
Analysis on the present situation and Countermeasures of tax burden of Coal Enterprises in China

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Abstract

As a big coal producer in the world, China has the largest number of coal enterprises in the world. However, because coal resources are non-renewable natural resources and will destroy and pollute the ecological environment such as surface landforms in the process of exploitation, the development of coal enterprises is restricted by a variety of restrictions. Mainly reflected in the tax policy. The high tax burden and various tax and fee projects make the development of coal enterprises difficult, and the road of sustainable development of coal industry is restricted. This paper analyzes the tax problems of coal enterprises and puts forward corresponding countermeasures and suggestions.

Keywords

Coal Enterprises; Taxation and Taxation; Countermeasures.

1. On the Project of Coal Enterprise tax Collection

At present, the tax expenses of coal enterprises in our country are mainly produced gradually with the rise of coal enterprises. Since the reform of tax and fee system in China in 1994, the various expenses for coal industry have increased significantly. The collection of projects is also complex and diverse. Compared with other industries, the taxes and fees of coal enterprises can be said to be high, and the development of coal enterprises is difficult, among which high tax is one of the reasons. At present, coal enterprises have a strong response to the heavy burden of taxes and fees related to coal. According to statistics, all kinds of coal-related taxes and fees generally account for 30% of the business income of enterprises, and even higher in individual areas.

As far as the tax and fee projects involved in coal enterprises are concerned, there are as many as 30 kinds of items, which mainly include the following aspects:

(1) Tax. There are mainly value-added tax, enterprise income tax, business tax, resource tax, urban construction tax, property tax, land use tax, personal income tax, cultivated land occupation tax, deed tax, stamp duty, vehicle purchase tax, vehicle use tax, etc.

Fund charges. There are mainly additional education fees, additional local education fees, water conservancy construction funds, water resources fees, soil and water loss compensation fees, soil and water loss prevention and control fees, soil and water conservation compensation fees, sewage charges, conversion and development funds, environmental restoration and management. Deposit, m (2) ining right price, prospecting right price, mining right usage fee, river course management fee, railway construction fund, disabled person employment guarantee fund, forest vegetation compensation fee and land restoration cost, etc.

2. Analysis on the reason of heavy tax and fee burden in Coal Enterprises at present

2.1 Higher value-added tax rate

Coal enterprises are typical energy enterprises, mainly rely on non-renewable coal resources. Before 2009, the value-added tax rate of coal enterprises was 13%, but the deduction of income tax was obviously less and the tax base was unscientific. This directly led to a marked increase in the annual tax rates of coal enterprises and a marked increase in the tax burden after 2009. After 2009, China implemented the reform of value-added tax, which changed from production-type value-added tax to consumption-type value-added tax. The income tax on fixed assets purchased by enterprises is included in the deduction, but for coal enterprises, the VAT tax rate has increased from 13% to 17%, an increase of 4%. The increased income tax on the purchase of fixed assets will not be able to make up for the increase in the tax rate, so the burden of value-added tax on coal enterprises will increase instead of falling. According to statistics, most coal enterprises have a value-added tax burden of more than 13%, compared with other industries, especially the manufacturing industry, the value-added tax burden of coal enterprises is obviously higher, there is a certain degree of irrationality.

2.2 Income tax deductible items are few

At present, in the cost items of coal enterprises, the items that can deduct the input tax mainly include material expenses, electricity charges, equipment maintenance expenses, etc. The cost items that can deduct the input tax account for less than 30 percent of the total cost, and the income tax is less than 4 percent of the income. For the special labor costs, mining rights price, mining rights royalties, land requisition and relocation compensation fees, disposal fees, reclamation fees and financial expenses, etc., which are special to coal enterprises and which account for a large proportion of the cost, the income tax cannot be deducted. As a result of coal enterprises income tax deduction rate is far lower than the general manufacturing industry.

2.3 High resource tax rate

Since December 1, 2014, the state has changed the amount of coal resources tax from volume to ad valorem, despite the abolition of the mineral resources compensation fee, the coal price adjustment fund, and the sustainable development fund. However, the establishment of resource tax rates will be delegated to the provincial financial and tax departments, thus providing convenience for individual provinces and regions to increase fiscal revenue and set higher tax rates. At present, the provinces and autonomous regions with relatively high tax rates on coal resources include Inner Mongolia (9%), Shanxi Province (8%), Ningxia Autonomous region (6.5%) and Shaanxi Province (6.5%). For coal enterprises in these provinces and regions, The resource tax burden after the reform is higher than the sum of the resource tax, coal price adjustment fund and sustainable development fund, which deviates from the original intention that the resources tax reform did not increase the tax burden of the enterprise.

2.4 Collection of repetitive tax items

The collection of taxes and fees for coal resources is one of them, mainly including resource tax, mining right price, exploration right price, mining rights user fees, there are a variety of types and there are obvious characteristics of repeated collection. In addition, water and soil resources need to pay land use tax, cultivated land occupation tax, water resources fee, water resources compensation fee, soil erosion prevention fee, soil and water conservation compensation fee, river course maintenance and management fee, and so on. There are the characteristics of repeated expropriation. At the same time, because of the particularity of the coal mining industry, in the process of mining, it will lead to the collapse of the ground surface, so it is necessary to relocate the residents on the ground before mining. According to the values and standards issued by the local government to compensate their

houses, arable land and forest and grassland, in addition to the cost compensation for the form of reclamation, repetitive levy is obvious. These repetitive taxes and fees make the enterprise overburdened.

