

Research on the Settlement of Land Value Added Tax in J Real Estate Company

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Abstract: In recent years, with the recovery of the real estate market economy, China's housing prices have been consistently high, partly due to the impact of supply and demand, and partly due to the high tax costs of real estate in China. When it comes to the cost of real estate tax in our country, we have to mention the tax type that accounts for a large proportion: land value-added tax. The collection of land value-added tax in China adopts a "liquidation system". However, due to certain deficiencies in the land value-added tax system and incomplete related systems, complex collection methods for land value-added tax liquidation, unclear tax elements, and great difficulty, the internal management of real estate enterprises often cannot fully grasp the key points and difficulties of land value-added tax liquidation, which greatly increases the risk of land value-added tax involvement in real estate enterprises. On the basis of clarifying the development context of land value-added tax, combined with the actual situation of land value-added tax liquidation of J Real Estate Company and the analysis of the land value-added tax liquidation process, it is found that the problems of J Real Estate Company include lack of attention to land value-added tax liquidation, lack of financial daily management, and insufficient utilization of land value-added tax liquidation benefits. Through summarizing and researching relevant issues, it is proposed that J Real Estate Company should always pay attention to policy changes, place financial and tax personnel at the forefront of project development, and strengthen daily financial management. On the basis of studying the theory of land value-added tax liquidation and combining with practical liquidation cases, this article considers and studies how Chinese real estate enterprises should respond to the tax risks of land value-added tax. The aim is to encourage Chinese real estate enterprises to actively explore strategies to improve their ability to resist tax risks and methods to enhance their internal management capabilities of land value-added tax, help real estate enterprises control tax costs, and ultimately promote the healthy and rapid development of real estate enterprises.

Keywords: Real estate enterprises, Land value-added tax, Land value-added tax settlement.

1. Theoretical Basis

1.1. Theory and Development of Land Value Added Tax

American economist Henry proposed in his book "Progress and Poverty" that "private ownership of land is the root cause of social poverty, and it is the main cause of poverty, misfortune, corruption, social ills, and political weakness." He even bluntly stated that "replacing private ownership of land with public ownership of land is an important way to overcome poverty, which can make wage distribution more equitable. This is the famous theory of "increasing prices and returning them to the public". It proposes that land belongs to individuals, but personal investment is not the reason for the increase in land demand. The increase in land demand is due to the increase in production demand and population growth and aggregation. Therefore, the income from land appreciation should belong to the state, and individuals cannot obtain this income. That is, "There is no need to confiscate land, only necessary to confiscate land rent" [1]. The Principles of Political Economy "was compiled by the British economist John Stuart Muller, who also proposed in this book:" The value of land grows naturally, and the state should levy these naturally growing wealth to promote the development of the national economy. Levying a land value-added tax will be beneficial to the accumulation of national wealth, which is a good tax and reasonable and legal to levy[2].

At present, Taiwan, China, inland China, Italy and South Korea are still collecting land value added tax internationally.

In 1954, the Taiwan authorities, driven by the theory that "the natural increase in land value resulting from the transfer of land ownership should be returned to the public", issued the "Implementation of the Urban Average Land Rights Regulations", and the Taiwan authorities began to collect land value added tax. In the 1970s, South Korea successively formulated a series of land policies, including the policy of levying land value-added tax, aimed at solving problems such as rapid increase in land prices, land speculation, and concentrated land hoarding. The collection of land value-added tax in Italy is the most successful. In Italy, various forms of land ownership transfer require payment of land value-added tax, including transfer and inheritance. Gifts and other behaviors; At the same time, Italy also imposes value-added tax on the rental of real estate; When the holding period of a real estate exceeds the legal limit, value-added tax must also be paid. The land value-added tax system in Italy has imposed various conditions for land appreciation[3].

