

**INNOVATIVE APPROACHES FOR OPTIMIZING ANALYTICAL EVIDENCE AND
MANAGING VALUE-ADDED TAX****Anatol GRAUR***Academy of Studies Economic from Moldova, Republic of Moldova*
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melnic.igor@ase.md**Abstract**

This publication aims to examine and solve problems related to the analytical structuring of value added tax information in the accounting information system. A connection is made between the analytical VAT record, the structure of the accounting sub-accounts and the fiscal registers of purchases and sales. The author also made a correlation between the information detailed in the accounting and that in the administrative database of the State Fiscal Service. Some proposals are made regarding the organization of the analytical record of VAT in relation to the fiscal system. The article provides concrete examples and detailed explanations on how information related to VAT should be structured and managed in accounting and in relation to the tax administration, for cases of accounting for advances received, VAT refunds from the budget, VAT surcharges, and reverse charging operations. The authors make a connection between the General Chart of Accounts and the VAT Return and analyze the method of correlating balances from accounts related to settlements with the budget and the resulting information from the tax report.

Keywords: *accounts analytical; delivery record register; import services; obviously analytics; procurement record register; sales; sub – accounts; tax system; taxation reverse VAT Return; VAT.*

JEL classification: M40, M41.

I. INTRODUCTION

The purpose of this article is to examine and solve problems related to the analytical structuring of information regarding Value Added Tax (VAT) in the accounting information system. Analyzing the correlation between the detailed information in accounting and the information in the administrative database of the State Fiscal Service (SFS) requires solutions regarding the organization of analytical evidence of VAT in accordance with the provisions of the tax system.

This publication comes in the current context where companies are increasingly attentive to tax aspects and ways to optimize taxes. It is important that this information is analyzed and interpreted correctly in order to be successfully applied in practice.

From the research purpose, the following objectives can be deduced, which contribute to achieving the proposed purpose:

1. Analyzing the structure of analytical accounting evidence of VAT and its correlation with the VAT Return and records of deliveries and acquisitions to facilitate correct and efficient reporting to the tax authorities.
2. Identifying and solving problems related to VAT on received advances, VAT refund operations from the budget, VAT surcharges, and reverse charging operations by using appropriate sub-accounts and analytical accounts correlated with information from the VAT Return.

VAT accounting is a widely discussed topic in specialized literature. Many studies and publications focus on the need for a well-structured accounting system to manage VAT within entities, but issues are only addressed at a general level of VAT calculation and deduction mechanisms. Through this analysis of literature and specialized publications, we aim to highlight the main theories, practices, and perspectives presented by these authors, thus providing a comprehensive overview of the evolution and deepening of knowledge in the field of VAT accounting and emphasizing their relevance to the business environment and tax authorities.

Following the conclusion of the Association Agreement between the Republic of Moldova and the European Union on June 27, 2014, the Republic of Moldova committed to gradually align its national legislation with European regulations on taxes and indirect taxes (Association Agreement). Specifically, this commitment

includes adaptation to the provisions of Council Directive 2006/112/EC of November 28, 2006, which regulates the common VAT system and must be implemented according to a predetermined schedule. The directive establishes rules regarding the taxable base, the taxable event, and the chargeability of VAT, as well as rules concerning VAT deductions and collection methods. Additionally, the directive explains which goods and services are considered taxable supplies and which are exempt from VAT, establishes rules regarding the place of taxation for goods and services, as well as rules regarding the taxation of intra-community and third-country operations. However, no correlation is made with the accounting and reporting system within a taxpayer (Council Directive, 2006).

Numerous authors and researchers in the field of accounting and taxation have addressed this complex topic, making valuable contributions to the understanding and correct application of accounting rules and principles regarding VAT, such as Lazar (2022), Lazari, Mihaila and Grigoroï (2021), Tostogan (2022), Severin (2021), Vieru (2020).

