

ГРОШІ, ФІНАНСИ І КРЕДИТ

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**WAYS OF IMPROVING THE LEVEL OF TAX SECURITY
 AS A PART OF THE FINANCIAL SECURITY OF UKRAINE**

Golikov S.S. Ways of improving the level of tax security as a part of the financial security of Ukraine.

The purpose of the paper is to discuss the prospects of Ukraine's tax security development through its constituent mechanisms – tax regulation, tax administration, tax control, tax planning, and tax management. It is necessary to have a close cooperation between all state authorities to increase the effectiveness of each mechanism and improve the level of tax security of the state. Thus, in the process of increasing the efficiency and effectiveness of the tax system mechanisms, the tax administration needs to be simplified and automated. This will increase the focus of tax regulation and reduce significantly the burden on tax management. The synergy effect of simultaneously improving each component of the tax security mechanism will help to restore social and economic development of the state, strengthen the financial and tax security of the country in the strategic perspective.

Key words: taxes, tax security, tax system, financial security, tax risks.

Голіков С.С. Способи підвищення рівня податкової безпеки як складової фінансової безпеки України. В роботі розглянуті перспективи розвитку податкової безпеки України через її складові механізми – податкове регулювання, податкове адміністрування, податковий контроль, податкове планування та податковий менеджмент. Для посилення дії кожного із механізмів необхідна тісна співпраця між всіма державними органами влади, що підвищить рівень податкової безпеки держави. Досліджено, що у процесі підвищення дієвості та ефективності механізмів податкової системи, найперше треба спростити та автоматизувати податкове адміністрування. Це збільшить цілеспрямованість податкового регулювання та значно зменшить навантаження на податковий менеджмент. Ефект синергії при одночасному вдосконаленні кожного складового механізму податкової безпеки допоможе відновити соціальний та економічний розвиток держави, зміцнить як фінансову, так і податкову безпеку країни у стратегічній перспективі.

Ключові слова: податки, податкова безпека, податкова система, фінансова безпека, податкові ризики.

Голиков С.С. Способы повышения уровня налоговой безопасности как составляющей финансовой безопасности Украины. В работе рассмотрены перспективы развития налоговой безопасности Украины через ее составляющие механизмы – налоговое регулирование, налоговое администрирование, налоговый контроль, налоговое планирование и налоговый менеджмент. Для усиления действия каждого из механизмов необходимо тесное сотрудничество между всеми государственными органами власти, что повысит уровень налоговой безопасности государства. Доказано, что в процессе повышения действенности и эффективности механизмов налоговой системы, прежде всего нужно упростить и автоматизировать налоговое администрирование. Это увеличит целеустремленность налогового регулирования и значительно уменьшит нагрузку на налоговый менеджмент. Эффект синергии при одновременном совершенствовании каждого составляющего механизма налоговой безопасности поможет восстановить социальное и экономическое развитие государства, укрепит как финансовую, так и налоговую безопасность страны в стратегической перспективе.

Ключевые слова: налоги, налоговая безопасность, налоговая система, финансовая безопасность, налоговые риски.

Introduction. Since 2016, the Ukrainian economy has certain signs of socio-economic stabilization, which means the need for its further provision and the achievement of steady growth at an accelerated pace. Although, there is a problem to realize this task – limited budget opportunities [2]. Due to the inappropriate and inefficient use of budget funds, they are dispersed.

Thus, the planned spheres are underfunded and the necessary result is not achieved. An appropriate regulation, a system of control and audit of the used funds should be introduced. In addition, budget funds should be used only for the purpose and for priority areas. The possibility of a rapid inflation-devaluation increase in budget revenues, which was used in 2015, is currently

politically unacceptable. It is necessary to achieve non-inflationary expansion of the tax base and, at the same time, not to increase the burden on taxpayers. In addition, the urgent need for the consolidation is caused by a significant debt burden on the budget. Therefore, it is necessary to distinguish such tax mechanisms, which can restore the socio-economic situation of the country.

Analysis of recent studies and publications.

Prospects for the development of financial security have become the subject of the study of many Ukrainian – O. Baranovsky [4], O. Baranetska [3], V. Begma, Y. Berezhna, V. Belostotskaya, V. Ishchenko [8], V. Zadorozhny, I. Zhalilo, O. Lyashenko, V. Martyniuk, A. Mokiya, Y. Polanska, A. Sokolovka, A. Sukhorukova [15] and foreign economists – O. Arefiev, S. Blankart, I. Dzhubek, V. Kashin, C. Kozheya, Kukulka, D. Olveya, V. Ponomareva, J. Stiglitz, I. Timofeev, D. Tikhonova and V. Fechner. Recently, increases the interest to another component of financial security – tax security. Scientists examine the essence of the notion of tax security, investigate the main risks and threats of tax security, and explain the mutual influence of each component of financial security with tax security, which allows making an analytical description of the current state of tax security in Ukraine. However, due to the high contribution of scientists, insufficient attention is paid to the study of the ways of improving the level of tax security as a part of financial security.

