

Applied Research on Tax Planning in Vietnamese Accounting

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ABSTRACT: Under the premise of reasonable and legal tax registration, enterprises can use the form of accounting to accurately assess the completion of specific tax planning, which is of positive significance for the operation of funds and long-term development of enterprises. Reasonable application of tax planning to accounting work to strengthen financial management can help enterprises accurately assess their economic benefits and enhance their accounting work level, thereby providing reliable and accurate financial data support for their subsequent development. Based on this, the practical experience of the article and the application of tax planning in accounting are studied as follows, to provide some references for the efficient and orderly development of related accounting work.

KEYWORDS: Accounting; Tax Planning; Application.

I. INTRODUCTION

Through the development of accounting work, enterprises can effectively obtain relevant data of their financial status and promote the strengthening of financial management, which has a great support for the work of decision makers. In enterprise accounting work, tax planning can be used to optimize the quality of enterprise accounting. There are certain differences in the operating conditions of enterprises, and tax planning based on actual development conditions can reduce corporate tax payments and reasonably promote the growth of corporate benefits under the premise of meeting the requirements of our country's tax law.

II. AN OVERVIEW OF TAX PLANNING

In business operation, tax planning is an important way to reasonably reduce expenses, protect one's legitimate rights and interests, and improve economic benefits. National tax policies and ratios will affect the tax risk of enterprises, and

enterprises can reduce tax risks through tax planning. In the specific tax planning, including the accounting treatment method, transfer pricing planning method, tax period deferral method, tax preferential policy method and other contents, to help enterprises choose the tax method that is beneficial to their development. At present, the accounting and accounting methods commonly used by enterprises conform to the provisions of taxation laws, and are important means and ways to maximize the benefits of enterprises. Among them, accounting has a greater role in reducing expenditures.

III. THE IMPORTANCE OF ACCOUNTING AND TAX PLANNING FOR ENTERPRISES UNDER THE NEW TAX LAW

Legal operation is the bottom line of enterprise development, so accounting and tax planning must be carried out within the scope stipulated by relevant laws and regulations. Within the scope delineated by relevant laws and regulations, enterprises should seek the best tax planning scheme based on the actual situation of their operations and development, with the guidance of reasonably reducing corporate taxes and ensuring the smooth development of various business activities. Under the background of the new tax law, the value of strengthening accounting and tax planning for enterprises is multi-faceted. Relevant accountants and decision makers fully realize its important role in reducing tax burdens, avoiding tax risks, and improving enterprise efficiency and market adaptability. Accounting and tax planning to achieve the rapid development of enterprises.

IV. THE APPLICATION OF TAX PLANNING IN ACCOUNTING

1. Choice of expenses

To the extent permitted by the tax law, the current expenses are listed according to certain rules, and the possible losses are estimated to achieve the purpose of legally deferring the time of tax payment and reducing the amount of taxes and fees.

First of all, enterprises should vigorously shorten the amortization period of costs and expenses, and increase the operating expenses of the previous years reasonably and legally, to save tax, defer tax time, and increase the amount of liquid funds of the enterprise.

Secondly, the enterprise should reasonably calculate the expected losses and expenses, and then enter the account in advance to reduce tax expenses, such as the part of public welfare relief donations and business hospitality expenses within the limit.

Finally, the expenses that have been incurred should be written off and recorded promptly, and the reasonable part of inventory damage, inventory losses, and bad debts should be listed as expenses as soon as possible.

2. Selection of long-term investment accounting methods

The equity method and the cost method are the two current accounting methods for long-term investments. The specific accounting method that an enterprise chooses for its long-term investment depends on the actual control of the invested enterprise over the invested enterprise and its proportion in it. From a theoretical point of view, when the proportion of investment enterprises is in the range of 25% to 50%, and they have greater decision-making power, or the proportion of investment enterprises is less than 25%, they can make decisions on the operation of the invested enterprises. When significant influence is formed, the equity method is more appropriate. When the investment ratio of the investing enterprise is less than 25%, and the decision-making influence on the invested enterprise is general, the cost method is more appropriate.

Generally speaking, if the invested company makes a loss first and then makes a profit, the investing company should adopt the equity method; otherwise, the cost method is more applicable. This is because if the invested enterprise suffers losses due to poor management, the investing enterprise adopts the equity method for accounting, which will reduce the profit and income of the enterprise and deferred income tax.

In the case of such a loss, the investment enterprise adopts the cost method for accounting, which will not cause a write-off to the profit and income of the enterprise. No matter which method is adopted, the amount of taxes and fees that the enterprise needs to pay is the same, but the difference in tax time caused by different choices will affect the time value of the enterprise's money. The practice of deferred profits by companies is equivalent to taking an interest-free loan from the government.