Specialized literature often emphasizes the importance of using modern accounting systems capable of tracking in detail each VAT-related transaction. In this regard, a significant contribution is represented by the study conducted by Moldovan economists Bucur Vasile and Anatol Graur in the manual "Accounting for Taxes," where they analyzed how VAT can be structured in accounting based on types of transactions, which can be used to improve the analytical record of VAT in enterprises (Graur et al., 2016). The authors have shown that a well-configured analytical accounting system can help reduce VAT calculation errors and ensure compliance with tax regulations. Similar topics, including practical case studies, are also described in the manual "Enterprise Accounting" (Grigoroï et al., 2021).

In his study in the work "Correspondence of Accounting Accounts according to S.N.C. and the Tax Code", (Nederiță, 2007) and in his publications in the "Accounting and Audit" journal (Nederiță, 2017), Professor Alexandru Nederiță offers a detailed and in-depth analysis of the functioning mechanisms of accounting accounts, especially in the accounting of settlements with the state budget. A strong point of this manual is the section dedicated to settlements with the state budget, which not only rigorously explains the functioning of accounts related to these settlements but also shows the wide range of operations in which VAT is accounted for.

Although the above-mentioned works are an indispensable tool for all those interested in accounting and taxation, they do not cover all the operations existing in practice, such as those related to the reverse charge mechanism.

In accordance with Order No. 119 of August 6, 2013 of the Ministry of Finance (MF) approving the General Plan of Accounts, the General Plan of Accounts (GPA) regulates the method of recording economic facts in accounts resulting from the provisions of National Accounting Standards (NAS) and other accounting regulations. The recording of economic facts in accounts is carried out according to their economic content, respecting the accounting principles, norms, and policies of the entity (MF order 119, 2013).

Accounting practice demonstrates the existence of various situations that require the separate accounting of VAT on sub-accounts for the purpose of correct calculation and monitoring for timely payment and correlation with the VAT Return. Although there are no separate sub-accounts for this purpose, MF Order No. 119 allows entities to introduce additional level II accounts in classes 1-7 in accordance with their own information needs, without duplicating or distorting the General Plan of Accounts. The authors' conclusions summarize proposals for opening sub-accounts to accounting accounts 225 "Budget Receivables" and 534 "Budget Liabilities," whose reasoning is presented below.

II. APPLIED METHODS

The methods applied in conducting the study were varied: analysis of data and information from specialized literature and legal acts, comparison between the State Fiscal Service database and the accounting systems of entities, deduction, and formulation of conclusions based on the conducted research.

III. RESULTS AND DISCUSSIONS

According to Art. 118 of the Fiscal Code, every taxable subject is required to keep records of the entire volume of goods and services delivered, as well as of the material values and services procured, in the registers for recording the procurement and delivery of goods and services, which must be compiled within one month from the end of the VAT fiscal period (Official Gazete 62, 1997). Based on these registers and accounting notes in accordance with the method of completing the VAT Return approved by Order no. 1164 of the State Fiscal Service on October 25, 2012, VAT taxpayers reflect in the VAT Return (IFPS Order 1164, 2012):

- **the VAT amount payable to the budget - in box 21 "VAT due to the budget"**, calculated in accordance with the provisions of Art. 101 of the Fiscal Code. This represents the positive difference between the total amount of VAT on the volume of deliveries made during the fiscal period and the total amount of VAT to be deducted, which is determined as the difference between boxes 13 and 20.

• the VAT amount payable to the budget due to reverse charge - in box 22 "VAT due to the budget for reverse charge (equivalent to the amount reflected in box 10)", calculated from the value of goods procured under the reverse charge regime, reflected in box 9, including the VAT amounts due to the budget, in accordance with Art. 103 paragraph (1) point 29) of the Fiscal Code.

• the VAT amount intended for deduction in the subsequent fiscal period - in box 23 "VAT amount for deduction in the subsequent period". This box is completed only if the total amount of VAT to be deducted exceeds the total amount of VAT on the value of deliveries made during the given fiscal period and VAT to be refunded, which is determined as the difference between the indicators in boxes 20 - 13 - 24.

• the VAT amount requested for refund - in box 24 "VAT to be refunded". Here is reflected the total amount or a portion of the VAT amount intended for deduction in the subsequent fiscal period, which is to be refunded from the budget under the conditions provided by the Regulation on VAT refund ([Official Gazette 27-30, 2013](#)).

