

Research on Tax Planning for High-tech Enterprises

Haili Wei, Yuan Guo, Yongqiang Yang and Jixiao Zheng

School of Anhui University of Finance and Economics, Bengbu, 233000, China

Abstract

With the improvement of China's political, economic and cultural level, the country is also changing from traditional to innovative development mode, and the high-tech industry requires the continuous development and growth of high-tech enterprises, which have gradually become an indispensable and important part of China's innovation and development path, and are the backbone of promoting the continuous optimization of China's industrial structure and enhancing the country's comprehensive strength. Governments at all levels in China attach great importance to the development of high-tech enterprises, encouraging and guiding enterprises to increase their R&D and investment in high-tech products and accelerate scientific and technological innovation. Actively improve the structural tax reduction policy, in this period the state has also been attached importance to the development of high-tech enterprises and introduced relevant tax incentives, so the tax incentives have become a powerful means of national support for the development of high-tech enterprises. However, the results of tax planning by high-tech enterprises with the support of national policies are not satisfactory. This paper analyzes and discusses the current tax planning problems of high-tech enterprises, defines the development advantages and disadvantages of high-tech enterprises and the characteristics and roles of tax planning, clarifies the ultimate purpose of tax planning through SWOT analysis of tax planning of high-tech enterprises, selects the correct taxation method, examines the possible risks in the process of implementing tax planning strategies of high-tech enterprises and provides corresponding information. It is hoped that it will have a positive effect on the reasonable tax planning and tax burden reduction of high-tech enterprises in China.

Keywords

High and New Technology Enterprise; Tax Planning; Tax Benefits.

1. Introduction

High-tech enterprises are important economic development subjects in China, with such enterprises, the country can develop more and better high-tech products, and then improve the country's economic and cultural development strength. Therefore, the state has introduced relevant preferential policies to promote the development of high-tech enterprises. For example, in terms of taxation, the state stipulates that high-tech enterprises established in high-tech industrial zones can obtain corresponding tax exemptions. At the same time, enterprises can also use the method of tax planning, so as to achieve the purpose of reducing tax. Secondly, enterprises can also establish bases in tax depressions, thus obtaining more preferential policies. In doing enterprise tax planning, we should understand the laws and regulations on taxation, and then make corresponding countermeasures from the actual situation of the enterprise. For example, enterprises can make use of the "two exemptions and three halves" tax incentives proposed by the state to obtain the corresponding benefits. In this way, the enterprise can get more income and reduce the tax expenditure.

There are many tax incentives for high-tech enterprises, for example, based on the strength and qualification of high-tech enterprises themselves, the state will exempt the enterprises from

VAT, no VAT and other preferential policies accordingly. With the emergence of these policies, enterprises can reduce the cost of their products and thus enhance the profit margin of their products as a means to gain more net profit. When a business is in operation, it needs to understand the tax law.

High-tech enterprises are the types of enterprises that cannot be missing for the development and growth of the country, and their emergence and development can continuously improve the comprehensive strength of our country. Many high-tech products promote the country's economic development and improve the quality of national life. In order to promote the development of high-tech enterprises, the state has provided many policies. People can use these policies for their own benefit and for the welfare of the nation, so that enterprises can develop better.

2. Overview of High-tech Enterprises and Tax Planning

2.1. The Concept of High and New Technology Enterprises

High-tech enterprises are economic entities with high speed of technological innovation and high degree of knowledge aggregation. Unlike China's traditional enterprises, high-tech enterprises are engaged in the research and development of related products and production operations or the provision of related technical labor services with high-tech as the core.

2.2. The Concept of Tax Planning

Tax planning refers to the way to pay less tax through legal and reasonable methods when making tax payments. The main body of tax planning for high-tech enterprises is tax-related business. Paying attention to the tax planning of tax-related business of enterprises can effectively achieve the purpose of reducing tax burden. High-tech enterprises can choose three methods of tax planning, namely tax saving planning, tax avoidance planning and transfer planning. Among them, tax saving planning is low risk, mainly through reasonable planning of enterprise's financing, production and operation activities to enjoy tax preferential policies; tax avoidance planning is mainly based on the government's attitude towards tax avoidance to determine the size of its risk, but due to the uncertainty of risk, enterprises mainly rely on their actual tax business to find the defects of tax law and levy management, so as to reduce the tax burden of enterprises; transfer planning Planning is mainly a method to transfer the tax burden to other business entities by adjusting the price of products, etc.

