

Research on the Influence of Preferential Tax Policy on Logistics Companies in the Context of Post Epidemic Situation

-- Take Shunfeng Holding Company as an example

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Abstract: Since the outbreak of the COVID-19, the logistics industry has suffered a serious blow. This paper first analyzes the impact of the epidemic on Shunfeng Company; Secondly, the preferential tax policies for the development of logistics enterprises issued by the state since the outbreak of the epidemic are sorted out; Thirdly, analyze the influence of preferential tax policy on SF Express; Finally, some suggestions are put forward.

Keywords: COVID-19, Tax preference, Logistics company.

1. Introduction

In the context of the post epidemic situation, enterprises suffered from the impact of the continuous rebound of the epidemic situation, small enterprises faced the risk of bankruptcy, and large enterprises cut salaries and layoffs. As a result, the income of residents decreases and the number of unemployed people increases, people's overall consumption ability decreases, their consumption desire decreases, and their blind and impulsive consumption decreases. In addition, in order to avoid the spread of international epidemics, countries have restricted the trade of goods in some countries and regions with respect to epidemic prevention measures. Under the dual restrictions at home and abroad, the logistics industry suffered a serious blow. Under this circumstance, the state has successively issued active macro policies to regulate social and economic activities, ensure the development of the service industry including logistics enterprises, provide policy guidance for the current pressure of tight demand market, supply market shock and weakening expected income, help enterprises get rid of the impact of the epidemic and achieve healthy economic development.

2. Impact of Epidemic Situation on Shunfeng

As a leading enterprise in the domestic express industry, Shunfeng Company mainly involves in transportation services and logistics auxiliary services. Its main services are time sensitive express, economic express, express, cold transport, medicine and local express. Among them, time sensitive express, as the first business of Shunfeng Company, mainly provides customers with high-quality services of day and next day delivery.

The sealed control management has a great impact on logistics distribution, especially for Shunfeng Company, which emphasizes timeliness. Due to sealed control management, a large number of goods experienced multiple disinfection and sterilization and sterilization stagnation and

delay, and the distribution speed and transportation volume were reduced. According to the 2020 quarterly accounting report of the national economy, the added value of transportation, warehousing and postal services decreased by 2.13% year on year due to the epidemic.

In addition, the logistics industry also ushered in a warm winter of development. Affected by the epidemic, compared with the cold winter of the real economy, the online economy has once again ushered in development, and e-commerce, such as shaking audio tape goods, online shopping fresh food, and Taobao live broadcast, has become increasingly popular. With the continuous development of online consumption and e-commerce live broadcast industry, the number of express delivery orders in the logistics industry has also grown rapidly, providing development opportunities for logistics distribution companies. However, because most of the goods purchased on e-commerce platforms do not focus on timeliness, Shunfeng's transportation speed does not have a competitive advantage. Instead, merchants choose cheaper express companies such as Yunda and Zhongtong to reduce costs.

3. Preferential Tax Policies to Promote the Development of Logistics Enterprises

In response to the economic downturn in the current context, the Ministry of Finance, the State Administration of Taxation, the Human Resources and Social Security Bureau, the National Development and Reform Commission and other government departments have successively introduced positive preferential tax policies. This paper combs the tax and fee preferential policies applicable to logistics enterprises since 2020 after the outbreak of the epidemic, and finds that the preferential policies of logistics enterprises are not only in terms of value-added tax, but also in terms of social security costs, basic medical insurance for enterprise employees, and unemployment insurance.

3.1. VAT preferential policies

The value-added tax preferences enjoyed by logistics enterprises mainly come from the following three aspects: express delivery service, transportation of key epidemic prevention materials, and transportation industry.

(1) Express delivery service. The express delivery service includes receiving service, sorting service and delivery service, which the entrusting party needs to complete within the agreed time limit. Generally, express delivery service belongs to the scope of modern service, and the applicable tax rate is 6%. At the same time, general taxpayers can also choose a simple tax method with a collection rate of 3%. In order to promote the logistics industry to get rid of the epidemic situation as soon as possible, the government issued a series of preferential policies related to value-added tax as follows: according to the provisions of Document No. 28 in 2020, Document No. 7 in 2021, and Document No. 18 in 2022 announced by the Ministry of Finance and the State Administration of Taxation (hereinafter referred to as the Ministry of Finance and Taxation), from January 1, 2020 to March 31, 2021, and from May 1, 2022 to December 31, 2022, The income from the express delivery service provided by express companies for residents with essential living materials is exempted from VAT. (Note that VAT will not be exempted from April 2021 to April 30, 2022) At the same time, it needs to be distinguished that the express delivery service provided by e-commerce merchants for consumers will be exempted from VAT, and if consumers are enterprises, they will not be exempted from VAT.