The information in the mentioned boxes must correlate with that from the accounting accounts and registers.

The generalization of information regarding VAT settlements during the management period is carried out in the accounts:

- 534 "Liabilities to the budget" - for recording liabilities to the budget
- 225 "Budget receivables" - for recording budget receivables

According to the PGCC, a sub-account is provided for the VAT record-keeping - sub-account 534.4 "Liabilities for value-added tax" and 225.2 "Receivables for value-added tax", regardless of the situations described above in completing the VAT return. Under these circumstances, it is difficult to synthesize accounting information regarding VAT and correlate it with tax reports. The lack of sub-accounts related to special transactions makes it difficult to track VAT amounts and complete the VAT return. Therefore, following an analysis of accounting practices, it is proposed to insert/open the following sub-accounts in the 225 "Budget receivables" and 534 "Liabilities to the budget" accounts:

Table 1. Nomenclature of sub-accounts proposed for the analytical record of the VAT amount

225 "Budget receivables"	534 "Budget liabilities"
2. VAT receivables (existing)	4. VAT liabilities (existing)
6. Overpaid VAT	9. VAT on advances received
7. VAT to be refunded	10. VAT related to reverse charging
8. VAT related to reverse charging	11. VAT related to the budget for imported services
9. VAT on advances received	
10. VAT on imported services	

Source: Adapted by the author according to jurisdiction

The opening of sub-accounts related to the analytical record of the VAT amount is justified by the need to calculate it in various situations described below. First, it is necessary to show the correlation between the information in the accounts and accounting records with the VAT Return, presented in figure 1.

According to the presented figure, a correlation can be observed between the VAT Return and the records of deliveries and procurements. The information from the primary documents serves as the basis for both tax and accounting treatment. Thus, the information accumulated in the mentioned registers serves as the basis for completing the VAT Return, which includes some monthly resulting indicators reflecting an obligation: VAT related to the budget, VAT related to reverse charging, VAT from received advances, or a receivable: VAT intended for deduction in the subsequent fiscal period, VAT for refund, and excess VAT. Currently, the balances in the accounting registers in some cases do not correlate with the balances determined in the declaration due to unsuccessful accounting entries or the absence of sub-accounts and analytical accounts in the accounting records, which are solved by the practical applications presented below.

Situation 1. VAT related to received advances

The application of advances in settlements is a frequent practice negotiated between third parties. In accordance with Article 108(5) of the Fiscal Code, the rule concerning the moment of recording the entity's (supplier's, service provider's) tax liability to the budget regarding VAT is established: the date of delivery, the date of issuing the invoice, or the date of receiving the payment, depending on what happens earlier ([Official Gazette 62, 1997](#)). When the material values have been delivered or the services have been provided after the advance has been received, they are subject to VAT collected on the taxable value. Although the proprietary right to the goods to be sold at the time of advance payment has not passed from the supplier to the buyer, the entity calculates the related VAT as a mandatory requirement. Since the supplier of goods and services does not issue a tax invoice when collecting the advance amount, the basis for recording the VAT amount in the Register of Deliveries is the payment order or other document attached to the bank statement ([Graur et al., 2016](#)). Therefore, the supplier (service provider) reflects in the case of an advance:

- the collection of the advance in the current accounts or another cash register;
- the calculation of the VAT amount as a liability to the budget.

