

# Research on Tax Planning of Enterprises in the Stage of Comprehensive Business Reform

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## Abstract

During my country's Twelfth Five-Year Plan period, relevant departments and relevant leaders set their sights on tax reforms, made some discussions and studies on my country's existing tax policies, and finally promulgated the structural tax reduction of business tax to value added tax policy. Based on this, this paper summarizes the major policy adjustments of replacing business tax with value added tax, and analyzes what changes have taken place in the implementation of this policy in social enterprises in the new stage, targetedly put forward some tax planning measures for enterprises under the comprehensive business reform and new stage, aiming to help enterprises adapt to new policies, make good use of new policies, and further increase their economic benefits and promote the vigorous development of enterprises.

## Keywords

Replacing business tax with value added tax; New stage; Enterprise tax payment; Planning research.

## 1. Introduction

The so-called "reform from business tax to value added tax" is to change business tax to value added tax. This can be said to be a major reform in the taxation field of our country. Its purpose is to reduce the current taxation pressure of enterprises and promote the further improvement of the market economy. However, although the reform has brought a lot of benefits and achieved some achievements, it has also given rise to a series of new problems, which restrict the pace of reform. In addition, due to the fact that the business tax is still in the new stage of reform and exploration, and the relevant enterprises are still in the period of adapting to the new mode, a lot of work has not been fully implemented, which has also brought obstacles to the tax system reform. Therefore, in the face of these problems, enterprises should actively change the current internal model, do a good job in tax planning and research in the new stage of comprehensive business reform, promote the pace of reform, and further improve my country's market economy.

## 2. The Main Policy Adjustments of Business Tax Reform to Value Added Tax

Since 2012, China began to select and implement the policy of replacing business tax with value added tax in the service industry and transportation industry. This policy has led to significant changes in China's overall tax system and brought about a series of changes. For example: (1) While keeping the original tax rate unchanged, the business tax rate has dropped significantly. Before the reform, the highest tax rate could reach 17%, and after the reform, the highest tax rate was only 11%. In addition, the minimum tax rate for taxable services of small-scale taxpayers is only 3%. (2) General taxpayers and small-scale taxpayers are two categories of taxpayers in the new stage of policy, as a general taxpayer, you can use value added tax to offset tax, but you must pass the qualification certification of value added tax general taxpayer, and

this certification can not be applied for many times. (3) For corporate taxpayers in non-pilot areas, they can also purchase special value added tax invoices from the pilot areas and make tax deductions in accordance with regulations, in order to speed up the pace of the comprehensive implementation of the value added tax reform. (4) The state has given some transitional preferential policies to enterprises with relatively heavy tax pressures and heavy economic burdens, such as taxation and refund, and exemption of business tax after partial taxation of business tax is changed to value added tax.

Since China's tax reduction policy for the value added tax reform was selected and officially implemented in August 2012, it has achieved great results in subdivided market divisions, increased corporate income, and promoted the development of market economy. At the same time, however, some enterprises have encountered problems such as double taxation and unclear tax amounts, which have caused various errors in corporate taxation work. Regarding these issues, the government is also actively making adjustments, and various companies are also doing some research on corporate taxation planning in the new stage, in order to develop a set of standard, legal and scientific taxation plans, so as to achieve government and corporate taxation plans. Integration can maximize economic benefits while reducing taxes, and comprehensively improve the current tax environment.

### **3. New Changes in the Implementation Phase of Replacing Business Tax with Value Added Tax**

From the perspective of the implementation of replacing business tax with value added tax in recent years, the pilot areas have gradually expanded from Beijing, Shanghai and Guangzhou to Jiangsu and Zhejiang provinces, the taxation work in these areas has gradually entered an orderly stage, which has effectively solved the double taxation situation of small and medium-sized enterprises, promoted its development, and the overall taxation situation has been greatly improved. However, in the new stage of policy reform, there have also been problems such as not being able to obtain various new tax invoices for some pilot area enterprises, which has increased the tax pressure on enterprises. The input tax of some companies is too low. The reason is that although the government has issued reform policies, it cannot fully consider the cost output of all companies and the ratio of production cycles. The related systems are also at the beginning of the policy. The new stage is not sound enough, which caused an embarrassing situation.

On the other hand, as a tax collection agency, facing the new situation of tax collection, its division of labor integration is also difficult. For example, when the implementation of some new policies may be in the stage of review or adaptation, some enterprises will come to inquire about tax payment. At this time, there are doubts about the rules and regulations and standards, and they can't pay attention to them. Therefore, more fair, open, transparent and quickly implemented policies can really bring convenience and benefits to enterprises. The situation under this new trend of change also requires relevant personnel to study and think.