1.2. Basic System of Land Value Added Tax in China

The basic system of land value-added tax in China consists of the Provisional Regulations of the People's Republic of China on Land Value Added Tax (State Council Order No. 138) and the Implementation Rules of the Provisional Regulations of the People's Republic of China on Land Value Added Tax (Cai Fa Zi [1995] No. 6). They have made detailed regulations on the collection of land value-added tax:

(1) The scope of collection is to collect the value-added amount, specifically the difference between the income and cost obtained through paid transfer, and the transfer subject

not only includes state-owned land use rights, but also includes aboveground buildings and other attachments: the transferred land must be state-owned land, and the transfer of non-state-owned land is not subject to land value-added tax; The transfer of land must be paid, and obtaining land through gift, inheritance, or other means is not a paid transfer, and land value-added tax is not levied on it.

(2) The tax calculation basis for land value-added tax is the balance of the income obtained minus the deduction items that comply with tax laws, which is the value-added tax obtained from the transfer of real estate.

(3) Determination of income. According to regulations, the income from the transfer of real estate by taxpayers is the full price obtained and the relevant economic benefits. The forms of income include currency, physical goods, and other income.

(4) The land value-added tax system in China determines that the land value-added tax has the following characteristics:

① Land value-added tax is levied during the transfer process of real estate ownership, and multiple transfers of the same real estate will be taxed during the transfer process, similar to a one-time levy;

② The object of collection is the value-added generated during the transfer process, that is, the balance of the income generated from the transfer or sale minus the deductible items specified in the tax law.

③ China implements a progressive tax rate for land value-added tax that exceeds the prescribed rate. There are four levels of land value-added tax rates, and the value-added rate of the project determines the applicable tax rate of land value-added tax;

④ Land value-added tax has a wide range of collection objects. Units and individuals transferring real estate within China are required to pay land value-added tax. Real estate

projects often involve multiple types of taxes, and tax issues are involved in various stages from project initiation to project sales completion. Land value-added tax is an important tax category in real estate projects, and the acquisition, construction, and sales of project land all affect its final settlement. The system of clearing land value-added tax is to start from the overall project, unify the calculation of land value-added tax from multiple perspectives and dimensions, and calculate the tax payable by the enterprise according to relevant laws and regulations of land value-added tax and settle it [4].

2. Current situation

2.1. J Real Estate Company Land Value Added Tax Clearing

(1) The total sales revenue from the transfer of real estate in this project is 277220817.22 yuan, and the specific sales revenue details are shown in Table 1.

Table 1. Sales Revenue Details (Unit: RMB)

Project	Sales revenue
Ordinary residential buildings	200,853,835.68
Non ordinary residential	14,691,513.38
Other types of real estate	61,675,468.16
Total	277,220,817.22

(2) The details of the deduction items for this project have been calculated by the company's financial and tax personnel, and the total amount of the deduction items for this project is 229713667.16 yuan. The specific deduction item details are shown in Table 2.

Table 2. Deduction Item Details (Unit: Yuan)

Deduction of project	Amount
Amount paid for obtaining land use rights Real estate development cost	175,078,763.80
Real estate development expenses	17,507,876.38
Taxes related to the transfer of real estate	2,111,274.23
Other deduction items specified by the Ministry of Finance	35,015,752.75
Total	229,713,667.16

① Among them, the real estate development cost is

175078763.80 yuan, and the detailed information is shown in Table 3.

Table 3. Detailed Statement of Real Estate Development Costs (Unit: RMB)

Deduction of project	Amount
Land acquisition and demolition compensation fee	8,658.23
Construction and installation engineering cost	162,133,415.00
Preliminary engineering cost	4,125,807.23
Infrastructure fee	2,612,757.97
Public supporting facilities fee	3,383,749.70
Indirect development costs	2,814,375.67
Total	175,078,763.80

② J Real Estate Company is unable to accurately calculate the shared interest expenses and provide corresponding proof. According to the temporary regulations, the allowable deduction for real estate development expenses in this case is 10% of the sum of the land use right amount and the real estate development costs. Therefore, the real estate development cost of this project is $175078763.80 * 10\% = 17507876.38$ yuan.