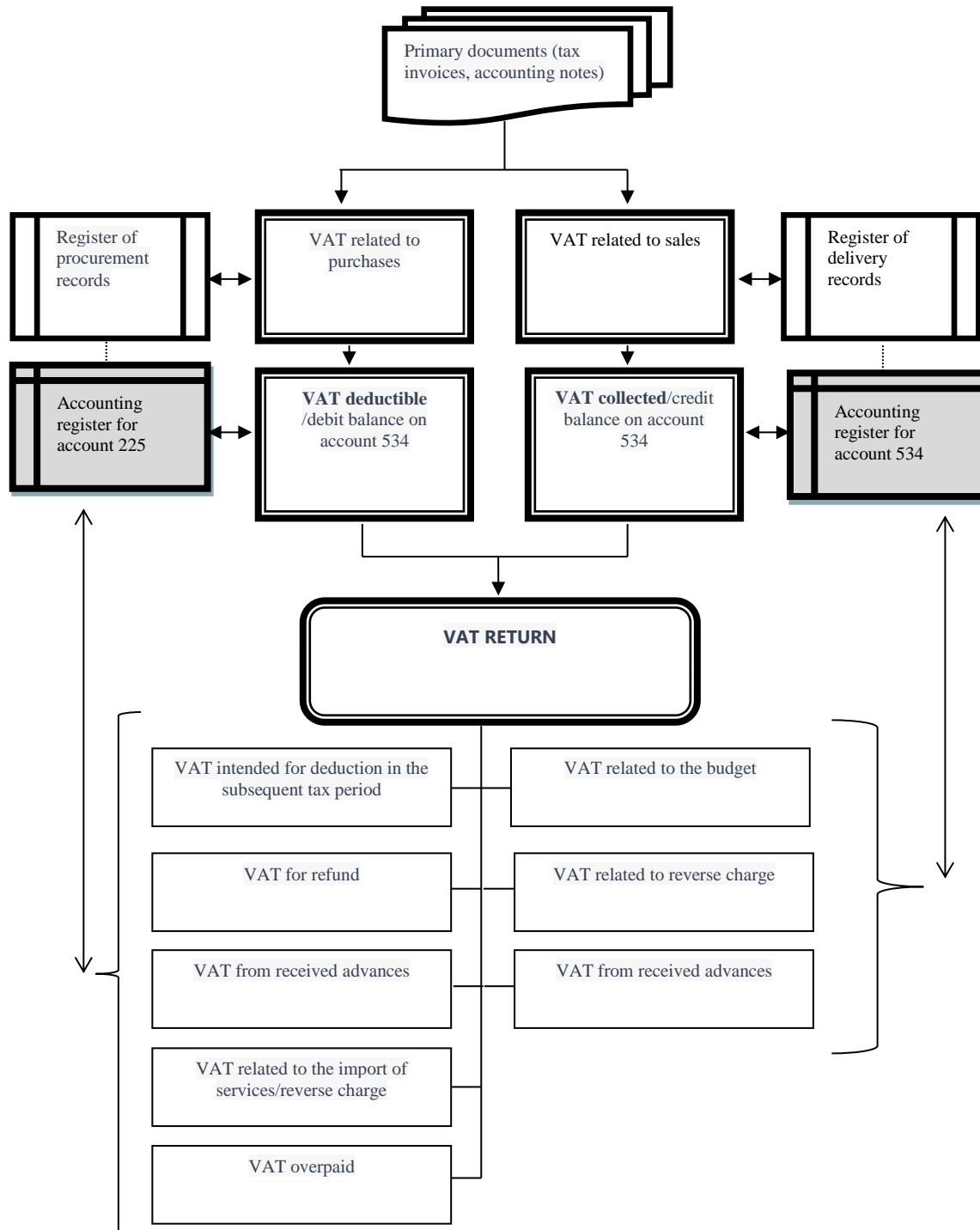


Figure 1 - The current mechanism of VAT functioning and the correlations of accounting data with the VAT Return

Source: adapted by the author based on [Graur et al. \(2016\)](#) and jurisdiction

After the delivery of material values (provision of services), the entity recognizes the revenue from sales and the cost of sales, records the obligation of the entity to the budget regarding VAT, and the VAT calculated from the previous advance amount will be deducted (reversed) ([Graur et al., 2016](#); [Grigoriu et al., 2021](#)).

Example. In May 202N, "Omega" SRL received an advance of 150,000 lei from "Beta" SRL for the delivery of products. In June 202N, "Omega" SRL delivered products to the buyer "Beta" with a value of 150,000

lei, including VAT, based on a tax invoice. According to the General Chart of Accounts, the entity records the above operations as follows.