2.3. Features of Tax Planning

Tax planning is characterized by the following aspects: legal compliance, policy guidance, relevant purpose, relevant professionalism and other aspects.

2.3.1. Legitimacy

The legal nature of tax planning refers to tax planning on the premise that it does not violate the laws and regulations of the country or the relevant provisions of the tax law. To be precise, it is the reasonable use of tax laws and tax incentives within the scope of the law to help enterprises reduce their tax burden. The key to tax planning is legal compliance, which is the main prerequisite for doing tax planning. Under the premise of legal compliance, solutions can be formulated according to the actual situation of enterprises/individuals in order to achieve real and effective tax savings.

2.3.2. Policy Guidance

Taxation is an important economic lever controlled and guided by the state. The state implements tax incentives to reduce or levy more taxes to guide taxpayers to adopt a way of behavior in line with the policy to achieve the purpose of adjusting the macroeconomic policy of the state or governing the society.

2.3.3. Related Purposefulness

Any enterprise carries out tax planning in order to reduce tax burden and increase after-tax profit, therefore, in tax planning enterprises pay attention to where cost management control can be carried out and can increase the net income of the enterprise.

2.3.4. Related Professionalism

Relevant professionalism means that corporate taxpayers need to use relevant professionals to carry out tax planning so as to increase corporate after-tax profits, and to keep abreast of changes in national tax laws and make timely suggestions so as to avoid hindering corporate development.

2.4. Current Status of Tax Planning Research

Through the comprehensive analysis of domestic and foreign literature, from the current situation of foreign research, foreign research on tax planning theory began in the 18th century, and after a long development process, has achieved fruitful research results. Most of these results are analyzed in the context of macro environment, and the research on theory and model measurement is proofread, and the analysis of individual cases of enterprises is less, and the practical application guidance of specific cases is not enough. In the theoretical aspect, the research is thorough and a hundred schools of thought are competing; in the empirical aspect, the research is increasing, and through planning many representative enterprises, it provides reference for the planning of the same type of enterprises; secondly, the author finds that most of the literature analysis is mostly for general enterprises, especially for the construction and real estate industries after the "camp reform and increase". The construction industry and real estate industry appear more frequently in the literature, and the research direction and tax planning for high-tech enterprises account for less, and do not fully highlight the uniqueness of tax planning for high-tech enterprises; Third, with the comprehensive implementation of tax reduction and tax lowering in China, the tax preferential policies and implementation rules for high-tech enterprises have been fully implemented. Thirdly, with the full implementation of tax reduction and lowering, tax preferential policies and implementation rules for high-tech enterprises have come and gone, and the ever-changing tax policies make enterprises rely on the original policies of tax planning solutions will be out of date and lose value, therefore, it is necessary to analyze tax planning under the new tax reform and other policies.

In view of the above research status, this paper combines SWOT analysis to determine the tax planning strategy of high-tech enterprises, and at the same time, it examines the possible risks in the implementation of the tax planning strategy of high-tech enterprises and proposes certain countermeasures to make the comprehensive tax burden reduction of high-tech enterprises more effective and the comprehensive strength enhancement more obvious goals.

2.5. Research Methodology and Content Framework of this Paper

2.5.1. Research Methodology

The purpose of this paper is to study the tax planning of high-tech enterprises, and the main research method is literature research. In order to form a more comprehensive and systematic understanding of tax planning research, I collected and organized as much as possible domestic and foreign tax laws and regulations, accounting system regulations, famous research works, and relevant academic journals on accounting and economics, in order to form a more comprehensive and systematic understanding of tax planning research. With the information from some authoritative academic websites as a guide, I expanded the study horizon of relevant research results and formed a theoretical understanding of tax planning research as the basic theoretical support for this paper.

2.5.2. Content Framework

This paper is divided into four main parts as follows.

The first part is an overview of the definition and characteristics of high-tech enterprises and tax planning.

The second part is the relevant theoretical basis and its specific planning methods required when high-tech enterprises carry out tax planning.

The third part is to analyze the environment and strategy selection of tax planning for high-tech enterprises, analyze the internal and external environment of high-tech enterprises through SWOT analysis model, and guide the selection of tax planning strategy for high-tech enterprises according to the analysis results.