③ The tax related to the transfer of real estate in this project is 2111274.23 yuan.

④ Other deduction items: $175078763.80 * 20\% = 35015752.75$ yuan.

In the end, J Real Estate Company reported the liquidation results to the tax authorities and still needs to pay a supplementary land value-added tax of 4570680.28 yuan.

2.2. Liquidation review by tax authorities

(1) The inspection of the liquidation materials submitted by the company is a prerequisite for the tax authorities to conduct review and liquidation. Once the tax authorities discover that the materials are incomplete, they will not proceed to the next review process. The tax authorities will return the declaration materials and require the enterprise to supplement and correct them before proceeding with the review process.

After receiving the liquidation materials submitted by J Real Estate Company, the tax authorities found that the materials were incomplete and requested J Real Estate

Company to supplement the following materials:

① Detailed tax payment schedule for development projects, such as business tax, value-added tax, and urban construction tax.

② Detailed sales breakdown of commercial housing.

(2) There is a discrepancy between the liquidation declaration of J Real Estate Company and the final calculation of sales revenue by the tax bureau, as shown in Table 3-5. The liquidation declaration of the company is 277220817.22 yuan, while the final calculation by the tax bureau is 279625817.22 yuan, as shown in Table 4.

Table 4. Adjusted Sales Revenue Amount Approved by Tax Authorities (Unit: RMB)

Project	Sales revenue amount		
	Declaration number	Adjustment and real number	Kernel real number
Ordinary residential buildings	200,853,835.68	1,965,000.00	202,818,835.68
Non ordinary residential	14,691,513.38	440,000.00	15,131,513.38
Other types of real estate	61,675,468.16		61,675,468.16
Total	277,220,817.22	2,405,000.00	279,625,817.22

The income discrepancy between J Real Estate Company's self liquidation declaration and the final accounting by the tax bureau is mainly caused by the following situations:

① Undercounting income

During the pre-sale period, J Real Estate Company collected a total deposit of 2 million yuan from intended customers, including 1.6 million yuan for ordinary residential properties and 400000 yuan for non ordinary residential properties. J Real Estate Company did not make advance payment for the property when collecting it, and did not include this 2 million yuan in the sales revenue of the project. However, the deposit and sincerity deposit collected are essentially part of the total price of the transferred real estate. Therefore, when consumers pay the company for the project, they need to include it in the sales revenue. The payment for Room 1001 of Unit 1 was not made as agreed in the contract. Due to the delayed delivery, J Real Estate Company charged a penalty of 5000.00 yuan and included this penalty in non operating income, not sales income. According to relevant documents, the liquidated damages collected by the company and consumers due to delayed payment of the property shall be considered as economic benefits related to the transfer of real estate and shall be included in the sales revenue as part of the property payment; If the consumer unilaterally breaches the contract, the penalty charged by the company shall be included in the non operating income. Therefore, the penalty

charged for charging 1001 rooms per unit should be included in sales revenue.

② Regardless of income, the project may have been offset by housing funds, and a portion of the housing funds will be directly paid to the contractor as construction funds. Wang, who undertook the exterior wall decoration project of the project, did not make any payment to him during the settlement of the project, but instead offset the 400000.00 yuan he paid for the purchase of 2-504 and 505 houses. Directly offset accounts payable in accounting processing, without recording sales revenue. But housing debt repayment should also be included in sales revenue. Finally, the tax authorities increased the sales revenue by 2405000.00 yuan.

(3) The determination of the deducted project amount can reflect the cost of a project in the deducted project amount of land value-added tax, and the number of deducted projects can affect the value-added amount of the project. However, deducted projects often have complex information and practical difficulties, making them the focus and difficulty of land value-added tax liquidation. There is a discrepancy between the self liquidation declaration of J Real Estate Company and the final accounting of the tax bureau in the verification of deduction items, as shown in Table 5. The company's liquidation declaration is 229713667.16 yuan, while the final accounting of the tax bureau is 183770933.73 yuan.

