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Accounting as a basis for information support of enterprise taxation

La contabilidad como base de apoyo informativo de la tributación empresarial

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Resumen

La experiencia de la teoría y la práctica empresarial moderna demuestra que una organización eficaz de la contabilidad en una empresa hoy en día es imposible sin la aplicación de las tecnologías de la información y su uso eficaz, que es cada vez más importante en el proceso de optimización de la tributación de las empresas. El propósito del artículo académico es resaltar las tendencias modernas en el desarrollo de la contabilidad como un componente informativo importante de la tributación de las entidades comerciales. Metodología. En el curso de la investigación, se utilizaron métodos analíticos y bibliográficos para estudiar la literatura científica sobre el desarrollo de la contabilidad en términos de su propósito para la tributación de las entidades comerciales. Al mismo tiempo, se aplicaron métodos de inducción, deducción, análisis, síntesis de información, sistémico-estructurales, comparativos, lógico-lingüísticos, abstracción e idealización para estudiar y procesar los datos. Por cierto, los autores de la investigación también realizaron un cuestionario en modo en línea para aclarar prácticamente las cuestiones más importantes relacionadas con la contabilidad y la contabilidad fiscal en la empresa. Resultados. Con base en los resultados de la investigación, se establecieron los principales y más importantes aspectos teóricos de las cuestiones relacionadas con la contabilidad desde la perspectiva de su papel en la provisión de información de la contabilidad tributaria en la empresa. Junto a esto, también se indagó sobre los puntos de vista de científicos y contadores de empresas sobre los aspectos clave de este tema.

Palabras clave: contabilidad, contabilidad tributaria, información tributaria, indicadores de actividad financiera y económica, tecnologías de la información, elaboración de informes analíticos.

Abstract

The experience of modern business theory and practice proves that an effective organization of accounting at an enterprise nowadays is impossible without applying information technologies and their effective use, which is becoming increasingly important in the process of optimizing companies' taxation. The purpose of the academic paper is to highlight modern tendencies in the development of accounting as an important informational component of business entities' taxation. Methodology. In the course of the research, analytical and bibliographic methods were used to study the scientific literature on developing accounting in terms of its purpose for the taxation of business entities. At the same time, induction, deduction, analysis, synthesis of information, system-structural, comparative, logical-linguistic methods, abstraction, and idealization were applied to study and process data. By the way, the research authors also conducted a questionnaire in online mode to practically clarify the most significant issues related to accounting and tax accounting at the enterprise. Results. Based on the research results, the main and most important theoretical aspects of issues related to accounting were established from the perspective of its role in the information provision of tax accounting at the enterprise. Along with this, the standpoints of scientists and accountants of companies regarding the key aspects of this issue were also investigated.

Keywords: accounting, tax accounting, tax information, indicators of financial and economic activity, information technologies, preparation of analytical reports.

Introduction

Currently, thanks to the effective use of information technology and computerization in business activities, enterprises are able to use electronic accounting and document management, as well as effectively organize the process of purchasing materials and raw materials. They can get access to certain banking services, transfer money, submit tax and statistical reports, analyze certain economic indicators of the company's activities, if necessary, in order to develop a forecast for the next periods of activity and maintain tax records. REICE | 127

The theoretical part of the present research substantiates the major theoretical aspects of accounting in terms of information support of the taxation process.

The practical part of the research includes an analysis of the types of information technologies requiring the most attention in the process of modernizing the accounting system and the identification of sources of information support for enterprise taxation which contain the most shortcomings and require the latest methodological developments for their optimization. By the way, it also identifies the list of key opportunities for automation of accounting processes that can positively affect the information support of tax accounting, as well as the most important factors determining the type of classification of IT accounting at the enterprise.

