

Section: Actual problems of the theory and practice of taxation of enterprises in modern economic conditions

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TAX EFFECTS OF EUROPEAN INTEGRATION DEVELOPMENT OF THE UKRAINIAN ECONOMY

Integration of Ukraine into the European Union from an economic point of view has a clearly positive impact on the functioning of a market economy. Such benefits of Ukraine's integration into the European Union from an economic point of view can be defined:

trading (makes it possible to move goods to the European market without significant obstacles),

macroeconomic (can help to counteract cyclical fluctuations of the market due to participation in the EU common economic policy, and also makes it possible to equalize economic indicators),

financial (at the macro level – ensuring the maintenance of the exchange rate at a stable level through participation in the single currency system, the ability to use budget funds to balance economic development, coordination of the common fiscal and monetary policies through the transfer of competence to the supranational level, reduction of tax and customs barriers, at the micro level – reducing operating costs for enterprises through participation in a single currency system, the possibility of unhindered establishment of affiliates of firms; an increase in the flow of investment capital into Ukraine from the EU countries).

However, the greatest opportunities arise in the field of potential private investors, which requires the creation of conditions for branches of EU banks and insurance companies, investment funds. The realization of the tasks of European integration depends to a large extent on the progress of ensuring sustainable growth and accelerated overcoming on this basis the gap in per capita GDP between Ukraine and the EU member states. In such a situation, it is especially important to implement a proactive development strategy that could provide annual growth rates of GDP in Ukraine one and a half times higher than in the EU countries as a whole. In the process of deepening reforms, efforts are being made to overcome the artificial opposition of the state and the market. This is due to the fact that the state is the main subject of the policy of economic growth, the further democratization of society and the deepening of integration processes. Hence the objective need for a substantial strengthening of its capacity.

At the same time, it should be ruled out of its excessive interference in those

areas where this should not be. The conceptual foundations of the functioning and implementation of tax policy in Ukraine, the peculiarities of tax evolution in the EU countries and tax harmonization, the possibilities of borrowing European experience of tax reform by our state were covered in the writings of many economists.

At the same time, there is no integrated research in the scientific literature devoted to the assessment of international competition of tax systems and taxation policy of Ukraine in the context of European integration. At the new stage of development, the main task of the state is to create favorable institutional conditions for the realization of the tasks of European integration and the establishment in Ukraine of a socially oriented structural and innovation model of development. With the further integration of the countries of Europe into the EU, the link between the implementation of the EU tax policy and other areas (customs, tariff, etc.) of the EU policy becomes more and more obvious.

Today, there is a fairly large collection of EU laws on regulating various taxation issues that may be used by citizens in the event of a breach of EU law in a Member State [1, p. 226]. In order to ensure an appropriate adaptation of this collection of laws to the rapid pace of social change and to further simplify legislation, the European Union also introduces new tax policy tools that will enable it to address new challenges in the future:

- the creation of a permanent forum to enable member states to exchange information about, inter alia, direct taxes and to maintain their presence in international organizations such as the OECD;

- launching a dialogue with the public and companies to provide them with information on their rights in other EU countries

- ensuring the coherence of national tax systems and their compliance with the objectives of the European Union in order to create conditions for the implementation of the Economic and Monetary Union

 - promoting the competitiveness of the EU industry at the international level

 - enlargement of the European Union to include new member states

- the fight against tax fraud and the effective detection of other violations in this area.

The strategy of Ukraine's integration into the EU should involve rather active state intervention in socio-economic processes with the aim of adjusting the domestic transitive model of economic activity, which requires appropriate transformation of fiscal regulation. Especially in the conditions of the current unstable equilibrium of the post-crisis recovery of the world economy and the lack of financial resources due to it, the need not only to revise the expenditures of the state (the budget and state social funds), but also the search for sources of financial support for these expenditures, which had no significant negative impact on growth GDP.

