

# Research on Enterprise Taxation Service and Management Based on Big Data

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**Abstract:** Large enterprises in taxation is the specific taxpayers, which is international, diversified business scope, complex internal governance structure who have special requirements, especially in the digital economy development. Local Taxation Bureau of Shaanxi Province has formed a “six-step work method”, which includes high-level dialogue and research visits, data collection, data quality management, data analysis, risk response and feedback improvement. “six-step work method” are relied on the data manage taxation platform and the integrated tax-related big data to ensure that the tax service and management of large enterprises move forward, the management matters are clear, the tax risk can be controlled.

## 1. Introduction

In the context of economic globalization, the large-scale enterprise operates cross-country (region), cross-industry, and collectively, its internal transaction and financial accounting becomes more and more complex, the requirements of taxpayer service are higher. At same time, the complexity, difficulty and risk of the management of the tax source are constantly increasing.

State taxation Administration of the people's republic of China published 'Trial implementation of tax risk Management guidelines for large Enterprises' in 05/05/2009, which pointed “To guide large enterprises to reasonably control the tax risk, to prevent the illegal activities of the tax, to fulfill the tax obligations in accordance with the law, and to avoid any legal sanction, financial loss or reputational damage that may be subject to the tax law. “

The convention of “deepening the Reform of tax Collection and Management in the National tax system” in 2012 stated that tax authority should initial the tax management innovation based on clear rights and obligations of both sides, risk management as the guide, professional management as the basis, key tax source management as the focus and information technology as the support.

State Taxation Bureau (2015) published 477th 'Circular of the State Administration of Taxation on the Implementation of the Pilot Work of the Tax Service and Supervision of the Large Enterprises by Using the Big Data', Which specified that strengthening the cooperation of the tax authority and enterprises, optimizing the personalized service of the big enterprises, improving the management quality of the tax service of the large enterprises, and promoting the construction of the big data of taxation, and reducing the burden of the enterprises effectively.

Chinese experts proposed suggestions based on foreign experience on tax risk management and Tax risk management of large enterprises in part of provinces and cities in China.

'Study on Tax Risk Management of Large Enterprises in China. '(Donghui Zhao, 2014) figures out that we've achieved some outcomes in Tax risk Management of large Enterprises in Chinese many provinces and cities. For example: The risk monitoring organization of Jiangsu province Local Taxation Bureau and the professional management team of the big enterprise are jointly responsible for the risk identification of large enterprises, the other departments need assist with the cooperation. Risk response is corresponding to different risk level by different organizations to supervision, which include inspection bureau, the large enterprise team, the tax-resource management bureau and the tax service bureau.

'The Evaluation of Australian Large Enterprise Tax Risk Management' (State administration of taxation on tax administration of Australian, 2014.12) demonstrated that the Large Enterprise Tax Administration organization is the Australian Federal Tax Administration (ATO). The main basis of the tax risk management is the international risk management standards and guidelines, the

Australian Federal Risk Management Framework (draft policy V1.9), and the comprehensive risk management framework of ATO, which puts forward China need to highlight the target of tax compliance in tax risk management of the big enterprises. To develop the concept of risk management, improving the risk management procedure, to coordinate the risk management resources and ensuring the effective implementation of risk management.

Most of the research focused on the research of specific links of risk management, and the suggestions strengthen on principle, but they have not yet formed the overall framework of tax risk management.

This essay studied the concept of the tax service and management of the tax compliance service oriented by risk management is established, and the practice of tax service and management of the enterprise combined, and researched effective way and method to explore the tax risk management of the large enterprises.

## **2. The Definition of Large Enterprises**

According to international experience, large enterprises in taxation is the specific taxpayers which is international, diversified business scope, complex internal governance structure who have special requirements. In tax paying, large enterprises have strong tax law risk consciousness and professional tax administration team. It is very important to carry out individualized tax service and management for large enterprises.

‘Measures for the Administration of Classification of taxpayers’ issued by the State Administration of Taxation of China set that the classification of enterprise taxpayers is based on scale and industry. According to the scale, the enterprise taxpayer is divided into big enterprises, key tax source enterprises and general tax source enterprises. A large enterprise specifically refers to an enterprise group whose assets or taxes reached the giving level and led by the General Administration of Taxation to reach a certain standard.