The purpose of the study is to examine the ways of improving the level of tax security in Ukraine through its constituent mechanisms – tax regulation, tax administration, tax control, tax planning, and tax management.

Research findings. In our opinion, we need to implement a sound tax policy of the government to ensure effective strategic management of the country's tax security and create a favourable tax environment, to ensure and strengthen tax security. Efficiency and effectiveness of strategic tax security management should be based on the general principles of country management: it is necessary to create such conditions and provide such means that will allow realizing the set goals and desirable trends of the development of the tax system [9].

Prospects for the tax security development should be considered through its constituent mechanisms:

1. Tax regulation – measures of indirect influence on economic and social processes by changing the types of taxes, their rates, the introduction of tax rates and benefits, changes in the level of taxation and the amount of deductions to the budget [8].

The main measures of tax regulation should be:

1) Revitalizing the investment and innovation situation by introducing changes to the mechanism of taxation of corporate profits. Almost the only source of financing for the expansion of enterprises is their own profits, as the credit money has high value, and foreign investments are in a limited number. The level of depreciation of fixed assets as of January 1, 2016, is 60.1% [11]. Although this indicator is not the maximum during

the last 5 years (in 2014, this figure was a critically high percentage of 83.5%), it is necessary to improve the situation as quickly as possible. For example, the state can switch to the Estonian model of distributed profit taxation, which provides the income tax payment only when it is distributed, which enables the company to use the profit received to refinance. This system could not only give good results for the development of the economy and attract foreign investment to the state but also solve a number of pressing problems:

- intensify the domestic investment resource, which would become a prerequisite for the inflow of foreign investment to the state, by exempting small profits of enterprises from the taxation of reinvested profits – up to 5 million UAH profit per year;

- facilitate administration and document management processes;

- will show the economic attractiveness of the transition from the simplified taxation system to the general system of taxation.

2) The increase in excise taxes to the level of countries of the European Union, but first it is necessary to raise the standard of living of the population to the European one. Such plans of increase of excise duty should be announced firstly to the main producers and suppliers of the relevant industries since they are historically the largest taxpayers.

3) Support for tax measures by monetary instruments that is going to reduce the cost and increase the volume of lending to the real sector, the transition to cashless settlements, and the liberalization of currency control. The maximum amount of cash operations in Ukraine from January 1, 2017, is 50 thousand UAH, which is approximately 1650 euros [12]. In France, Italy, and Portugal, this limit is 1,000 euros, in Greece – 1,5 thousand euros, in Spain – 2,5 thousand euros, in Germany – 5 thousand euros. European countries use limits mainly to combat money laundering and terrorist financing. Cash is a factor in the existence of a shadow economy, corruption, and crime.

4) Support the effectiveness of methods of tax incentives, as the use of traditional tools is not effective in the presence of administrative barriers. All actions aimed at reducing the rates of income tax for individuals to 18%, income tax from 25 to 18%, the introduction of tax breaks for certain branches of economy and regions, did not lead to a decrease in the economy's shadowing, an increase in investments and innovations in the economy.

5) The state should not tax only the use of land for the fiscal goal but also direct funds in support of its fertility. The same approach should be used before taxing the use of natural resources: people should be encouraged to use renewable resources. Regarding fees for the overpopulation, such a problem does not exist currently in Ukraine, as in the last decade there is a significant decrease in the population [15]. However, this idea should not be totally rejected, as we can cope with the significant overpopulation of individual cities, especially the million cities.

6) There is the principle of nonlinearity in state administration, which means the need of taking into account for all business entities the peculiarities of regime management in power and the rhythms of influence on objects of management with the rhythms of internal and external social and economic systems [14].

An example of nonlinearity is the Laffer curve, which shows the direct dependence of the size of tax revenues on the size of the tax rate. According to the study, the lower the tax rates – the greater incentives for labour, savings, and investments increase, enterprises invest more in improving production processes, which ultimately increases the amount of tax revenues to the budget and the amount of GDP. Thus, tax revenues not only do not decrease, despite lower tax rates but can still reach their maximum values [10].

7) Implement a new model of taxation of corporate profits by using mathematical and analytical calculations of financial and economic indicators for the construction of enterprise behaviour models (subject to the introduction of capital tax) using the experience and expertise of professional Ukrainian economists, accountants, and auditors to identify the disadvantages of the model and its solutions.

2. Tax administration – management of the tax authorities' activities in the field of tax control and tax collection.

The main measures of tax administration should be:

1) Improvement of electronic communication between taxpayers and tax authorities through the use of online tax resources.

2) increasing the simplicity of tax reporting, declarations, and flow of documents.

