

A Study on the Impact of Online Platform Interaction on Corporate Tax Avoidance

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Abstract. With the continuous deepening of China's capital market reform, the information environment of the capital market is becoming increasingly complex. To adapt to this change, the Shenzhen Stock Exchange and the Shanghai Stock Exchange have actively innovated their regulatory models and launched the "Interactive Easy" and "SSE e-Interactive" platforms, respectively. Research on tax avoidance has always been a focus for both the academic and practical circles. However, few documents have been studied from the perspective of interactive information disclosure. This paper utilizes investor inquiries and listed company responses from the Q&A modules of the "Interactive Easy" and "SSE e-Interactive" platforms to explore the impact of online platform interaction on corporate tax avoidance. Starting from the micro corporate level, this paper studies the impact of online platform interaction on corporate tax avoidance, in the hope of providing help for the construction of capital markets.

Keywords: Online platform interaction; Corporate tax avoidance; Analyst attention.

1. Introduction

The scale of China's financial market is developing rapidly, and the computing power of mobile Internet and big data is constantly improving. Online information platforms play an indelible role in China's capital market. By the end of June 2025, the total number of A-share investors in China exceeded 240 million, with individual investors accounting for as high as 99.76% of the total number of investors in the Chinese market. In 2010, the Shenzhen Stock Exchange launched and established the world's first interactive platform in China, which was officially constructed by a stock exchange and equally used by market participants. In 2011, the Shenzhen Stock Exchange launched an upgraded interactive platform "Interactive Easy". In 2013, the Shanghai Stock Exchange issued an announcement that the "SSE e-Interaction" online platform was officially launched, providing a good research venue for this study.

Taxation is the most important source of income in China. China's tax revenue in 2024 is expected to reach 17.3 trillion yuan, among which corporate income tax revenue is 4.09 trillion yuan, accounting for 23.64%. The significance of corporate income tax to China's tax revenue is self-evident. The interaction on online platforms can help investors better interpret the publicly available information, reduce the information asymmetry between listed companies and investors, improve the external supervision environment of corporate to a certain extent, increase the risk of tax avoidance behavior of corporate, and thereby protect the relevant interests of investors from being infringed upon.

2. Research Hypotheses

Traditional views hold that tax avoidance helps corporate relieve financial pressure, retain cash and fund operations internally. Yet complex and opaque avoidance schemes may also cloak managerial rent-seeking. The root lies in the classic principal-agent conflict between owners and managers, while the opaque information environment and weak oversight built the enabling condition. The rise of Internet technologies has revolutionized capital-market information. Among online venues, Shenzhen Stock Exchange's "Interactive Easy" and Shanghai Stock Exchange's "SSE e-Interaction" are exchange-operated, regulator-supervised platforms whose timeliness, authenticity and compliance



break corporate's information and avoid the "noise" plaguing conventional social media. This paper argue that interactive disclosure on these official platforms curbs corporate tax avoidance.

From Information-asymmetry perspective, Interactive platforms cut investors' cost of acquiring and processing information. Even when annual reports are public, small investors must incur training and time costs to integrate data and form value expectations [1,2]. Direct Q&A with management lowers these costs, raises investor attention and interpretation ability [3], and makes avoidance harder to hide. Answers are supplied by senior executives, giving investors "pure" first-hand data and helping them refute rumors [4,5]. Regulators encourage disclosure of non-mandatory, non-financial information, such as risk, strategy, valuation, so the platform enlarges the information set [6].

From Agency & external-governance perspective, First, interactivity lets investors move from passively accepting media or management narratives to actively questioning policies in real time [7,8]. Persistent and targeted questions create multi-faceted, low-cost monitoring that weakens the environment supporting managerial rent extraction. Second, unanswered or evasive replies can snowball into public events, attract media coverage and regulatory inquiry. Because exchange rules require timely, substantive responses and allow ex-post penalties [9], managers must address concerns, correct misconduct and improve governance, thereby reducing tax aggressiveness [10]. Third, reputation—an intangible asset—becomes more fragile. Interactive disclosure accelerates the spread of negative news; once tax avoidance surfaces, stakeholders quickly lose trust, bid down the stock and hurt managerial wealth [11]. The higher reputational cost induces corporate to adopt more prudent and compliant tax strategies [12].

Hypothesis: Online platform interaction on official exchange platforms significantly restrains corporate tax avoidance.

