

The Evolutionary Significance of Taxation System in Sui and Tang Dynasties

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Keywords: Salaries of government officials, Military expenditure, Rent transfer, Land tax, Household tax.

Abstract: Agricultural tax is the most important taxation source in Sui and Tang Dynasties. It has undergone a great change from head tax(Zu-Yong-Diao System) to single asset tax(Two-Tax-Law), with a high degree of dispersion, Its sources and uses of taxation have the characteristics of the times. Due to the development of the commodity monetary economy, In the late of Tang Dynasty, while the monopoly income has increased significantly, the business tax has increased.It has a direct impact on the Five Dynasties and the Song Dynasty, which business tax in the name of “passing tax” and “residential tax” is one of the important taxation sources. The taxation of Sui and Tang Dynasties was mainly used for salaries of government officials, Military expenditure, national fiscal reserve and meet the extravagant spending of the ruling elite, presents a high concentration, very little money was spent on relief, water conservancy and transportation.

1. Introduction

Economists point out, taxation is “By virtue of political power, the state participates in the distribution of national income and get revenue. It reflects the distributive relationship between the state and the members of society”. The tax sources and uses of all countries are influenced by the state power and constrained by objective socioeconomic factors. There are many important changes in the political situation and social economy of Sui and Tang Dynasties, the sources and uses of taxation have the characteristics of the times.

2. Tax system in Sui Dynasty

The Sui Dynasty (AD 581-618) was founded by Jian Yang and lasted for 37 years under two emperors before it was destroyed by the Tang Dynasty.

Jian Yang was the prime minister of the northern Zhou Dynasty. In order to change more peasants from the patronage of the powerful gentry to the taxpayers controlled by the state, after becoming emperor, Jian Yang created a massive population inventory and pre-determined tax classes. Jian Yang allocated land to farmers, reduced taxes, abolished the system that only allowed the government to sell salt and wine, and even stopped collecting taxes on salt and wine, the government monopoly system of salt and wine since Han Dynasty was broken. Jian Yang take Shangxi Yang's advice and merged some counties, reducing government officials and saving the country money. Jian Yang's reforms strengthened the country's economic strength.

However, Guang Yang, the second emperor of the Sui Dynasty, Guang Yang no longer enforces policies of reduce taxes, increased taxes in a large amount and even prepaid the rent for the next 10 years. He enlisted many peasants to build palaces, canals, great walls and attack Korea, broke the tax system established by Jian Yang, which eventually led to the outbreak of peasant uprising in many places, and Yuan Li take the opportunity to overthrow the Sui Dynasty.

3. Thinking about the tax system in Sui Dynasty

The Sui Dynasty fell after two generations of emperors, lasting 37 years, which is not a very long time, but the reserves from tax revenue are enormous. Sui Dynasty tax mainly for agricultural tax.

Agricultural population is the main object of taxation, agricultural and sideline production is the main tax.

Sui Dynasty tax revenue mainly used in five aspects. The first is the official salary, the second is the emperor's gift, the third is the war expenses, the fourth is the palace consumption, the fifth is the state financial reserve. Other expenses, such as relief, water conservancy, culture and education are very little.

The fall of Sui and Tang Dynasties is due to tax sources are highly degree of dispersion and tax purposes are highly concentrated, but the ruling group increases taxes and does not care for people's livelihood. The government was rich and the people poor, so it was soon destroyed. It left a profound lesson for the rulers of the early Tang Dynasty.

4. Tax system in Tang Dynasty

The Tang Dynasty is founded by Yuan Li and his sons, lasted for 290 years (618-907 AD) under 21 emperors (including Zetian Wu), being overthrown by the Liang Dynasty.

The Tang Dynasty is founded in a peasant uprising at the end of the Sui Dynasty. Yuan Li and his sons know the hardship of the common people, so reducing taxes is the basic tax principle of the Tang Dynasty. In the early days of the Tang Dynasty, Yuan Li established equal distribution the field system and Zu-Yong-Diao system, "Yong" is a tax in place of Labour. But because of the war, these systems are only introduced in parts of the country, and then spread throughout the country by Shimin Li, Yuan Li's son. The order of land distribution is : people who undertake Zu-Yong-Diao System can distribute the fields first, the poor grant the fields first, people who has no field grants it first, landlords, peasants, slaves and permanent workers were all allowed to grant land. equal distribution the field system banned annexation of land.

Equal distribution the field system is a land system that greatly promotes the development of production. The policy of restricting land annexation has a profound influence on the thought of tax fairness of later generations. Compared with the tax system in the past, there was a great breakthrough in the implementation of the Zu-Yong-Diao system in the early Tang Dynasty. The main performance is to increase the content of "Yong", the system that replacement of taxes with goods is a great improvement. In particular, according to the degree of natural disasters tax relief provisions, more reflects the ruler's people-oriented thinking. Equal distribution the field system and Zu-Yong-Diao system laid the economic foundation of the early Tang Dynasty, which was the prerequisite for the emergence of "the governance of Zhen Guan" in history, it has a great significance in tax history.

Shimin Li's policy of tax reduction was directly influenced by Zheng Wei, Zheng Wei is the prime minister at the beginning of the Tang Dynasty, He had great wisdom and dared to speak to the emperor, and it is trusted by Shimin Li. Zheng Wei's tax thoughts have positive social significance. His basic views can be summarized into the following four points: First, oppose excessive taxation to increase fiscal revenue; Second, he advocated a long-term tax reduction policy to alleviate the economic damage caused by the war; Third, the government maintains the credibility of the tax law; Fourth, the ruling class stopped extravagant spending to save taxes.