Based on the research results, the conclusions were made on the issues related to the research topic. It is obvious that business automation systems, management information technologies, and information bases for generating and processing highly specialized information are the types of information technologies that should receive the greatest attention in the process of modernizing the accounting system nowadays. At the same time, documentation and calculation are the sources of information assistance for enterprise taxes that have the most shortcomings and require the most recent methodological advancements for their optimization. The survey revealed that the most important opportunities for automating accounting processes that can positively affect the information support of tax accounting are obtaining operational economic information,

managing production and business processes, and preparing analytical reports. Based on the research results, it was found that the factors determining the type of classification and the quality of IT accounting at an enterprise are the degree of coverage of accounting and administrative tasks, the class of implemented technological operations, and the type of user interface. REICE | 128

Literature Review

Information support of the company's activities should be considered as organized data on economic phenomena and processes occurring at the enterprise, a set of specific indicators and knowledge about them.

Currently, accounting is the most important source of information about the economic activities of an enterprise. At the same time, an enterprise's accounting system, in turn, cannot exist without proper information support (Kroon, Do Céu Alves & Martins, 2021), (Akcigit et al., 2022).

In the accounting process, the object of study is primary or intermediate information that is subject to processing into practically relevant information. The feature of the accounting process, including the tax and accounting process, is that the objects of its work are formed in the technological process itself as primary documents, and information carriers. Thus, the accounting process cannot exist without information. Consequently, information support can be viewed as a set of input data, a database system, their processing and obtaining the necessary information for accounting (Juga, Juntunen & Paananen, 2018), (Balima, Kilama & Tapsoba, 2020).

Hence, it can be concluded that proper information support of an enterprise is possible only if the accounting system has formed truthful and sufficient fields of information that can be used to assess the enterprise's financial results. It is possible to create these data fields only if the company's accounting is properly organized (Gechert & Heimberger, 2022), (Shevlin, Shivakumar & Urcan, 2019).

The purpose of organizing accounting is to improve and rationalize the processing of information, the distribution of work between employees of the accounting department and the scientific organization of labor (He et al., 2020).

In practical terms, organizing accounting is a set of measures taken by the owner of the enterprise or an authorized body aimed at ensuring the registration of business facts and their generalization in order to obtain the information necessary for reporting, taxation and management decision-making (Steinmüller, Thunecke & Wamser, 2019), (Zigraiova et al., 2020).

In addition, organizing accounting can be considered as a scientifically based set of conditions under which the most economical and rational is collecting, processing and storage of accounting information in order to promptly control the intended use of the company's property and provide users with reliable financial statements (Andrews & Kasy, 2019), (Fabian & Milionis, 2019).

In a broad sense, tax accounting refers to almost any accounting that is maintained for the purpose of taxation. The importance of tax accounting lies in its extension to the processes of determining the composition of the taxpayer's property, business transactions and their results. At the same time, the ultimate goal of this process is to determine the indicators necessary to calculate the amount of tax payable to the budget (Heimberger, 2020), (Wen, Yu & Chen, 2020).

Aims: The purpose of the research is to determine the standpoints of scientists and accountants of companies regarding the features of accounting as an important informational component of the taxation of business entities.

Materials and Methods

A practical study of modern tendencies in using accounting information for information support of tax accounting at an enterprise was conducted by interviewing 319 scientists REICE | 130 and 268 accountants in Sumy, Rivne, Zhytomyr, Khmelnytsky and Kyiv regions of Ukraine. The research was conducted using the Survio service.

Result and discussion

According to the survey participants' standpoints, currently, in the context of the increased need for efficient accounting as an important condition for the effective operation of an enterprise, particular types of information technologies at enterprises require the greatest attention in the process of modernizing the accounting system (Figure 1).

