

"Camp Changed to Increase" The Logistics Industry and the Countermeasures

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Abstract

The business tax with VAT, in Shanghai since 2012 and continue to expand around the pilot has been two years, the development of transport and part of modern service industry has had a profound impact, not only to avoid the double taxation tax reform, also contributed to the upgrading of the tertiary industry. However, the logistics industry, "Camp changed to increase", the tax burden has increased rather than decreased the existence of the phenomenon, this article focuses on the analysis, "Camp changed to increase" the tax burden on the reasons for the increase of the logistics industry, and to make reasonable suggestions.

Keywords: Camp changed to increase; Logistics; Tax

Business tax with VAT (referred to as "Camp changed to increase") is the original pay sales tax on taxable items into VAT. VAT on commodities (including taxable services) value added generated in the transfer process as a tax based on turnover tax levied. I state changed to increase pilot work ahead in transportation with some modern services, producer services in the conduct, starting from January 1 this year, railway transport and postal services into "Camp changed to increase" in a nationwide pilot program swing. So far, transportation has been fully integrated into the "Camp changed to increase." "Camp changed to increase" Expanding the scope of even replace sales tax, will be the main direction of the future of China's tax system reform. The logistics industry as a pilot in the typical industry, "Camp changed to increase" effect on its tax burden is uneven heating and cooling.

1. "Camp Changed to Increase" Overview of the Logistics Industry

1.1 "Camp Changed to Increase" Policy Background

Ministry of Finance, State Administration of Taxation on November 16, 2011 promulgated the "Cai Shui [2011] No. 110", "Cai Shui [2011] No. 111" document, the provisions of business tax with VAT pilot program (hereinafter referred to as "Camp changed to increase."). Since January 1, 2012, Shanghai, transportation and some modern services to carry out business tax with VAT pilot. After a year's trial, the State Council decided since August 1, 2013 will be part of the modern service industry and transportation, "Camp changed to increase," the pilot extended to the whole country. December 12, 2013, Bureau of Finance and the State Administration of Taxation issued "on the rail transport and postal services into the business tax with VAT pilot," which so far have all been included in the transportation business tax with VAT pilot. "Camp changed to increase" continues to expand around or even replace the sales tax, will be the main direction of the future of China's tax system reform. Table A pair of "Camp changed to increase" the scope and rates were summarized. "Camp changed to increase" Expanding the scope of even replace sales tax, will be the main direction of the future of China's tax system reform.

1.2 "Camp Changed To Increase" the Significance of the Logistics Industry

1.2.1 Specialization and Cooperation Conducive to Resolving the Problem of Double Taxation of Business Taxes to Promote the Logistics Industry

Sales tax is implemented multi-link, fully taxed, every transaction is once again on their income to pay sales tax, so the more transactions the heavier tax burden, highlights the problem of double taxation. Moreover, the logistics industry can not deduct their purchased fuel, fixed assets, etc., have satisfied the VAT input tax, resulting in double taxation of VAT and sales tax. Therefore, companies tend to avoid double taxation and the "small", "large" (ie production services internalization) of production and management. This is not conducive to the development of specialization and outsourcing logistics industry, have a negative impact on China's industrial structure adjustment and transformation of the economy the way.

"Camp changed to increase" the taxpayer may deduct input tax, to avoid double taxation, reduce the tax burden on businesses, which will help reduce the price of services, and promote the development of the logistics industry and interactive production and business enterprises. But also conducive to the logistics industry specialization and cooperation, and promote the sustained and healthy development of the logistics industry.

1.2.2 Help to Reduce the Risk of Logistics Enterprises Pay Taxes

Since China adopted the coexistence of VAT and business tax policy, making it difficult to define a number of transactions, not only increases the risk of corporate tax, tax collection and tax authorities to bring some difficulty. For example: In practice, there are a lot of mixed sales and sideline. For a single mixed sales and concurrently behavior, many companies can not properly distinguish between financial officer. When companies have run both mixed sales behavior, in order to correctly distinguish between the two is even harder. As we all know, different types of taxes, tax rates are different, if the company does not pay taxes properly, will make the tax burden of enterprises and the poor, will increase their tax risks. "Camp changed to increase" post, will make this situation no longer exists.

