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COMPARATIVE STUDY OF TAX ADMINISTRATION IN UKRAINE AND EUROPE

Currently, Ukraine has established a tax system that is similar to the tax systems of developed European countries in composition and structure. Tax laws have been drafted taking into account European tax legislation, as well as tax policy aspects of the General Agreement on Tariffs and Trade, the World Trade Organization and other international economic organizations.

At the same time, tax administration in Ukraine is slightly different from the EU countries.

1) In the European Union, the priority of tax authorities is to work with non-payers:

- Persons who are registered with the tax authorities and who, for any reason, do not file or have stopped filing tax statements and paying taxes,

- Persons engaged in economic activities, receive income from such activities and are not taken into account in the tax authorities and do not pay taxes.

Mentioned above categories of economic entities are not given sufficient attention in Ukraine. The work of the tax service agencies of Ukraine is concentrated around taxpayers, knowingly and independently registered following the established procedure.

2) Many foreign countries adhere to the following principle of accounting for taxpayers: the taxpayer is registered in the tax service and not in a separate body of the tax service of the executive level. The experience of more than 20 member countries of the Organization for Economic Cooperation and Development shows significant benefits from this approach to accounting for both taxpayers and the tax service. In particular, taxpayers can submit applications and tax reports, perform reconciliation, receive various documents and consultations in any tax service authority of the

executive level either by phone or in electronic form (including in real-time mode). The Tax Service receives more opportunities to monitor tax compliance by taxpayers and to improve the quality of their service.

In Ukraine, the control over taxpayers and their maintenance is carried out in the tax service authority at the place of registration.

3) Foreign countries having a single state information resource on data on citizens, non-residents, taxpayers, objects of taxation, etc., with access to it within the powers of state authorities, prosecutors, local self-government, law enforcement agencies, natural and legal persons, receive a number of advantages both for state authorities (possibility to quickly obtain reliable information without requiring different certificates from citizens) and for citizens (saving time spent on receiving such certificates).

Currently, technical possibilities are being created in Ukraine to provide access to state authorities within the limits of their power to information available in the databases of other state authorities.

4) In some countries, such as Sweden, a person automatically receives a civil registration number from birth or immigration to the country. Thus, a Swedish citizen does not need to contact the tax service, apply, wait for a document.

Ukraine does not regulate the issue of automatic assignment of the registration number of the taxpayer's account card based on information of the Ministry of Justice on newborns.

5) Identification of risk taxpayers during the procedure of their registration by the payers of value-added tax is the norm for many countries of Europe.

For example, tax officials in Ireland selectively visit registered taxpayers and the results of such visits are compared with registration data and other information, and tax officials in Great Britain and Lithuania have the authority to receive additional information from a taxpayer if the application for registration by the payer of value-added tax contains questionable data. In Sweden, they use the information received from third parties.

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In Ukraine, the audit of the registration of economic entities is not provided for by the current legislation, in particular, the relevant provisions proposed to be included in the Tax Code have not been adopted. Thus, the number of checks of value-added tax amounts claimed by payers for reimbursement remains quite large.

6) In European countries, for example in Belgium, if the taxpayer wishes, the tax authorities help him to determine the list of taxes and payments that he needs to pay.

In Ukraine, the taxpayer must independently determine what taxes and payments he must pay following the legislation. This, in turn, often leads to a situation where a bona fide taxpayer is awarded penalties on taxes which have not been determined and paid by him not for tax evasion, but by ignorance. This causes the taxpayer a sense of injustice and distrust of the tax service.

7) In many European Union countries, there is only one form of tax reporting behind another tax. Tax reporting forms are simple and understandable. Explanations for filling out forms are written out in such a way to avoid double and ambiguous interpretation. For example, in the Netherlands and Belgium, a VAT declaration consists of 1 page.

The Tax Code of Ukraine establishes 7 national taxes (corporate income tax, personal income tax, value-added tax; excise tax, environmental tax; rental tax; duty) and 5 local (property tax, common tax, fee for parking lots of vehicles; tourist fee).

The number of tax reporting forms far exceeds the total number of taxes and fees, because in Ukraine it is a practice when several tax reporting forms and their annexes are approved for administration of one tax. For example, 3 forms of tax reporting and 9 annexes to the main form have been approved for corporate income tax, and the value-added tax declaration is filed with 9 annexes.

Tax reporting forms are bulky and require the unification of indicators and mandatory details which they contain. Many forms do not have an explanation for their filling out.

8) The trend towards electronic submission of tax returns is observed in many European countries. Latvia has already introduced free connection and use of online electronic declaration system by payers.

Ukraine also creates convenient conditions for taxpayers to submit tax reports in electronic form within the framework of the project of modernization of the State Tax Service. According to paragraph 49.4 of the Tax Code of Ukraine, the obligation to submit a declaration in electronic form is currently valid for corporate income taxpayers belonging to large and medium-sized enterprises.

The electronic service will allow taxpayers to generate real-time tax statements. At the same time, the data which is available in the database of the State Tax Service will be automatically filled in.

9) Tax reporting on corporate income tax in many countries is filed once a year (UK, Czech Republic) and on value-added tax, it is filled quarterly (UK, Cyprus). While in Ukraine the number of reporting periods is much larger, which leads to an increase in time that the taxpayer spends collecting taxes.

10) In such European countries as Sweden, Denmark, Great Britain the most efficient, transparent and simple tax payment system - Unified Account - is applied. This system allows the taxpayer to pay monetary obligations on all taxes and fees required to be paid with one payment order, and 100% prevents errors in the transfer of funds. At the same time, the tax service has a real picture of the state of taxpayers' settlements with budgets, namely, the situation where at the same time overpayment on one tax regarding one taxpayer is taken into account, and the debt is impossible on the other tax.

Taxpayers of the countries mentioned above consider the introduction of the Single Tax Account to be the most important achievement of the Tax Service, which significantly improved relations with the Tax Service, reduced bureaucratic procedures and expenses related to tax payment. In recent years, many countries in Europe have begun to apply such a system of tax payments, in particular, in recent years the Unified Tax Account has been introduced in Belgium.

Ukraine does not have the technical capacity to introduce the Single Tax Account, but work to establish it is in progress.

At the same time, Ukraine maintains relations with other countries in the field of taxation, applies the standards which are already applied all over the world and have been developed by the Organization for Economic Cooperation and Development and the United Nations Organization, thus adapting Ukrainian legislation in the field of tax administration to those of other countries.