

Investigating the Relationship between Value Added Taxation and Qualitative Specifications of Accounting Information In Corporations of Accepted in Tehran Stock Exchange

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Abstract

One of the most effective methods to perform law for added value taxation is to investigate and audit companies and guilds including law, in this study has been tested the Relationship between Value Added Taxation and Qualitative Specifications of Accounting Information in Listed Companies in Tehran Stock Exchange. For this reason, relationship between value added tax with pertinent specifications (on time, predicator, feedback value) comparability (stability, synchronization) reliable (neutral, honesty, superiority, completeness, caution in accounting information) were studied. As for theoretical literature and researches, the hypothesis to discuss dependent variable (VAT) with dependent variables (on time, predicator, value of feedback) comparability (stability, synchronization) neutral, preferable, caution in accounting information were compiled and the relation was tested. The results showed relationship of VAT with each of dependent variables as separately and indicated and confirmed 95%.

Keywords: Value Added Taxation, Qualitative Specifications of Accounting Information ,Tehran Stock Exchange

Introduction:

VAT is a tax which is imposed on added value of good during production (difference of final price and price of goods in production), VAT is one of the most important resources for supply tax income and transparent economic transaction in many countries. Compared with developed countries, tax income plays small share in income of country in Iran. In developed countries, VAT has many symbols and compared with other taxes has better efficiency and thus can increase tax incomes. Doubtless, one of the most controversy economic subjects is VAT in end of century 20th, as if till past 40 years, it was unknown VAT for scientific committee. But, today, VAT is one of the most important income resources for governments in 140 countries. In majority of developing and developed countries, VAT has more efficiency than other taxes. Thus, it is necessary to say that although in countries in which VAT is

operated and tax income has not increased in short term, but it was due to transparent economic transaction and reduce costs due to collection of tax income (Jafari and Karimi Petatlar, 2016).

Accounting is information system. It is obvious that accounting system shall be pertinent to events and activities of commercial unit in its financial statement in terms of qualitative specifications of accounting information (qualitative specifications pertinent to information content are confidentiality and comparability). Financial statements shall be provided as if be complete and from reporting aims point of view. In other side, financial statements shall be provided awareness and don't confuse and confidentiality and comparability shall be applied.

Problem Statement

VAT is tax which is imposed on each product in each step of production and distribution. In other side8, VAT shall be paid to producer or end consumer in each step of product. Als8o, the suppliers are allowed to deduct VAT to purchase production factors. This taxation considers all economic factors as equally. In other side, VAT is kind of tax on sales for multistep that exempts purchase of good on intermediary services. VAT is type of tax on sales that imposed on end users and this tax is obtained in terms of added value. In fact, added value is difference between sale of institute and cost of goods from other firms.

Hashem zadeh et al (2010) in research named fakes of VAT by suitable companies and auditing considered tax fakes and one of the most important claims is to returning VAT on goods and the result was that the tax fake is effective on tax policies of government. Also, auditing can identify companies which offer fake documents but it shall concentrate on identification of companies not brokers.

Kin and Smith (2007) in study as fake and tax evasion on VAT, what we know and what we do? Consider fakes of VAT in Europa and regarded carousal fraud as most important case and stated methods to reduce fraud in VAT and advise operation of VAT in America.

Davits (2010) discussed effect of rates of VAT close international borders in Mexico. The findings showed VAT in country and stated that in borderline of Mexico, rate of VAT is lower than cities and advised that use of different rates is avoided in different regions.

Mobini and Memarzadeh Tehran (2016) in research discussed identification of barriers and progressives of VAT and results showed that 12 indicators are recognized as structure indicators, 23 indicators as operative barriers and 6 indicators are as cultural barriers for VAT.

Jafari Karimi Petanlar (2016) in research named application of growth ingenious pattern to calculate optimal rate of VAT with emphasize upon dangerous goods. High economic growth can increase optimal rate of tax. By increase social sensitivity to dangerous goods, optimal rate of tax will be increased to supply optimal condition of social welfare.

Hamidi and Mohammadzadeh (2015) in research named placer of tax crimes in prevention from tax evasion on VAT and showed that tax crimes are effective factors on reduction of tax evasion but it doesn't influence on indicators. The results indicated that it has lowest weight.

Koushafar et al (2013) in research named evaluation of effective factors on auditing of VAT in Listed Companies in Tehran Stock Exchange, investigated the observations of auditing standards of Iran in regulating financial statements, control credit of factors and in this regard, perfect identification of financial statements can increase tax incomes by governments and reduce possible misuses.

Hajbar Kiani and Gholami (2012) in research discussed estimation of optimal rate on Iran' VAT. Application of Diamond- Mirrels pattern and the results showed that the rates are on three income levels for evasion from social inequality to 4% and confirms one single rate.

Research Hypotheses:

Hypothesis 1: there is significant relationship between Value Added Taxation and Information

Hypothesis 2: there is significant relationship between Value Added Taxation and Information comparability

Hypothesis 3: there is significant relationship between Value Added Taxation and accounting Information reliability

Manner of Estimation of Variables Value Added Taxation (VAT)

According to article 3 of VAT law, difference between value of goods and services with value of goods and services is named added value and the tax which is imposed on it is named as VAT. Another definition is public indirect tax (on all goods and services otherwise are exempt) which is produced and distributed as multi-steps.

Offer legal accounting documents

In operation of current section of article 26 of VAT law, in order to discuss and investigate statement or discuss transactions for tax period in terms of instructions.