1.2.3 "Camp Changed to Increase" Can Reduce the Tax Burden on Logistics and Transport Companies to Promote Better Development of the Logistics Industry

With the rapid development of the logistics industry as the third transport industry, its position in the economic development will become increasingly important. The implementation of "Camp changed to increase" in the logistics and transport companies, logistics and transport can reduce the tax burden on businesses, help put our logistics enterprises bigger and stronger.

1.2.4 "Camp Changed to Increase" to Facilitate Logistics Companies Pay Taxes Properly, Reduce the Risk of Tax on

Business tax and VAT coexist, makes a lot of business activity tax is difficult to define, so that not only increases the risk of corporate tax and tax collection work to bring back great difficulty. Such as logistics enterprise hybrid sales, concurrently behavior is difficult to correctly distinguish and easily generate tax risks. After "Camp changed to increase," we can avoid this all situations.

2. The "Camp Changed to Increase" the Logistics Industry Tax Situation and Cause Analysis

The logistics industry in China is an emerging industry, a collection of transportation, storage, handling, transport, packaging, distribution of basic functions, processing, distribution and information processing. As a producer services, logistics has become an important growth point of China's economy. However, the sales tax to the full tax revenue each circulation are required to pay taxes, double taxation phenomenon is more severe, increasing the tax burden of the logistics industry, detrimental to their development. Logistics industry, "Camp changed to increase" to avoid double taxation and to adapt to the "National Nine" policies to promote the development of the logistics industry. Later changed to VAT, logistics companies can take advantage of deductions system only pay VAT on their value added, which theoretically can greatly reduce the corporate tax expenditures. However, the pilot of logistics enterprises tax situation is uneven heating and cooling.

2.1 " Camp Changed to Increase " the Tax Situation of Logistics Enterprises

From the China Federation of Logistics and Purchasing understanding of the situation , the logistics enterprises engaged in warehousing, freight forwarding and other " logistics support services ," which was essentially flat or increase the tax burden on small, most companies can digest through internal cost efficiency measures themselves. Handling services and cargo transportation services from the business tax rate adjustment of 3% for the 11% VAT rate , the larger rate increases , particularly in cargo transportation services. According to a survey report on the China Federation of Logistics and Purchasing pilot in Shanghai logistics enterprises , logistics enterprises, especially freight transport logistics company tax burden has increased significantly. Survey statistics show that in January 2012 , 67% of the actual VAT pilot enterprises have increased to some extent , the average increase in the tax burden of \$ 50,000. Translated into business tax system, 57% of the corporate tax burden increased by more than \$ 50,000 24% corporate tax increase of 10 million individual tax burden of large group of logistics enterprises increased by more than \$ 1 million. This result is significantly associated with the reforms " so that the corporate tax burden is not increased or decreased slightly ," the objectives of departure.

In Shanghai Jia Ji Express Co. , for example, its Shanghai branch in the first ten months of 2012 VAT 9.317 million yuan , 204 million yuan accounted for 4.65 % of revenue ; rather continue to use sales tax calculation by the same period, the taxable amount 4.915 million yuan . It can be seen , after the VAT change the overall tax burden rose by 89.8% of the branch . In the transportation industry with Shanghai COSCO Logistics Co., a major piece of transport in the pay period from January to October 2012, the value-added tax (4,414,400 yuan) accounted for the overall turnover (103 million yuan) of 4.29% , and the use of 1.22% sales tax when the tax burden than the view, the tax burden increased by nearly 2.51 times .

