can be suspended. Although the party being reported has not yet caused the tax non-compliance behavior, the tax department may list it as a key tax inspection object and require the payment of a tax compliance deposit, which constitutes an economic and psychological deterrent. At the same time, the legal regulations on post reporting should also be updated and improved, and proactive reward policies should be implemented to encourage reporting behavior. At present, the incentives for whistleblowers are weak, with a maximum of only 100000 yuan, which is not conducive to whistleblower behavior. The whistleblower system in European and American countries can be used as a reference.

If a whistleblower reports tax evasion of over 2 million US dollars, after providing evidence, the whistleblower can receive a reward of 30% of the recovered funds. Our country can also set a fixed proportion to distribute rewards to tax authorities for assisting in the collection of taxes after reporting, in order to encourage reporting behavior more effectively. Furthermore, improve the confidentiality system for whistleblowers and ensure the personal safety of whistleblowers. Do a good job in confidentiality, ensure that whistleblowers have no worries, and the public security department should ban and severely punish any threatening behavior of whistleblowers.

5.2. Strengthen Tax Collection and Management

5.2.1. Utilize Big Data to Strengthen Tax Inspections

From the case of Zheng Shuang, it can be found that the tax authorities have insufficient supervision and failed to proactively detect tax evasion and evasion in the case. Therefore, it is necessary to strengthen tax inspections. Improving the inspection rate helps to improve tax compliance. We should attach great importance to the important role of big data in tax inspection in the film and television industry. Strengthen the analysis and application of big data, and improve information management. Taking advantage of the strong exposure of the film and television industry, we will focus on regulating high-income groups in the industry and achieve targeted inspections and universal spot checks. Develop tax risk classification standards for film and television personnel, and implement varying degrees of inspection and management for film and television personnel of different risk categories. For high-risk celebrity taxpayers, choose regular tax inspections. For star taxpayers with low to medium risk levels, choose irregular tax inspections. If any tax non-compliance is found, it will be included in the list of key inspections and will be given special attention in future inspections. In tax inspection, it is not only necessary to inspect celebrity taxpayers, but also to pay attention to the legal persons, investors, and brokers of companies related to celebrity taxpayers. We cannot ignore the relatives and friends of celebrity taxpayers, and should closely monitor the family situation, income, property, and tax situation of film and television personnel to prevent tax evasion through family members.

5.2.2. Strengthen Comprehensive Supervision of Tax Sources and Tax Registration

The high-income group in the film and television industry has diverse sources of income and lengthy work processes. Therefore, it is necessary to implement comprehensive supervision of tax sources and dynamically monitor the preparation, filming, production, promotion, and ratings of each film and television work in the system, in order to comprehensively grasp the income, property, and equity changes of film and television personnel involved in various links of the industry, timely collect and manage personal income tax, and discover abnormal situations in personal income tax collection. Real time control of tax sources for high-income groups in the film and television industry. Establish and improve the national tax registration (tax identification number) system, realize the integration of ID number, tax registration number, social security number and other numbers, and associate financial account number, commercial insurance account number, real estate registration and other information. In this way, the income situation, property changes, and household expenses of taxpayers can be reflected through tax identification numbers, which is conducive to the collection of personal income tax related information, greatly improving the compliance of high-income groups with personal income tax, and preventing tax loss.

