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Analysis of Tax Planning in Enterprise Financial Management

Chunfeng Tong[1,*], Lingjie Zhang[2], Junxi Guo[3] and Jingyang Ni[1]

[1]School of Finance and Public Administration, Anhui University of Finance and Economics, Bengbu 233030, China;

[2]School of Statistics and Applied Mathematics, Anhui University of Finance and Economics, Bengbu 233030, China;

[3]School of International Economics and Trade, Anhui University of Finance and Economics, Bengbu 233030, China.

*3322417033@qq.com.

Abstract

Tax planning plays a key role in corporate financial management. Reasonable tax planning can bring better benefits to enterprises, promote financing and profit distribution, and have a certain legal binding force on corporate financial management, and can help corporate financial purposes the realization. This article first briefly introduces the concept of tax planning, then gives a specific description of the application of tax planning in corporate management, and finally analyzes the problems of corporate financial management in tax planning and gives corresponding solutions.

Keywords

Financial Management; Tax Planning; Problems and Strategies.

1. Basic concepts of tax planning

Tax planning is one of the three core contents in the field of wealth management, and it is as important as asset preservation and asset inheritance. Tax planning refers to the pre-planning and arrangement of taxpayer's business, investment, and financial management activities before taxation occurs, and on the basis of not violating national laws and regulations, in order to be able to pay less tax or to be able to defer tax payment. , Tax planning, also known as reasonable tax avoidance, is obviously practical and logically scientific. Its characteristics include the following aspects.

1.1. Legality

The prerequisite for tax planning is that it is legal and does not violate national laws and regulations. All relevant planning and arrangements can only be carried out within the scope permitted by taxation laws. If the laws and regulations are not taken into consideration, thereby reducing the tax burden, this kind of behavior is not tax planning, it is tax evasion, and it is subject to legal sanctions.

1.2. Planning

In economic activities, tax obligations are usually lagging, and tax planning provides the possibility of planning after the tax payment. On the basis of the previous operation, before the next taxation behavior occurs, planning, designing, and arranging economic matters, this kind of scientific plan reflects the characteristics of planning..

In this context, tax reduction and fee reduction are conducive to promoting the vitality of social investment, and the macro tax burden of enterprises has been significantly reduced, helping the healthy development of small and micro enterprises, and improving the consumption

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capacity and level of residents [2]. 2020 is an extraordinary year. The arrival of the new crown pneumonia epidemic has caused many companies to go bankrupt and close down. Therefore, the State Administration of Taxation and the Ministry of Finance have also introduced a series of tax preferential policies to promote the stable and healthy operation of the economy. There is no doubt that the future tax and fee reduction policies will be even stronger

1.3. Purpose

Tax planning is purposeful, mainly to reduce the tax burden and reduce the tax burden. Every tax planning needs to be within the scope permitted by the law, combined with the current policies and circumstances, and plan how to minimize tax revenue. Each step in this process is purposeful, and only in this way can tax planning be effective.

1.4. Risk

The main purpose of tax planning is to obtain tax revenue, but in practice, it may not be able to reach the level of the original plan. This is not only affected by the planning method, but also related to the cost of tax planning and the risk of tax planning. The cost of tax planning refers to the cost increased due to the adoption of tax planning programs, including explicit costs and implicit costs. The risk of tax planning refers to the unknowingly adopting a plan that leads to an increase in corporate tax burden or breaking the law and being punished by the tax authority. Therefore, tax planning is risky.

1.5. Professionalism

Tax planning requires the participation of financial and accounting professionals, but its professionalism is not only reflected in this, but also reflected in the socialization of mass production, global economic integration, the increasing frequency of international trade business, the increasing economic scale, and the increasing tax system of various countries. In the increasingly complex situation, taxation planning by taxpayers alone seems to be inadequate, and a more professional analysis of the social and international environment is required.

2. The specific application of tax planning in corporate financial management

2.1. The application of tax planning in the fund-raising process

There are many ways for companies to raise funds, but usually borrowing from financial institutions is the main way, which reflects the role of tax planning. Other methods of raising funds, such as bond issuance and inter-company lending, as far as bond issuance is concerned, this behavior has certain scale restrictions on the company's assets and income, and the company also needs to pay certain underwriting fees to the brokerage. In this way, bond issuance is not the best way to raise funds, and there will be a lot of capital losses in the process. In addition, inter-enterprise inter-enterprise lending refers to the choice of other enterprises for inter-enterprise lending. This approach makes the enjoyment of the pre-income tax deduction standard also restricted. Therefore, the vast majority of enterprises will choose to lend to financial institutions, so that they can enjoy the preferential policy of deducting interest expenditure before income tax.