2.2 Tax Increase is Due to the Logistics Industry Analysis

2.1.1 High Rate of VAT Cargo Transport Business

Tax has always been the bulk of the cost of logistics enterprises , the tax can be about 20% -30 % of the total cost . Currently logistics transport category (handling, transportation , etc.) of the sales tax rate is 3% , the service class (warehousing, distribution , agency and other business tax rate is 5% . Rate business tax with VAT after the pilot transportation services in accordance with the 11% , logistics support services at the rate of 6% VAT . engaged in logistics support services business, essentially flat or increase the tax burden on small, and most companies can cost efficiency measures through internal self-digestion , however , the logistics of loading and unloading services and cargo transportation services (currently heading the pilot by transport services taxed) to adjust the sales tax rate from 3% to 11% VAT rate , resulting in a substantial increase in the actual tax burden after the pilot enterprises . above Haide Bang logistics Limited in January the actual tax burden than the sales tax burden rose about 3.4 % , an increase higher than 1 times more ; Shanghai Jia Ji Express Co. from January to February sales tax rate actually borne by 1.63% , the real burden of the VAT rate rose to 4.71% , an increase of 189% ; Shanghai COSCO logistics Company in January increased by 215% the actual burden rate .

2.1.2 Too Few Transportation Deductible Input Tax

Increase the deductible items is a major advancement of the VAT pilot , after the VAT , transportation companies deductible items primarily for the purchase of vehicles and fuel , repairs VAT included . If the majority of vehicles enterprise reform before purchase , there will be a smaller deductible input VAT , output VAT is relatively large . Due to the high transportation cost of ownership , long service life , the majority of relatively mature and medium-sized enterprises, or more impossible to have a large asset purchases in the coming years , so few actual tax deductible . Many small and medium sized logistics companies are outsourcing to other teams or self-employed, the vehicle does not belong to the logistics company's assets , so there is no way deductible . Due to the implementation of VAT summonsed tax deductible input VAT VAT invoice needs , the current business tax reform VAT only in some industries and parts of the pilot , if companies do not do business with pilot qualifications or refused to issue value-added businesses tax invoice , even if the transport company of the month has offset projects , because not get a VAT invoice , then the pilot reform camp growing company , you can not get back the tax deduction benefits from the tax department where the zone. Even if it can reduce the deductible does not give too much pressure on businesses . Because the cost of logistics enterprises constitute the 30% -40 % of fuel costs , 30% -40 % of the road toll , 20% of labor costs. Now the main costs in accordance with the proportion of inadequate Shanghai pilot program , the human cost of transportation companies , road toll , house rent, insurance, etc. are not included in the scope of the deductible , and you can deduct fuel , repairs and other expenses as a percentage of the total cost 40% .

2.1.3 Logistics Enterprises is Not Conducive to the Development of the Group

Due to the integration of operations, network management needs, the logistics enterprises generally adopt a unified procurement of transport headquarters, branch offices actual operational way, which leads to very few branches deductible VAT, and formation of a large number of input tax headquarters remain at the end of . Transportation and; like a freight forwarding company group's internal capacity to purchase a large number of transport companies, freight forwarding companies themselves in accordance with the 6% VAT, shipping VAT invoice can be obtained in accordance with 11 percent deductible, thus forming a large freight forwarding company may stay at the end of input tax the company's tax rate from 3% to 11%, resulting in a substantial increase in the tax burden. Logistics Group and its branches and subsidiaries to pay VAT can not be merged, it will not balance the tax burden within the group, is not conducive to large-scale logistics enterprises, development of the Group.

3. To Promote the Rational Development of the Logistics Industry Proposal

From the point of view of tax principles , " Camp changed to increase , " the intention to reduce double taxation circulation , eliminate the existing tax structure under VAT taxpayer services purchased by the business tax burden , the burden on the taxpayer purchased goods sales tax additional burden of VAT , etc., but the actual effect is the intention poles apart. Cargo transportation business tax and VAT high deductible VAT and less than normal , after the VAT , transportation companies deductible items primarily for the purchase of vehicles and fuel , VAT included repairs , so after VAT, business tax reform , the tax burden is not only not decreased, but increased.