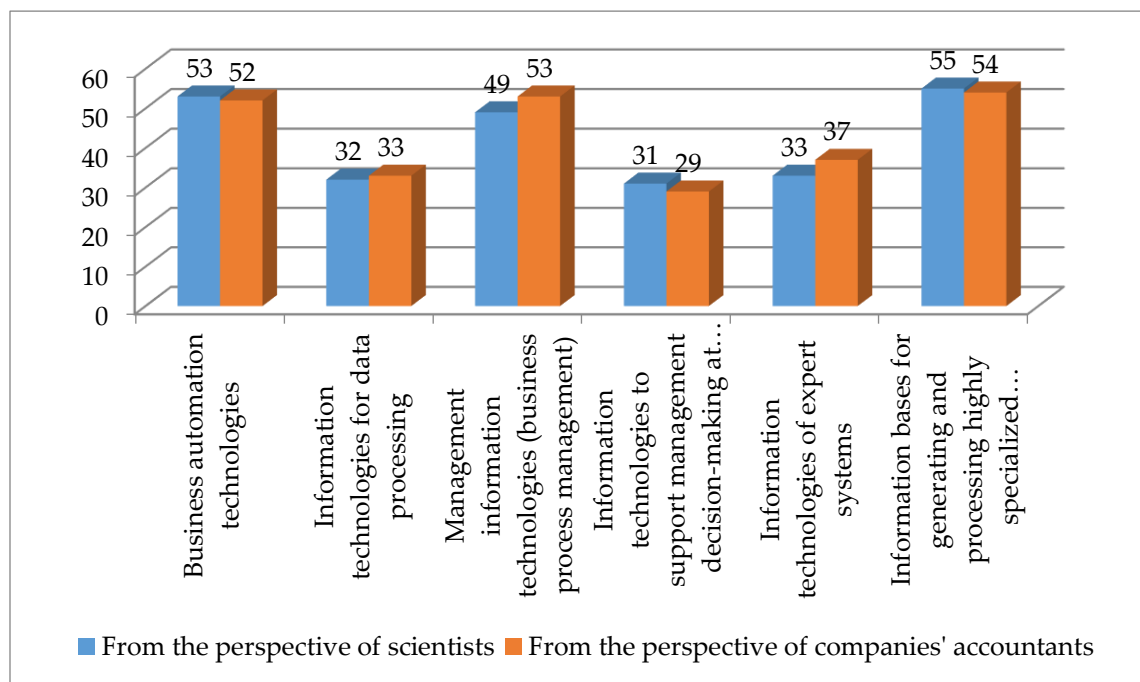


Figure 1. Types of information technologies that require the greatest attention in the process of modernizing the accounting system, %.

Source: compiled by the authors.

As shown in Figure 1, business automation technologies, management information technologies and information bases for generating and processing highly specialized information require the most attention nowadays in the process of optimizing the company's accounting.

In the course of the survey, the respondents identified the sources of information support for enterprise taxation containing the most shortcomings and requiring the latest methodological developments to optimize them (Figure 2):

- documentation (written certificates of business transactions);
- calculation (planned and actual).

