

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
NATIONAL AVIATION UNIVERSITY
NATIONAL AVIATION OF LIFE AND
ENVIRONMENTAL SCIENCES OF UKRAINE
FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION



Abstracts of
X International scientific-practical online conference
«CURRENT PROBLEMS AND TRENDS IN THE DEVELOPMENT
OF ACCOUNTING AND AUDIT»

Kyiv
April 15, 2021

in 2016 the European Commission obliged the company to pay an additional 13 billion Euros of taxes in Ireland [2].

In 2019, the OECD proposed two new rules - to tax part of the “residual profits” of large transnational corporations in the countries where they operate. And for small countries in which such companies do business, but do not have representative offices, to introduce a tax threshold so that countries can still receive a fixed profit from them.

Considering the above, we note that currently the existing international legal regulation of TNCs is at an insufficient level, and the issue of taxation requires further refinement and improvement.

References:

1. Tax Havens - How The Landscape Is Changing. Retrieved from <https://pbwm.ru/articles/nalogovye-gavani-smena-landshafta>
2. OECD found a way to increase the tax burden on global companies. Retrieved from <https://www.vedomosti.ru/economics/articles/2019/10/10/813313-oesr-sposob-nalogovuyu>

Khoma A.R.
student

**Supervisor: Golub N.O., Associate Professor of Accounting and Taxation
Taurida State Agrotechnological University named after Dmitry Motorny
Melitopol, Ukraine**

CHANGES IN THE VAT RATES IN UKRAINE AND THEIR COMPARISON WITH OTHER EUROPEAN COUNTRIES

Taxation is the most popular topic of accounting. Taxes accompany any enterprise or institution throughout its existence. When buying and selling goods, materials, works, services and other non-current assets, VAT is present. However, it is not included in the cost of goods and materials and immediately goes to the state. Why does it exist, what percentage is its rate, how does it affect the country's economy and just what is VAT? – All these questions can be answered. But to understand its effectiveness as a tax, it is necessary to compare it with the taxes of countries where the tax system is better established and is the main source of budget enrichment.

Problems of taxation and functioning of the tax system in Ukraine and other European countries have been dealt with by: L.M. Bila, M.I. Petik, T.L. Tomniuk, T.V. Volynets, Yu. Kozak, V. Oparin and others.

First of all, it is necessary to define the concept of VAT and the method of its calculation. A value-added tax (VAT) is an indirect tax that is included in the price of goods, works or services and is paid directly by the buyer, but its accounting and transferring to the state is carried out by the seller. Its calculation is quite simple, if one knows the tax rate. In total, the Ukrainian legislation identifies four main tax rates: 20%, 14%, 7% and 0%. The following operations are subject to the highest tax rate: supply of goods or services, directly,

in the customs territory of Ukraine and import of goods into it. That is, 20% of the tax is deducted from the amount of purchase/sale, or vice versa, this interest is immediately included in the selling price of goods or services and then separately reflected in accounting on debit account 64. Separately allocated agricultural products are taxed at the newly created (2021) rate of 14%. It includes: cattle (live cattle), pigs, sheep, whole milk; as well as products of plant origin: wheat, barley, rye, oats, corn, soybeans, flax seeds, sunflower seeds, rapeseed, rape, fruits of other oilseeds and sugar beets. Any other products not determined by this rate are taxed at 20%. Further, the 7% tax covers transactions related to the supply of medicines and equipment (Article 193 of the Tax Code of Ukraine). But, according to new changes, from March 1, 2021, this rate applies to the following activities:

- provision of services for music, theatre, ballet, opera, concert, light, sound and other performances, performances by artistic groups, artists, actors, cinematic premieres, cultural and artistic events;
- provision of services for the display of original musical works, exhibitions, tours for visitors to museums, zoos and so on;
- provision of services for distribution, demonstration, public announcement and public showing of films in the Ukrainian language version for the visually impaired and the hearing impaired;
- provision of temporary accommodation services provided to hotels and similar temporary accommodation, but only for persons belonging to class 55.10, group 55 of NACE State Classifier 009: 2010.