3.1 The Cargo Transportation Services in Logistics Support Services, Unified Tax Rate Various Aspects of the Logistics Industry

Logistics corporate tax rise is clearly contrary to the pilot program , " industry reform does not increase or decrease the overall tax burden slightly , " the guiding ideology, the various aspects of the logistics business tax rate has not yet unified . In the future reform, should clearly establish " integrated logistics services " unified tariff , the " cargo transportation service" stripped from the " transport services " , the inclusion of "logistics support services " , using the VAT rate of 6% . This will not only unified the various aspects of the logistics industry tax rates , but also to solve the pilot in a substantial increase in cargo transport business challenges , and the unity of the pilot 's mind , is conducive to the integration of logistics operations.

3.2 Expanding the Scope of VAT Deduction , Appropriately Increase the Input Tax Deductible Items

The core of the VAT reform is deductible mechanism. For logistics enterprises occupy a large proportion of the cost of tolls , insurance, rents , etc. should be included in the scope of input tax deductible . For some relatively fixed while the practice is difficult to obtain a VAT invoice expenses (such as fuel costs , if the driver at the gas station on their own , it is often difficult to obtain a VAT invoice) , if a unified procurement oil card issued to the driver through the company's re- use , it is possible to obtain the corresponding VAT invoices . This can solve logistics operations in the country is difficult to get a VAT invoice practical difficulties . Expand the scope of VAT deduction , not just for businesses to reduce the tax burden , and its active role in : encourage enterprises to expand investment in fixed assets in favor of upgrading the enterprise , improve productivity , enhance the comprehensive development of enterprises strength.

3.3 Using the Special VAT Invoice Logistics Industry

One can adopt a fixed VAT invoices . In order to meet the logistics business outlets, small invoice amount , large amount of features, the use of fixed VAT invoice (the tear) , and allows a VAT deduction certificate. Second, the design of the logistics industry VAT invoices . In order to meet the characteristics of the logistics business and business needs , cargo transportation services and logistics support services using a unified logistics VAT invoices (machine-printed) to accommodate the "one vote in the end , " the requirements of the logistics industry.

3.4 Thoroughly Implement the Subsidy Policy

Government departments and enterprises should discuss subsidies for maximum remedy associated companies increased due to pilot actual tax burden . The relevant departments should improve efficiency, promptly handed over to the hands of the relevant subsidies benefit the enterprise, thoroughly implement the subsidy policy for enterprise development , the country's economic development.

3.5 The Logistics Professional Quality Accounting Practitioners

Urgent need to improve the business tax , accounting is relatively simple. After the change levy VAT and output VAT requirements were calculated VAT invoice involves only VAT invoices and custody of their use more standardized, rigorous , that the logistics industry accounting practitioners put forward higher requirements . By learning about the VAT related documents , attend seminars or training courses related to the local tax authorities to ask a variety of channels and ways to make logistics enterprises accounting staff to master the correct method of calculating VAT as soon as possible , especially against a strict quality of work buckle links, correctly handle the VAT paid work .

3.6 Tax Planning : Corporate Tax Cost Control

Tax cost is a business process can not be ignored expenditures. Logistics companies to pay VAT , which would have a significant impact on business tax reform from the original pay corporate tax accounting costs.

Logistics enterprises should attach great importance to the tax cost changes under a different regime , and in accordance with the new tax on the company overall planning tax-related items , you can also consult their tax professionals when necessary

Industry to obtain professional tax preparation program to control tax costs.

4. Conclusion

Logistics industry is known as the "blood" in economic activities, reduce the burden of flow "blood" will help to improve the overall economic vitality. Camp to increase the development of logistics enterprises is positive, although camp at this stage to increase will lead to part of the logistics enterprise's tax increases, but the enterprise should actively from their own to find the reason, to actively respond to camp brings to the enterprise all sorts of challenges, increasing national related departments at the same time also need to consider the interests of the enterprises, corresponding transitional policies for the enterprise, to make camp can go smoothly, thus further promote our country enterprise logistics better and faster development.

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