

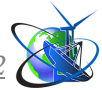
**JEL Classification: H26****TAX CONTROL IN UKRAINE****Fomina T. V.***PhD in Economics, Associate Professor
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Abstract. *The article emphasizes that control is one of the most important functions of state administration, and tax control is one of the directions of state financial control, which ensures in compliance with tax legislation by taxpayers. The article describes the place and role of tax control in the system of state financial control and its importance in the formation of the revenue part of the state budget. The composition and powers of the controlling organs carrying out tax control in Ukraine – tax authorities and customs authorities – have been determined. The principles of the organization of tax control in Ukraine are presented, which include general (constitutional) principles, special principles of implementation and organization of tax control. Methods of tax control in Ukraine are summarized, which include: keeping records of taxpayers; information and analytical support for the activities of controlling organs; verifications and comparisons (including verification in compliance with legislation, the control over compliance of which is entrusted to the control organs, in the order established by the laws of Ukraine regulating the relevant sphere of legal relations); monitoring of controlled operations and interviewing officials, authorized persons of the taxpayer. The effectiveness of tax control in the form of tax verification, which are divided into documentary (scheduled, unscheduled, on-site, off-site), camera and actual, is emphasized. The peculiarities of tax control during the period of war in Ukraine are presented, which consist in restrictions on the conduct of certain types of tax verifications. The number of inspections of all types and the additional monetary obligations of taxpayers based on their results were analyzed.*

Keywords. *taxes, tax control, control organs, inspections, comparisons, monitoring.*

Introduction.

World practice proves that taxes are the main source of the state's financial resources. The taxation process itself has a legally regulated, compulsory nature. In its essence, the process of taxation involves the withdrawal of a part of taxpayers' income to ensure socially necessary expenses and the implementation of the economic function of the state in relation to the redistribution of the national product. The integration of the economies of different countries and investment competition induce their governments to develop and implement the most effective models and types of national tax policy. The necessity and stabilization of the financial system, ensuring a steady flow of budget revenues, following the tax discipline as a condition for the high-quality fulfillment of obligations to the state by individuals and legal enterprises, as well as the existence of a shadow economy in Ukraine led to the creation of a special direction of state financial control - tax control [6]. The purpose of the article is to generalize the organizational and legal principles of tax control in Ukraine.



According to the data of the State Treasury Service of Ukraine, as of January 1, 2023, the DPS organs ensured receipts to the consolidated budget of taxes and fees in the amount of 1,091,417.8 million UAH, of which 698,719.5 million UAH, or 64.0% - to the State Budget. The largest specific weight in the total amount of revenues to the state budget is revenues from: value added tax – UAH 213,948.0 million; personal income tax – UAH 148,427.3 million; corporate income tax UAH 117,049.9 million; rent payment for subsoil use – 81,011.7 million hryvnias); excise tax – UAH 60,699.1 million [2]. The given data emphasize the importance and determining influence of taxation on the economy of the state.

Control is one of the most important functions of state administration. Tax control is one of the directions of state financial control, which ensures following the tax legislation by taxpayers. The level of state income depends on the effectiveness of tax control, it serves as a guarantee of compliance of the public interests, create the influence on the socio-economic stability and financial security of the state.

In Ukraine, the concept of tax control is regulated by the Tax Code of Ukraine. Tax control – a system of measures taken by controlling organs and coordinated by the central organ of executive power, which ensures the formation and implementation of state financial policy, in order to control the correctness of calculation, completeness and timeliness of payment of taxes and fees, as well as following the law in the sphere of the regulation of cash circulation, settlement and cash operations, patenting, licensing and other legislation, the control of execution is entrusted to the control organs [2].

Tax control is carried out by controlling organs, which are grouped in Fig. 1.