After Shimin Li, Zetian Wu came to power, history called "WuZhou". The achievement of Zetian Wu is to select the best and the brightest and put them into administration, which helped to promote economic development.

After Zetian Wu, Longji Li came to power. Longji Li initiated the " Kaiyuan prosperity ". He has taken three major steps towards economic development: First, continue to equalize the land and suppress mergers; Second, build water conservancy, irrigation farmland; Third, increase the military presence in the border areas, and increase the land in the interior to increase the national income. However, in the later period of Longji Li's reign, he trusted Yuhuan Yang and appointed Linfu Li as his prime minister. Later, he appointed Guozhong Yang as prime minister and Lushan An as provincial commander. Leading Lushan An and Siming Shi Launch a rebellion, history called "An Shi rebellion". The Tang Dynasty begin to decline.

After the “An Shi rebellion”, the north and the central plains of China formed a situation of many military divisions, and the national strength gradually declined. Some of them are demoted generals of “An Shi rebellion” and some are apostates of counter-insurgency. One of their characteristics is that they don't pay taxes, and another is that they are hereditary. Reflected in the tax source and use of the management is the establishment of two tax quota management system. The state tax collection quota is divided into two parts for the central finance and local finance. In the late Tang Dynasty, no matter in the central or local finance, the tax was mainly used for official salary and military expenditure. By 780 AD, the prime minister Yan Yang summed up the experience of previous tax reform and put forward a four-point tax idea, that is, according to the need to formulate tax, simplify tax system, tax affordability and tax payment in currency.

Two-Tax-Law is proposed by Yan Yang and implemented in the first year of jianzhong. Two-Tax-Law refers to the past land tax, household tax into one tax, levied twice a year in spring and autumn. Zu-Yong-Diao system are taxed on households, while two-tier tax laws are taxed on land. In comparison, the latter is more reasonable than the former, which is a major reform of China's tax system.

There are six principles of Two-Tax-Law: The first is to set the revenue principle according to expenditure -- how much expenditure the finance has, how much tax is collected; The second is the principle of residence -- taxation according to residence; Third, according to the principle of assets tax - assets and land more, taxes more; fourth, the principle of converting goods into money - agricultural products must be sold for money or converted to market value; Five is the principle of paying taxes twice in summer and autumn; Sixth is Quota retention principle - reserve quota as the reference of the previous system.

The essence of the Two-Tax-Law is: The government sets the total tax based on fiscal expenditure, each district shall levy according to the amount allocated by the government. The Two-Tax-Law changed the principle of levying taxes based on the number of people to the principle of taking land as the standard of expropriation. The Two-Tax-Law Combine taxes into household and local taxes. The Two-Tax-Law is the beginning of the transformation from physical tax to monetary tax in Chinese history, it has a great significance.

Later, You Du as the prime minister, good at financial management, and compiled the TongDian 200 volumes. You Du's tax thoughts are: First, the agricultural tax base should be based on the number of fields, which is relatively fair; Second, expand tax coverage and reduce the burden of both taxes; Third, saving money to reduces taxes. You Du's tax thoughts are still being advocated, and China's present structural tax reduction policy should also be based on fiscal expenditure saving to take effect.

After the “An Shi rebellion”, the political situation with high centralization in the early Tang Dynasty evolved into power of decentralization. Reflected in the tax source and use of the management is the establishment of two tax quota management system. The state tax collection quota is divided into two parts for the central finance and local finance. In the late Tang Dynasty, no matter in the central or local finance, the tax was mainly used for official salary and military expenditure.

5. Thinking about the tax system in Tang Dynasty

The legislative principle of “two-tax law” in Tang Dynasty has very important progressive significance, but in the implementation process of tax law has increased the burden of farmers. It not just because of the tax system itself, but also because landlords lie about the amount of land they own to avoid paying taxes, and local officials don't check. which led directly to the uprising of Xianzhi Wang and Chao Huang peasants in the late Tang Dynasty. The uprising of Xianzhi Wang and Chao Huang lasted for 10 years. Although it failed in the end, but the Tang Dynasty had gone into decline and was soon destroyed by the later Liang Dynasty. China has entered another period of division similar to southern and northern Dynasties.

6. Conclusions

The social and economic structure of Sui and Tang Dynasties is dominated by peasant economy with male ploughing and female weaving, commodity money economy is underdeveloped. The Dynasties main source of tax revenue are rural families, the main collection is production, and it has a high degree of dispersion. The Sui and Tang Dynasties are highly centralized for a long time, tax purposes concentrated in the political center – Chang An and Luo Yang. The collected money was mainly used to meet royal consumption, administrative expenditure of the central company, expenses of the central imperial army and national storage. As the military situation in the Sui and Tang Dynasties changed significantly many times, the frontier military town was also one of the main uses of taxation. The same is true in the late tang dynasty.

The Sui and Tang Dynasties are influenced by changes of centralized system, social and economic structure and military situation, agricultural tax is the most important taxation source, It has undergone a great change from head tax to single asset tax, with a high degree of dispersion, Due to the development of commodity monetary economy, In the late of Tang Dynasty, while the monopoly income has increased significantly, the business tax has increased. It has a direct impact on the Five Dynasties and the Song Dynasty, which business tax is one of the important taxation sources. The taxation of Sui and Tang Dynasties was mainly used for keep the state machinery running, that is, military spending salaries of government officials, Military expenditure, national fiscal reserve and meet the extravagant spending of the ruling elite, presents a high concentration, very little money was spent on relief, water conservancy and transportation. The fall of Sui and Tang Dynasties is due to tax sources are highly degree of dispersion and tax purposes are highly concentrated, but the ruling group increases taxes and does not care for people's livelihood.

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