Recording the advance received in the current account in the national currency:

Debit 242 "Current accounts in national currency" - 150,000 lei
Credit 523 "Current advances received" / analytical account "Beta" SRL - 150,000 lei

According to the General Chart of Accounts (PGCC), the reflection of the VAT amount related to the advance received takes place by accounting entry (150,000 x 20% : 120%):

Debit 225 "Budget receivables", sub-account 2252 "Receivables regarding value-added tax" / analytical account "Beta" SRL - 25,000 lei
Credit 534 "Budget liabilities", sub-account 5344 "Liabilities regarding value-added tax" / analytical account "Beta" SRL - 25,000 lei

Payment of the VAT amount related to the advances received, in case no other taxable transactions with VAT have taken place in that month:

Debit 534 "Budget liabilities", sub-account 5344 "Liabilities regarding value-added tax" / analytical account "Beta" SRL - 25,000 lei
Credit 242 "Current accounts in national currency" - 25,000 lei

When preparing the VAT Return, the amounts in it must coincide with the amounts in the accounting accounts and registers. As a result, when preparing a verification document with the budget only for VAT and verifying the amounts in the accounting registers, a balance is obtained both in the active part of account 225 and in the passive part of account 534, although the entity only has liabilities to the budget, provided that no other transactions have taken place. In this case, in order to ensure a connection with the VAT Return, only the amounts from account 534 "Budget liabilities" should be used, and the amounts from account 225 "Budget receivables" should not be taken into account. In order to solve the case described above, **two variants are proposed:**

a) Opening a sub-account 9 "VAT on received advances" in accounts 225 "Budget receivables" and 534 "Budget liabilities"; or

b) Using account 232 "Pre-provisioned receivables" instead of account 225 "Budget receivables" to account for the amount of VAT on received advances. The use of another account is justified by the fact that the VAT amount in the month of receiving advances does not represent exigible budget receivables, and the entity cannot claim them. As a result, the VAT amount related to the advance received will be reflected by the following accounting formula:

Debit 232 "Pre-provisioned receivables", sub-account 2324 "VAT on received advances" - 25,000 lei
Credit 534 "Budget liabilities", sub-account 5349 "VAT on received advances" - 25,000 lei

The deduction of the VAT amount in the month of delivery on account of the previous advance will be reflected as follows:

Debit 232 "Pre-provisioned receivables", sub-account 2324 "VAT on received advances" - (25,000) lei
Credit 534 "Budget liabilities", sub-account 5349 "VAT on received advances" - (25,000) lei

Situation 2. VAT for refund

According to the Regulation on the refund of value-added tax, approved by Government Decision No. 93 of 01.02.13, VAT-registered taxable persons are entitled to a refund of VAT amounts in the situations provided for by Article 101(3), Article 101(5), Article 101(6) of the Tax Code, Article 101¹, Article 101⁴ in connection with VAT-exempt supplies with the right to deduct, supplies at reduced rates, capital investments, supplies made under leasing contracts, etc. ([Official Gazette 27-30, 2013](#)).

The refund procedure is provided for by the aforementioned regulation and is a complex one. What is important is that the refund of VAT from the budget is carried out by the decision of the SFS management, and the entity must account for these VAT amounts in the case of total or partial agreement and ensure correlation with the VAT Return.

In accordance with Order No. 1164 of 25.10.2012 of the IFPS regarding the approval of the VAT Return form and the method of completing the VAT Return, in box 24 "VAT for refund," the requested VAT amount for refund is indicated ([Official Gazette 234-236, 2012](#)). Only the VAT amount determined as the difference between the deducted VAT amount, including from the previous tax period, and the VAT amount calculated for the supplies made, within the limits of the amount paid at the time of the audit, but not exceeding the VAT amount related to the value of the goods (services) supplied exempt from VAT with the right to deduct, by multiplying the standard VAT rate of 20% or 8% by the value of this supply, or the VAT amount on investments, is accepted for refund for each tax period separately ([Official Gazette 234-236, 2012](#)).

Therefore, there may often be situations where there will be VAT amounts to be deducted for the subsequent period and amounts to be refunded, as part of the former.

Example. In June 202N, "Omega" SRL entity carried out export operations of goods and recorded the following data regarding the calculation of the VAT amount for refund (table 2).

