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ШЛЯХИ ВДОСКОНАЛЕННЯ МЕХАНІЗМУ ОПОДАТКУВАННЯ ПРИБУТКУ ПІДПРИЄМСТВ В УКРАЇНІ

Анотація. В статті розглядаються головні недоліки та шляхи вдосконалення механізму оподаткування прибутку підприємств в Україні. Розглянуто вплив ставки податку на прибуток та пільг з податку на прибуток на надходження до бюджету країни. Дані рекомендації запропоновані на основі аналізу зарубіжного досвіду.

Ключові слова: податок на прибуток, механізм оподаткування, податкова система, ставка податку на прибуток, пільги.

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ПУТИ УСОВЕРШЕНСТВОВАНИЯ МЕХАНИЗМА НАЛОГООБЛОЖЕНИЯ ПРИБЫЛИ ПРЕДПРИЯТИЙ В УКРАИНЕ

Аннотация. В статье рассматриваются главные недостатки и пути усовершенствования механизма налогообложения прибыли в Украине. Рассмотрено влияние ставки налогообложения прибыли и льгот по налогу на прибыль на поступления до бюджета страны. Данные рекомендации предложены на основании анализа опыта зарубежных стран.

Ключевые слова: налог на прибыль, механизм налогообложения, налоговая система, ставка налога на прибыль, льготы.

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THE WAYS OF IMPROVEMENT THE MECHANISM OF COMPANIES' INCOME TAX IN UKRAINE

Abstract: this article describes the main disadvantages and ways of improvement of corporate income taxation mechanism in Ukraine. There is examined influence of income tax rate and exemptions on revenues to the state budget. It is analyzed the dynamics of budget losses due to preferential enterprise income tax and observed performance of planned receipts of income tax to consolidated budget of Ukraine. Conclusions are drawn about introducing a system of differential rates of income tax, reviewing the list of tax incentives and using the accelerated depreciation method that reduces the tax base. All recommendations are based on the analysis of the experience and in comparison with foreign countries.

Keywords: corporate income tax, tax mechanism, tax system, interest rate of income tax, benefits.

JEL Classification: H 21, H 60.

Formulas: 0; Fig.: 1, table.: 2, Bibl.: 10

Introduction. The tax system is an integral part of the economic structure of each country, as it provides the financial base of the state and is a means of realization its economic doctrines.

The main element of the tax system is the income tax. It is an instrument of regulation and stimulating entrepreneurial activity and redistribution of national income. Since, at present tax system is going through difficult times of transformation, there are a number of unresolved issues regarding the calculation with budget of income tax both on a theoretical and practical level, which raises the relevance of this study.

Problematic issues related to the mechanism of profit taxation in Ukraine have repeatedly risen by domestic scientists. A significant contribution was made in academic and journalistic works of authors such as E. Bavin, V. Vishnevsky, H. Klepar, M. Labyntsev, S. Londar, A. Malyshkina; A. Markiewicz, P. Frost, I. Hrystoforova, V. Sheremet and others.

A lot of authors pay attention to the national legislation in the field of enterprise income tax, including unresolved issues remaining after the adoption of the Tax Code of Ukraine.

High activity of scientific research on the problem of the mechanism for taxing the profits associated with the popularity and urgency of this issue, because the tax system is in a state of legislative changes that cause a lot of debate and controversy.

Raising problem. The purpose of this article is to analyze the main problems of the mechanism of the income tax in the current economic conditions and identify ways to improve the mechanism by differentiation of tax rates and reform of preferential policies.

Results. In the economic development of market relations in Ukraine an important place belongs to the state regulation of distribution of profits between the government and business entities, it is based on the tax profits. This is a direct tax that is paid by enterprises on income generated from the sale of goods (works, services), fixed assets, intangible assets, securities, currency values and other types of financial resources and values, as well as income from leases, royalties and from non-operating transactions. It is the source of the budget determining the capacity of the state in solving the problems of growth, distribution and redistribution of GDP in order to achieve the optimal structure of social production. Therefore, the question of the mechanism of profits taxation has been always paid much attention.

Income tax is a powerful fiscal instrument for stimulating economic development and investment activities of the country. And unfortunately, in our economy it performs a negative role by promoting only the shadow economy. Currently, there are many schemes that companies use to minimize charging of income tax to almost zero. Income tax is paid largely through informal agreements between businesses and local authorities or central management of the state.

Let consider the components of the mechanism of the enterprise income tax, namely corporate tax rate and preferential taxation.