The fourth part is about the risks and their prevention in the tax planning of high-tech enterprises. Through the specific operation of tax planning mentioned above, it points out what risks exist in the tax planning of high-tech enterprises and puts forward the corresponding risk prevention advice and suggestions.

3. Theoretical Basis and Main Methods of Tax Planning

3.1. Contract Theory

The main role of contract theory is to choose the interests of the parties in tax planning. Contract refers to the mutual relationship formed between different parties in the process of various planned future transactions, and from the perspective of an enterprise, an enterprise can also be regarded as an integration of contractual relationships consisting of the interests of shareholders, banks or other financial institutions, suppliers, employees, customers, government agencies, etc. In these contracts between the stakeholders of the enterprise, most of the stakeholders receive the inherent remuneration from the enterprise as agreed before the transaction, while the remuneration received by the shareholders cannot be agreed beforehand precisely, and after the stakeholders have received their respective entitlements from the enterprise. Therefore, shareholders who want to maximize their profits will require tax planning to reduce tax expense and increase after-tax income. In addition, taxation is also an integral part of the contractual relationship between enterprises and the government agencies that formulate taxation laws and policies.

3.2. Game Theory

The main role of game theory is mainly reflected in the selection of tax planning strategies. The application of game theory in tax planning involves three parties: taxpayers, tax agencies and taxation departments. On the one hand, the approval of taxation authorities is the key for taxpayers to implement tax planning schemes, and if they are approved as tax evasion and tax leakage, taxpayers will face fines and credit losses; on the other hand, enterprises, in order to avoid risks, enterprises will entrust important business to professional tax agencies for planning and execution, which constitute three different game relationships: one is the game between enterprises, in order to reduce tax costs, taxpayers may make strategies of tax evasion, tax planning, or no tax evasion and no planning; the second is the game between high-tech enterprises and tax authorities, high-tech enterprises can choose the strategy is to carry out tax planning or not to carry out tax planning, and the optional strategy of taxation authorities is to check or not to check and make judgment on the legality of the inspection object; thirdly, the game between enterprises and taxation agencies, the optional strategy of enterprises is to choose or not to choose, and the optional strategy of taxation agencies is to sign or not to sign the entrusted business. Therefore, from the perspective of all parties, it is necessary to fully evaluate the strategy of tax planning and the risks arising from tax planning, and choose an effective one. Therefore, from the perspective of each party, they

should fully evaluate the strategy of tax planning and the risks arising from tax planning, and choose an effective tax planning plan, so as to have the full initiative and choice in the face of the game.

3.3. The Main Methods of Tax Planning

3.3.1. Tax Avoidance Planning Methods

The main method of tax avoidance planning is for enterprises to obtain after-tax profits on the premise of legal compliance and in response to the gaps and loopholes in the tax law. The common methods include preferential policy planning method, direct utilization planning method and location mobility planning method, etc.

Preferential policy planning method refers to the method of taxpayers' tax planning through the relevant preferential policies in national tax laws.

Location Mobility Planning Method: Since the tax incentives vary from country to country, multinational enterprises can make use of these differences to carry out international tax planning.

3.3.2. Tax Saving Planning Methods

Tax saving planning method refers to the combination and correspondence between production and operation activities and tax incentives to achieve the purpose of paying less or even not paying. For example, choose the organization form of investment and low salt tax time to gain revenue and fully enjoy various tax incentives, etc.

3.3.3. Avoid "Tax Trap" Planning Methods

In the context of a complex tax environment, enterprises are faced with different transaction structures and business models, and each taxpayer will be involved in various tax treatments and burdens. Some taxpayers consider tax planning and corporate goals separately, and regard the severity of tax burden as the only criterion for choosing tax planning; or understand tax planning as a high level of financial fraud; Or ignore the costs and expenses related to tax planning, cut off the intrinsic relationship between taxes, etc., these behaviors are all manifestations of falling into the "tax trap", and enterprises should take the identification of those tax terms that are considered traps as a compulsory course to avoid falling into them and increasing the burden on enterprises.

