

Optimization of land value-added tax management in real estate enterprises

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Abstract: *As one of the important sources of national tax revenue, real estate enterprises have always been the key points of tax workers. The real estate industry has the characteristics of large project time span, high tax cost and high trial and error cost, which leads to a high tax spot check rate of land value-added tax liquidation for real estate enterprises. Based on this, this paper analyzes the difficulties in the liquidation process of enterprise land placement from the perspective of industry and financial integration, so as to improve the efficiency of third-party enterprise liquidation projects, reduce project risks, and then puts forward optimization suggestions for enterprises.*

Keywords: *Integration of industry and finance, Land Appreciation Tax, Real estate industry*

1. Introduction

In 2014, the Ministry of Finance issued a series of guidance documents to achieve economic transformation and upgrading, providing financial workers with new transformation ideas, that is, the integration of industry and finance. Accelerating the speed of enterprise industry and financial integration can not only enable the financial data provided by financial workers to provide help in the management decisions, but also reflect the data in real time through the construction of the financial sharing platform, making the tax management more convenient. Or the third-party firms entrusted by the tax bureau for land increase liquidation can effectively improve their work efficiency.

2. Difficulties in land value-added tax liquidation project

Real estate enterprises have always been the pillar industry in China, and its demand attribute determines that the government needs to take measures to regulate it, and land value-added tax is one of the means. However, due to the impact of COVID-19 on the real estate industry, the real estate industry is also in urgent need of transformation and upgrading to reduce the tax cost of the company. As one of the three major taxes, the particularity of land value-added tax also leads to great difficulty in land increase and liquidation.

2.1. The time span of the collection object is large

General land value-added tax liquidation is aimed at a certain project with real estate enterprises. From project bidding to construction, and then to the confirmation of income and cost, it takes a unit of annual time. It involves the transition of manual account and ledger, which will increase the difficulty of the third-party firms. The development cost and time span are long. If only by manual audit alone, only some problems on the surface can be found, etc. Some current accounts such as prepaid accounts can only be reviewed according to the bank ticket root, and it is difficult to connect the cause and effect of the data to form an information chain.^[1]

Long time of land VAT liquidation project will lead to damage or loss of some bills, and excessive tax pressure due to non-compliance; some accounts are difficult to make during manual accounts at the beginning of the century; and certain liquidation risk to the third party or the enterprise itself.

2.2. It is difficult to divide the revenue and cost boundary between multiple projects of the same enterprise

In the actual land VAT liquidation operation we may face a company to open different projects at the same time, such as building materials in the project will be unified purchase company unified entry, we

only for the garden and club project accounting, and to put forward the school development cost, so similar to this case of development cost allocation is a major problem.

2.3. Difficulties in determining the amount and time of sales revenue of real estate enterprises

The main source of income of real estate enterprises is basically the municipal party committee sales of residential buildings, shops, parking Spaces. There is a difference between ordinary housing and non-ordinary housing; face to face signing and online signing also lead to the time difference of the income recognition, although the official website can be found, but in most cases the third party firm still rely on manual operation in the site to enter the contract information as the form, and then the construction license provided by the enterprise registration. By comparing the sales revenue with the measured area and sales unit price, the workload of land VAT liquidation is large, the efficiency is low, and the work effect is not good, which greatly restricts the role of big data.

2.4. The bill specification makes it difficult to review

The means for the third party enterprise to carry out land increase liquidation is basically to compare the manual audit voucher and the annexes provided by the enterprise. In order to reduce the risk, it will spend a lot of time to review the accounting vouchers. In order to put an end to the real estate enterprises from counting less income, this should be included in the sales income but not timely declaration or this should be included in the sales income, but, not included in the taxable income caused by false sales income and other circumstances can only be judged through the bill, which also increased the workload of land value-added tax liquidation.

3. Optimization suggestions for enterprises from the perspective of industry and financial integration.

In the opinions on tax collection and administration, it is mentioned to strengthen the construction of a big data platform that can carry out data risk assessment and intelligent analysis, and promote the integration of enterprises and finance to strengthen management.^[2]Then enterprises should seize this opportunity, promote the application of big data platform to solve the problem of land value-added tax liquidation, and respond to the call of the national industry and financial integration measures.

3.1. The Significance of industry and financial integration

3.1.1. Tax administration can be added to the company's business process

According to the business process, industry and financial integration can sort out tax risks, integrate business and tax relations, formulate tax management plan; track the plan implementation in the key nodes of the process, reduce the trial and error cost of enterprise tax, and achieve prior forecast, in-process regulation and post-event summary and adjustment. Controlling from each step of the process can simplify the workflow of fiscal and tax management, realize the scientific allocation of management personnel, ensure the integrity of financial data and information, and use the process management to improve the ability of financial personnel to handle tax revenue, strengthen the control of the integrated database of tax and business, and timely grasp the tax risks.

3.1.2. Make the business personnel and financial personnel more professional and professional

The purpose of industry and financial integration is to let the financial personnel to understand the business more, so that the business personnel are familiar with the relevant fiscal and tax knowledge. Therefore, in the formulation of the enterprise business plan is to take the financial objectives into account, the enterprise business objectives and financial objectives, go hand in hand, so as to reduce financial risks, to prevent irreversible tax trial and error costs caused by information asymmetry. At the same time, it ensures the objectivity of industry finance and tax management workers, improves the information quality of management and the credibility of enterprises.

3.1.3. The financial department should also correctly reduce the tax fees while paying taxes according to law

Strict tax payment according to law, pay tax on time, reduce punishment is the goal of enterprises' tax management planning. However, within the scope permitted by the tax law, the use of preferential policies to reduce tax fees is also the key work content of the financial department of real estate

enterprises.