(2) Transportation of key epidemic prevention materials. In order to support national epidemic prevention and promote logistics enterprises to actively assume social responsibility. Article 3 of Document No. 8 issued by the financial and taxation departments in 2020 stipulates that from January 1 to December 31, 2020, VAT on the income of taxpayers from the transportation of key guarantee materials for epidemic prevention and control will be exempted.

(3) Transportation industry. According to the provisions of Several Policies on Promoting the Recovery and Development of Difficult Neighborhood Industries in the Service Industry issued by the National Development and Reform Commission in 2022, the support for the transportation industry is mainly increased from the perspective of the three main bodies of value-added tax. Suspend the prepayment of VAT for railway transport enterprises and air transport enterprises in the current year, and exempt the VAT for public transport services in the current year

3.2. Social insurance expenses

According to the Notice on Periodical Reduction and Exemption of Corporate Social Insurance Premiums and the Notice on Extending the Implementation Period of the Policy on Periodical Reduction and Exemption of Corporate Social Insurance Premiums issued by the Ministry of Human Resources and Social Security in 2020, from February 2020, local governments can halve the three social insurance contributions of large enterprises (such as Shunfeng) according to the local situation affected by the epidemic and the fund's affordability, The period of tax reduction shall not exceed 3 months, and then the end period shall be extended to the end of June 2020. At the same time, the Ministry of Human Resources and Social Security also issued Notice No. 31 of 2022: the deferral period of pension insurance for the

extremely poor industries and the original five extremely poor industries will be implemented until the end of 2022, and the deferred period will be free of late fees.

3.3. Basic medical insurance

According to the Guiding Opinions on the Periodic Reduction of Basic Medical Insurance Premiums for Employees jointly issued by the Medical Insurance Bureau and the Finance and Taxation Department, from February 2020, the basic medical insurance of some employees paid by the collection unit can be reduced by half, and the period shall not exceed 5 months.

3.4. Unemployment insurance

In 2020, relevant unemployment insurance policies have been introduced. For example, Beijing has introduced a preferential policy that can refund 30% of the unemployment insurance premiums actually paid by large enterprises in the city. In 2021, the proportion of large-scale enterprises returning unemployment insurance will be increased to 50%, and the scope of the one-time stay in work subsidy will be extended to large-scale enterprises in the epidemic affected areas. At the same time, according to the extent of the epidemic and the fund balance, provinces can also expand to five enterprises in the extremely poor industries, including catering, retail, tourism, civil aviation and road, waterway and railway transportation, in areas where there is no moderate or high risk of the epidemic. In addition, in order to ease the employment pressure of graduates, those who sign labor contracts with college graduates in the year of graduation and participate in unemployment insurance can be granted one-time post expansion subsidies to enterprises at the standard of no more than 1500 yuan per person. The specific subsidy standard is determined by provinces, autonomous regions and municipalities directly under the Central Government.

4. Impact of Preferential Tax Policies on SF Express

4.1. Reduce enterprise transportation cost

The operating cost of Shunfeng Holding Company is mainly composed of transportation cost and labor cost. Among them, the transportation cost is related to the sales scale. With the expansion of the sales scale, the marginal cost decreases, and the formation of a complete industrial chain and the improvement of resource allocation efficiency bring about an increase in the marginal benefit of the enterprise, so the enterprise can achieve benign development. By comparing the transport capacity cost of Shunfeng Company in 2021 and 2020, it is found that the transport capacity cost in 2020 will be more than 41.4 billion, while in 2021 it will reach 70.8 billion, with a year-on-year growth of 70.91%, while the operating income of logistics will only change by 34.23%, and the number of express packages of Shunfeng will only increase by 29.7%. The growth rate of transport capacity cost is far higher than the number of express packages, which is unreasonable. Part of the reason is that the preferential tax policies related to epidemic prevention enjoyed by Shunfeng in 2020 will end in 2021. For example, in 2021, many preferential policies, such as exemption from value-added tax on express delivery services, social security fees, and basic medical insurance, will be cancelled. As a result, the main business cost of Shunfeng Company has increased.