The rate of 0% is used to account goods for refueling and supplying ships, aircraft, spacecraft, military vehicles, etc., exported from Ukraine and products provided for in Art. 195 of the Tax Code of Ukraine. The scheme of calculation of VAT, at any of its rates, is determined by a simple formula: selling price (cost of production+expected profit)*tax rate.

Why do we need a value-added tax? As mentioned earlier, taxes are the main source of state budget formation. In addition to the income that the country receives from exports abroad, various taxes are also a part of this income. Therefore, in the EU these taxes are a common source of growth and development of the state economy. For example: the state budget of Italy is mainly replenished by VAT and personal income taxes. However, the value-added tax is about the same as in Ukraine, namely from 4 to 22%. The basic tax rate in Italy is 22%, but for different categories of real estate it ranges from 4 to 20%. Even gifts or inheritances from relatives are taxed (4-8%). Nevertheless, the tax system of this country operates properly and is paid responsibly by all residents and non-residents of the state. The VAT rate in Germany is 19%, but there is a number of activities that are subject to a reduced rate. As in Ukraine, there are three interest rates of 19%, 7%, and 0%. But the attitude of the authorities towards the payment of taxes in the country is very strict, so the state is considered the most progressive among European countries. From these examples, a rather obvious question arises: why is economic development in other countries, with a similar tax rate, higher than in Ukraine? It is possible that the point is not in the tax rate itself, but in its correct and fair payment, in methods of its accounting or even correct distribution between entrepreneurs engaged in various activities. We can also consider the example of VAT in Denmark. Along with Sweden and Hungary, this country has the highest tax rate of 25% among EU countries. Although there is only one preferential rate of 0%, which applies only to paper media (newspapers and magazines), the kingdom is highly developed and belongs to the industrial and agricultural economic system. That is, in Denmark the tax

rate is even stricter than anywhere else and still the country is almost not in trouble and on the contrary thrives in the economic arena of Europe. Why does it happen? It is a matter of proper performance of their public duties by the people of these countries and their trust in the authorities. Probably, this is the key to economic development.

These comparisons make it even sadder, because Ukraine also has a unique potential for development, debt relief and economic growth in general. However, not all efforts justify themselves, there are no ups without downs. Probably, only the adoption of a strict tax policy will force entrepreneurs to pay taxes, use all possible forces, to identify black bookkeeping or even incorrect calculations, could bring Ukraine out of this crisis. But no one has any idea what to do right now. There are many examples of different tax systems of countries, but without proper analysis, identification of pros and cons, it is impossible to derive an ideal system that could be used by our state. But there is still hope, because even now a new tax benefit has been introduced and the basic ones have been supplemented, which is already a good indicator of moving forward.

References:

1. Article 193 of Tax Code of Ukraine. Amounts of tax rates [Electronic resource] – Mode of access: <https://i.factor.ua/ukr/law-24/section-123/article-29009>.
2. Rates for VAT payment in Germany [Electronic resource] – Mode of access: <https://migrant.biz.ua/nimechina/zhittyia-de/pdv-v-nimechchyni.html>.
3. Taxes in Denmark in 2018 [Electronic resource] – Mode of access: <https://migranty.com/news/856>.
4. What taxes are paid in Italy? [Electronic resource] – Mode of access: <https://news.eurabota.ua/uk/italy/economy/jaki-podatki-platjat-v-italii/>.

Language adviser: Symonenko S.V., Candidate of Pedagogical Sciences, Associate Professor

Palamarchuk N.I.
student

Supervisor: Bondarenko O.M. PhD in Economics, Associate Professor
National Aviation University, Kyiv, Ukraine

COLLECTION OF VALUE ADDED TAX IN UKRAINE AND IN THE WORLD

The value added tax is an indirect tax contained in the cost of products, works or services and is paid by the buyer, and its accounting and transfer to the state budget is the duty of the seller. VAT is a national tax in Ukraine, and its main characteristics and accrual rules are contained in Section V "Tax on value added" of the Tax Code of Ukraine. The value added tax in Ukraine is the main source of budget filling (36.7% as of 01.03.2021).

However, the provision of VAT in Ukraine has a number of shortcomings, for example: the imperfection of legislative regulation, the disadvantages of the mechanism of compensation for the budget tax, unreasonably a large number of VAT benefits, the emergence of shadow tax evasion schemes, a high level of tax rates. However, despite all