Research on Solving Tax Management Difficulties of Enterprise Groups through Intelligent Tax Systems

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Abstract: *With the development of information technology and the popularization of financial management system, smart tax began to appear in large enterprise groups. Smart tax is a general term of standardization, automation and intelligent processing of enterprise tax-related business, which is generally reflected in smart tax management system. Smart tax system can improve the ability of enterprise tax management and solve the pain points of enterprise group tax management. The application of smart tax management system has just started and is still in the exploratory period. This paper mainly discusses the importance of smart tax management system to enterprise group and how to solve the problem of enterprise group tax management.*

Keywords: *smart tax, Enterprise group, Tax administration*

1. Introduction

With the development of China's economy, the number of enterprise groups is increasing. According to the list of China's Top 500 Enterprises in 2021, the number of state-owned enterprises with 100 billion has reached 222. These enterprises are all in the form of enterprise groups, with at least a dozen or more than a hundred subsidiaries. Due to the characteristics of enterprise groups, such as many legal entities, wide coverage area and many industries, there are many problems in the tax administration of enterprise groups, which need to be solved by information system.

2. Problems existing in the tax administration of enterprise groups

2.1 The organizational structure of tax administration of enterprise groups is not perfect

Although the number of enterprise groups in China is sharp increase, few enterprises have set up specialized tax administration departments in the group, and few even large and medium-sized enterprise groups have set up full-time tax administration departments. In 2009, the State Administration of Taxation issued the Guidelines on Tax Risk Management of Large Enterprises (Trial Implementation), which suggests that enterprises can set up tax administration organs and positions based on the characteristics of production and operation and the requirements of internal tax risk management, and clarify the responsibilities and powers of the positions. Because it is impossible to find the number of tax administration departments in Chinese enterprise groups from public data, the investigation results show that only one-fifth of the enterprise groups have special tax administration departments, and more than a quarter of the enterprise groups have neither tax administration department. There is no full-time tax administration post[1].

2.2 The tax management of enterprise groups is not systematic

The tax management system mainly includes the system, process, division of responsibilities, assessment, reward and punishment, and supervision of tax management within the enterprise group. In the enterprise group, the content of tax management mainly includes two parts. One is the tax normative management based on the consideration of tax risk, that is, tax risk prevention and control; The first is tax planning management based on benefit consideration, namely group tax planning. Tax risk prevention and control mainly standardizes invoice management, tax calculation, tax declaration, tax inspection and other matters from the aspects of system construction and process management, and ensures that the group's tax-related business is handled in accordance with tax laws and regulations and avoids risks through system norms and process constraints. Tax planning is to guide program design, business model

construction, contract signing and other businesses through advance planning, so that all businesses of the group can be carried out under the mode of lowest tax cost or optimal comprehensive income. The tax management system is actually a systematic management mode of effective integration of industry, finance and taxation.

In China, except for a few large enterprise groups that have set up a relatively perfect tax management system under the guidance of tax administration departments, most enterprises do not have their own tax management system, but only deal with tax problems when they find them. Tax management is more point than surface management.

2.3 The tax administration of enterprise groups is not paid attention to

The main reason why so many enterprises do not have tax administration departments or full-time tax administration posts is that enterprise groups do not pay enough attention to tax administration. First of all, the senior management of enterprises have insufficient understanding of tax management, do not know the importance of tax planning, and believe that tax risks can be solved after the fact. Secondly, some corporate executives believe that the company operates legally and pays taxes in accordance with the law, so there is no need for too much intervention, as long as the requirements of the tax bureau to pay taxes on time, but they do not know that they may pay more or less taxes because they do not understand the tax law. Again, the enterprise tax personnel are generally the first to standardize the tax situation of the enterprise, rarely do tax planning, so in the view of the senior, it will only increase the tax burden for the enterprise, can not reduce the cost of tax. Finally, there are still many enterprise managers with short-term interest thinking, as long as there is no problem in the short term, they will not pay attention to the tax work. Because of the above reasons, the tax management of enterprise groups is not paid attention to.

