

JEL CLASSIFICATION: H21

THE ANALYZES OF CURRENT STATUS OF THE UKRAINE TAX SYSTEM DEVELOPMENT INDICATORS

Mar'iana I. VYKLIUK

Candidate of Science in Economics, Associate Professor of the Department of Economics and Entrepreneurship, Lviv Branch of European University

Yurii Ye. MOSTIPAN

Postgraduate Student of the Department of Finance and Banking, European University

Summary. The paper investigates theoretical and practical aspects of assessment of Ukrainian tax system, main factors that determine it and key global trends. The level of efficiency of Ukrainian tax system

on the basis of certain fundamental indicators is observed. The problematic aspects of the tax system in crisis and post-crisis period are determined.

Key words: *taxes, tax system, tax burden, optimal level of taxation, tax elasticity.*

Problem formulation. The current status and trends in the structure of the tax system of the state form the national tax policy. It describes the possibilities of socio-economic development, provides the redistribution of national product and the appropriate level of stimulation of the national economy. Such moments can be achieved due to fiscal and incentive functions of taxes. The effectiveness of the fiscal policy is determined by the leading trends in macro-economic indicators. The level of the tax system of Ukraine is determined by indicators system that allows to evaluate the fiscal effectiveness of taxes.

The aim of the paper is to evaluate the effectiveness of the tax system on the basis of identifying and grouping of the performance indicators.

The economic level of the tax system in the pre-crisis, crisis and recession the most completely can be estimated due to the criteria of the effectiveness of tax policy and indicators of tax burden: comparison of growth rates of tax revenues with the rates of GDP; the determination of tax revenues as part of GDP and budget revenues, the tax burden, elasticity coefficient of taxes and the correlation of the actual and the optimal level of taxation and so on. These indicators outline the possibility of implementation of the State's financial obligations for society and the efficiency using the main regulatory instrument for economic growth - taxes.

The problem of the estimation and the determination the elasticity of taxes is extremely important for the Ukrainian economy. Past studies confirm the ambiguity trends of the elasticity coefficient of taxes. During 2001-2012 takes place sharp decline in the studied parameters. These trends caused by: tax

reform, which was based on a reduction in tax rate for income tax; transition from a progressive scale of personal income tax to a flat tax.

Instability trends of the elasticity coefficient of taxes are still a negative thing, which concern to the irrational tax burden, the unstable tax policy and its regulatory effect. Variable figure fluctuations of the taxes elasticity is mainly determinate by the constant increase in expenditures of the state, the growth rates of which are higher than the GDP and budget revenue.

The indicator of the tax burden at the macro level reflects the effectiveness of fiscal policy, it means the quantitatively measures the cumulative effect of tax payments on the source of its payments. It can be defined: as the ratio of tax revenues to the budget to the value of the total income of the private sector; as the difference between total revenues and expenditures and transfers budget for the maintenance of the private sector; as a share of tax budget revenues in GDP.

According to the data the level of tax burden in Ukraine for twelve years under study is constantly changing and is characterized by an uneven distribution. Thus, the share of GDP that is redistributed to the state budget of Ukraine varies from 29,8 % till 39,2 %. The mentioned tax rate coefficient is much lower than its value in Europe.

As the evidence of the pre-crisis trend over 2001-2007, in Ukraine there is increasing the overall tax burden. This is caused by the consumption share of GDP growth (i.e. revenues to GDP), an increase in GDP growth due to economic recovery, increasing incomes and regressive system of taxation. While in times of crisis the level of tax burden based on the

mandatory social contributions decreased slightly, which is typical for the EU.

However, during 2011–2012, the level of tax burden without mandatory payments reached its highest level during the period and therefore made up 25,7 %, while the share of social transfers has undergone a reduction to 11,1 % compared to its level in pre-crisis period, 15,7 %. Thus even the Tax Code did not contribute to reducing the tax burden on the economy as a whole led to its further growth. Overall, during the period the average rate of the tax burden was 35,5 %.

Overall, the difference in value of the figure of the tax burden in countries existed due to disparities in social and economic development, the formation of every country the own priorities in conducting financial policies and in accordance with the model of the tax system building. Therefore, even when the level of the tax burden is low, in fact, it may be high. In conditions of the high level of the shadow economy, excessive costs associated with the collection of taxes and fees, irrational structure of tax incentives and tax fraud with the participants of the tax process and other measures of the taxation can have a destructive impact on the socio-economic development of the country.

The comparison of the actual and optimal level of the taxation in Ukraine for 2001–2012 years shows that the highest achievement of harmonization of taxation and providing citizens with the necessary public goods has been made only in 2006–2007, as

References

1. Pleskach V. (2013) Udoskonalennia podatkovoho mekhanizmu na osnovi suprovodu zmin do norm podatkovoho zakonodavstva [Improving Tax mechanism Based on Support Changes to the Tax Legislation]. *Bankivska sprava*. 7. 75–93.
2. Ivanyshyna O. S. (2010) Udoskonalennia administruvannya priamykh podatkov iak chynnyk pidvyschennia ikhnoi fiskalnoi efektyvnosti [Improving the Administration of the Direct Taxes as a Factor of Enhancing Their Fiscal Efficiency]. *Aktualni problemy ekonomiky*. 6. 221–225.
3. Prokopenko N. S. (2009) Podatkove rehuluvannya ahropromyslovoho vyrobnytstva [Tax Regulation of Agro Industrial Production]. Kyiv. Ukraine.
4. Bard S. V., Pavlova L. P., Zaiac N. E. et al. (2004) *Nalogi v usloviiah ehkonomicheskoy integracii* [Taxes in Terms of the Economic Integration]. KNORUS. Moscow. Russia.
5. Krysovatyj A. I. and Valihura V. A. (2010) *Dominanty harmonizatsii opodatkovuvannya: natsionalni ta mizhnarodni vektory* [Dominants of Taxation Harmonization: National and Foreign Vectors]. Ternopil. Ukraine.
6. Kushnirchuk Yu. M. (2010) *Optyimizatsiia rivnia fiskalnoho navantazhennia z metoiu ekonomichnoho ubezpechennia derzhavy* [Optimization of the Fiscal Burden Level with the Aim of the State Economic Insurance]. *Naukovyj visnyk NLTU Ukrainy*. 20.11. 161–169.
7. Melnyk V. M. (2006) *Obmezhuvalna ta stymulivvalna rol podatkov* [Restrictive and Stimulating Role of Taxes]. *Finansy Ukrainy*. 1. 31–37.
8. Yefymenko T. I. (2011) *Podatky v instytutsiinii systemi suchasnoi ekonomiky* [Taxes in the Institutional System of the Modern Economy]. NAN Ukrainy, In-t ekon. ta prohnozuv. Kyiv. Ukraine.
9. Melnyk O. Ya. (2010) *Indykatory rivnia rozvytku natsionalnykh podatkovykh system* [Indicators of Development Level of the National Tax Systems]. *Visnyk Khmelnytskoho natsionalnoho universytetu*. 1, 4. 114–119.
10. Sokolovska A. M. (2006) *Do pytan pro podatkovu reformu v Ukraini* [About the Questions of Tax Reform in Ukraine]. *Finansy Ukrainy*. 4. 55–61.