

STATE TAX SYSTEM - INCENTIVE OR RESTRICTOR OF ECONOMIC ACTIVITY?

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The role of the tax system in the process of accelerating economic activity in the country is difficult to overestimate. Its comprehensibility for taxpayers and transparency are the signs that can create favorable conditions for business development.

Of course, the country's tax system should, on the one hand, be a source of business empowerment and, on the other hand, reflect and take into account the current state of the economy and in no way hinder the realization of the potential of business entities.

The tax system of Ukraine is based on the following basic principles.

1. Mandatory taxation

This principle reduces to the fact that all entities in which the object of taxation must pay taxes.

2. Fairness of taxation

The implementation of the social function is impossible without proper tax regulation. This principle is related to the notion of "equality of taxpayers", which means that taxpayers who carry out the same transactions or can be classified as identical on essential grounds should be treated in the same way in determining tax liabilities.

3. Inevitability of the liability specified by law in case of violation of tax legislation

This principle stipulates that in case of fixing violations of tax legislation, the administrative, financial or even criminal liability of the infringing entity must clearly occur.

4. Fiscal sufficiency

It is unacceptable for situations to arise where the funds accumulated from a particular tax or levy are insufficient to cover the costs of administering that tax or levy, ie the balance between revenues and expenditures in the tax system must be maintained.

5. Presumption of legality of the payer's decisions

As long as the taxpayer's violation is not proven, the interpretation of the norms of laws or regulations is ambiguous, decisions must be made in favor of the taxpayer.

6. Stability

Changes to any elements of taxes and fees may not be made later than six months before the beginning of the new budget period in which the new rules and rates will apply.

7. The unified approach to the establishment of taxes and fees is to define at the legislative level all mandatory elements of the tax

There are a number of other principles that complement the analyzed and create opportunities for the tax system to become a motivator to expand business activity in the country.