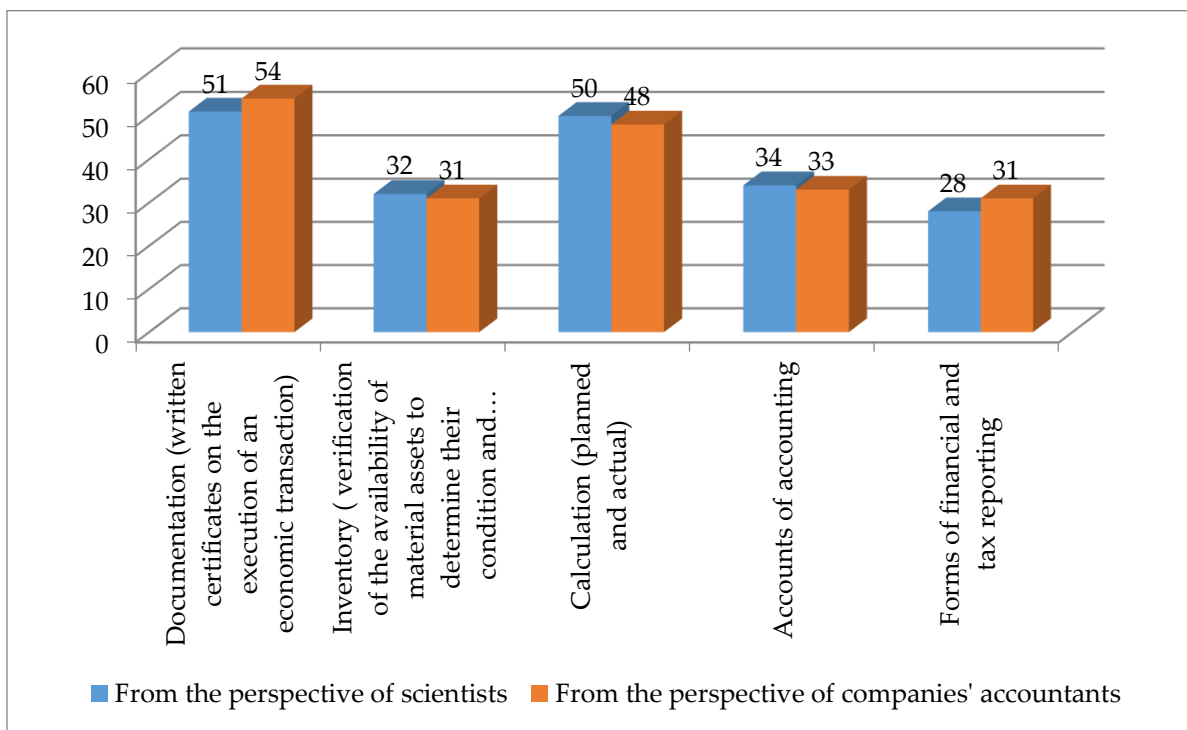


Figure 2. The sources of information support for enterprise taxation containing the most shortcomings and requiring the latest methodological developments to optimize them, %.

Source: compiled by the authors.

In the framework of the research, it was established that the most important opportunities for automation of accounting processes, which can positively affect the information support of tax accounting, are as follows (Figure 3):

- obtaining up-to-date economic information;
- managing production and business processes;
- preparation of analytical (financial and economic) reporting.