3. Choice of inventory valuation method

For the current profit of the enterprise, the impact of the inventory valuation at the end of the period is the greatest. Depending on the valuation method of inventory issued by the enterprise, the end-of-period cost obtained will also be different, resulting in different profit calculation results, which in turn affects the amount of taxes and fees payable by the enterprise. Therefore, the inventory valuation method is an effective tool for taxpayers to adjust emergency taxes in actual accounting work. The current accounting standards stipulate that the gross margin method, individual pricing method, moving average method, weighted average method, last-in-first-out method, and first-in-first-out method are legal methods for calculating inventory issuance. The last-in-first-out method can be used to calculate more inventory costs issued in the current period and less inventory costs at the end of the period. In this way, the ending inventory will be reduced from an accounting point of view, and the current income tax that the corresponding enterprise needs to pay should be reduced. Generally speaking, if prices continue to rise, it is more appropriate for enterprises to adopt the LIFO method, which is relatively stable and conducive to the stability of enterprise operations. When the price continues to fall, the enterprise chooses the first-in-first-out method when calculating the inventory at the end of the period, and it will get a lower value, and the current cost amount will increase accordingly, and the current taxable income will decrease. For example, when entering a deflation period, prices will tend to decline, and companies generally feel that liquidity has become tight. At this time, they choose the FIFO method to calculate the inventory at the end of the period to reduce the taxable income of the current period, and use the time difference to effectively reduce the flow of enterprises. financial pressure. In addition, the deferral of the tax period can also allow enterprises to enjoy the benefits of inflation, enhance the competitiveness of enterprises, and facilitate the survival and growth of enterprises. If the enterprise needs to change the valuation method

within a tax period, it must follow the accounting standards, report the content that needs to be changed to the relevant department for approval, and attach relevant instructions to the accounting statement when reporting.

4. Selection of profit and loss compensation methods

According to the provisions of our country's tax law, enterprises should make up their losses when they generate losses. There are three main channels. First, companies can make up for losses with pre-tax profits realized within a year. Second, the company can make up for the loss with the after-tax profit realized within the next year. Finally, companies can use surplus reserves to make up for losses.

In tax planning, enterprises should pay special attention to the following three points when making up profits and losses. First, to the extent permitted by conditions, companies must recognize operating income in advance. If the profit generated by the operation of the enterprise during this period belongs to the previous year, it can be used to make up for the loss of the previous year, and the enterprise can also pay less or no tax due to this. Second, delay the confirmation of expenses within the allowable range, that is, capitalize the items included in the current expenses, or delay the processing of controllable expenses such as exhibition expenses and advertising expenses. Third, mergers or acquisitions of loss-making enterprises. After an enterprise merges or acquires an enterprise using merger by merger, merger by absorption, merger by new establishment, etc., when the merged or acquired enterprise loses the qualification of an independent taxpayer, the merged or merged enterprise may make up the remainder of the period allowed by the tax law. During the period, the unrecovered operating losses formed before the merger or merger of enterprises shall be made up year by year.

5. Scientifically set the time for asset amortization

Based on its situation, the enterprise clarifies the value of intangible assets through accounting and different types of confirmation measures and methods according to relevant national standards. For example, when the company is relatively complete and the contract is renewed, the company will, according to the specific market environment, application conditions and other conditions, determine the specific service life cycle, and then calculate the intangible assets whose service life can be

determined in the form of indeterminate life or definite life. At this time, enterprises can consider extending the application period, thereby reducing and reducing the amortization time. In addition, while enjoying the relevant preferential policies, enterprises can extend the amortization time according to their specific conditions, thereby realizing the purpose of deferred tax payment, to prevent the potential problems of hidden funds, provide better financial guarantee for the production and normal operation of enterprises.

6. Accounting method for scientific use of revenue recognition

Since the income recognition and accounting method adopted by the enterprise will have a direct impact on the turnover tax and income tax, the financial personnel in the tax planning work will confirm the income tax reduction and exemption period in advance within the scope stipulated by the tax legal system, and the corresponding tax Revenue recognition efforts are delayed. For example, when a company has a large amount of non-monetary asset donation income, it is difficult to incorporate it into the annual tax payment, and it needs to pay the annual income tax within five years after the tax authority's review. In this case, corporate accountants will averagely calculate these non-monetary donation incomes into the five-year taxable income tax. This accounting treatment method has a large time delay value for corporate tax payment. At the same time, the relevant accounting staff should also pay attention to accounting for the type of income from asset donations in the current income tax item during the tax holiday period, to avoid other tax expenses due to the extension of the tax period. After the change from business tax to value-added tax, enterprises are required to carry out income accounting work on the day when they obtain the payment voucher and the payment for cash sales. If it is in the form of entrusted collection or collection and acceptance, the enterprise needs to calculate and confirm the income on the day when the goods are dispatched and the relevant procedures are completed. Enterprises should design specific work plans for the determination of accounting income by relevant legal requirements and regulations. Then, on the premise of reasonable recognition of income, reasonable sales recognition measures and sales measures are used to obtain tax delay through the delay of confirmation time.