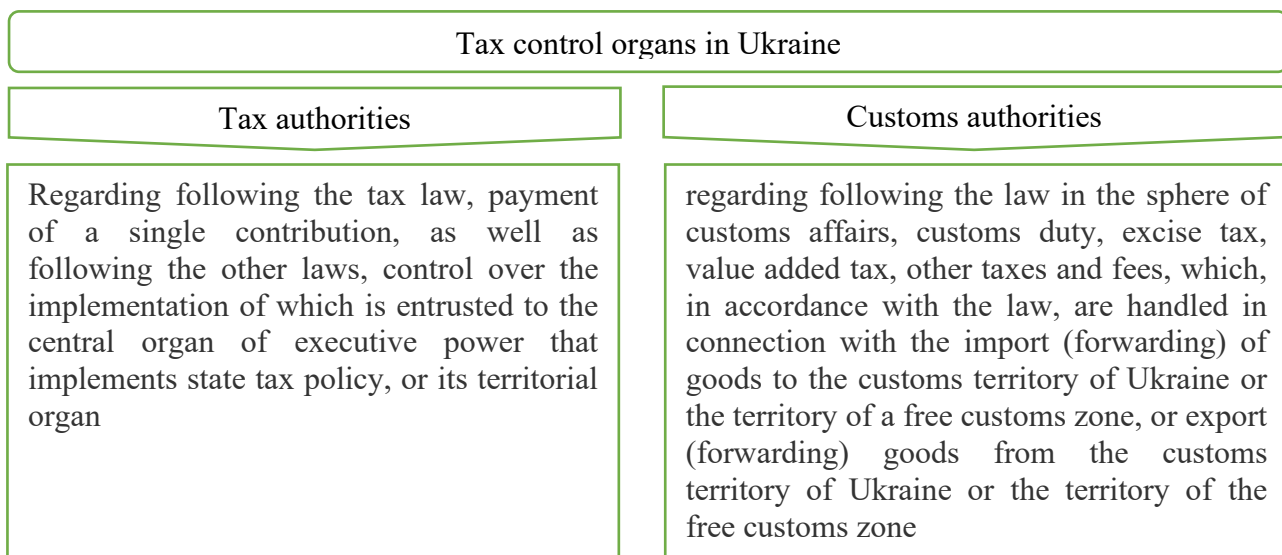


Fig. 1. Tax control organs in Ukraine (built on the basis of [2])

Other state organs do not have the right to check the timeliness, reliability, completeness of calculation and payment of taxes and fees, including at the request of law enforcement agencies.

It should be noted that the enforcement authorities in the tax control system of Ukraine are exclusively tax authorities. It is they who are authorized to take measures to ensure the repayment of tax debt and arrears from the payment of a single



contribution within the limits of their powers, as well as state executors within the limits of their powers. The collection of tax debt and arrears from the payment of a single contribution by notary's executive inscriptions is not allowed.

Tax control in Ukraine is based on the principles of general law (provided by the Constitution of Ukraine), special principles of tax control, special principles of the organization of tax control (provided by the Constitution of Ukraine and the Tax Code of Ukraine). The system of principles of tax control in Ukraine is presented in Table 1.

Table 1 - Principles of tax control in Ukraine

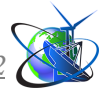
General legal (constitutional) principles	Special principles of tax control	Special principles of tax control organization
Legality	Free of charge	Following the procedural form
Legal equality	Competence	Presumption of innocence
Observance of human and citizen rights	Systematicity	Observance of tax secrecy
Publicity	Professionalism	Prevention damage to the taxpayer
Responsibility	The determination of the object of control	Independence of control organs
Reporting of citizens to the state on property and received income	Coordination and interaction of control organs	Balanced control actions
	Regularity, preventiveness	Documentation of results
	Objectivity and certainty	An identical approach

The defined principles regulate and ensure the effective functioning of the tax control system.

In world practice, there are a number of ways of organizing the practical activities of tax authorities. The methods of tax control in Ukraine are regulated by the Tax Code and summarized in Table 2.

Table 2 - Methods of tax control in Ukraine *

Methods of implementation	Content of the method
Keeping records of taxpayers	It is conducted with the aim of creating conditions for monitoring the correctness of accruals, timeliness and completeness of tax payments, financial sanctions, compliance with tax and other legislation, the control of compliance with which is entrusted to regulatory organs
Information and analytical support for the activities of controlling organs	A complex of measures coordinated by the central organ of executive power, which ensures the formation and implementation of state financial policy, regarding the collection, processing and use of information necessary for the performance of the functions assigned to supervisory organs
verifications and comparisons (including verification of following the law, the control over compliance of which is entrusted to the control organs, in the manner established by the laws of Ukraine regulating the relevant sphere of legal relations)	Cameral, documentary (scheduled or unscheduled; on-site or off-site), actual inspections



Methods of implementation	Content of the method
Monitoring of controlled transactions and interviews of officials, authorized persons and/or employees of the taxpayer	Establishing the compliance of the conditions of controlled transactions with the "arm's length" principle, identifying potential risks of transfer pricing, conducting an analysis of the risks of the taxpayer understating tax obligations, as well as ensuring control over the timeliness and completeness of the submission of reports on controlled transactions and transfer pricing documentation

* Based on [2]

One of the most effective ways of tax control is tax verifications. Article 75 of the Tax Code of Ukraine specified that control organs have the right to conduct cameral, documentary (scheduled or unscheduled; on-site or off-site) and actual inspections, which are schematically presented in fig. 2.