It can be seen that affected by the epidemic, Shunfeng needs to continuously spend epidemic prevention and disinfection and sterilization costs to ensure safe production, resulting in increased transport capacity costs. In order to mitigate the impact of the epidemic and boost the development of enterprises, the state has introduced a series of tax and fee policies, such as VAT exemption, corporate social insurance premium reduction and exemption of vehicle tolls, to effectively alleviate the cost pressure caused by the epidemic.

4.2. Reduce enterprise labor cost

The human cost of Shunfeng Company accounts for a very heavy proportion in the operating cost, accounting for 51.78% in 2020 and 46.04% in 2021. The human cost not only includes the salary and allowance paid to workers, but also includes the five insurances and one fund and other tax expenses. Due to the end of preferential social security policies in 2021 and the Spring Festival stay on duty expenses and other reasons, the human cost of Shunfeng has increased significantly. According to the 2021 annual report of Shunfeng, the amount of human cost in 2021 has increased by 25.32% compared with that in 2020. In addition, the net profit of Shunfeng Holding Company continued to grow before 2021, while the net profit attributable to shareholders in 2021 fell by 41.7% year on year, and the net profit excluding non recurring profits and losses fell by 70.1% year on year,

4.3. Strong pertinence and guidance

The state gives preferential tax policies for various problems faced by enterprises during the epidemic from the aspects of value-added tax, social insurance expenses, unemployment insurance, basic medical insurance, vehicle purchase tax, etc. On the issue of major trauma to the logistics industry caused by the epidemic, the state exempted VAT on the income from transportation of epidemic materials to reduce the cost of enterprises while encouraging enterprises to bear more social responsibility. For the halving of social security fees and the exemption of VAT on express delivery services, the state reduced the cost of the epidemic industry, while catering to the rapid growth of offline consumption of the epidemic, and helped logistics enterprises to adjust the industry as soon as possible to get rid of the impact of the epidemic.

5. Suggestions

In the context of the post epidemic situation, the state has successively introduced a number of preferential policies for reducing taxes and fees for the logistics industry and according to the development situation at home and abroad, providing guidance support for the logistics industry to reduce burdens and fees, and promoting the logistics industry to develop well. Shunfeng enterprises should actively coordinate with national policies, actively use external preferential policies to enhance internal competitive strength, connect internal and external circulation, use internal and external dual advantages to deal with the impact of the epidemic, and promote the healthy development of their own and the logistics industry.

5.1. Set up a group to make use of differences

Among the tax and fee reduction policies issued by the state, one has clear instructions, such as explicitly stipulating the exemption of value-added tax on express delivery service,

and the other is the suggestion guidance. For example, in terms of the time limit for halving the collection of social security fees, the state issued a general notice, and each region adjusts itself according to its own situation. There are differences in time and proportion between regions. Therefore, Shunfeng can adjust the planning of the enterprise in different regions according to these regional policies, strengthen the communication between the headquarters and the branches, set up a special research team, adjust the route, storage, personnel planning, etc. according to the specific conditions of each region, and reasonably use the preferential tax policies to reduce costs and reduce burdens.

5.2. Coordinate the pace and adjust the industry

The state guides the market and the market regulates enterprises. In order to better cope with the impact of the current epidemic, Shunfeng Company should actively adjust its own industry, personnel planning, route planning, etc. according to the guidance contained in the national preferential policies, actively adapt to market changes, and coordinate with national policies. While dealing with the uncertainty risk, we should meet the active consumption demand and trade activities, bring sustainable impetus to the logistics industry, and further expand the scale of the logistics market, providing a vigorous impetus for economic development.

5.3. Long term planning and sustainable development

Shunfeng should take advantage of the current preferential tax policies and make a long-term plan according to the time limit of the preferential tax policies, use technology empowerment+supply chain planning to maintain its competitive advantage, and create new competitive advantages, open up the domestic market, layout the global network, maintain full confidence in future development, build line logistics, and support industrial upgrading. Pay attention to the protection of the rights and interests of the express delivery boys, actively use the national social security, basic medical insurance, unemployment insurance and other preferential policies, do a good job in employee welfare, and strengthen the cohesion of the enterprise. At the same time, actively assume social responsibility, build industry reputation, and adhere to sustainable development.

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