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ORIGINAL ARTICLE

Construction of Different Types of Projects After Replacing Business Tax with Vat The Impact of VAT Tax Burden on Enterprises and Suggestions

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Abstract: In this paper, the housing construction project and the construction of underground pile foundation project as an example, explained that the special tax invoice, the proportion of its procurement is also accounted for the operating income47.56%Above, the impact of different types of projects on the VAT tax burden difference of construction enterprises is not guaranteed.Statistics and Analysis of the cost information of the same project, the labor cost

Keywords: Replacing business tax with VAT; construction enterprises; Tax BurdenSettlement has not been completed.

1. Introduction

2016Year5.Moon1.From now on, the full transformation of Business Tax to value-added tax has had a far-reaching impact on construction enterprises. From the perspective of practitioners, the author compares the impact of different types of engineering projects on the VAT tax burden from the micro perspective, the paper puts forward relevant suggestions for construction enterprises to deal with business tax reform and increase, and provides references for relevant departments to formulate scientific and reasonable tax reform plans.

2. the theoretical analysis of the impact of VAT on the Construction Industry

Construction was implemented before replacing business tax with Vat3%Business Tax, after replacing business tax with Business Tax2016

Cash flow analysis results of the company before the cash flow results were compared to obtain the company's cash flow changes and laws. This analysis method is simple in operation, simple in analysis process and complete in data. It can well reflect the change of enterprise cash flow. However, for the group enterprises, there are many industries and branch departments involved. If we only analyze them vertically, it will be biased, it is very important to compare the cash flow between different branches, enterprise groups and other groups. Through horizontal comparison, the group can better understand the development of various sub-industries, and confirm its position in various industries. That is to say, in the analysis of cash flow, horizontal and vertical comparisons have their own advantages and disadvantages. The organic combination of the two is the basis to improve the effectiveness of the analysis.

Make full use of the three major accounting statements of an Enterprise Based on Two the cash flow statement.

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Generally speaking, cash flow reflects a series of cash inflows and outflows that companies have made during a period of time to carry out business

3. Comparison of actual VAT tax burden of different types of projects

(1) A project overview. The construction unit is Beijing**Wind power technology company, contract amount340Ten thousand yuan, value-added tax rate is11%. Construction content includes,700 m^2Office buildings, walls, roads, sewage pools, pumps, cable trenches, rain wells, etc. Current settlement amount334.610 000 yuan, direct Engineering Cost286.21Ten thousand yuan, the actual invoice obtained as a table1.Shown.

The actual settlement amount for this project is334.6Million, available in computing:

Tax-free income= 3346000/1. 11 = 3014414.41Yuan

VAT Sales Tax= 3014414.41*0.11 = 331585.59Yuan

Input tax on actual value-added tax111187.07

VAT actually paid= 331585.59-111187.07 = 220398.52VAT tax= 220398.52/3014414.41 = 7.31%

The tax burden is much higher than before the camp changed to increase3%Business tax, tax growth rate=(7.31%-3%)/3% = 143.67%. In this project, the main

Combined with the profit statement, balance sheet profit, cost, fixed assets, accounts payable and other projects to analyze the abnormal situation within the group timely screening, processing, minimize the risk of financial risks.

(2) determining the factors leading to the change of internal cash flow. Most of the existing cash flow analysis focus on the results, and pay little attention to the antecedent variables that lead to the results. insufficient understanding of the antecedent may lead to a lack of targeted improvement programs. Cash flow is affected by the production and operation of the Organization. In general, the marketing activities of enterprises are the main source of cash income, the orderly development of supply and marketing links is the basis to ensure the reasonable structure of cash flow inflow and outflow. However, in some periods, such as new ventures, the cash flow to maintain normal operation mainly comes from financing, investment and other activities. These activities bring big financial risks to the company, which need the attention of enterprises.

