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TAX SYSTEMS OF THE LEADING COUNTRIES OF THE WORLD

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Податки є невід'ємною частиною нашого життя. Це частина державного механізму, через який діє наша держава. Ми усі знаємо, які види податків існують у нашій країні. У статті порівняно податкові ставки у різних країнах.

Taxes are an integral part of our life. This is part of the state mechanism through which our state operates. We all know what kinds of taxes exist in our country. We compare tax rates and the tax burden in different countries and find out what part of the income their residents give to the state budget.

Problem setting. This topic presents tax systems of various leading countries of our world. You can compare tax rates and the tax burden in different countries and find out what part of the income their residents give to the state budget.

The purpose of the article is to analyze the main tax systems of various leading countries of our world.

Basic materials research. Benjamin Franklin, in a letter to Jean-Baptiste Leroy said that their new Constitution was now established, and had an appearance that promises permanency; but in this world nothing can be said to be certain, except death and taxes. The USA is one of the leading countries in the world. Taxes in the US are paid by everyone. Attempt to avoid paying taxes is a serious crime. We will consider the most common types of taxes that are paid by individuals.

The United States has an assortment of federal, state, local, and special-purpose governmental jurisdictions. These taxes may be imposed on the same income, property or activity, often without offset of one tax against another [1].

| Marginal Tax Rate | Single Taxable Income | Married Filing Jointly or Qualified Widow(er) Taxable Income | Married Filing Separately Taxable Income | Head of Household Taxable Income |
|-------------------|-----------------------|--|--|----------------------------------|
| 10% | \$0 – \$9,525 | \$0 – \$19,050 | \$0 – \$9,525 | \$0 – \$13,600 |
| 12% | \$9,526 – \$38,700 | \$19,051 – \$77,400 | \$9,526 – \$38,700 | \$13,601 – \$51,800 |
| 22% | \$38,701 – \$82,500 | \$77,401 – \$165,000 | \$38,701 – \$82,500 | \$51,801 – \$82,500 |
| 24% | \$82,501 – \$157,500 | \$165,001 – \$315,000 | \$82,501 – \$157,500 | \$82,501 – \$157,500 |
| 32% | \$157,501 – \$200,000 | \$315,001 – \$400,000 | \$157,501 – \$200,000 | \$157,501 – \$200,000 |
| 35% | \$200,001 – \$500,000 | \$400,001 – \$600,000 | \$200,001 – \$300,000 | \$200,001 – \$500,000 |
| 37% | \$500,001+ | \$600,001+ | \$300,001+ | \$500,001+ |

Picture 1 - Marginal tax rates for 2018 [1]

Generally, the marital status on the last day of the year determines the status for the entire year.

There are such kinds of statuses:

- Single
- Married filing jointly
- Married filing separately
- Head of household
- Qualifying widow(er) with dependent child

State income tax rates vary from 0% to 13.3% (California) in 2018, including local income tax where applicable. The Federal Insurance Contributions Act (FICA) tax is a United States federal payroll (or employment) tax imposed to fund Social Security and Medicare.

Most local governments in the United States impose a property tax, also known as a millage rate, as a principal source of revenue. The tax is nearly always computed as the fair market value of the property times an assessment ratio times a tax rate, and is generally an obligation of the owner of the property [1].

Unlike value added tax, sales tax is imposed only once, at the retail level, on any particular goods. Purchase of goods for further manufacture or for resale is uniformly exempt from sales tax.

The next country in our list is the leader of the European Union. The basic principle of German taxation is: "taxes must correspond to the amount of services rendered by the state". German Tax System is one of the most complex systems for doing business, but we will examine types of taxes for individuals [2].

Individuals who are residents in Germany or have their normal place of abode there have full income tax liability. All the income earned by these persons both at home and abroad is subject to German tax.

To improve the economic situation and infrastructure in the five 'new' eastern states of Germany, on top of income tax, the solidarity surcharge is levied at a rate of 5.5% of the income tax for higher incomes.

Employment income earned in Germany is subject to different insurance contributions covering health, pension, nursing and unemployment insurance. Contributions are levied as a percent of income until a certain ceiling shared equally between employee and employer.

| Insurance policy | Yearly ceiling | Em- ployer % | Employee % |
|--|---|-----------------|-------------------|
| Pension Insurance | West: 78,000.00 €/ East: 69,600.00 € | 9.30% | 9.30% |
| Unemployment Insurance | West: 78,000.00 €/ East: 69,600.00 € | 1.5% | 1.5% |
| Nursing Insurance | 53,100.00 € | 1.175 % | 1.175%- 1.425% |
| Health Insurance | 53,100.00 € | 7.3% | 7.3% |
| Additional employee contribution depending on health insurance company | | | up to 0.9% |

Picture 2 - Table of contributions for 2018 [3]:

All services and products generated in Germany by a business entity are subject to value-added tax (VAT). The German VAT is part of the European Union value added tax system.

Certain goods and services are exempted from value-added tax by law; this applies for German and foreign businesses alike. The rate of value-added tax rate generally in force in Germany is

19%. A reduced tax rate of 7% applies e.g. on sales of certain foods, books and magazines, flowers and transports [3].

Taxation in Sweden on salaries for an employee involves contributing to three different levels of government: the municipality, the county council, and the central government. Social security contributions are paid to finance the social security system [4].

The tax consists of local and state fees. The local tax rate varies on average from 29% to 35%, depending on the commune. If the amount of annual earnings is higher than 443,200 kroons, then in addition to the municipal tax, a state tax will be collected - 20%. Those whose revenues for the year amount to more than 638,800 kroons, they must pay 25% of the amount exceeding this threshold.

Sweden has a progressive income tax, the rates for 2017 are as follows (based on yearly incomes):

0% from 0 kr to 18,800 kr

29% to 35% : from 18,800 kr to 438,900 kr

29% to 35% + 20%: from 438,901 kr to 638,500 kr

29% to 35% + 25%: above 638,500 kr

The value added tax rate in Sweden is 25%, with exceptions for food and services like hotel room rental fees (12%), and for sales of publications, admission tickets to cultural events and travel within Sweden (6%) [4].

The contribution to pension insurance at the rate of 7% is paid by all taxpayers: employers, employees (not older than 65 years) and individual entrepreneurs.

Conclusion. A comparison of tax rates by countries is difficult and somewhat subjective, as tax laws in most countries are extremely complex and the tax burden falls differently on different groups in a country and sub-national unit. The list focuses on the man indicative type taxes: corporate tax, individual income tax, and sales tax, including VAT and GST.

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