3. Research Design

Table 1 illustrates the impact of online platform interactions on corporate tax avoidance. Column (1) presents the baseline regression, controlling for both industry and year fixed effects. The regression coefficient for online platform interactions is -0.0015, significant at the 1% level.

Column (2) presents the regression with modified time windows. Since the dual-platform coexistence scenario only emerged after July 2013 and persists to the present, this study excludes samples prior to 2013 to ensure accuracy and reliability. This exclusion avoids the influence of the three-year period from early 2010 to July 2013, when the regulatory framework was incomplete. The hypothesis is re-tested with this modified sample. The coefficient for online platform interaction remains significantly negative.

Column (3) employs PSM, using a 1:3 nearest neighbor matching method to find control group samples most similar to the treatment group samples in terms of characteristics. The regression is conducted with all control variables as covariates. The coefficient for online platform interaction is -0.0014, significantly negative at the 1% level. This regression result indicates that after controlling for endogeneity issues, the main conclusions of this paper remain robust and reliable.

Column (4) employs the lagged one-period online platform interaction as an instrumental variable. After accounting for IV validity, the coefficient for online platform interaction on corporate tax avoidance remains negatively significant, indicating no severe reverse causality in the model. The regression structure retains its negative significance, validating the robustness of the hypothesis.

The above results demonstrate a significant negative relationship between online platform interaction and corporate tax avoidance levels, confirming the hypothesis.

Table 1. Basis Regression and Robustness Tests

	(1)	(2)	(3)	(4)
	RATE_diff	RATE_diff	RATE_diff	RATE_diff
LNQ	-0.0015*** (-2.8739)	-0.0013** (-2.1252)	-0.0014*** (-2.6825)	-0.0029*** (-3.7705)
Size	0.0119*** (16.6311)	0.0125*** (15.7049)	0.0120*** (16.6427)	0.0128*** (15.8708)
QuickR	-0.0014*** (-4.1890)	-0.0013*** (-3.2682)	-0.0014*** (-4.3200)	-0.0012*** (-3.5067)
Lev	-0.0832*** (-16.7507)	-0.0838*** (-15.0675)	-0.0847*** (-16.8764)	-0.0911*** (-13.7920)
BM	-0.0754*** (-14.4543)	-0.0745*** (-13.0232)	-0.0744*** (-14.1708)	-0.0798*** (-13.5473)
Indep	-0.0011* (-1.7732)	-0.0010 (-1.6226)	-0.0010* (-1.6454)	-0.0011 (-1.6096)
Dual	0.0026* (1.7816)	0.0030* (1.8822)	0.0024 (1.6424)	0.0029 (1.9223)
Board	-0.0013*** (-2.9026)	-0.0012** (-2.4762)	-0.0013*** (-2.9081)	-0.0014** (-2.8054)
TobinQ	-0.0042*** (-4.7087)	-0.0040*** (-4.1906)	-0.0040*** (-4.5234)	-0.0048*** (-5.0979)
Age	-0.0060*** (-7.2173)	-0.0071*** (-7.7884)	-0.0062*** (-7.3981)	-0.0055*** (-5.7532)
Constant	-0.0658*** (-4.1503)	-0.1037*** (-5.8923)	-0.0695*** (-4.3337)	-0.0812*** (-4.2025)
YEAR	YES	YES	YES	YES
INDUSTRY	YES	YES	YES	YES
Observations	24883	20853	24413	22303
Adj_R2	0.0760	0.0803	0.0763	41.0448

4. Further Analysis

Therefore, this paper divides the sample corporate into two groups based on whether they are audited by the Big Four accounting firms to test for audit heterogeneity, as shown in Table 2. Column (1) represents the sample of companies audited by Big Four accounting firms, while Column (2) represents the sample of companies audited by non-Big Four accounting firms. The results indicate that, regarding the impact of online platform interactions, the online platform interactions of companies audited by Big Four accounting firms do not significantly inhibit their tax avoidance. Conversely, the online platform interactions of companies audited by non-Big Four accounting firms significantly inhibit their tax avoidance at the 10% level. Given the Big Four accounting firms' globally recognized reputation and market credibility, when a company selects one of them for auditing, this choice itself signals positive trust to investors. It demonstrates the company's commitment to the authenticity and reliability of its financial information, and willingness to undergo rigorous professional oversight, so enhances investor confidence in the reliability and accuracy of the company's information. Conversely, for companies audited by non-Big Four accounting firms, investors may harbor greater skepticism toward their financial information due to the relatively lower market trust in their audit quality. Consequently, investors rely more heavily on online platform interactions to obtain firsthand company information.