5.2.3. Collaborate with Other Departments to Increase Punishment Efforts

Due to the lack of transparency in information disclosure, multiple celebrities involved in tax payments of 11.747 billion yuan were not publicly disclosed. Apart from paying the payable taxes, no corresponding punishment was imposed, and even due to not being disclosed, no reputation damage was suffered. Not conducive to forming a deterrent force. And due to the "first offense exemption clause", even if exposed and punished, as long as the taxes and fines are paid, criminal responsibility is exempted. To enhance the deterrent power of the law and improve the personal income tax compliance of high-income groups in the film and television industry, the situation of heavy administrative penalties and light criminal penalties should be changed. At the same time, for the current situation where the withholding agents of film and television production companies fail to fulfill their withholding and payment obligations, and even help celebrity taxpayers sign yin-yang contracts to evade taxes, relevant laws should be further improved and the punishment for these withholding agents should be increased. The tax authorities may also collaborate with other relevant departments to restrict film and television personnel engaged in activities related to the film and television industry who evade taxes. For example, it is prohibited to engage in work related to the film and television industry. Cooperate with industrial and commercial departments to restrict the establishment of their affiliated companies and the development of business activities. Similarly, restrictions are imposed on producers who fail to fulfill their withholding obligations. For individuals and companies who engage in tax evasion, they should be publicly exposed, their various tax benefits should be cancelled, and their high consumption activities such as asset purchases should be restricted. Through a series of punishment measures of varying degrees, we urge high-income groups in the film and television industry to actively pay taxes and ensure the full collection of national taxes.

5.3. Improve the Tax Related Environment

5.3.1. Utilize Celebrities to Strengthen Tax Publicity

In the process of tax collection and management, we want to enhance taxpayers' tax awareness. Strengthening the promotion of tax knowledge in the film and television industry can stimulate the enthusiasm of celebrity taxpayers, help improve tax collection and management efficiency, and enhance the awareness of individual income tax compliance among film and television industry practitioners. As a public figure, celebrity taxpayers rely on huge traffic and popularity, so they pay more attention to their own reputation. Tax authorities should take advantage of this to cultivate tax awareness among high-income groups in the film and television industry. Promote tax knowledge both online and in reality, create a favorable tax environment, strengthen point-to-point tax policy popularization and publicity for high-income groups in the film and television industry, commend star taxpayers who actively pay taxes, and play a demonstrative role. We can invite celebrity taxpayers with good credit as ambassadors for paying taxes in accordance

with the law, and use the celebrity's popularity to promote tax preferential policies to everyone, so that everyone can pay taxes in accordance with the law. For example, the Hunan Provincial Taxation Bureau invited artist Zhang Yixing to serve as the "Hunan Tax and Taxation Service Promotion Ambassador", which is a good example. It has set an example benchmark for high-income groups in the film and television industry, and also encouraged other celebrity taxpayers in the industry to pay taxes in accordance with the law.

5.3.2. Provide Guidance and Training Effectively

The theoretical study of tax knowledge and the establishment of correct financial and tax views are compulsory courses for film and television practitioners and even ordinary residents. This is especially true for high-income groups in the film and television industry. We can strengthen cooperation between tax departments and relevant departments such as film and television associations, enhance tax knowledge promotion in various film and television bases, and regularly provide targeted training to various film and television companies and related high-income practitioners. At the same time, in cooperation with the education department, tax authorities can offer relevant courses in universities related to the film and television industry, popularize tax policies and knowledge in these universities, and help film and television industry practitioners cultivate legal tax awareness.

5.3.3. Improve Service Level and Expand Channels for Appeals

Tax administration should not only emphasize the obligations of taxpayers, but also pay attention to their demands and provide good tax services. When carrying out tax work, tax personnel need to have a service philosophy. In the process of tax collection and management, tax personnel need to improve their professional competence to better provide tax services. Establish a set of quality assessment standards for tax services and conduct relevant service evaluations. By establishing a simple and efficient service system, providing good tax information services, taxpayers can fully understand their rights and obligations, and ensure that they can pay taxes efficiently. Pay attention to the tax experience of taxpayers and improve tax compliance. Continue to strengthen the construction of service-oriented tax authorities, and establish channels for suggestions and complaints. Utilize the dialogue function of the 12366 tax service consultation platform to promote tax communication and exchange. At the same time, we will improve the complaint mechanism, effectively strengthen the protection of the rights and reputation of taxpayers, and promote efficient and standardized tax service work.

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