7. Select the accounting method according to the characteristics of depreciation

For now, our country's reform of business tax to value-added tax mainly involves production-type value-added tax. In the process of depreciation and extraction of fixed assets, the value-added tax of this asset can form fixed assets to make up, at the same time, the company can include the cost of depreciation, and the accounting value is directly related to the amount of tax paid by the company, the size of the profit, and the level of cost. Therefore, enterprises should choose the specific method of depreciation according to the depreciation of fixed assets in the tax planning work. First of all, it is to choose the application period method. This accounting method is also called the straight-line method or the average method. Its main purpose is to calculate the original value of fixed assets. This accounting method requires that the estimated net residual value be removed, and then the average calculation should be carried out according to the specific estimated service life.

Secondly, it is necessary to carry out extraction depreciation accounting based on the natural wear and tear characteristics of fixed assets. Usually, the depreciation amount is relatively high at the beginning of the service, and then gradually decreases. Finally, it is necessary to reasonably calculate the depreciation expense for each period of fixed assets. Generally speaking, the data value in the initial stage of application is large, and then gradually decreases. During the application of this type of method, the sum-of-years, double declining balance method is involved. In addition, corporate accountants should also pay attention to the accounting method of output. If the asset potential decreases year by year after a period of use, then the calculation of its depreciation amount should be converted into the amount of labor or the production of products.

V. THE PRINCIPLES OF TAX PLANNING APPLICATION

1. The principle of legality

Enterprises should pay attention to the competitive advantages brought by tax planning and design work, and improve operational efficiency through various tax planning work and safeguard measures. First of all, enterprises should establish a sound tax planning mechanism by relevant laws and regulations, and use the tax planning system to reduce the tax costs incurred during the operation of the enterprise and reasonably improve their economic benefits. Secondly, all tax planning work should be carried

out within the scope stipulated by relevant laws and regulations. Taxpayers should understand the relevant legal content, and be aware of their tax responsibilities and importance to avoid tax evasion. Legal and reasonable tax payment is an important aspect to reduce the risks and operating costs of enterprise operation. Enterprises should strive for favorable conditions for themselves in the market competition through reasonable tax planning.

2. Forward-looking principle

Corporate tax planning should comprehensively consider the interests of corporate development, so it must be forward-looking. Relevant financial personnel should predict the development trend of the enterprise based on the analysis of the development of the enterprise, and then adjust the tax planning work of the enterprise according to the specific changes in the market, to support its development more effectively.

3. The principle of purpose

The tax planning work should be consistent with the development goals of the enterprise. In the process of operation, enterprises should constantly adjust the principles of tax planning, and hand over the adjustment work to professional tax management personnel. Enterprise tax planning should accurately reflect its development status, and based on this, an incentive mechanism should be established to promote the efficient development of enterprise tax planning.

4. Cost-effectiveness

The principle of high efficiency and low cost should run through the whole process of tax planning. Enterprises can only survive if they make profits. The ultimate goal of tax planning is to enhance the economic benefits of enterprises through reasonable tax payment. Therefore, tax planning should effectively reduce the tax burden of enterprises and promote the smooth progress of various economic and production activities of enterprises. Through tax planning, enterprises can effectively reduce their costs. However, due to the influence and constraints of various factors, tax planning cannot fully play its role in the operation of enterprises, which is against the principle of high-efficiency and low-cost accounting work. When enterprises innovate tax planning and application, they should accurately estimate the benefits and comprehensively consider the cost issues, to improve the economic benefits brought by the accounting work to the enterprise. When companies cannot effectively carry out tax

planning with internal accountants, they can seek guidance from external financial experts to optimize related work methods.

VI. CONCLUSION

To sum up, according to the accounting system and accounting standards, enterprises have a variety of choices in the valuation of assets, the recognition of income realization, and the recognition of costs and expenses. It can effectively improve the economic efficiency of enterprises. In the calculation of costs, expenses and income in each period, choosing different accounting treatment methods will produce different calculation results, which will directly affect the tax payable by the enterprise. In terms of tax law, it supports enterprises to choose financial accounting methods within the prescribed scope, which provides room for business tax planning. Enterprises should reasonably choose accounting methods to gain greater competitive advantage.

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