Moreover, the aggravation of debt problems in many EU countries (which is one of the factors increasing the cost of borrowed resources of the world capital market) suggests the expediency of optimizing tax-and-lend expansion of our state, even if the excessive burden of state borrowing can negatively affect the prospects of Ukraine's economic development and cross out her hopes for joining the united Europe.

The main way of harmonizing the legal norms of Ukraine and the European

Union is the adaptation – the process of developing and adopting regulations and creating the conditions for their proper implementation and application in order to gradually achieve full compliance of Ukraine's right to European law.

Tax modernization began in Ukraine with a view to improving the regulatory framework and its adaptation to EU norms and standards, as tax relations in a society can exist and develop only if there is a regulatory framework that does not contradict the current legislation of Ukraine. The slow tax harmonization and convergence of taxation in the EU are also due to the influence of the institutional factor. Differences in the development of formal institutions (determine the legal field of economic processes), informal business practices and traditions and values sometimes lead to the opposite effects of the introduction of similar innovation (tax transformation) in different countries, and also require the application of an integrated approach to reforms that limits the possibility of changes in taxation "By model" or "within the prescribed range" [2].

In addition, there are significant differences in the institutional environment in the EU–15 and post-socialist countries of the EU, which, on the one hand, does not contribute to the development of tax harmonization, and, on the other hand, simplifies the task of developing a tax policy in Ukraine in the context of the EU integration strategy [3].

The institutional environment of tax transformation in our country has its own peculiarities and is characterized by the significant influence of informal institutions on tax decisions and the distorted functioning of formal institutions.

The Ministry of Finance of Ukraine (the Ministry of Finance) is the main executor responsible for adapting Ukrainian legislation to EU legislation in the field of taxation during the period. In assessing the list and timing of implementation of the commitments undertaken by Ukraine in the field of energy, the versions of the EU directives contained in Annex 28 (XXVIII) to Chapter 4, Taxation, of Section V, "Economic and Industrial Cooperation" of the Agreement, were taken as the basis. about the association, according to which the period of their transposition into Ukrainian legislation came on November 1, 2016.

As of November 1, 2016, there were 2 such obligations, both of which relate to EU regulation in the field of indirect taxation, namely, the rules governing excise duty. In particular, one concerns the general conditions for the collection of excise duties, and should be consistent with the wording currently set out in the relevant EU legislation, another regulates the issue of the rates and structure of excise duty on tobacco products (codification). According to our assessment, both of these commitments were not timely executed on the Ukrainian side and are actually in the process of implementation.

All EU Member States apply excise taxes to these three product categories. Income from excise taxes is sent entirely to EU member states. The EU legislation on excise taxation was predominantly adopted on January 1, 1993 in the context of the creation of an internal market, which provided for the abolition of fiscal control at internal borders between EU Member States.

This legislation, which was further improved, can be divided into three main categories:

1. Tax structure applicable to a particular group of goods. The tax structure refers to the definition of the categories of goods, the way in which the excise tax is calculated (for example, per hectoliter, per degree of alcohol, per 1000 pieces, etc.), the amount of possible layoffs.

2. The minimum tax rates that Member States must abide by for each type of product. Member States may freely set their own rates that are greater than the minimum.

3. General provisions applicable to all categories of goods. These provisions relate, in particular, to the production, storage and movement of goods between member countries of excisable goods.

Agreement for 2014–2017, the Ministry of Finance was designated as the main responsible executor for the implementation of the Directive 2008/118 / EU, which was supposed to complete this process by July 2015. The main task of the Ministry of Finance according to this Directive was the unification of the list of goods, consumption or use of which is subject to excise duty levied by the relevant EU norms. At the end of 2014, the Law of Ukraine dated 12/28/2014 №71 "On Amendments to the Tax Code of Ukraine and certain legislative acts of Ukraine regarding tax reform" broadened the list of excisable goods by including in them the category of "electrical energy", changes were made to item 215.1 of the Tax Code of Ukraine (TCU). Inclusion of other categories of excisable goods, which are present in the EU legislation, but which are not included in the legislation of Ukraine, did not take place.