3.3.4. Tax Burden Transfer Planning Method

The tax burden transfer planning method is relatively low-risk, which refers to the application of the price adjustment method to transfer the tax-related burden of the tax it should bear to others to reduce the occurrence of tax expenditure, mainly including the forward pass-through method and the reverse pass-through method, the former is to pass the tax burden to consumers who purchase goods, and the latter is to transfer the tax burden to the operators of the production products.

3.3.5. Tax-related "Zero Risk" Method

Achieving "zero risk" refers to the state in which enterprises have clear accounts, correct tax returns, no delinquent payments and tax penalties in the daily financial management process, and minimal tax risks.

4. Analysis of Tax Planning Environment and Strategic Choice for High-tech Enterprises

4.1. SWOT Analysis Matrix

SWOT analysis is a kind of analysis tool with decision-making, based on the internal strengths (S), weaknesses (W), opportunities (O), threats (T) of the enterprise integrated to analyze, and

analyze a business strategy and market strategy suitable for the actual situation of the enterprise itself. SWOT analysis method can be used to allocate resources and plan the development strategy of high-tech enterprises, for the future of high-tech enterprises. The development advantages of high-tech enterprises play a certain role in judgment.

4.2. Tax Planning Objectives and Strategy Selection for High-Tech Enterprises

4.2.1. Objectives of Tax Planning

After the tax planning environment SWOT analysis of high-tech enterprises, the next stage of development strategy of high-tech enterprises should be selected, so as to develop tax planning strategies, continuously develop new products and processes, the upper and lower industrial chains continue to be born, enlarge and strengthen the scale of high-tech enterprises, create an internationally known R&D and production base, and achieve the ultimate goal of maximizing the comprehensive value of the industry.

4.2.2. Tax Planning Strategy Options for High-tech Enterprises

In corporate accounting practice, the classification of cash flow items is often distinguished by financing, funding, investing, and operating:

(1) Planning strategy for investment and financing activities

The advantages of high-tech enterprises lie in their stable operation and management capabilities, strong scientific and technological innovation, short transformation time of scientific research results, and rapid growth, but the information asymmetry brought by external threats, rising land costs, and the impact of virtualized economy on the real economy also bring great pressure on the enterprises to compete in the market. High-tech enterprises can rely on their advantages in technology management and other aspects to make investment establishment, strategic alliance, financing planning, etc.

(2) Planning strategy for production and management activities

The good external environment makes high-tech enterprises enjoy the chain effect brought by the commissioning of major projects and investment attraction. The planning of high-tech enterprises at this stage should focus on scientific evaluation of key projects and bases and other demand projects, optimizing revenue structure and reducing costs and expenses, sorting out and improving the tax planning of the main business in current production and operation, and strictly implementing the standardized financial management system.

(3) Planning strategies for other business activities

Human resources is the basic guarantee for the development of high-tech enterprises, high-tech enterprises should treat technical research and development, front-line production, financial management and other personnel equally, try to increase welfare benefits, make full use of personal tax planning to strive to increase staff income and save labor costs, you can also use the high-tech enterprises to give personal equity awards to encourage talent by allowing personal income tax installments, strengthen the high-tech enterprise team building, personal income tax planning strategy will make both enterprises and individuals benefit.

5. Main Risks of Tax Planning for High-tech Enterprises and Their Prevention

5.1. The Main Risks of Tax Planning

In this paper, the tax planning analysis is carried out in combination with the own business characteristics of high-tech enterprises to achieve the purpose of tax saving in high-tech enterprises, and the possible tax planning risks in tax planning are analyzed as follows.

5.1.1. Policy Risks

Tax policy is the vane of national guidance and support for the industry. Firstly, the continuous change and evolution of tax policy is the direct cause of policy risk, the modification and formulation of tax policy affects the change of production and operation activities of enterprises, and imperfect tax policy also affects the strategic content of tax planning; secondly, the choice of tax policy by enterprises is an important cause of policy risk. In the face of a certain tax policy, if an enterprise does not grasp the scope of application of the policy, does not understand the essence of the policy enough, and does not grasp the operation of the supporting policy when planning for taxation, it will make a wrong strategic choice in tax planning, and in view of the foresight of tax planning, high-tech enterprises also face the loss of preferential effect due to policy changes and the deviation of policy understanding due to the lack of financial personnel's ability, thus generating policy risk. In view of the foresight of tax planning, high-tech enterprises also face the situation of losing the effectiveness of preferential treatment due to policy changes and the misunderstanding of policy due to the lack of financial personnel's ability, thus generating policy risks.

