

Strategy of the Relationship between Financial Accounting and Taxation of Real Estate Enterprises

Diyun Lu

Changchun Baba Changlian Financial Accounting Co., Ltd. Jilin Changchun
130000

Abstract: As one of the important industries supporting our country's economic development, real estate has distinct characteristics, mainly manifested in long production and operation cycles, labor-intensive and so on. The financial work of real estate enterprises involves many aspects such as financing, sales and construction. Therefore, the relationship between financial accounting and taxation needs to be fully understood by enterprises and can be properly handled. This paper mainly focuses on the theoretical and practical choices of the relationship between financial accounting and taxation in real estate enterprises, in order to help enterprises to better carry out financial work and achieve the goal of maximizing economic benefits.

Keywords: Real estate enterprises; Financial accounting; Taxation

For real estate enterprises, it is of great significance to do a good job in financial accounting and taxation to improve their economic benefits. Correctly recognize the relationship between financial accounting and taxation, choose a reasonable handling method based on the actual situation, and do a good job in financial work, which can provide a guarantee for the stable development of real estate enterprises and lay a good foundation for maximizing economic benefits. The theoretical relationship between the financial accounting and taxation of real estate enterprises whether it is financial accounting or taxation, belongs to the content of financial work, and the main body is real estate enterprises. Therefore, real estate managers should correctly understand the difference between the two in terms of work content. There are many links involved in the operation and management of real estate enterprises. When dealing with these links, it is necessary not only to do accounting work well, but also to fully consider tax issues such as corporate income tax and land value-added tax. For the current theoretical relationship between real estate financial accounting and taxation, it mainly focuses on the main work objectives and accounting elements.

1. The main work objectives are different

The financial management of real estate enterprises mainly includes financial accounting and taxation, which play an important role in promoting the production and operation of enterprises. There is a clear difference between the two in job goals. Financial accounting can give comprehensive feedback to all the information of real estate enterprises during the operation period. By recording and reflecting relevant information, such as the entire life cycle of the project, different production and operation links, etc., it provides specific financial statements for each participant, so that managers can accurately evaluate and make decisions on the development of the enterprise. As for the taxation work, it is based on the taxation laws and regulations as the standard, and conducts tax calculation and payment for the taxation work involved in the actual production and operation process of the enterprise. In this process, relevant personnel should pay attention to the planning of corporate tax burden, so as to ensure the rationality of corporate financial management.

2. There are differences in specific accounting elements

Through the analysis of accounting objects, the development of corporate financial accounting will involve many aspects, such as corporate assets, liabilities, owner's equity, income and costs. The taxation work mainly revolves around the payment and overall planning of different types of taxes. At the same time, there are also certain differences in the accounting treatment methods between the two, and tax accounting is mainly carried out in accordance with tax laws and regulations in actual treatment. In the tax treatment of corporate income tax, although some income is not included in the accounting, it will be presented in the form of sales income in the tax treatment. In addition, financial accounting elements are mainly composed of six parts, namely assets, liabilities, owners' equity, income, expenses and profits. The elements of tax accounting mainly focus on the basis of tax calculation, tax payable, taxable income and deductions. It can be seen that there are obvious differences in composition between the two. As we all know, the financial accounting work and taxation work of real estate enterprises are not independent, and both have the characteristics of inclusion. When accounting for the production and business

activities of an enterprise, it is also necessary to account for the content that needs to be taxed in accordance with relevant legal requirements. At the same time, in the development of taxation work, it is necessary to combine the accounting data of specific accounting subjects to carry out the accounting and payment of different types of taxes. In this work, it is necessary to ensure the standardization of accounting work in order to avoid the occurrence of tax risks to the greatest extent. With regard to the realistic choice of financial accounting and taxation of real estate enterprises, combined with reality, in the current accounting work of real estate enterprises, the development of financial accounting work can clearly record the production and operation conditions and financial information of the enterprise. At the same time, relevant personnel also conduct comprehensive records and integration of different types of tax subjects through reasonable settings. This can ensure the efficient development of corporate financial accounting and tax processing to the greatest extent. In order to do a good job in the selection of financial accounting and taxation of real estate enterprises, relevant personnel need to consider multiple factors in actual work, such as accounting and taxation of value-added tax, accounting and taxation of income tax, and taxation of multiple transactions.