The article 1 of Directive 2008/118 clearly defines the list of goods to be included in excisable goods, namely: alcohol and alcoholic beverages, tobacco products, energy and electricity products. But if alcoholic beverages, tobacco products and "classical" types of energy (petroleum products and natural gas) were historically subject to excise taxes in national legislation (for example, according to the Decree of the Verkhovna Rada of Ukraine of December 18, 1991 №1997–XII "On the Procedure for the Introduction to the effect of the Law of Ukraine "On Excise Duty"), a significant number of alternative energy products, in particular biofuels and their biological components, did not become fully subject to excise tax.

The list of energy products in the EU acquis is governed by Directive 2003/96/EU², which provides for the taxation of energy, electricity and any product used as fuel for vehicles or as an additive or fuel filler. The Ukrainian tax legislation (paragraph 215.3.4 of the Tax Code of Ukraine) contains the definition of the term "fuel", which is similar in nature but substantially less than the content. Comparison of these categories allows us to determine the list of excisable goods in accordance with the EU acquis, which Ukraine could not be implemented in its national legislation.

According to the monitoring results, we must state that Ukraine, unfortunately, failed to fully unify in accordance with the EU legislation the list of goods whose consumption or use is subject to excise duty levies. In particular, the following goods fall: coal; coal, water or generator gas; resins, mineral and vegetable oils (soy, peanut, olive, palm oil and other oils); animal or vegetable fats; vaseline, paraffin, coke and bitumen.

The main objective of adapting the national legislation of Ukraine to the requirements of this Directive is the unification of the structure of excise duties and the

gradual approximation to the excise tax rates that tobacco products in the EU impose. The process of adaptation takes place in accordance with the provisions of the Law of Ukraine "On the National Program of Adaptation of the Ukrainian Legislation to the EU Legislation" and in accordance with paragraph 210 of the Plan of Implementation of the Association Agreement for 2014–2017.

In 2012, excise tax rates on tobacco products were significantly increased to gradually bring their level to EU standards by adopting the Law of Ukraine № 5503 "On Amending the Tax Code of Ukraine regarding the revision of certain tax rates". During the assessment period, the Law of Ukraine dated December 24, 2015, № 909–VIII "On Amendments to the Tax Code of Ukraine and Certain Legislative Acts of Ukraine on ensuring the balance of budget revenues in 2016" was adopted, which increased the specific rate of excise tax on tobacco products by 40%; clarified the notion of "excise warehouse" and "manager of the excise warehouse" (paragraphs 14.1.6 and 14.1.224 TCU), defined the concept of "production of excisable goods (products)" (paragraph 14.1.28–1 TCU).

Also, the Order of the State Fiscal Service of Ukraine dated June 9, 2015, № 401 "On Approval of Explanations to the Ukrainian Classification of Goods for Foreign Economic Activity" was adopted, which takes into account the requirements of the Council of the European Union Regulation № 2011/64/EU concerning taxation of products that are completely / partially composed of substances other than tobacco; exclusion from the list of non-tobacco tobacco products used exclusively for medical purposes; compliance with the criteria defining products such as cigarettes, cigars or cigarillos, tobacco for smoking.

The only open question today is the implementation of the norm on non-standard sizes of cigarettes (excluding the requirements of Article 3, paragraph 2, of the Directive № 2011/64 / EU), which is not included in the relevant Ukrainian legislation. To do this, it is necessary to bring in compliance with the provisions of the Directive pp. 215.3.3. Art. 215 of the Tax Code of Ukraine.

The overwhelming majority of the EU Council Directive no. 2011/64 / EU have been implemented in the practice of collecting excise duties in Ukraine, since a large number of European tobacco tax regulations have already been taken into account in earlier versions of the Tax Code of Ukraine. At present, the implementation process is actually completed, except for the implementation of the rules for the collection of excise duties on cigarettes of non-standard sizes, which should be introduced at the level of subordinate legal acts after making appropriate amendments to the Tax Code of Ukraine.

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