Table 5. Adjustment Table for Deduction Items (Unit: Yuan)

Project	Sales revenue amount		
	Declaration number	Adjustment and real number	Kernel real number
Real estate development costs	175,078,763.80	-35,340,564.18	139,738,199.62
Real estate development expenses	17,507,876.38	-3,534,056.42	13,973,819.96
Taxes related to the transfer of real estate	2,111,274.23	0	2,111,274.23
Other deduction items	35,015,752.75	-	27,947,639.92
Total	229,713,667.16	-45,942,733.43	183,770,933.73

The difference between the self liquidation declaration of J Real Estate Company and the final calculation of deduction items by the tax bureau is caused by the following circumstances:

① Deduction of preliminary engineering cost amount

J Real Estate Company has provisionally estimated the cost of supporting facilities to be 2063742.11 yuan. For the

temporarily estimated expenses, the State Administration of Taxation stipulates that, unless otherwise specified, the prepaid expenses of real estate development enterprises shall not be deducted. Therefore, the estimated supporting facility costs listed by J Real Estate Company need to be deducted from the preliminary engineering costs. In the end, the tax authorities reduced the preliminary engineering cost in the

deduction project by 2063742.11 yuan.

② Deduction of construction and installation engineering fees

Among the main project funds of this development project, 29776495.19 yuan is the engineering cost provisioned by the company. After investigation by the tax bureau, this amount cannot be included in the actual expenditure. Among them, if the payment unit on the invoice is not J Real Estate Company, the amount involved is 2854828.16 yuan; Another 26921667.03 yuan was recorded as a receipt, and legal and valid vouchers cannot be provided; In response, J Real Estate Company proposed that the tax authorities could verify the authenticity of this portion of the expenses with the other party's unit, and also requested the tax authorities to handle it at their discretion, citing the project's long time span and the company's failure to save complete invoices. However, according to the relevant regulations of the State Administration of Taxation: unless otherwise specified, when determining the deduction of relevant project amounts during land value-added tax liquidation, there must be genuine, legal and complete vouchers to prove the authenticity of the expenditure. If there are no relevant original vouchers, they cannot be included in the development cost, and this amount also needs to be deducted from the deduction items. Finally, after coordinating and communicating with J Real Estate Company, the tax authorities reduced the construction and installation costs by 29776495.19 yuan.

③ Deduction of infrastructure fees

When the tax authorities reviewed the infrastructure expenses listed in the project based on the contracts, invoices, and other materials provided by the company, it was found that one of the invoices obtained for road engineering expenses did not comply with the regulations, involving an amount of 1107568.31 yuan. For invoices that do not comply with regulations, it is clearly stipulated that their amount shall not be included in the development cost and shall be deducted from the deducted items. Finally, the tax authorities reduced the infrastructure fee by 1107568.31 yuan.

④ Misrepresentation of indirect development expenses

During the review of indirect development expenses by the tax authorities, it was found that a management expense of 975947.86 yuan generated from managing the company's business activities was falsely disbursed. According to regulations, only expenses incurred in directly organizing or managing development projects can be classified as indirect development expenses. J Real Estate Company's expenditure on this item clearly does not meet the classification of this item. The indirect development costs can only be included in the expenses incurred by the project department in managing the development project. This part clearly does not comply with the regulation, so it cannot be deducted here. Finally, the tax authorities reduced the indirect development expenses by 975947.86 yuan.

After the final calculation by the tax authorities, J Real Estate Company still needs to pay a supplementary land value-added tax of 29217464.73 yuan.