2.4 The tax administration of enterprise groups is difficult

Enterprise groups often involve multiple industries, multiple legal entities, and span multiple provinces or even countries. There are great differences in the tax treatment involved in different industries, such as the land tax increase of real estate enterprises, which is difficult to master in a short time for those who have not done real estate enterprises. Many legal entities are bound to have more related transactions, whether the pricing is fair, whether there are tax risks is difficult to grasp. The tax policies of different regions and countries are different, and China's tax policies change frequently, which requires very professional talents to manage. Because the enterprise tax management is very difficult, so few people are willing to do the tax work full-time, even if the full-time tax work, it is difficult to make a great contribution to the enterprise, so it is difficult to get the attention of enterprise managers.

2.5 The tax risk of enterprise groups cannot be effectively controlled

Risk control is the primary goal of tax administration. Due to the imperfect organization, system and process, tax risks always exist. For example, the poor professional quality of tax personnel may lead to the inadequate implementation of tax policies; Or due to the negligence of the process, resulting in the emergence of false, on behalf of the VAT invoice tax risk. Therefore, enterprise groups should reposition tax risk management, take advantage of the ever-changing development of information technology, and innovate enterprise financial management mode and management concept[3]. The enterprise group has improved the system construction of risk management and control, adopted effective preventive measures in advance and supervision in the event of prevention and control, tax prevention and control mode from "passive" gradually to "active", established a risk early warning mechanism, so that a point of tax-related risk, the enterprise group can quickly respond to precise prevention and control.

2.6 The tax management methods of enterprise groups are backward

With the optimization of the national tax environment, the space for the arbitrariness of enterprise tax management is becoming smaller and smaller, and tax standardization is becoming more and more important. However, for large-scale enterprises, it will be greatly reduced to standardize and monitor the efficiency purely by people. Moreover, if they focus on tax standardization, they will have no time to do tax planning, which will start a vicious circle again and again. The effect of tax management is not satisfactory. Therefore, the tax management of enterprise groups needs to use new tools and effective tax management means, and smart tax management system is the best choice.

Similar to financial information system, tax management also needs information tools[2]. Financial information system from the simple stand-alone version to the later network version, and then to the present cloud sharing, from mechanical bookkeeping, to the present financial sharing, the application of information system in finance has been very extensive, very intelligent, but in the application of enterprise tax management is still relatively backward. According to the previous questionnaire, only one-third of the enterprise groups have used the tax information system. Nearly 90% of the enterprises with tax management system only use the basic functions such as invoice issuance and invoice inspection, and only about 5% of them can do tax analysis and risk assessment. It can be seen that the tax management means of enterprise groups are relatively backward.

3. Enterprises' demand for tax information system

For large enterprise groups, the workload of basic tax management, tax analysis, risk assessment and so on is large and takes up a lot of time. If you can't spare time and energy, you can't do a good job in tax planning and policy application. Therefore, for basic tax work, it is necessary to use information system, through the application of intelligent tools, to avoid risks, improve efficiency, and provide basic data analysis for tax planning[4].

3.1 Standardizing tax-related business and avoiding tax risks through information systems

For enterprise groups with multiple legal entities, it is difficult to ensure the voluntary implementation of all employees through institutional constraints, so it is necessary to embed the system into the process to ensure the thorough implementation, which requires the support of information systems. For example, in order to avoid false invoicing, it is required that the customer information must be consistent with the contract when invoicing. In manual invoicing, it is inevitable that there will be intentional or unintentional errors, but through intelligent invoicing system, the original contract information can be automatically invoiced, avoiding the possible risks in the invoicing stage.

3.2 Improve the efficiency of tax-related business processing through the information system

With the help of information systems, efficiency can also be greatly improved and the energy of tax administrators can be released to make plans. For example, a sales company under JH Group, there are more than one billion invoicing volume every month, the original need to have a invoicing clerk specifically responsible for issuing invoices, after the online invoice management system, can automatically issue invoices according to the application of business departments, saving an employee; Another example, after receiving the VAT special invoice, you need to check the certification in the tax system, and at the same time make input tax accounting entries in the account, and must keep the book amount consistent with the tax system, otherwise it is easy to lead to tax return errors, and through the invoice management system, you can automatically check the certification and automatically generate vouchers after receiving the invoice, on the one hand, improve efficiency. On the other hand, it also reduces the possibility of difference.