5.1.2. Market Risk

Tax planning usually anticipates the state of the enterprise's economic activities and thus makes reasonable and legal prior planning forecasts for the enterprise's business arrangements. However, the market situation is changing rapidly, for example, the spread of the global epidemic in 2020, the sharp fall of the stock market or the emergence of unpredictable events such as frequent changes in exchange rates, which will adversely affect the development of the enterprise and make the pre-made tax planning lose its timeliness. In order to minimize the impact of market risks on business operation, high-tech enterprises need to have a comprehensive grasp of their own development characteristics and strategic direction, a comprehensive and clear understanding of the external and internal environment of the enterprise, and strive to minimize the impact of market risks on business operations, high-tech enterprises need to have a comprehensive grasp of their own development characteristics and strategic direction, and a comprehensive and clear understanding of the external and internal environment, so as to be able to review the situation and adapt to market development when forecasting economic activities.

5.1.3. Execution Risk

The implementation risk mainly occurs at the subjective level of high-tech enterprises, the enterprise's application or implementation of the relevant tax policies is not in place will cause the implementation risk. On the one hand, there are many kinds of tax policies issued by the state, involving a wide range of areas and miscellaneous. Due to the lack of energy or ability of the financial personnel of high-tech enterprises, there will inevitably be a series of problems such as not timely follow-up of tax preferential policies, incomplete understanding and grasp of policies or even omission of attention to a certain policy, which will obviously have a negative impact on the enterprises when applied to the operation and implementation of tax planning. On the other hand, the tax planning of scientific research results is to analyze the enterprise from the perspective of system, if the high-tech enterprise lacks the overall grasp of the system, and only starts from a single business, without considering other issues such as transaction cost, time cost and credibility, and only takes tax saving as the goal of tax planning, it may cause the implementation of the planning plan to run counter to the development of the enterprise, and eventually affect the This may cause the implementation of the planning plan to be contrary to the development of the enterprise and ultimately affect the realization of the goal of maximizing enterprise value.

5.2. Preventive Measures for Tax Planning Risks

In order to effectively avoid the risk of tax planning and maximize the benefits of tax planning, the following suggestions for tax planning prevention are summarized for reference, taking into account the problems that high-tech enterprises will encounter in tax planning.

5.2.1. Tax Planning for Procurement Activities

According to the tax law, China's VAT input tax takes special invoices for deduction, and the special VAT invoices for small-scale taxpayers need to be issued by the tax bureau on behalf of the purchaser, and the purchaser can only take input tax deduction according to the 3% levy rate when obtaining the invoice on behalf of the purchaser, and since most companies are general taxpayers, in order to obtain the special VAT invoices for input tax deduction from general taxpayers, they mostly choose to purchase materials from general taxpayers. This provides companies with the possibility of tax planning in procurement activities.

5.2.2. Tax Planning of R&D Expenses

One is entrusted development: one of the affiliated enterprises entrusts another party to conduct R&D, including experiments, technology development, etc. According to the relevant national regulations, the entrusted party can enjoy tax deduction for the entrusted party, and the entrusted party can enjoy tax exemption for technology transfer or other technology-related benefits. Second, cooperative development: that is, affiliated enterprises at the group level to conduct joint research and development of a certain technology and then jointly enjoy the future expected income of the technology. According to the national tax law, the costs incurred by an enterprise and its related parties in jointly developing or transferring intangible assets or jointly providing or receiving labor services shall be treated as taxable income when The calculation of taxable income should be apportioned and profit transferred in accordance with the principle of independent transactions.

6. Conclusion

The tax planning of high-tech enterprises should be based on the enterprises' own situation, and should not only be operable in theory, but also choose the development strategy according to the enterprises' own specific environment and real business needs in practice, in order to bring the expected benefits to the enterprises. Enterprises should always pay attention to the relevant national tax preferential policies, adjust and improve the development direction and key projects of the enterprises, constantly revise and improve the financial management, make the businesses close to the preferential policies, and adhere to the principle of lawfulness and compliance, guarantee the implementation of tax planning strategies from the aspects of financial management, personnel training and system construction, and prevent the risks brought by tax planning.

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