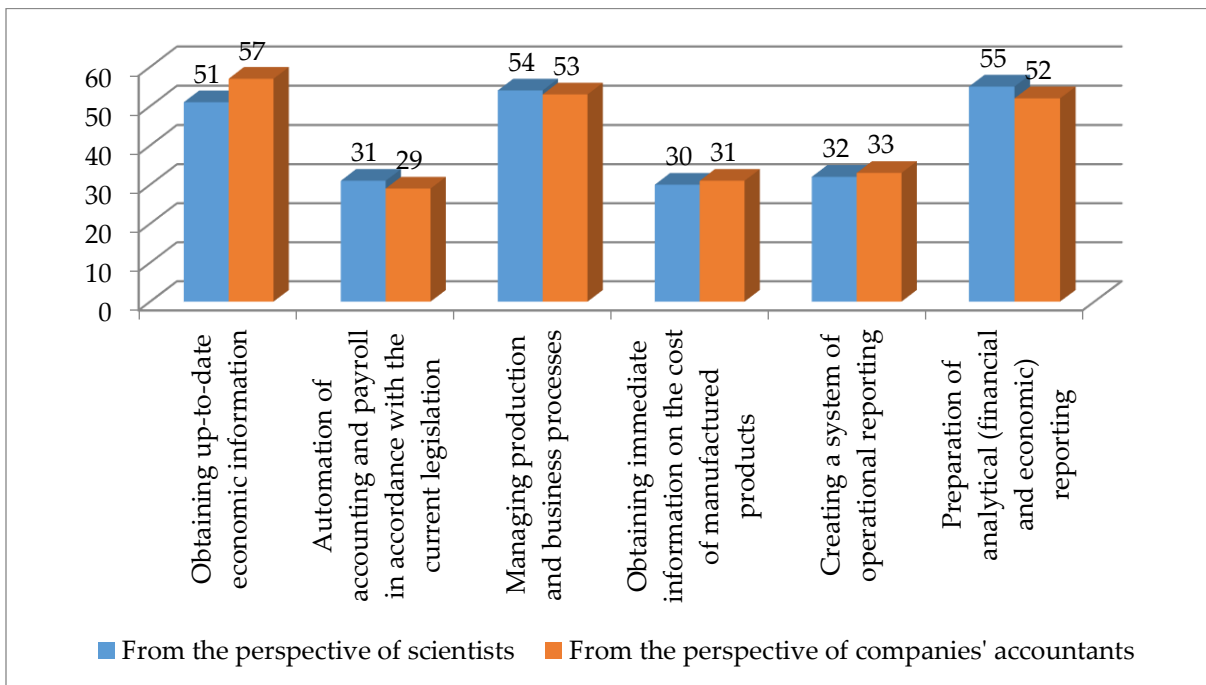


Figure 3. Key opportunities for automation of accounting processes that can have a positive impact on the information support of tax accounting, %.

Source: compiled by the authors.

At the same time, during the research, it was proved that the use of information technologies and resources in the accounting and management system is influenced by factors determining the type of classification and the quality of IT accounting at the enterprise (Figure 4).