### **4. Enterprise Tax Planning under the New Stage of Replacing Business Tax with Value Added Tax**

The reason why our country proposed the tax policy of replacing business tax with value added tax and carried out tax system reform is to help the economic industry reduce the tax burden, improve economic efficiency and promote the overall progress of China's market economy. Therefore, when faced with various problems in the implementation environment of the new policy, the government should first continuously improve the rules and regulations that support the policy when it is proposed, so that the full implementation of the policy can be

on track. Secondly, as an enterprise, it should also do a good job in tax planning research based on the stage of reform and increase, and constantly explore the development path of the enterprise, bring benefits to the enterprise itself and the social economy.

#### **4.1. Reasonable Determination of Taxpayer Status**

As we mentioned above, the qualifications of general taxpayers can apply for certification. The certification standard is that the taxable services of enterprises or merchants have sold more than 5 million in total before they can apply. After the application is approved, as a general taxpayer, he can enjoy the preferential taxation policies of his company. For example, we mentioned that valued added tax can be used to offset tax, as long as the special invoice can be obtained. But in fact, the status of general taxpayers and small-scale taxpayers have their pros and cons. Therefore, enterprises or individuals should comprehensively analyze their own operating status, fully consider existing conditions, choose a taxpayer status that is most beneficial to themselves, and make overall plans in conjunction with relevant new policies to maximize corporate interests.

#### **4.2. Make Full Use of Preferential Policies During the Transition Period**

Enterprises should have the awareness of in-depth study of national policies, each policy has its meaning and various rules. However, in the new stage of tax reform, companies often do not fully understand the content of the policy for a time, which may result in a situation where there are policies to be found but they bear foreign taxation. In this regard, the Chinese government has also promulgated some preferential policies during the transitional period, such as value added tax refund upon collection or even exemption of value added tax. For some enterprises with heavy economic burden but good development prospects, the government has also stepped up support and given some subsidies to each enterprise. Therefore, in this good situation, companies should fully understand and study these preferential and assistance policies, do a good job in overall planning and research, and effectively use government policies to improve the overall economic level.

#### **4.3. Improve Tax Accounting System**

Under the stage of comprehensive business reform and new additions, enterprises should include the improvement of the tax accounting system in their planning and research work. The accounting department should fully understand the central idea and specific implementation measures of the new policy, establish a complete set of tax accounting system, strengthen various standards and requirements, and carry out tax payment work in strict accordance with the system. In actual accounting, we should grasp the basis of tax reduction and increase efficiency, carefully plan the input ratio of use tax, combine the actual economic strength of the enterprise, and increase experience while implementing it. In this regard, enterprises should strengthen the training of accounting personnel, pay attention to the role of accounting in enterprise tax, and strengthen the examination of the work of the accounting department, to ensure the rational use of policies.

#### **4.4. Strengthen Legal Awareness and Strengthen Tax Supervision and Management**

In the new stage of replacing business tax with value added tax, the implementation of the new policy makes some enterprises get full use of it, which not only reduces the tax burden, but also increases its economic benefits. However, some unscrupulous businesses have deceived various tax deductions and tax evasion under the banner of the implementation of the new policy, it hinders the full implementation and development of replacing the business tax with a value added tax. Therefore, the government should improve corresponding laws and regulations and strictly crack down on lawbreakers. At the same time, the enterprise should

also strengthen internal legal awareness, all in accordance with the rules and regulations, strengthen invoice management, strengthen internal supervision, to prevent the occurrence of various tax evasion phenomenon.

## 5. Conclusion

All in all, in order to comprehensively promote the smooth implementation of the business tax reform and value-added tax policy, when faced with many problems and difficulties, the government should consider the source of the problem, improve the rule mechanism, establish a fair, reasonable and scientific taxation environment. As an enterprise, it should strengthen overall planning, fully study the specific content of the new policy and make a specific implementation plan, in order to maximize the benefits of tax reduction and efficiency. Enterprises can only respond to the call of the state, constantly adjust the work direction and improve the work content, Only by doing a good job in the specific overall planning research in the new stage can we increase benefits, contribute to the smooth implementation of the replacement of business tax with value added tax in an all-round way in China, and promote the improvement of the overall level of China's market economy.

## References

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