3.3 Through the information system, abnormalities can be found in time and risks can be suggested

Through the tax risk assessment system, enterprises can monitor tax anomalies in real time and prompt risks. For example, the information system can make a horizontal comparison of the tax indicators of various subsidiaries within a business group, or make a vertical comparison of the historical data of each company, and find anomalies through the comparison.

3.4 Through the information system, changes in indicators can be analyzed to guide tax planning

Through information sharing, enterprises can conduct comprehensive analysis of tax indicators, financial indicators and business indicators, and guide tax planning according to business, financial and tax indicators, and even provide basis for enterprise strategic planning.

4. Application status of smart taxation in enterprise groups

Compared with multinational enterprise groups, the tax management of Chinese enterprise groups started relatively late, and the management content is mainly basic tax declaration, data statistics, invoice

management and so on. The establishment of the Large Enterprise Tax Administration Department of the State Administration of Taxation in 2008 and the issuance of the "Guidelines for the Tax Risk Management of Large Enterprises (Trial Implementation)" by the State Administration of Taxation in 2009 have played a great role in promoting the tax administration of large and medium-sized enterprise groups in China.

At present, the tax management of enterprises is basically confused with the financial management, which is uniformly undertaken by the financial department. In order to better understand the current situation of the tax administration of enterprise groups in China, the author launched a questionnaire to Jiangsu province leading accounting talents, aiming to understand the situation of the tax administration of enterprise groups in Jiangsu province. A total of 49 valid questionnaires were collected, including 46 large and medium-sized enterprises, 79.59% of enterprise groups with more than 10 companies and 28.57% of enterprise groups with more than 100 companies.

Among the 49 enterprise groups, only 10 enterprises set up tax administration departments, accounting for only 20.41%. Among the enterprises without tax administration departments, 26 enterprises set up tax administration posts. There are 13 enterprises that have neither set up a special tax administration department nor a special tax administration position, accounting for 26.53% of the total sample. Among these 13 enterprises, 7 are large enterprises, 5 are medium-sized enterprises, only 1 is small enterprise, and 10 have more than 10 corporate entities[4].

In March 2021, the Opinions on Further Deepening the Reform of Tax Collection and Administration clearly pointed out that under the new situation, efforts should be made to build a smart tax system with high integration function, high security function and high application efficiency, from the perspective of tax collection and administration. In the process of smart tax data sharing, major tax departments, administrative departments and enterprise tax departments are important sharing subjects[1]. Therefore, in order to realize the construction of national smart tax system, enterprises should participate in the construction of smart tax. In the face of the new situation of tax collection and administration, enterprises should adapt to external supervision actively, enjoy the policy [2]of benefiting enterprises legally and compliance, and reduce tax risks only by following the trend of The Times, grasping development opportunities, turning pressure into power, making full use of information technology, and building an intelligent tax management system that meets their own development needs based on their own management status.

As an important part of enterprise information system, intelligent tax management system mainly includes invoice management system, tax declaration system, tax analysis system, risk prevention and control system, etc. With the application of big data and the development of artificial intelligence technology, the coverage of enterprise information system is more and more extensive, and the integrated information system of industry, finance and taxation has been produced. The application of Golden Tax Phase III and the development of Golden Tax Phase IV promote enterprises to pay attention to the application of tax information system gradually.

In this survey, only 17 of the 49 enterprise groups used the tax information system, accounting for 34.69%. Among the 17 enterprises using the tax information system, 88.24% used the "invoice issuance" and "invoice verification" functions, and only 2 used the "tax analysis" or "risk prevention and control" functions. As shown in Figure 1 and Figure 2.
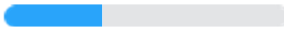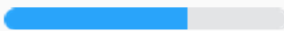
Options	Subtotals	Proportion	
A. Yes	17	▬▬▬▬	34.69%
B. No	32	▬▬▬▬▬▬	65.31%

Figure 1 Use of tax information systems by business groups

Through the analysis of the questionnaire, it can be seen that the current situation of corporate tax management is not optimistic, enterprises do not pay much attention to tax management, and the level of corporate tax management needs to be improved.