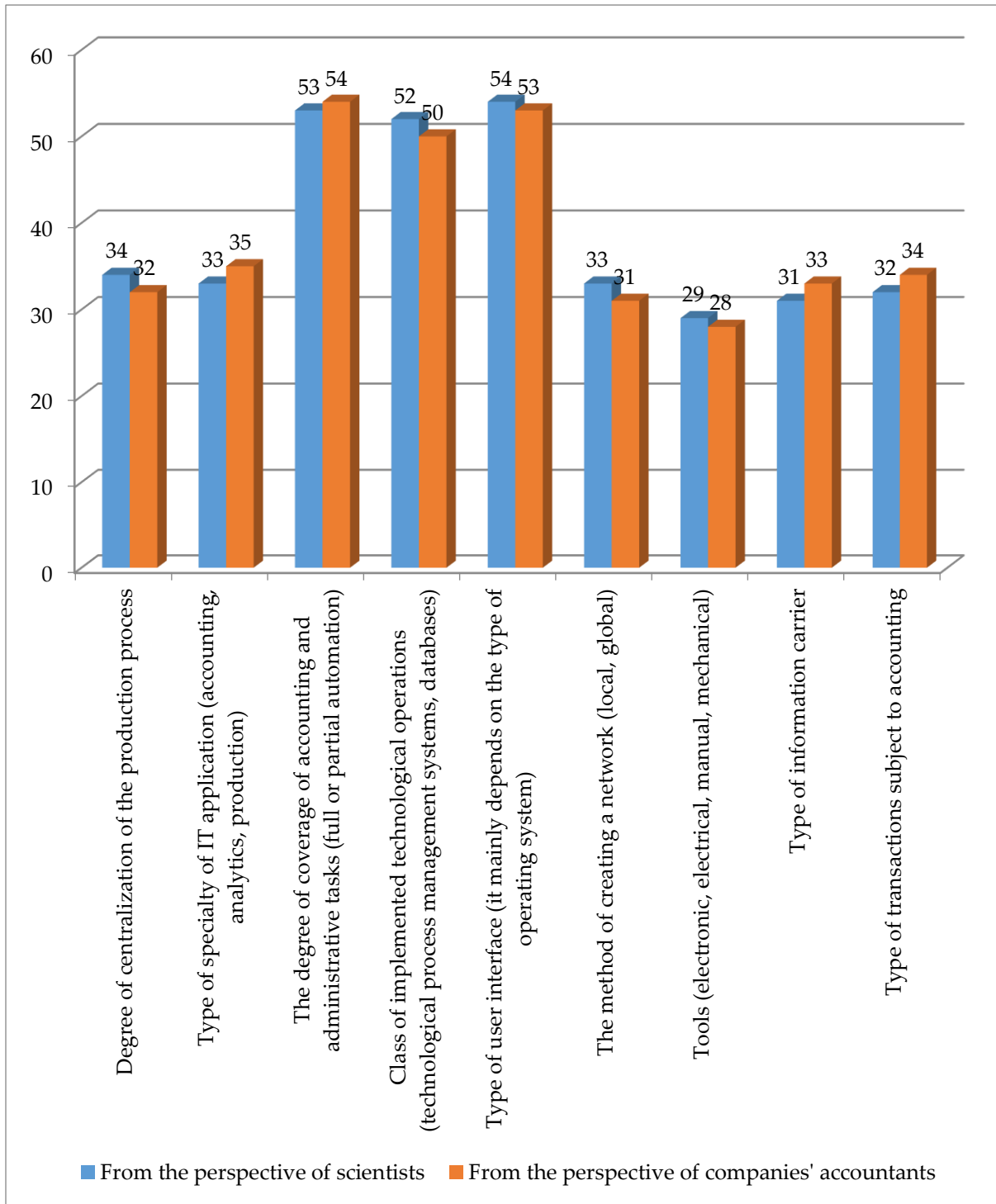


Figure 4. Factors that determine the type of classification of IT accounting at the enterprise, %.

Source: compiled by the authors.

Thus, as can be seen from Figure 4, in the course of the research, the respondents identified the degree of coverage of accounting and administrative tasks (full or partial automation), the class of implemented technological operations (process control systems, databases), the type of user interface as factors that determine the type of classification REICE | 134 and quality of IT accounting at the enterprise.

Accounting information about business entities, sources of their creation and business processes is the main subject of the accounting process. The result of using such information is the preparation of the business entity's reporting. Information provided in financial statements should be useful and understandable to users if they have sufficient knowledge and are interested in perceiving this information. Financial statements should contain only relevant information that influences the decision-making of users, provides a timely assessment of past, present and future events, and also confirms and adjusts their assessments. Financial statements must be reliable. Information provided in financial statements is reliable if it does not contain errors and biases that may affect the decisions of users of financial statements (Ferraro, Ghazi & Peretto, 2020), (Suzuki, 2022).

In the process of making management decisions, managers require accounting information that is characterized not only by relevance, but also by a number of other characteristics (Bom & Rachinger, 2019), (Neisser, 2021).

The literature distinguishes two models of the relationship between accounting and taxation systems. According to the first model, the accounting system is determined by the content and features of the tax system. However, this relationship cannot be established once and for all – it is constantly changing and can vary from complete to insignificant. However, in our opinion, the primary factor affecting how transactions are treated in accounting is taxation. In this regard, it is expedient to talk about the content of the “continental accounting system”, which determines the almost complete coincidence of accounting and tax accounting, focus on the tasks of tax and accounting, used in Germany, Sweden, Spain, Italy, etc.

The second model of accounting is based on the parallel and independent existence of accounting and tax accounting. It is called “Anglo-Saxon” in the literature, because it is mainly used in the United States, England, Austria and Canada. In this system, the tax and accounting tasks are diverse – both in terms of content and tasks and in terms of REICE | 135 implementation methods.

Currently, accounting systems in most countries have theoretical, methodological and regulatory limitations. They do not allow for effective current accounting based on an enterprise’s cross-functional communication strategy, which makes it impossible to obtain the information necessary for high-quality strategic management. This suggests that reforming accounting on the basis of international standards, as well as using modern automated and computerized systems in accounting and management, is the basis for providing users with information for making balanced management decisions and effective taxation (Gechert & Rannenber, 2018), (Havránek et al., 2020).

In order to determine the value of accounting information in the process of making management decisions, the accounting staff preparing it and the managers applying for the data should know what kind of information is required, according to certain characteristics, and in terms of the presentation format, it is necessary to choose the most acceptable one from a number of possible alternatives (Gechert, 2022), (Hope & Limberg, 2022).

Conclusion

Therefore, the analysis of the scientific literature on the research topic and the results of the questionnaire survey showed that the basis for making any management decision in a company is the availability of reliable, timely, accurate, complete, and adequate tax information, in the formation of which the main role is assigned to accounting at the enterprise. The introduction of modern information technologies in organizing accounting significantly increases the efficiency of the taxation system and stimulates the further development of the enterprise in a market economy.

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