3. Cause analysis

3.1. The company does not attach enough importance to the settlement of land value-added tax

The lack of emphasis on land value-added tax liquidation

by J Real Estate Company is not only reflected in its failure to actively respond to the liquidation requirements of tax authorities, but also in various aspects of its land value-added tax liquidation. Specifically, J Real Estate Company, from the management to the financial personnel, did not attach importance to the work of clearing land value-added tax. For the management of J Real Estate Company, land value-added tax does not play an important role in real estate development projects. The more important aspect of project development is the handling of land acquisition and planning application procedures in the early stage of the development project, the construction of mid-term development projects, and the handling of pre-sale procedures in the later stage, as well as the sale of houses. However, the accounting personnel of J Real Estate Company ignored the requirements for land appreciation and liquidation in the early stage of accounting processing, resulting in the situation of not counting or underestimating sales revenue mentioned in the previous text. The accounting personnel did not strictly follow the policies, which increased the workload of J Real Estate Company's accounting team in clearing and reporting. Secondly, as an important part of the company's internal control, the land value-added tax work did not supervise and review the legality and compliance of the land value-added tax liquidation and declaration work, nor did it supervise the compliance and legality of the staff's work behavior. It can be seen that the internal control system of J Real Estate Company is not perfect, which further indicates that J Real Estate Company has not done a good job in building internal control within the enterprise and has not supervised the implementation of the system.

3.2. Extensive financial management of the company's land value-added tax

After reviewing the audit results of the tax authorities, it was found that multiple deductions were reduced due to issues such as missing original vouchers, non compliant invoices, and untrue contracts. The non compliant invoices obtained by J Real Estate Company are mainly due to issues such as not filling in the full name of the payment company and non compliant invoice seals. However, the company's financial and tax personnel did not carefully identify the validity and compliance of these invoices upon receipt, but instead directly recorded them as original vouchers, missing the opportunity to verify and reissue invoices with the invoicing party. This resulted in the inability to deduct cost expenses in the current tax authority accounting.

On the surface, the reason for this result is that J Real Estate Company's land value-added tax settlement related materials and bills were not placed in a centralized manner, which is relatively scattered. There is a lack of logic between the materials, and the collection of materials is not systematic and standardized. The root cause is the extensive internal financial management of J Real Estate Company. When tax authorities conduct a liquidation review of a project, their focus ranges from filing and registration materials, surveying and mapping maps, and even pre-sale licenses to the correlation between data and liquidation materials. Such a serious and strict review aims to confirm whether the real estate enterprise has listed false transactions, which requires the real estate enterprise itself to strengthen the management of liquidation materials. However, it is obvious that J Real Estate Company did not attach importance to the planning of land value-added tax management, and the collection of project data was very

chaotic. There was no dedicated file for the project, and the acquisition of data was not rigorous, the preservation of data was incomplete, and the data was scattered and lacked logic. The development project involved many points, which could affect the entire system, resulting in situations where the data could not be mutually verified.

3.3. Neglecting preferential policies for land value-added tax settlement

China has introduced multiple preferential policies for the collection of land value-added tax, aiming to reduce the tax burden on taxpayers and promote the sustainable development of real estate enterprises. Real estate companies that want to utilize tax incentives need to be familiar with the relevant preferential policies of land value-added tax and apply them to their tax planning.

J Real Estate Company did not pay attention to the balance between sales prices and deduction items to reduce the value-added rate, but chose to falsely report the amount of partial deduction items. This has led to the tax authorities deducting a large amount of deducted items after liquidation and accounting, resulting in the proportion of ordinary residential value added accounting for more than 20% of the deducted items, which cannot exempt land value added tax. J Real Estate Company did not pay attention to the tax incentives for land value-added tax in the early stages of project development. In the early stages of project development, it is necessary to have a comprehensive understanding of relevant preferential policies, such as cooperative building and joint venture discounts, and clarify the conditions for the occurrence of preferential policies and the necessary documents. This will enable the preferential policies to be included in the contract when encountering eligible matters in the later stage, providing clearer original information for land value-added tax liquidation in the later stage, and reducing tax burden for J Real Estate Company's project development.