2.5 Complicated local tax collection projects

In addition to the repeated collection of taxes and fees, the local government has also formulated a variety of complex charging items for coal enterprises, there are high standards and multi-types of characteristics, further increased the pressure on coal enterprises. The local fee collection project mainly includes the following contents: 1. Environmental restoration and management deposit and river engineering maintenance and management fee and soil and water conservation compensation fee: the standard for the collection of fees is 2-5 yuan per ton of coal and 4 water conservancy construction funds. The levying standard of its fee is that the sales income is $\times 0.6-1\%$, 5 local education fee plus 6 disabled persons' employment security fund 7 sewage discharge fee, 8 environmental inspection fee, 9 water resources fee and 10 greening expenses, etc. In addition, there are health evaluation fees and mining rights, as well as a wide variety of testing, testing costs and so on.

3. Analysis on the policy of tax and expense in coal enterprises

3.1 Expand the scope of value-added tax credit for coal enterprises

As the policy stipulates that "mines" and "roadways" belong to the real estate category of structures in fixed assets, in practice, there are differences between local tax authorities and enterprises. The tax authorities consider that the expenses of "mines" and "roadways" are non-value-added tax items, and enterprises are not allowed to deduct input taxes, and the enterprises consider that roadways in coal mining areas, such as auxiliary transportation, return and ventilation, are productive roadways, General in 2-6 months because of coal mining collapse and no longer exist, its expenses accounting for the general cost of processing, not forming fixed assets, so should be allowed to deduct income tax. In addition, because the price of mining rights, royalties of mining rights, compensation fees for land requisition and relocation, disposal fees, reclamation fees, and financial expenses of coal enterprises cannot obtain input tax invoices, they cannot deduct the income tax. It is suggested that this part of the cost of purchasing agricultural products from the hands of agricultural producers can not be obtained income tax invoices, but allow the calculation of deductions.

3.2 Consolidation of existing types of taxation

In terms of tax collection of coal enterprises, there are significant characteristics of high tax collection standards, in addition, the variety of tax items is also very common, complicated tax items plus high tax rates make the development of coal enterprises difficult. In order to promote the sustainable development of coal enterprises, the country must first rectify the repeated and complicated tax items to realize the standardization and scientific of tax revenue. On the one hand for the coal industry tax comprehensive analysis, so as to carry on the classification adjustment, at the same time for those duplicate tax items to be eliminated, for similar tax items to be merged. For example, resource taxes, mining rights, exploration rights, and mining royalties involving resources are consolidated into resource taxes. Land use tax, cultivated land occupation tax, water resources fee, water resources compensation fee, soil erosion prevention fee, soil and water conservation compensation fee, river course maintenance and management fee will be merged and unified land use tax and water resources tax will be levied.

3.3 Broadening the scope of deductions for personal income tax

The mining of coal is different from other mineral deposits, it has obvious particularity and belongs to the typical high-risk industry. Coal workers not only have high labor intensity but also have higher safety risk coefficient than other industries, but their wages and benefits are not high. There is a certain degree of inequality. Excessive and frequent taxes make it difficult for workers to improve their

welfare benefits. For this reason, coal workers, especially those who are involved in underground absenteeism with high risk factors, can be deducted before taxes. The basic rights and interests of the working class are fully protected.

3.4 Optimizing and standardizing local tax collection

As the current situation of local governments collecting tax fees for coal enterprises presents a wide variety of types and a large amount of tax collection, it is extremely unfavorable to the development of coal enterprises. In view of this, the types and amounts of tax items involved in coal enterprises can be rectified and standardized, and the items of unreasonable tax collection existing therein can be rectified and eliminated. To regulate the collection of large amounts or other unscientific items of taxation, it can mainly be done by way of relief or direct cancellation, especially in the case of repeated tax collection, which should be strictly rectified. It is suggested that it can be carried out through the combination of taxes and fees to realize the one-time collection of the same type of taxes and fees, and finally to further optimize the tax collection policy of coal enterprises, so that on the one hand, it will not only contribute to the long-term development of coal enterprises themselves, At the same time, the sustainable development of society will also play a positive role.

4. Conclusion

As a model of the development of national heavy industry, coal enterprises provide the basic guarantee for the socialist modernization. However, we must deeply realize that coal, as a kind of non-renewable natural resources, will inevitably lead to the bottleneck of the development of coal enterprises with the shortage of resources. And in the process of exploitation and utilization of coal resources, other resource destruction and obvious environmental problems are inevitable. . Therefore, the reform of tax collection policy for coal enterprises is also the trend of the times. On the basis of increasing the amount of fees and establishing taxes, we should optimize and rectify tax items, realize the integration and standardization of coal taxation projects, and thus promote its overall performance. Finally, the sustainable road to social and economic development.

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