Table 2. How to calculate and account for the amount of VAT to be refunded

Clues	The value without VAT	VAT amount	Accounted amount, lei	Dt	Ct
Deliveries of goods and services in the territory Republic of Moldova	10000	2000	10000 2000	221 221	611 534.4
Deliveries for export , VAT related to the value of goods delivered and services provided by applying the standard rate (6000 x 20%)	6000	0 (1200)	6000	221	611
Procurement of goods, services, including VAT:	5000	1000	5000 1000	217 534.4	521 521
paid at the time of control		800	4800	521	242
not paid		200		-	-
VAT amount to deduction from the previous period, including :		2500	Account balance 225 at the beginning of the month		
paid at the time of control		500			
Not paid		2000			
The VAT on purchases exceeds the VAT on sales by 2500+1000-2000.		1500	Account balance 225 at the end of the month	225.2	534.4
VAT amount to deduction paid at the time control (800+500)		1300	800 + 500		
VAT to be refunded (1200<1300<1500)	(1200<1300<1500)	1200	Balance on subaccount 2257 "VAT to restitution "	225.7	225.2
The deductible VAT for a subsequent period represents the VAT collected by a company in an accounting period.	(1500-1200)	300	Balance on subaccount 2252 " Receivables regarding the value tax added "		
paid		100			
not paid		200			

Source: Adapted by the authors based on jurisdiction

Following the calculations made, the entity records a budget receivable regarding VAT in the amount of 1500 lei, out of which 1200 lei are for reimbursement. In case of a positive decision by the State Fiscal Service (SFS), this amount is reflected in the VAT Return in box 24 "VAT for reimbursement". The given amount of VAT must be correctly accounted for in a separate sub-account at account **225 "Budget receivables"**. For this purpose, it is proposed to open a separate sub-account **2257 "VAT for reimbursement"**. The following accounting entries will be made in the entity's accounting:

Recording the VAT amount as a deduction for the subsequent period (transfer of the monthly debit balance of sub-account 534.4):

Debit 225 "Budget receivables", sub-account 2252 "VAT receivables" - 1500 lei
Credit 534 "Liabilities to the budget", sub-account 5344 "VAT liabilities" - 1500 lei

Recording the VAT amount for reimbursement:

Debit 225 "Budget receivables", sub-account 2257 "VAT for reimbursement" - 1200 lei
Credit 225 "Budget receivables", sub-account 2252 "VAT receivables" - 1200 lei

Receipt of the VAT amount for reimbursement:

Debit 242 "Current accounts in national currency" - 1200 lei
Credit 225 "Budget receivables", sub-account 2257 "VAT for reimbursement" - 1200 lei

Situation 3. Excess VAT

A problem with the correlation between accounting data and the individual settlement sheet that is perfected in the SFS database is the lack of transparency of information in this sheet regarding the calculations, deductions, and payments of the VAT amount. Thus, in the case of determining the VAT liability at the end of the reporting month, it must be paid until the 25th day of the following month. Entities, either intentionally, to ensure their future payments, or mistakenly, could pay amounts higher than the monthly liability (balance). In these situations, although there is a budget receivable regarding VAT in the accounting records, this amount does not reflect a receivable that is exigible, i.e., a deduction for future periods, because it was not created due to purchases and is not based on any document that allows its deduction. The excess given is only highlighted in the accounting records and will reduce the amount to be paid in the future periods. As a result, it is necessary to correctly account for the excess paid amount and to correlate it with the VAT Return. On this occasion, it is proposed to open a sub-account 2256 "Excess VAT".

Example. In May 202N, "Omega" SRL purchased goods worth 24,000 lei, including VAT (20%) of 4000 lei, and delivered goods worth 30,000 lei, including VAT (20%) of 5000 lei. The deductible amount (transferred to the account) from the previous month is 200 lei. In the absence of other economic operations, the monthly VAT amount determined for payment is 800 lei (5000 - 4000 - 200). The entity paid VAT to the budget in the amount of 2000 lei, 1200 lei more. In this case, the following accounting entries are made:

Reflecting the amount of VAT related to taxable purchases with VAT:

Debit 534 "Liabilities to the budget", sub-account 5344 "Liabilities related to value-added tax" - 4000 lei
Credit 521 "Current commercial liabilities", sub-account 5211 "Domestic commercial liabilities" - 4000 lei

Reflecting the value-added tax related to goods and/or services sold:

Debit 221 "Trade receivables" - 5000 lei
Credit 534 "Liabilities to the budget", sub-account 5344 "Liabilities related to value-added tax" - 5000 lei.