The cases when recognition of tax and VAT is done on time

In the event when recognition of tax and VAT is not done by on time

- 1- Offer documents in terms of stated regulations in instruction of VAT tax payers
- 2- Lacking acceptance of documents in operation of paragraph 3 of article 97 of direct tax laws approved 1987 and its amendments shall not be on time and in the event of lacking conformity to law, shall be acted in terms of paragraph 2 of section A.
- 3- Lacking registration or registration out of time
- 4- Lacking submission of statement or submission out of legal duration

Issue and offer Sales Statements

In the even when tax payer avoids offering sales documents as for registration of sales or purchase services, source of tax and tariff shall be determined as follows:

If lacking offering documents pertinent to goods and first materials shall be resulted to sales of good and end price was considered in final price, in this case, according to paragraph1 of section D, this instruction shall be acted legal.

If collected documents shall be pertinent to purchase of goods and services which are avoided from it, merely, it shall be acted legally in terms of instruction.

If collected documents pertinent to sales of goods shall be included taxation and avoids registering in book, the collection of tax shall be in terms of tax period.

Resource of tax and VAT shall be determined by investigation.

Offer Valid Purchase Invoice

According to article 169 of direct tax laws, taxation department is allowed to issue economic number for all legal and real identities. Legal and real identities are undertaken to obtain economic card to perform their transactions and issue statement and economic number in their statements and submit list of their transactions to tax department. Lacking issuance of statement or lacking insertion of economic number shall be included punishment as 10% of total transaction price. Lacking list of transaction shall be included penalty as 1% of transactions. It is necessary to explain insertion of national number or national code shall be imperative.

Methodology and Method to Collect Data

This study in terms of purpose is applied research. Method of research is semi-experimental and is done as post event strategy (by past information). Post event method is used when researcher considers events after happening and there are not manipulated variables.

Descriptive Indicators of Main Hypothesis Variable

Descriptive Indicators of First Main Hypothesis Variable

Table of descriptive indicators for research variables, central indicators, dispersion indicators and distribution indicators

Table 1: Descriptive Indicators of First Main Hypothesis Variable

On time accenting information		Predication of accounting information	Value of feedback of accounting information	VAT
NUMBER	219	219	219	219
Minimum	2.14	1.00	1.00	1.62
Maximum	5.00	5.00	5.00	5.00
Deviance	4.2844	3.4635	3.2580	3.8409
Variance	.84626	1.09802	1.12044	.94777
Skewness	.716	1.206	1.255	.898
Extension	-1.046	-.266	-.001	-.639

Above table shows that the research variables have many specifications, first column states that number of all data for variables is equal to 219 and second column shows minimum of all variables separately and third column shows average of variables collected as separately which are as on time accounting

information 4.2844. Fifth column shows variance on average. Seventh and eight columns show skewness and extension of data to normal curve.

Descriptive Indicators of Second Main Hypothesis Variable

Table of descriptive indicators for research variables, central indicators, dispersion indicators and distribution indicators .Above table shows that the research variables have many specifications, first column of this table states that number of all data for all variables is equal to 219 and second column shows maximum of all variables collected as separately and third column shows maximum, fourth column shows that average of variables collected as separately and fifth column shows variance around of average. Seventh and eighth columns show skewness and extension of data to normal curve.

Table 2: descriptive indicators of variables

	VAT	Stability in accounting information	Uniformity in accounting information
Number	219	219	219
Minimum	1.00	1.00	1.00
Maximum	5.00	5.00	5.00
Average	3.2945	3.3653	3.2237
Deviance	1.13887	1.14695	1.15742
Skewness	1.297	1.315	1.340
extension	-.285	-.291	-.267

Descriptive Indicators of Second Main Hypothesis Variable

Table of descriptive indicators for research variables, central indicators, dispersion indicators and distribution indicators .Above table shows that the research variables have many specifications, first column of this table states that number of all data for all variables is equal to 219 and second column shows maximum of all variables collected as separately and third column shows maximum, fourth column shows that average of variables collected as separately and fifth column shows variance around of average. Seventh and eighth columns show skewness and extension of data to normal curve.

Table 3 :descriptive indicators of variables

	VAT	Prefer in accounting information	Completeness	Caution	Honesty	Bias
Number	219	219	219	219	219	219

Minimum	1.38	1.00	1.67	2.00	1.00	1.00
Maximum	5.00	5.00	5.00	5.00	5.00	5.00
Average	3.7677	2.9452	4.0457	4.0137	3.7717	3.5023
Deviance	.91051	1.12385	.79943	.89072	.97934	1.13886
Variance	.829	1.263	.639	.793	.959	1.297
Skewness	-.488	.109	-.844	-.184	-.566	-.401
Extension	-.553	-.517	-.018	-1.376	-.118	-.595

Conclusion

One of the most important economic policies and income of each country is to collect tax which is regarded as effective financial tools for supply necessary financial sources and adjust and distribute and direct economic activities for society. Accordingly, taxation is regarded in terms of resources collected and wealth and income are considered and its collection is classified in terms of direct and indirect method. But one of the taxations which is considered is indirect tax. One of the most effective methods for VAT is investigate and discuss companies and guild included for the law.

Suggestions in terms of Findings of Research

1-According to the results of first hypothesis in which VAT has qualitative specifications for accounting information, educational institutes, auditing department, official accountant society and tax department discuss the problems during holding professional seminars for VAT operation and offer effective methods till the tax payers can offer necessary information to tax department.

2- According to results of second hypothesis which VAT effects on qualitative specifications of comparability for accounting information, therefore, it is suggested that managers and head of accounting and financial staff use accounting information and reports to predicate it.

3- According to results of third hypothesis which VAT effects on qualitative specifications of reliability for accounting information, therefore, it is necessary to design suitable accounting systems with new technology and instructions till the tax payers don't confuse.

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