2.2. Application of tax planning in the investment process

Enterprise investment is mainly for the survival and development of the enterprise, through investment activities to expand the value of the enterprise and enhance the strength of the enterprise. According to the object of investment, enterprises can be divided into direct investment and indirect investment. Tax planning for direct investment is usually manifested

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in the consideration and planning of corporate income tax treatment. my country has stipulated many relevant tax preferential treatments for the corporate income tax system, such as preferential tax rates and tax deductions. Enterprises can comprehensively consider the target investment project. On the basis of various tax incentives, make evaluations and choices in order to obtain the largest investment after-tax returns. Tax planning is manifested in indirect investment by paying attention to the size of investment income and the level of investment risks. Indirect investment can be divided into stock investment, bond investment and other financial asset investment according to different investment objects. These investments are then further classified according to specific types, but the tax incentives under various investment methods are different. Therefore, when making indirect investments, companies need to consider the relevant tax benefits of investment risks and investment returns, weigh the pros and cons, and make reasonable decisions.

2.3. Tax planning in enterprise production and operation

In the production and operation process of an enterprise, in order to realize the maximization of profits, it is necessary to adhere to the principle of increasing costs and decreasing income, thereby reducing the tax burden. This kind of planning is a reflection of tax planning. Specifically, there are two planning methods in the production process, namely accounting policy planning and tax rate planning. Enterprises need to fully grasp the preferential tax policies, timely enjoy the pre-tax deduction policy for operating losses under the corresponding circumstances, and choose the accounting policy suitable for the enterprise. Different depreciation methods will generate different costs and expenses. Comprehensive analysis is required and the best choice is required.

2.4. Application of tax planning in profit distribution

Companies usually distribute profits to shareholders through dividend distribution. In this process, companies need to withhold and pay 20% of personal income tax for shareholders. Tax planning in this process is mainly manifested in that companies can use retained earnings for fixed asset investment and new product research and development, etc., to promote the increase of corporate stock prices, and shareholders can obtain benefits through equity transfers and stock trading. At the same time, legal person shareholders can increase investment income on the basis of the increase in the equity of the invested enterprise. In this way, they can obtain income tax exemption. Regarding the distribution of dividends, companies should make the best choice from the perspective of financial management and tax planning, in conjunction with relevant policies, within the scope permitted by law.

3. Tax planning issues and countermeasures in corporate financial management

3.1. Problems in tax planning

First, in the context of big data, the business of enterprises has become more diversified and diversified, and various relevant materials have been transformed from paper versions to the Internet. In this process, enterprises need to understand relevant policy information and various taxation. Preferential treatment is collected, but it has a certain lag, because before making decisions and related implementation methods, information needs to be screened, judged and analyzed, which will cause various decisions to be untimely. Second, the purpose of enterprises through tax planning is to obtain the greatest benefits. However, in this process, laws and regulations must not be violated. Therefore, it is necessary to connect the profits and legitimacy of the enterprise. How to balance the relationship between benefits and taxation becomes the key. Will inevitably need to be considered in the tax planning process. Third, the professionalism and professionalism of corporate financial accounting and related personnel

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also need to be improved. When relevant tax preferential policies change, they must be able to grasp market trends in a timely manner and make the best choice according to the policy. It is not easy, the relevant personnel must be professionally trained to do it. However, in fact, there are relatively few companies that can train corporate financial accounting personnel. Generally speaking, small and medium-sized enterprises do not pay enough attention to the training of tax planning personnel, or the training is relatively vague and lacks specificity, which will lead to The expected effect of tax planning cannot be effectively realized.

3.2. Response strategy

First, before considering other aspects, we must first optimize from within the enterprise, especially the composition of corporate financial accounting personnel needs to be more reasonable, and the ability of tax planners must also be improved. The personnel structure needs to be adjusted according to the specific situation of the enterprise, so as to achieve mutual supervision, clear personnel structure, open accountability procedures, and achieve the integrity and systematicness of tax planning. Provide professional training for tax planning personnel, cultivate their professional capabilities, grasp the policy direction in a timely manner, and adjust relevant corporate decisions for the purpose of obtaining the largest tax incentives for the company. Second, companies need to focus on national policies, use the background of modern big data, and gather all aspects of news to summarize the most suitable preferential measures for the company. At the same time, they can also pay more attention to the trends of other companies and grasp the general direction of the market, so as to obtain certain Experience and suggestions provide reasonable and scientific methodological support for the development of the enterprise. Third, the enterprise is planning for taxation for the purpose of striving for the greatest tax incentives. In this process, laws and regulations cannot be violated. Therefore, relevant tax planners must have certain legal knowledge, establish taxation awareness, and make good use of tax reduction and risk prevention. The relationship between the company adheres to the fundamental principle of law, and seeks the greatest benefit for the enterprise on this basis.

4. Conclusion

In summary, scientific tax planning can strive for greater benefits for enterprises and enhance the overall strength of the enterprise. Reasonable tax planning can also solve the problem of shortage of funds for enterprises to a certain extent. The current tax planning still has certain problems, including the lag in decision-making, the balance of interests and laws, and the insufficient professional quality of personnel. Therefore, effective measures must be taken to reduce the tax burden for enterprises within the scope of the law. Improve operating efficiency.

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