Options	Subtotals	Proportion
A. Invoice issuance	15	88.24%
B. Input deduction	9	52.94%
C. Invoice inspection	15	88.24%
D. Tax filing	13	76.47%
E. Risk assessment	2	11.76%
F. Risk warning	3	17.65%
G. Tax analysis	2	11.76%
H. Tax calculation	3	17.65%
I. Tax-related voucher processing	1	6.67%

Figure 2 Main functions of a business group's use of a tax system

5. Main information systems involved in enterprise smart tax management

5.1 Invoice management system

The invoice management system includes output management and input management modules, covering the functions of invoice issuance, authentication deduction, invalidation red flush, red letter application and so on. It opens up the business end and the financial end, realizes automatic processing, and greatly reduces the amount of enterprise documents input. Through the data synchronization with the tax bureau, the system can realize the functions of automatic inspection and certification of input invoices, and control the risk of invoices. The invoice management system generally needs to be connected with the sales system, procurement system, financial system and tax bureau system to play the best role.

5.2 Tax declaration system

The tax declaration system mainly includes tax calculation, tax withdrawal, tax return preparation, tax difference ledger registration, one-click declaration and other functions. The system can calculate taxes according to the pre-set rules, collect data and generate tax returns. The tax post only needs to review the returns, or adjust some special data. After the tax returns are verified without error, they can be automatically declared with one click. The system can also make real-time statistics on the tax declaration of all companies in the group, so as to avoid late fees caused by forgetting to declare and affecting the tax credit rating. The tax declaration system is generally complex, which needs to be connected with the financial system and the tax bureau system, and needs to obtain the authorization of the tax bureau to realize the one-click declaration.

5.3 Risk assessment system

The risk assessment system mainly includes data statistics, data analysis, index abnormal prompt, risk push and other functions. The system can collect tax data, financial data and business data of all companies in the group, prompt abnormal indicators through data analysis, and push abnormal information to the tax administration department of the Group. The risk assessment system generally needs to be used together with the financial system and the business system to be effective.

5.4 Tax sharing system

The tax sharing system can be understood as the integration of the above systems[4]. Through the tax sharing platform, the relevant applications of invoice management, tax declaration and risk assessment

systems are integrated. The tax sharing platform can communicate with the financial sharing platform, sales system, procurement system, human resources system, asset management system and other enterprise application systems to achieve data sharing from one source and multiple systems, reduce repeated data entry and improve efficiency. At the same time, the tax sharing platform establishes interfaces with the VAT invoice management system, the invoice check authentication platform and the tax declaration system of the Tax Bureau. Together with the financial sharing platform, the platform forms a comprehensive information system network of the group enterprise, and its functions far exceed the sum of the functions of the original systems.

6. Effect of smart tax application in enterprise groups

After the implementation of the enterprise group tax sharing program, it has played an important role in improving efficiency, reducing error rates and avoiding risks.

In terms of invoice management, sales business can automatically issue invoices after the application is initiated by business personnel, related transactions can automatically issue invoices at the set time point, sales invoices can be automatically associated with tax withdrawal vouchers, automatically check deduction after the invoice is entered into the account, real-time reminder of out-of-control or abnormal invoices, automatic inspection of input invoices and other functions[5]. In terms of tax declaration, the main declaration forms can be automatically generated, and taxes can be automatically withdrawn and recorded at the end of the month. In the case of the support of the tax bureau system, one-click declaration can be realized. In terms of risk prevention, through data statistics and analysis, horizontal and vertical comparison with the data of the tax bureau, abnormal results can be found in time and early warning.

After the comprehensive application of the system, the invoice business basically does not need financial personnel to deal with, and the tax declaration business is operated by the staff of the group sharing center. The subsidiary only needs to set up a comprehensive financial personnel according to the region to take charge of the on-site tax management, which greatly reduces the personnel demand and improves the work efficiency[6]. Most of the basic business is automatically completed by the system, and can be automatically matched across the system, so the probability of manual operation errors is reduced, efficiency is improved, accuracy is improved, and tax risks are greatly reduced. As all data can be reflected in the group control interface, it is convenient for the group to find abnormalities of subsidiaries in time and improve management efficiency.

7. Conclusion

Through the intelligent tax information system, it can not only solve the problem of low processing efficiency of grass-roots personnel, improve the processing efficiency of tax-related business, but also avoid the problem of irregular business processing, avoid tax risks, and effectively solve the pain points of tax management of enterprise groups.

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