3. Accounting and tax treatment of VAT

Most real estate companies mainly use the pre-sale payment method in the sales of commercial housing, which can alleviate their own financial pressure. Combining with the requirements of *Accounting Standards for Business Enterprises No. 14 - Income*, it can be seen that in order to determine the final income, real estate enterprises need to transfer the risks and rewards faced by real estate development to the buyers, and at the same time, they no longer have the power to continue management, that is, revenue recognition is available. However, in practice, although home buyers will sign a pre-sale contract with a real estate company for commercial housing and pay a down payment, they still do not have the ownership of the pre-sale housing, so the real estate company can continue to maintain the corresponding control over the pre-sale housing. This makes it possible to deal with the pre-sale method in the financial accounting treatment of the enterprise, and treat the

unrecognized income of the real estate in the form of advance receipt. Combined with the current newly revised value-added tax provisional regulations, it is concluded that when a taxpayer conducts real estate sales, it should be carried out according to the standard value-added tax rate. In the *Interim Measures for the Administration of Value-Added Tax Collection of Real Estate Projects Self-developed by Real Estate Development Enterprises*, it is clearly required that the balance of the corresponding land price after deduction should be the sales value calculated by the enterprise for the payment of value-added tax. In the specific link, the enterprise does not need to carry out income recognition, but still needs to carry out the real estate tax treatment according to the specific standards and requirements. Therefore, as a real estate enterprise, it is necessary to attach great importance to this in financial accounting and tax treatment, so as to better ensure the development of the enterprise.

4. Accounting and tax treatment of income tax

According to the *Measures for the Treatment of Enterprise Income Tax for Real Estate Development and Operation Business*, it can be seen that the income obtained from the formal signing of the pre-sale contract of commercial housing is a necessary condition for the realization of sales income. However, real estate companies use related products developed as employee benefits or debt repayment, etc., with tax evasion factors. Simply put, the method that does not have equivalent economic benefits is regarded as sales income, and the corresponding tax treatment is carried out. In response to this situation, the relevant personnel need to combine the specific order for the price of the development products involving other non-monetary assets. For example, the enterprise should clarify the market sales price and cost profit rate of similar products in the recent period. In addition, for the unfinished sales of goods, the accounting does not meet the requirements for revenue recognition, but in terms of tax treatment, it is still necessary to pay attention to the determination of sales. Unrealized sales revenue is calculated strictly in accordance with standards and procedures. After the development of the product is completed, the difference between the actual gross profit rate and the estimated gross profit rate can be adjusted according to the current taxable income of the enterprise. In the specific tax work, the relevant personnel

should calculate the actual income tax amount paid in combination with the existing methods, that is, the actual profit amount and the applicable income tax rate that meets the requirements.

5. Tax treatment of multiple transactions

As a real estate company, in order to effectively increase the sales rate, it will choose the form of bundled sales of parking spaces and storage rooms in actual operations. From an accounting point of view, this belongs to a variety of transactions, and needs to be processed according to specific standards in terms of transaction time. The projects involved should be clarified, and at the same time, it should be confirmed at the performance time agreed in the contract in combination with the requirements set forth in the actual house purchase contract. If it is impossible to distinguish the various amount items involved, it can be classified according to various service income conditions, and then allocated on this basis. From the perspective of taxation, for this type of sales, the relevant personnel need to understand the actual situation, determine the nature of the sales, and clarify whether it is a concurrent or mixed sales. Relevant strategies for the coordination of financial accounting and tax accounting In order to effectively coordinate financial accounting and tax accounting, relevant departments and personnel need to do a good job in the construction of tax accounting theory, the content of tax accounting, and the unified accounting basis. Only by doing these well can we create favorable conditions for the development of real estate enterprises, and then promote the continuous development of social economy.

To sum up, real estate companies are different from other companies in terms of financial accounting and taxation, and need to pay attention to several aspects. In the specific work, it is necessary to focus on the differences and requirements between financial accounting and tax treatment, and actively do a good job in related work. Through the theoretical analysis and practical selection of the relationship between financial accounting and taxation in real estate enterprises, real estate enterprises can realize the importance of financial accounting and taxation processing, understand the relationship and difference between the two, and master the relevant coordination

strategies. .

References:

[1] Zhimin Zhou. Reflections on the Differences and Coordinated Development of Financial Accounting and Tax Accounting in Tobacco Companies [J]. *Market Observation*, 2020(8): 53.

[2] De'ai Tan. Analysis of the Necessity and Countermeasures of the Separation of Corporate Tax Accounting and Financial Accounting [J]. *Modern Economic Information*, 2020(24): 90-91.

[3] Lan Wu. Discussion on Accounting Practice and Tax Audit Work in Corporate Financial Liquidation [J]. *Modernization of Shopping Malls*, 2020(20): 157-159.

[4] Yibo Luo. Exploring the Significance of the Separation of Tax Accounting and Financial Accounting and Corporate Taxation [J]. *Economic and Trade Practice*, 2018(14): 121.