This paper also examines regression results under different ownership structures. Column (3) in Table 2 presents results for state-owned enterprise (SOE) samples, revealing that online platform interactions have no significant impact on corporate tax avoidance. Column (4) shows results for non-state-owned enterprise samples, indicating that online platform interactions significantly suppress

corporate tax avoidance at the 1% significance level. This is because state-owned enterprises bear more policy objectives and face certain tax indicator pressures, resulting in relatively weaker economic incentives for tax avoidance. The equity structure of state-owned enterprises is typically dominated by government or state-controlled shareholders, resulting in significant differences in governance mechanisms compared to non-state-owned enterprises. External oversight exerts limited constraints on state-owned enterprises. In contrast, non-state-owned enterprises, being more market-oriented, primarily pursue the goal of maximizing shareholder value. This objective orientation creates stronger incentives for tax planning among non-state-owned enterprises, as reasonable tax avoidance strategies can increase after-tax profits to some extent, thereby enhancing shareholder value.

Table 2. Further Analysis of the Regression Results

	(1)	(2)	(3)	(4)
	RATE_diff	RATE_diff	RATE_diff	RATE_diff
LNQ	-0.0031 (-1.6037)	-0.0010* (-1.8325)	-0.0016 (-1.5587)	-0.0014** (-2.3001)
Size	0.0143*** (6.3305)	0.0108*** (13.0279)	0.0155*** (11.4612)	0.0106*** (12.1126)
QuickR	-0.0028* (-1.8851)	-0.0014*** (-4.1179)	-0.0016 (-1.4486)	-0.0005 (-1.4818)
Lev	-0.1019*** (-5.3843)	-0.0846*** (-16.1172)	-0.1320*** (-13.3278)	-0.0506*** (-8.8439)
BM	-0.0697*** (-4.0608)	-0.0764*** (-13.6911)	-0.0963*** (-8.9662)	-0.0575*** (-9.6116)
Indep	-0.0020 (-0.9704)	-0.0009 (-1.4528)	-0.0042*** (-3.4421)	0.0006 (0.8611)
Dual	-0.0066 (-1.0857)	0.0034** (2.2095)	-0.0079* (-1.7966)	0.0041*** (2.8290)
Board	0.0010 (0.7204)	-0.0014*** (-2.7981)	-0.0011 (-1.1834)	-0.0012** (-2.3611)
TobinQ	-0.0048 (-1.5112)	-0.0043*** (-4.6352)	-0.0042** (-1.9811)	-0.0031*** (-3.2967)
Age	-0.0079*** (-2.8111)	-0.0049*** (-5.4953)	-0.0032 (-1.5312)	-0.0059*** (-6.3703)
Constant	-0.0481 (-0.4613)	-0.0438** (-2.4462)	-0.0884*** (-2.9113)	-0.0864*** (-4.3445)
YEAR	YES	YES	YES	YES
INDUSTRY	YES	YES	YES	YES
Observations	1831	22146	7810	17073
Adj_R2	0.0988	0.0765	0.1022	0.0591

5. Research Conclusions

With the development of the internet, social media and online interactive platforms have gradually become the primary means for people to produce and browse information. This has also made online platform interactions one of the key channels for corporate information disclosure. As a new form of oversight and communication channel, online platform interactions may play a significant role in corporate tax avoidance behaviors. Therefore, examining the impact of online platform interactions on corporate tax avoidance is crucial for the healthy operation and stable development of capital markets. This paper utilizes data from Chinese A-share listed companies on the Shanghai and Shenzhen stock exchanges from 2010 to 2023 to examine the impact of online platform interactions on corporate tax avoidance. Specifically, the study reaches the following conclusions:

First, online platform interactions between investors and listed companies effectively curb corporate tax avoidance. To address sample selection bias and firm-specific differences, the study employs Propensity Score Matching (PSM) in robustness tests. Additionally, this paper utilizes subsequent-period online platform interactions as instrumental variables to resolve potential reverse causality issues. The analysis window is also adjusted to the 2013-2023 period when dual platforms coexisted.

Second, further tests reveal that: Compared to companies audited by Big Four accounting firms, interactions with non-Big Four accounting firms on online platforms inhibit tax avoidance. Compared to state-owned enterprises, interactions with non-state-owned firms on online platforms inhibit tax avoidance. Online platform interactions reduce tax avoidance, thereby enhancing corporate value.

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