Tax rate is one of the most important components of the mechanism of the enterprise income tax. Following the experience of foreign countries, domestic tax law has gradually decreasing it from 23% in 2011 to 18% in 2014. For comparison, we will result income tax rate of some foreign countries in tabl.1.

Table 1

Corporate tax rate in different countries of the world for 2014 year

Countries	%
Bosnia and Herzegovina	10
Cyprus	12,5
Latvia, Lithuania	15
Romania	16
Belarus	18
Czech Republik, Poland, Hungary	19
Russia, Turkey	20
Slovakia	22

Source: Developed by the author on the basis of [1]

As you can see, the income tax rate in Ukraine is flush with neighboring countries. This rate reduction is needed to meet the requirements for integration into the European space. According to the paragraph 2 of article 51 Agreement on Partnership and Cooperation between Ukraine and the European Community and its Member States on 14.06.1994, Ukraine is obliged to bring national legislation in the field of indirect taxation and corporate income tax to that of the European Community law. In addition, Ukraine has signed international agreements on avoidance of double taxation with countries that are major economic partners of Ukraine. These external factors have identified a number of changes in the tax system aimed at the approximation of national legislation to European Community law. It is therefore necessary to reduce the tax rate on corporate profits in Ukraine to the level of the European Union.

Considering all the advantages of reducing the corporate tax rate there is a negative trend towards a decrease in revenues of the consolidated budget of Ukraine and the underperformance of the tax plan (tabl.2).

Table 2

Execution of planned receipts of income tax to consolidated budget of Ukraine for 2008-2013 years (billion UAH)

	2008	2009	2010	2011	2012	2013
Plan	42 718	42 966	40 467	47 937	56 790	57 417
Fact	47 857	33 048	40 359	55 097	54 460	54 925
Fulfillment, %	112	76,9	99,7	114,9	95,9	95,7

Source: compiled by the author on the basis of state treasury service of Ukraine [3]

This situation is a consequence of the worsening socio-economic instability, recession, declared negative value of tax, increasing value of insurance reserves of banks from 20% to 100%, and as a result - increased costs and the rapid increase in losses of banks.

It should be mentioned, the experience of collecting income tax indicates about a close relationship to formation revenues of the economy. This fact confirms that the financial crisis was a sharp increase in the number of loss-making enterprises and their amounts incurred losses caused not only by objective reasons, but by active use of the tax minimization schemes. In view of the execution of planned income tax revenues to the consolidated budget

of Ukraine, it can be concluded as a reduction of income tax in the formation of budget revenues. This reduction should be accompanied by a parallel growing role of personal income tax due to changes in GDP and national income [4].

Reduction of rate from an income tax is usually a positive tendency, but only in that case, if the disengaged costs will be directed to investment and innovative activity. In practice those costs remain on the accounts of proprietors, only one third of them flows in the economy of country that is one of lacks of the tax system.

For the decision of this question we should pay attention to mechanism of the "differentiated tax rates". For example in the USA, companies with small profits are taxed at lower rates: at the annual pre-taxed profits up 50 thousand dollars use rate – 15%, in the amount of 50-70 thousand dollars - 25%, in profit to 10 million dollars – 34% and over 10 million dollars – 35% [5].

In European countries, the basic rate of income tax is paid a portion of the profits that the shareholders are going to get as dividends. In another part of the same income, which the person wishes to reinvest, there are reduced rates. Such practice of differential rates of income tax is quite logical and fair.

Another, equally important mechanisms for taxing income are benefits. By nature, the tax benefits are a highly economical tool that aims at stimulation the development of certain activities, sectors and regions. However, because of providing unjustified and unwarranted benefits the state budget annually loses billion. Unsystematic and unjustified tax benefits causes uneven tax burden and fiscal space distortions, creating some better conditions for reducing the competitiveness of other enterprises.

Let's analyze the dynamics of budget losses due to preferential enterprise income tax is provided in fig. 1.