## **3. The Basic Principles of Tax Service and Management**

For large enterprises management, the following principles should be followed:

### **3.1 Classified Management**

Classified management is to establish a special organization based on the category of taxpayers. The responsibility of the tax source management is authorized to the corresponding institution, responsibilities of each department shall be re-set, and the collection and management resources shall be perfected. Hierarchical management is to break down the management items between different levels. Improve the management level of complex tax-related matters in large enterprises. Based on classifying taxpayers by scale, large enterprises are classified according to industry, risk grade and other standards, and targeted management is implemented.

### **3.2 Risk-Oriented Principle**

According to the requirements of risk management, give priority to data management of tax, expanding data collection channel, controlling data quality, strengthening data analysis, the capacity and the level of the tax management of the large enterprise are comprehensively improved, ultimately the closed-loop management covering the whole process of the “Data Acquisition - Risk Analysis - Push Response - Feedback Assessment” is formed.

### **3.3 The Principle of Cooperative Compliance**

Management is integrated into service, through which Improve enterprise self - control of tax risks, guide and promote independent management, self - compliance. Tax authority should attach equal importance to service and management, prevent and eliminate tax risk by optimizing tax service of large enterprises, and pay attention to meeting the special service needs of large enterprises in tax risk management.

### 3.4 Performance Guarantee Principle

Tax authority should set up performance Management system in an all-round way, promote the professional management in the large enterprises through performance management. Comb the work items, define the responsibility system accurately, design the performance index scientifically, standardize the assessment process, improve the assessment mechanism, innovate and improve the performance evaluation system, through these means to improve the management level and the innovation management mode.

## 4. The Basic Process of Tax Service and Management

The overall structure of the tax service and management system of large enterprises is the closed loop of “compliance guidance-compliance control, compliance response-feedback improvement”. In this concept, according to the specific situation of Shaanxi Province, the Local Taxation Bureau has formed a “six-step work method”, which includes high-level dialogue and research visits, data collection, data quality management, data analysis, risk response and feedback improvement. Relying on the “data manage taxation” platform and the integrated tax-related big data, the “one-to-one” data warehouse based on the group being established, the tax source monitoring, the risk analysis and the response are formed; the evaluation mechanism is complied with the personalized tax service. According to the organic integration of evaluation and management. The six-step is independent, interdependent and conditional on each other, so as to ensure that the tax service and management of large enterprises move forward, the management matters are clear, the tax risk can be controlled.

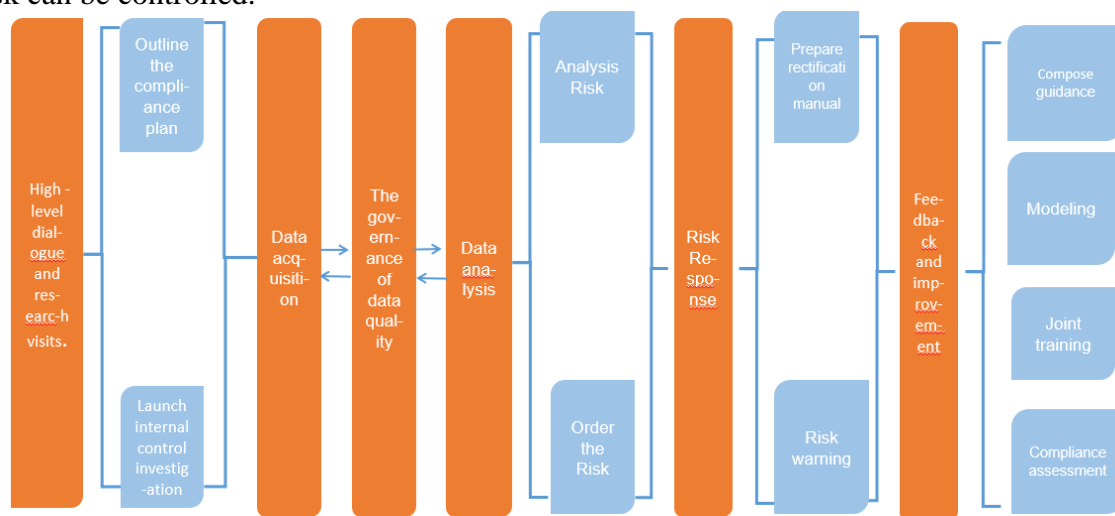


Figure 1: basic process of tax Service and Management

### 4.1 High - Level Dialogue and Research Visits.

High-level dialogue means that the leading group members of the provincial bureau, the municipal bureau and the executives of the large enterprises to hold face-to-face communication on the major tax issues of common concern to the tax enterprises, and seek appropriate solutions to the taxation problems. Through the high-level dialogue, investigation, and visit to large enterprises, we can master the production and management of enterprises, listen to the tax claims of enterprises, understand the concepts and methods of tax management in large enterprises, and reach a consensus on mutual trust and cooperation between tax enterprises.