3) increase of the efficiency of appealing against decisions of the tax authorities by setting the one-level procedure.

4) improvement of the system of electronic administration of VAT, especially in terms of reducing the freezing amount of working capital through the use of bank guarantees, increasing fines for failure to register tax returns by suppliers by several times, the ability to register tax invoices during 365 days and increase transparency of the formation of the register for VAT refunds.

5) improvement of customs operations through the simplification of customs procedures, complete electronization of all available services, completion of “Single Window” launch, an extension of infrastructure construction, reduction of corruption risk etc. In addition, it is necessary to use actively the positive best practices regarding the automatic exchange of information with the customs authorities of other countries, integrative management of all customs passes and the introduction of a customs attaché to verify the authenticity of prices for imported goods.

6) Agreeing on a single concept for improving the organizational structure of the customs between all parties involved in the process, and using the best practices of neighbouring countries of the European Union. In addition, it is necessary to improve the material and

technical base of the tax authorities through the maximum use of monetary assistance from other countries.

3. Tax control – measures of the controlling authorities on the correctness, timeliness, and completeness of payment of taxes and fees [7].

The main measures of tax control should be:

1) Improvement of the risk orientation of the customs system and tax control in order to minimize subjectivity. It is necessary to reduce the number of inspections. This will be useful for the business and the state in terms of saving resources.

2) The active use of tax amnesty in the form of a “zero declaration” with the subsequent possibility of using indirect methods to control the income and expenditure compliance of the population. However, first, it is worth testing the system at public servants of different levels.

3) Fighting against smuggling at customs and customs offenses. Smuggling is the biggest challenge for the tax service, which cannot overcome it alone. Effective struggle requires targeted intervention not only of border and tax services but also of the state, law enforcement, and local authorities.

4) Integrate customs and tax databases into a single integrated system, which will allow controlling not only cargo's fact of crossing the border but to control the entire chain of delivery of goods to end-sellers. This will not only improve control but will also speed up customs clearance, increase confidence in controlling bodies and their effectiveness.

4. Tax planning – development and use of measures aimed at satisfying interests between the state and enterprises [6].

The main measures of tax planning should be:

1) Observance of the stability of fiscal and tax legislation in the development of medium-term planning and forecasting. Some decisions have recently been adopted and cancelled due to insufficient financial and economic justification, mainly to achieve the tax balance. For example, in 2016, there was an incident of cancellation of a tax notification of a decision to pay a transport tax in the amount of UAH 25 thousand due to a violation of the timing of amendments to the law. Thus, the purpose of planning is to generate well-balanced and sound management tax decisions. Such actions will give a positive signal to investors and entrepreneurs regarding the predictability of the tax policy of the state. A capital investment provides for a fairly long period of implementation. The predictability of the tax rate of the country will provide the basis for the development and implementation of realistic payback business ideas.

2) The introduction of a moratorium on changes in tax rates, especially budget-generating and unified social tax.

5. Tax management – a set of techniques and methods of tax organization, which are aimed at improving their efficiency [5].

The main measures of tax management should be:

1) Avoid duplication of functions by transferring control functions from local to regional level. Thus, local tasks will be to clarify, advise, and provide services.

2) Increase the responsibility of tax officials for illegal actions or omissions.

3) Key indicators of the effectiveness of the tax authorities' work should be consolidated into a special program, which will include not only successful domestic experience and recommendations of Ukrainian experts but also the efforts of international colleagues. These indicators should be simple, transparent, and realistic to achieve. It is appropriate now only to select proven indicators from international practice and those that are suitable for our realities. For example, the indicator of the tax culture of the state (the proportion of the won claims to the total) and the taxpayers (the voluntary amount of taxes paid to their total). In addition, German-speaking international cooperation GIZ should be able to help Ukraine in the selection and control of such indicators.

4) It is necessary to liquidate the tax police and to establish a financial intelligence service in its place, which should receive the authority of the State Fiscal Service, the Security Service of Ukraine and the Min-

istry of Internal Affairs for the effective and operational activity.

5) It is necessary to increase salaries of employees of the tax authorities, as the present financial motivation is decisive. For example, the remuneration of high-level specialists in the financial sector is 1.5-2 times higher than in the tax sector. In addition, wage increases can be a significant measure to reduce corruption. This best practice is used globally.

6) It is necessary to carry out explanatory campaigns on the results of tax reforms, increase the information content of the e-site of the state fiscal authority, in particular regarding the formation of tax revenues.

Conclusions. Thus, in the process of increasing the efficiency and effectiveness of the tax system mechanisms, the tax administration needs to be simplified and automated, which will enable the effectiveness of tax administration. This will, in turn, increase the focus of tax regulation and reduce significantly the burden on tax management. The synergy effect of simultaneously improving each component of the tax security mechanism will help to restore social and economic development of the state, strengthen the financial and tax security of the country in the strategic perspective.

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