The reason is that the earthwork materials and labor costs are unable to obtain a special VAT invoice, jet grouting pile, insulation board and other procurement distance and time cost and select the nearest purchase to obtain a general invoice. The ratio of the actual value-added tax input to the total purchase amount of the project is only3.67%, The ratio of the total amount of the operating income price Tax is3.32%. The above analysis shows that the proportion of its procurement at least accounts for operating income.47.56%Above (and all obtained)17%Tax rate),47.56% * 17% = 8.09%That is, the ratio of VAT input tax amount to the total amount of operating income price Tax8.09%In order to ensure that the tax burden does not increase, and the ratio of VAT input tax to the total amount of operating income price tax is only3.32%The VAT tax burden increased more.

(2) Two B pile foundation project overview.**Building pile foundation engineering, construction units**District

Investment Co., Ltd., total amount of projects Prefabricated Reinforced Concrete Pipe Pile12245Mi (Final Accounts)

13991M), contract amount2659657.79Yuan, VAT rate11%. The cost of this project is relatively simple, only the cost of Reinforced Concrete Pipe Pile and piling, some specifications Pipe Pile local No, cross-city procurement involving freight, details such as the table2.Shown.

4. Suggestions on replacing construction business with Business Tax

I)Suggestions on the competent departments of finance and taxation

Lower tax rates. China Institute of Building Accounting2012Extensive and in-depth calculation, the result is that the value-added tax rate is8%Can basically keep the tax burden unchanged.6%Enterprises will benefit. It is recommended that the financial and tax departments further listen to the appeal of construction enterprises to reduce the VAT rate of construction industry in one step6%So that the construction industry and many other industries share the

reform dividend brought by the camp changed to increase.

Fiscal and taxation departments can refer to the Special Industry Value-added Tax Management, such as for the Cement commodity concrete industry[2000] 37According to the Regulation No., the enterprise shall choose whether to apply the simple levy or the general tax rate, and report it to the tax department for the record,36The competent fiscal and taxation departments may, like the software industry, apply general tax accounting but the actual VAT tax burden exceeds3%The part is administered sign the back policy.

(Two) The industry competent department of recommendations

Camp changed to increase before construction enterprise is the business tax in engineering contract price of part completely is withholding payment form. Business Tax change value-added tax after value-added tax is jiawaishui input tax deduction how much decided to the enterprise of tax burden actually value-added tax pay and enterprise of benefit closely related. Fiscal and taxation department can not be applied to the difference value-added tax rate of situation under different type construction enterprise of tax burden differences need to industry competent department in contract pricing in reflect the in bidding quotes in, construction Enterprise can be combined with their own of tax burden in enterprise management fee or risk cost in be consider this not only can reflect different type construction of the enterprise's Fair Competition, also assurance the different type construction enterprise of smooth development and industry structure of rationality.

(Three)The building enterprise of recommendations

4.1 Improve Enterprise of know with Tax Policy

Enterprise of operators and management personnel especially is financial department to fully realize that camp change

Of the construction of major influence in strict accordance with the camp changed to increase related of tax regulations calculation pay value-added tax constantly improve the internal management mechanism gradually improve enterprise of management level.

4.2 Strengthen tax planning Increase Economic Benefit

Building Enterprise from project of bidding start to moment tight tax this string. Vote

Standard Department of bidding time and financial department communication it tender of payment node, invoice issue style and tax rate and related terms the full of know and Communication Effective of avoid potential of tax risk. Bid after and Party A to contract settlement terms, mixed industry management, a for material and full of communication make the most favorable of tax planning reasonable of reduce tax burden. In qualification sharing after winning the bid on the and partners engineering invoice issue, procurement material contract flow, capital flow, goods logistics, invoice flow How?"Four flow one"All to in advance consensus avoid tax risk.

4.3 Serious Summary experience strengthen industry exchange put forward reasonable of recommendations

Building Enterprise to in practice in serious summary camp changed to increase after the experience lesson can

Can of and has general tax qualification of enterprise cooperation. And peer tax aspects strengthen exchange investigate the common of confused and difficult timely to industry supervisor department, Industry Association and fiscal and taxation department and feedback views and put forward science feasible of recommendations, for policy-making departments further perfect related of legal regulations provide powerful of fact and data support.

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