### 4.2 Data Acquisition

Collection of tax-related data of large Enterprises is a kind of data warehouse based on the one-on-one tax-related information base. The tax collection and management data of large enterprises, the third party data and the international information exchange data are unified, processed and processed, and the scattered data flow is formed into a large enterprise group on the

“data management and tax” platform. It provides the data foundation for the next step to carry out the deep mining and analysis application of tax-related data in large enterprises.

According to the principle of “once collection and multiple utilization”, the tax authorities of Shaanxi Province formulate data acquisition methods, clarify the responsibilities of data acquisition at all level departments, standardize the data acquisition process, unify the data acquisition mode, and improve the standardization level of data acquisition. Combined with the characteristics of tax work in large enterprises, establishing the regular collection mechanism of enterprise data to normalize institutionalization and normalization of data collection in large enterprises. In addition, tax authority should broaden the channels of information collection, strengthen cooperative communication with foreign departments, strengthen the collection of third-party information, and establish a long-term mechanism of data exchange and sharing.

### **4.3 The Governance of Data Quality**

The governance of data quality is relied on the “tax data management “ platform , which govern the data quality of the group corporation and its members, verify all kinds of data of the members, and effectively manage the missing data according to the clear division of responsibilities. The problems, error items and missing data require daily management and posts to rectify, correct and supplement the registration names and management codes shared by member enterprises and group headquarters, urge their member enterprises to re-process tax registration timely, clarify the tax accounting payment system, avoid repeated statistics and name correspondence, and constantly improve the accuracy and availability of data.

### **4.4 Data Analysis**

DA is to supervise and evaluate relationship between the taxable revenues and operation data with experts assess and computer risk scanning. At the same time, analyzes tax risk and tax compliance, identifies the possible tax risks, and provides the basis for the follow-up implementation of risk-oriented classification and response, to promote the level of collection, management and tax compliance of large enterprises. Considering the characteristics of large enterprises, such as complex structure, wide industry distribution, close connection and wide region, the analysis between large enterprises and the industry being strengthened horizontally; the business law and business cycle of large enterprises is strengthened vertically. At the same time, according to the characteristics of high industrial correlation degree and strong internal control mechanism of large enterprises, the analysis and comparison of data flow and capital flow in the whole industrial chain are deepened, and the early warning index system and analysis model with the characteristics of large enterprises are established one by one. Through the implementation of “one-on-one” risk analysis of group enterprises, the list of risk points of group enterprises is formed.

### **4.5 Risk Response**

Risk response refers to the tax risk information collected and analyzed by the tax authorities is pushed to the large enterprises by annual “Manual of rectification and Reform of tax risk points”, and the relevant tax policies are noted, suggesting the tax risk existence, urging the enterprise to correct and reform in time. At the same time, based on judging and evaluating the tax risk, aiming at different risk levels and different types of risks, the risk of tax compliance of enterprises is dealt with. Through the cooperation and interaction between tax authorities at all levels and enterprises, we can mobilize the enthusiasm of enterprises, take the initiative to eliminate tax risks, and help enterprises to improve their ability to self-control tax-related risks.

### **4.6 Feedback and Improvement**

Feedback and improvement is an important step in the whole process of tax risk management to plug the loopholes of risk management and realize closed-loop management. On one side, the tax authority feedback the problems in risk management to improve the self-compliance level. At same time, tax risk information urge the tax authority to improve tax management and perfect tax policies. Feedback and improvement mainly includes helping enterprises to compile a “one-on-one” tax risk

guide, establishing an analysis model with enterprise characteristics, conducting training on complex tax-related matters of enterprises, negotiating and signing compliance agreement. Reducing the tax compliance cost and improving the risk management level through the personalized service, seeking the tax risk, and the tutoring enterprise to establish internal tax control.

The internal transaction and financial accounting of large enterprises becoming more and more complex, the tax risk getting higher, and the demand for tax service is also increasing. Due to the complexity of tax management for large enterprises and the impact from economic digitalization on the traditional tax management mode, tax authority should deepen the reform of tax management in large enterprises, implement risk management, promote data tax management, optimize tax service, and create a sound tax environment for the healthy development of large enterprises.

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