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ADVANTAGES AND DISADVANTAGES OF INTRODUCING ELECTRONIC REGISTRATION AND ADMINISTRATION OF VAT

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Abstract. The main purpose of the introduction of electronic administration of VAT is to prevent abuse by illegal reimbursement of VAT from the budget, reducing the risk of fraudulent credit obtaining prevent improper VAT refund from the budget, reduction of the shadow economy in the country and government spending on administration of VAT. The government is trying to create a perfect mechanism of

regulation of accounting and recording transactions from VAT. The article examines the advantages and disadvantages of introducing electronic registration and administration of VAT, given suggestions for its improvement and lit innovations in electronic administration system of value added tax in accordance with the changes envisaged for 2017.

Key words: *VAT, tax bill, the calculation of adjustments to the tax bill, electronic VAT administration, a single register of tax invoices.*

Value added tax - an indirect tax that perform a fiscal function and is a significant proportion of revenues to the state budget of Ukraine. At the same time, VAT is one of the dominant taxes, which manipulates the informal sector due to imperfect economic system. This means that the state loses a significant proportion of revenues. Electronic VAT administration in Ukraine operating since 2015, but today is changing, with whom and changing requirements of the Tax Code of Ukraine and other legal acts regulating accounting and taxation of VAT. It is therefore necessary to analyze, monitor and improve VAT administration mechanism for legalization of the economy and prevent fraud.

Under the new system the input VAT can be included in the tax credit only if such tax bills will be registered in the Unified Register of tax bills.

From July 1, 2015 came into force a regulatory document, which introduced a new concept of “registration limit”, which limits the amount by which the taxpayer may register their tax invoices in a single register of tax invoices.

Introduction of electronic VAT administration generally easier control of fiscal authorities estimated

from VAT, but, however, has its drawbacks, are actively trying to overcome professionals in this area to improve the operation of the electronic system of taxation.

This year has brought a number of changes to the law relating to the electronic VAT administration.

The results of the study summarized that the main purpose of introduction of electronic tax administration is to prevent abuses by illegal reimbursement of VAT from the budget, reducing the risk of fraudulent credit and the impossibility of obtaining undue VAT refund from the budget, the reduction of the shadow economy in the country and state spending on administration VAT. The government is trying to create a perfect mechanism of regulation of accounting and recording transactions from VAT, but whether “take root” system update today hard to say. It is necessary to put a lot of effort on the part of taxpayers and the Ministry of Finance to regulate the process, erase “white spots” of law and fact reduce the informal sector and bogus VAT, and not to increase VAT payers control function and penalties for violation of tax laws.

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