

The first objective is to promote investment and economic growth. Therefore, the government often cuts import taxes and offers tax incentives to enhance economic integration between countries and promote investment in production. Thus, the state uses taxes to correct inflation by reducing taxes on factors of production, stimulating investment in products, and increasing taxes on consumer goods. For example, when the economy is in recession, the state will have tax reduction policies to encourage and promote production investment and when the economy is stable, the state will increase adjustment taxes to avoid inflation. When the economy has a clear gap between rich and poor, the government needs to use taxes to reduce the gap between rich and poor through subsidy packages or income tax or consumption tax. The government reduces taxes on consumer goods and essential services and increases taxes on luxury goods to redistribute the income of the rich. The next goal of using taxes to adjust the macro-economy is to stabilize prices and control inflation. The use of import and export tax is essential to protect domestic products from fierce competition of imported products. The state levies very low taxes on exports to stimulate domestic production to develop and expand exports to the outside world. Through this goal, the government uses taxes to adjust policies flexibly to suit each certain period. However, the tax increase will not guarantee the original price stabilization goal if the product is pushed up. The third goal is to redistribute social income and wealth.