Payment to the budget of the VAT amount:

Debit 534 "Liabilities to the budget", sub-account 5344 "Liabilities related to value-added tax" - 800 lei
Debit 225 "Budget receivables", sub-account 2256 "Overpaid VAT" - 1200 lei
Credit 242 "Current accounts in national currency" - 2000 lei

As a result, there is a discrepancy between the accounting data and the VAT return, in which this credit is not reflected.

It is admitted that in June 202N, the entity determined in its accounting and VAT return a monthly VAT liability of 3000 lei. Payment will be made partially, taking into account the amount paid in excess.

Debit 534 "Liabilities to the budget", sub-account 5344 "Liabilities related to value-added tax" - 3000 lei
Credit 225 "Budget receivables", sub-account 2256 "Overpaid VAT" - 1200 lei
Credit 242 "Current accounts in national currency" - 1800 lei

Situation 4. VAT related to reverse charge

The reverse charge procedure applies when the buyer (beneficiary) purchases goods on the territory of the Republic of Moldova and becomes liable to pay VAT instead of the supplier, who is normally responsible for paying VAT. The tax invoice must include a mention regarding the application of the reverse charge.

In the case of the reverse charge, there is a problem reflecting the VAT amount as a liability to the budget, although at the same time a budget receivable (deduction for the following month) or liability related to other taxable operations carried out in the country may be recorded (Tostogan, 2021). This VAT amount must be accounted for separately because it is related to reverse charge operations and must be paid regardless of other taxable operations with VAT (Official Gazette 62, 1997).

If taxable subjects purchase property from companies registered as VAT payers in the process of insolvency in accordance with the provisions of Law no.149/2012, they are obliged to calculate the VAT amount, called reverse charge, and to reflect it in the VAT return by:

- the taxable subject with VAT - in boxes 9, 10, 14, 15, and 22.
- individuals who are not registered as VAT payers - in boxes 9, 10, and 22.

As a result of classic taxable deliveries in the country and the reverse charge, situations may arise where the above boxes of the VAT return are completed concurrently, i.e., registering both the receivable and the liability to the budget. Therefore, it is proposed to open sub-account **53410 "VAT related to reverse charge"** to account for it separately in account 534, and sub-account **2258 "VAT related to reverse charge"** to account for it separately in account 225.

Example. In June 202N, "Omega" SRL purchased goods worth 30,000 lei, including VAT (20%) of 5000 lei, and delivered goods worth 36,000 lei, including VAT (20%) of 6000 lei. The deductible amount from the previous month's VAT is 400 lei. In the same month, the entity purchased goods from an entity undergoing insolvency proceedings worth 23,000 lei. The VAT amount related to the goods purchased from the entity undergoing insolvency proceedings was paid in the same month. The conditions of the example generate the following VAT-related accounting entries:

Reflecting the VAT amount related to taxable purchases with VAT:

Debit 534 "Liabilities to the budget", sub-account 5344 "Liabilities related to value-added tax" - 5000 lei
Credit 521 "Current trade liabilities", sub-account 5211 "Domestic trade liabilities" - 5000 lei

Reflecting the value-added tax related to goods delivered:

Debit 221 "Trade receivables" - 6000 lei
Credit 534 "Liabilities to the budget", sub-account 5344 "Liabilities related to value-added tax" - 6000 lei

Calculation of VAT related to goods purchased from the entity undergoing insolvency proceedings - 4600 lei (23000 × 0.2):

Debit 225 "Budget receivables", sub-account 2258 "VAT related to reverse charging" - 4600 lei
Credit 534 "Liabilities to the budget", sub-account 53410 "VAT related to reverse charging" - 4600 lei ,

Payment to the budget of the VAT amount related to goods purchased from the entity undergoing insolvency proceedings:

Debit 534 "Liabilities to the budget", sub-account 5344 "VAT related to reverse charging" - 4600 lei

Credit 242 "Current accounts in national currency" - 4600 lei

Deduction of VAT related to goods purchased from the entity undergoing insolvency proceedings:

Debit 534 "Liabilities to the budget", sub-account 5344 "Liabilities related to value-added tax" - 4600 lei

Credit 225 "Budget receivables", sub-account 2258 "VAT related to reverse charging" - 4600 lei

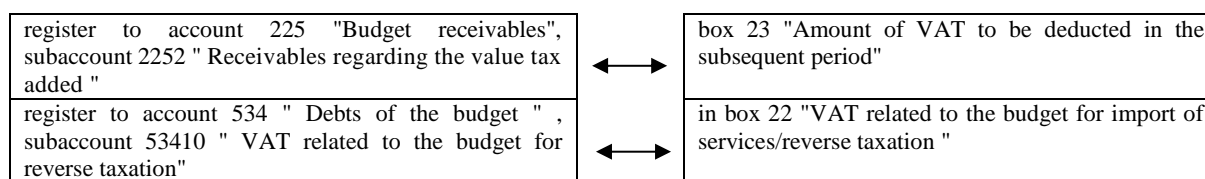
At the end of June 202N, the amount of VAT intended for deduction in the subsequent tax period was recorded in the amount of 4000 lei (400 + 5000 + 4600 - 6000), which is presented in box 23 "VAT amount to be deducted in the subsequent period" and in the register to the account 225 "Budget receivables", sub-account 2252 "Receivables related to value-added tax". The VAT amount intended for deduction in the subsequent tax period is reflected as follows:

Debit 225 "Budget receivables", sub-account 2252 "Receivables related to value-added tax" - 4000 lei

Credit 534 "Liabilities to the budget", sub-account 5344 "Liabilities related to value-added tax" - 4000 lei

In the same month, the entity determined and disclosed the VAT amount to be paid related to the goods purchased from the entity undergoing insolvency proceedings - 4600 lei, reflected in box 22 "VAT to be paid to the budget for reverse charging (the amount equivalent to that reflected in box 10)" and in the register to the account 534 "Liabilities to the budget", sub-account 53410 "VAT related to reverse charging".

As a result of the entries made in the example and the opening of new sub-accounts, the entity:



IV. CONCLUSION

In accounting practice, there are situations that require the separate accounting of VAT on specific sub-accounts in order to correctly calculate and monitor it for timely payment and correlation with the VAT return. As a result of various taxable transactions with VAT at the end of the reporting month, both VAT receivables and liabilities are recorded. The authors' conclusions have summarized proposals for opening sub-accounts under the accounting accounts 225 "Budget Receivables" and 534 "Budget Liabilities" in correlation with the indicators presented in Table 3 of the VAT return.

Table 3. Correlation of VAT Return indicators and practical situations with proposed sub-accounts

Line from the VAT Return / Payment Situation		Sub-account used
VAT amount due to the budget (box 21 "VAT due to the budget")	↔	sub-account 5344 "Liabilities for value-added tax"
VAT amount due to the budget for reverse charge transactions (box 22 "VAT due to the budget for reverse charge transactions")	↔	sub-account 53410 "VAT related to reverse charging"
VAT amount for deduction in subsequent tax periods (in box 23 "VAT amount for deduction in subsequent tax periods")	↔	sub-account 2252 "Claims related to value-added tax"
VAT amount requested for reimbursement (box 24 "VAT for reimbursement")	↔	sub-account 2257 "VAT to be refunded"
VAT overpayment	↔	sub-account 2256 "Excess VAT"
VAT on received advances.	↔	sub-account 2259 "VAT from received advances" sub-account 5349 "VAT from received advances"

Source: Developed by the authors based on jurisdiction

The proposals made are relevant and important in the current economic context, as they make a significant contribution to the development of knowledge regarding accounting and VAT management. A detailed analysis of the formation of analytical and synthetic evidence used in VAT accounting and management is presented. This is important because a clear understanding of these constructions is essential to perform accurate accounting and to efficiently manage VAT, which can help entities make correct decisions in this area.

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