3.4. Lack of communication between the company and tax authorities

There was insufficient communication and exchange between the tax and enterprise sides during the liquidation process. Compared to tax authorities, J Real Estate Company is bound to have a better understanding of the project situation. We have first-hand information on project initiation, planning, construction, and later sales of J real estate. When conducting self liquidation, the company can make the most favorable choices and treatments based on its own understanding of the project situation. However, tax authorities cannot achieve this. During the self liquidation process of the company, when encountering uncertain and ambiguous points, they did not promptly consult and communicate with the tax authorities, which led to the tax authorities only discovering problems during the audit. Compared to the financial and tax personnel of J Real Estate Company, after receiving strict training in land value-added tax liquidation and participating in land value-added tax project liquidation multiple times, the tax authorities can have a more precise understanding of tax policies. If the company can communicate with the tax authorities more during the declaration process, the tax authorities can detect and raise unreasonable areas in the declaration earlier, and J Real Estate Company can be informed, corrected, and remedied earlier. The communication and exchange between tax and enterprise not only enables financial and tax personnel to understand the key

issues that need to be paid attention to in liquidation, but also enables tax authorities to further strengthen their liquidation skills and ensure the collection of national taxes.

4. Suggested Solutions for Problem Improvement

4.1. Increase the importance of land value-added tax settlement

J real estate company should be aware of the strong impact of land value-added tax on project development. The company needs to closely monitor the national and local land value-added tax policies and relevant regulations, timely grasp changes in tax policies, and select policies and regulations that are suitable for the actual situation of the company. At the same time, it is even more important to apply it to one's own value-added tax liquidation work, ensuring the compliance and legality of the liquidation work. The system requirements for internal liquidation work of the company should be updated in a timely manner according to changes in tax policies[5].

In the collection of land value-added tax by J Real Estate Company, an important factor with high tax risks is the complexity of the accounting method for land value-added tax. Its inherent complexity requires real estate companies to continuously strengthen their financial management and land value-added tax liquidation and declaration management. J real estate company should not only strictly require in daily financial work, but also regularly analyze and review project declarations, more standardized and compliant tax declarations, and complete declaration procedures. Under the premise of complying with laws and regulations, standardized operations should be carried out in all stages of application. Pay attention to the collection of project and tax related materials, especially the systematic storage of original vouchers, accounting books, and contract texts by project. Regularly reflect and summarize the problems that arise during the settlement and declaration of project land value-added tax. It is also necessary to regularly review the land value-added tax liquidation of previous projects, verify and supervise the application work of previous projects, summarize and summarize illegal and erroneous behaviors, eliminate risks for future land value-added tax liquidation of projects, and establish a reasonable and effective internal application verification system for the company[6].

Therefore, J Real Estate Company should strengthen the training of its financial and tax personnel in addition to its normal operations, and cultivate compound and strategic financial and tax talents who can cope with tax risks. It is recommended that J Real Estate Company hold more departmental seminars on finance and tax policies. This form of symposium not only enhances the business level of the company's financial and tax talents, but also provides a platform for communication between the finance department and other departments of the company. Taking this opportunity, other departments of the company can have a more intuitive understanding of the tax responsibilities involved in their daily work, allowing them to reduce tax risks from the source of their business. The finance department can have a more comprehensive and multi-dimensional grasp of the company's operations or the development of a project, allowing them to identify risks in various aspects of the company from a coordinated perspective, communicate and resolve disputes in a timely manner. Through the form of a

symposium, the finance and tax departments can better participate in the management of the company and contribute to the healthy and long-term development of the enterprise.