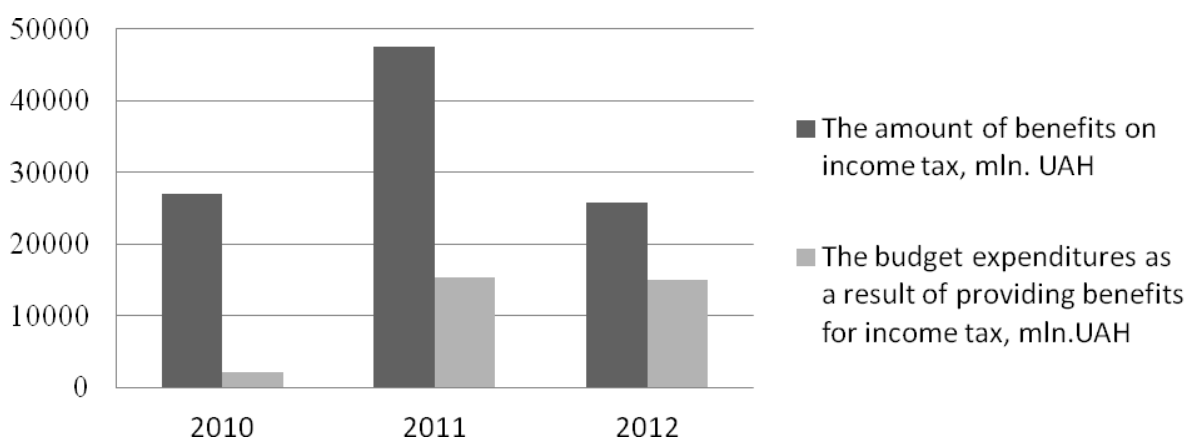


Fig.1. Comparative dynamics of providing benefits for income tax and budget losses of benefits provided.

Source: compiled by the author on the basis of state Treasury Service of Ukraine [3]

The above diagram shows that in 2011 the amount of benefits has increased significantly, and the rate of growth of budget losses exceeded income. The reason for this was in increasing the number of tax benefits under the Tax Code of Ukraine. The same trend was observed in 2012, though the growth rate of the amounts of benefits for income tax has slowed.

Under conditions of reforming the tax system provides special benefits: introduction zero tax rate for 5 years from 1 April 2011 to 1 January 2016. It will apply to companies established after April 1, 2011 except those that arise through restructuring, privatization and corporatization. Existing enterprises, annual revenues for the last three years has not exceeded

3 million, and the number of employees - 20 people can also use a zero tax rate. The same condition will apply to the former single taxpayers, if the amount of their revenue last year was less than 1 million, and the number of employees - at least 50 people [6].

In addition, it was decided to temporarily exempt from tax certain types of economic activity. This applies to biofuel producers for the period before January 1, 2015, the gas companies - to January 1, 2020, hospitality (hotels, commissioned by September 1, 2012), light industry, electric power, shipbuilding, aircraft, engineering for agriculture - from 1 January 2011 to 2020, publishing - until January 1, 2015.

For such companies the Tax Code stipulates condition: funds released from taxation should be directed at increasing the production (services), retrofitting of logistics and introduction of new technologies. But this point is largely ignored by owners.

The large number of benefits reduces the tax base. Efficient enterprises that do not enjoy tax benefits are loaded with the tax burden increasing costs of the state budget.

In 2013 a review of the efficiency of the provision of benefits from income tax began. In particular, the revision of tax incentives in the Cabinet of Ministers of Ukraine is planning to initiate a cancellation of about half of the existing exemptions from value added tax and income tax, as a result it is expected to increase state budget revenues in the amount of 15-20 billion hryvnia [7].

Reducing tax benefits do not solve the problem of use freed from tax funds. To solve this problem, it is advisable to pay attention to the experience of the United States: the state provides additional funding to enterprises with profits earned him if freed from tax funds allocated for investment. Using this method of tax incentives the government provides benefits only after the investments; otherwise the company shall pay the tax in full.

To achieve greater economic benefit American companies use accelerated depreciation method, i.e. subsidies on investment from the state budget. Depreciation is a stable source of funds for the enterprise. Monitoring the purpose of the depreciation fund and penalties in the form of tax burden is the key to just spend it on upgrades and expansion of production [8].

Thus, only reducing income tax rates or the use of non-current practice of providing benefits is not a basis for economic growth. To enhance economic growth and stimulate investment needs new reform and the use of international experience.

Conclusions. Thus analyzing some problematic aspects of taxation of profits of domestic companies, we can conclude that in order to improve the tax system in terms of income tax, it is advisable to take the following measures:

- introduce a system of differential rates of income tax;
- review the list of tax incentives, tax exemptions cancel inefficient, leading to significant loss of budget and direct them to the field that really needs support; e.g. efficient investment projects, research enterprises;
- use the accelerated depreciation method that reduces the tax base.

These measures will make it possible to strengthen and improve the tax system of the country, namely to stimulate investment and innovation to reduce budget expenditures for benefits, increase revenue to minimize the shadow economy. The right tax reform will create the suitable conditions for the operation of businesses and the economy as a whole.

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