3.2. Optimization Suggestions for Enterprises

3.2.1. Building a financial Sharing Center Accelerate the integration of industry and finance

Enterprises should take the financial sharing center as an interactive platform for enterprise strategy and business activities, and at the same time use comprehensive budget management as a means of industry and financial integration, corresponding the financial data listed in accounting vouchers and attached bills with related business activities to enhance the authenticity of transactions and reduce the fault cost of land value-added tax. Through the financial sharing center, to build the industry, finance and taxation.^[3] Interactive database divides the database into three sections: business, finance and third-party channels. The Group, the subsidiaries and the subsidiaries shall use the sharing center system to interact externally and horizontally and vertically with the subsidiaries and the Group Company. Finally, the management dimension is constructed in the financial sharing and industry finance and tax integration system.

3.2.2. Establish and improve the industry and financial integration management mechanism

In establishing and improving the industry and finance integration management mechanism, main measures can be taken from two aspects. On the one hand, enterprises should, on the basis of improving the financial system and business system for each process respectively, reduce the operation difficulty of the business process and financial process that overlap and integrate it. In the formulation of the system, it should not only consider the financial indicators, but also fully combine the rigid needs of completing the business work, to ensure the scientific decision-making of the business and financial departments and the integrity of the performance assessment^[4]. On the other hand, enterprises need to develop according to the fusion system to cooperate with perfect industry financial fusion performance indicators, further business and financial process to comb and perfect, combining qualitative indicators with quantitative indicators, with data more intuitive display management results, with indicators form intuitive graphic analysis, form industry wealth fusion management mechanism, promote enterprise all-round development.

3.2.3. Establish and improve the regulatory system matching with the integration of industry and finance

Establish and improve the corresponding supervision mechanism for the integration of industry and finance. Enterprise in the implementation of financial integration, managers should thoroughly analyze the defects existing in the original management system, continuously optimize streamline organization, master the comprehensive ability of each staff, reasonable arrangement of jobs, guide to set up innovative ideas, strengthen the application of value creation transformation way, constantly improve the management level of various affairs.

At the same time for industry important tax node real-time tracking fusion process, tax management process integration and analysis, strengthen data analysis, grasp the risk, regulators should timely early warning, effective regulation of enterprise financial situation, the enterprise financial sharing center input financial data may exist in the process of similar error problems eliminated, improve the accuracy and comprehensiveness of financial data entry.

3.2.4. Build a land value-added tax big data platform

First of all, establish a data platform that can integrate various data sources, such as the second-hand housing transaction market, including the access to the third-party data loss of the housing and construction Bureau, enterprise data declaration, and enterprise internal data transmission. On the one hand, it can effectively improve the acquisition efficiency of the data needed by third-party firms, such as parking information statistics can be exported from the database and then automatically identify risks; second, it can provide reference for comparative analysis, such as the fair value of housing transactions.

Then add the project management dimension^[5]. Based on the established data platform, compare from the information input platform of bidding, project approval, construction, pre-sale, completion, liquidation and other links, monitor the whole process of the project from the project process, and check the project tax payment.

Finally, the risk analysis and early warning dimensions are added. Relying on government affairs data and third party data, verify whether there is a risk, preset all kinds of possible risk model including real estate income, real estate area, etc., for risk point analysis and identification, early warning indicators

and analysis model involves all content related to liquidation, improve the data utilization, reduce the risk at the same time.

4. Analyze the promotion of industry and financial integration to third-party enterprises from the perspective of risk

4.1. Reduce the risk caused by income recognition

Due to the wide variety of national concessions, many real estate development enterprises, in order to enjoy more preferential treatment, reduce the tax burden, in the land value-added tax declaration, a part of the real estate falsely reduced income, lower than the market price. The database based on the integration of industry and finance will directly compare with the second-hand housing transaction market and give early warning, and the business department will also monitor such measures to reduce the impact of income and business indicators, so as to reduce such risks and reduce the risk of land value-added tax liquidation of third-party firms.

4.2. Reduce the risk caused by cost-sharing

Cost sharing is one of the key and difficult points for the third-party enterprises to carry out land value-added tax projects. Many real estate enterprises mistakenly think that to increase the project cost, they can increase the deductible items. In fact, the land value-added tax liquidation has a clear scope, strict requirements, if the treatment is unreasonable, it may be identified as malicious tax evasion by the tax authorities, but will increase the tax payment. The integration of enterprise industry and financial resources requires financial personnel to improve their professional level, and to strengthen the internal control of enterprises, so as to reduce the risks of land value-added tax liquidation of third-party firms^[6].

4.3. Reduce the risk caused by human factors

Part of the real estate enterprises there will be some deliberate artificial tax leakage behavior such as no usual accounting included in the development of indirect costs of interest expense adjusted to financial expenses calculation deduction, thus less pay land value-added tax, expand the scope of "development of indirect costs" deduction leads to real estate enterprises pay less land value-added tax, etc. After the integration of enterprise industry and finance, the tax planning is jointly formulated by the two departments. Both sides cooperate with each other. While the level of enterprise accounting informatization is improved, both parties can also restrain each other, which will reduce the risks of land VAT liquidation of third-party firms.

5. Conclusions

Under the big wave of financial transformation in all walks of life, combining tax collection and management with big data application is the current mainstream. The integration of enterprise finance and business pushes financial personnel from post-accounting and supervision to pre-prediction and in-process adjustment, which requires financial personnel to fully participate in the company management from the business process, which is expected to integrate tax management into each process of business activities, greatly improving productivity and enterprise competitiveness.

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