4.2. Daily financial management of land value-added tax

In the case, J Real Estate Company's deduction of project amounts was significantly reduced after verification by the tax bureau, largely due to J Real Estate Company's failure to strictly check the authenticity of original vouchers and to legally and rigorously preserve relevant information, which sounded an alarm for J Real Estate Company's financial management. Firstly, financial and tax personnel should implement the principle of actual occurrence, and should list costs and income based on the actual situation. They should not evade tax payment by not recognizing or delaying the recognition of income, and should not falsely report costs by issuing invoices, forging vouchers, or reusing vouchers, To prevent the situation where the invoice header is not our company but is listed as project costs or management expenses that are not part of the project but are listed as project management expenses mentioned above. Secondly, the financial and tax personnel of J Real Estate Company should comply with regulations and reasonably list costs, and should not use non compliant vouchers such as receipts to enter the account. They should also pay attention to the matching and correspondence between cost expenses and invoice contracts, ensure that the logic of vouchers and materials is consistent, and do not underestimate third-party audit materials. Finally, J Real Estate Company should pay attention to the meticulous details of daily financial management, as every small detail may reduce the workload of land value-added tax liquidation in the future. If wages, repair costs, office expenses, water and electricity expenses that can only be recorded for each engineering department but cannot be shared, they need to be accurately recorded one by one. At the same time, when salary expenditures occur, the original employment list needs to be properly retained, and provided to the tax authorities for review during land value-added tax liquidation; In daily transactions, it is advisable to avoid trading in cash as much as possible, as compared to cash payments, the bank statement method is more traceable and the evidence is more convincing. Of course, if cash payment is used, it is more important to accurately calculate.

If J Real Estate Company can continuously improve its daily financial management as required above, it will effectively avoid tax risks.

4.3. Reasonable utilization of preferential policies

Whether expenses can be included in the deduction item is a major difficulty in determining cost expenses in the deduction item amount. According to the tax law, the amount of costs and expenses deducted from a project must be based on the actual business occurrence and must have authenticity. Costs and expenses that are not part of the same project cannot be included in the deducted project amount. In this regard, the financial and tax personnel of the company should pay special attention to which accounts the costs and expenses should be classified when collecting various deduction items, in order to ensure the quality of data during land value-added tax liquidation and reduce the workload for later land value-added tax liquidation work. For example, the entertainment expenses during the project process cannot be included in the

construction and installation engineering expenses, but should be correctly included in the period expenses; The cost of demolition compensation cannot include the comfort money distributed to employees, and the comfort money should be included in management expenses. The collection of expenses and costs holds a significant share in the complex land value-added tax settlement work, which requires the company's financial and tax personnel to maintain a clear understanding in the collection process of deduction projects[7].

4.4. Strengthen communication with tax authorities

The key to improving the efficiency of land value-added tax settlement work is to maintain communication with tax authorities. Land value-added tax liquidation is a highly professional work, and the complexity of its tax policies and collection management requires a large amount of professional tax knowledge to support it. On the basis of mastering the land value-added tax liquidation procedure, it is even more important to be familiar with and master the operation of land value-added tax liquidation in order to accurately carry out the work of land value-added tax liquidation. These requirements are very difficult for J Real Estate Company. However, these difficulties are relatively easy for tax authorities who have undergone professional training and multiple land value-added tax settlements. From the previous case, it can be seen that the self liquidation of land value-added tax of J Real Estate Company was independently completed without the assistance of tax authorities, and the tax authorities only reviewed the results of the self liquidation. During the land value-added tax liquidation review by the tax authorities, there were disagreements between the two parties regarding the deduction items and income recognition. The tax authorities spent a lot of energy negotiating with J Real Estate Company, which resulted in a slow progress in the later liquidation review and seriously increased the workload of the tax authorities. If J Real Estate Company could promptly consult the tax authorities when encountering problems with land value-added tax self liquidation from the beginning, and under the guidance of professional personnel from the tax authorities, the work of land value-added tax self liquidation would inevitably be more accurate and efficient. Moreover, in the process of communicating with tax authorities, it can also promote communication and cooperation between tax enterprises. This will also increase the trust of tax authorities in the results of self liquidation of the company's land capital increase tax, which is beneficial for both tax and enterprise work.

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