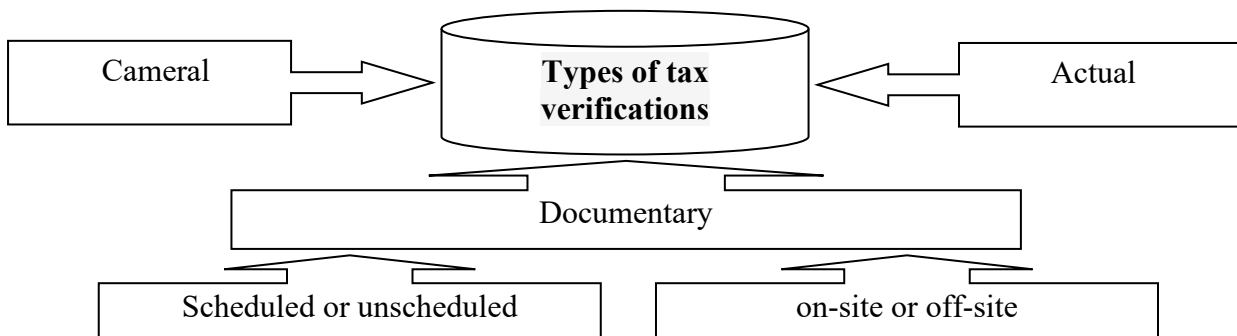


Fig. 2. Types of tax verifications in Ukraine [5]

The cameral inspection is the such inspection which is carried out in the premises of the controlling organ exclusively on the basis of the data specified in the taxpayer's tax declarations (calculations) and the data of the electronic value added tax administration system (data of the central executive organ that carries out state policy support in the field of treasury service of budget funds), during which the accounts of payers are opened in the system of electronic administration of value added tax, data of the Unified register of tax invoices and customs data declarations), as well as data of the Unified register of excise invoices and data of the electronic administration system for the sale of fuel and ethyl alcohol, etc.

A documentary verification is considered to be a check, the subject of which is the timeliness, reliability, completeness of the calculation and payment of all taxes and fees provided for by the Tax Code of Ukraine, as well as compliance with currency and other legislation, the control of which is entrusted to the control organs, compliance by the employer with the legislation on the conclusion of an employment contract, registration of labor relations with employees (employed persons) and which is carried out on the basis of tax declarations (calculations), financial, statistical and other reporting, tax and accounting registers, the maintenance of which is provided for by law, primary documents used in accounting and tax accounting, etc. related to the calculation and payment of taxes and fees, the fulfillment of the requirements of other legislation, the control of compliance with which is entrusted to the supervisory organs, as well as the documents and tax information received by the



supervisory organ in accordance with the procedure established by law, including the results of inspections of other taxpayers. Documentary scheduled inspection is carried out in accordance with the plan-schedule of inspections. Documentary unscheduled inspection is not provided for in the control organ's work plan and is carried out if there are grounds specified by the Tax Code of Ukraine.

An inspection carried out at the place of actual proceedings by the taxpayer of the activity, the location of economic or other objects of ownership of such a taxpayer is considered factual. Such an inspection is carried out by the controlling organ regarding compliance with the legislation on the regulation of cash circulation, the procedure for tax payers to carry out settlement operations, conducting cash operations, the availability of licenses, certificates, including those on the production and circulation of excise goods, the employer's compliance with the legislation on the conclusion of an employment contract, registration labor relations with employees (salaried persons) [2].

Russia's military aggression against Ukraine, in addition to the moral and psychological impact on society, significantly affected the state and conditions of doing business. Therefore, the authorities presented as urgent and expected directions for stimulating Ukrainian business in terms of taxation and the implementation of state and donor programs designed to save jobs, support enterprises and revive the country's economy as a whole. The policy of supporting existing business entities and stimulating their activities to meet military needs led to the development by the Government of the country of measures to deregulate and liberalize the conditions of doing business in such a difficult period [4]. Therefore, the procedure for implementing some tax control measures during the period of military law is somewhat limited, which is regulated by the Law of Ukraine "On Amendments to the Tax Code of Ukraine and other legislative acts regarding the application of norms during the period of martial law" [3].

During the period of martial law in Ukraine, the following restrictions apply to tax control (table 3).

Table 3 - Restrictions on conducting tax audits in Ukraine during the period of martial law

Types of tax inspections	Presence/absence of restrictions
Documentary scheduled inspection	Not started but started checks are stopped
Documentary unscheduled inspection	It is carried out (if secure access is available) if the procedure for reorganization of a legal entity, termination of a legal entity or an individual entrepreneur, closure of a permanent representative office or a separate subdivision of a legal entity has been initiated, including of a foreign company, organization, proceedings have been initiated in the case of declaring a taxpayer bankrupt or an application has been submitted for deregistration of a taxpayer
	They are carried out (if there is secure access) if the payer has submitted a declaration in which value-added tax with a negative value of more than UAH 100,000 is declared before reimbursement from the budget.
Cameral inspection	Are held
Actual checks	



Since the introduction of martial law, a moratorium has been imposed on most tax verifications, but their conduct is gradually being resumed and the list of permitted ones, provided safe conditions are ensured, is increasing.

Despite the restrictions on conducting tax audits, they were conducted in 2022 and, based on their results, the budgets of various levels were received.

Thus, according to the Report on the implementation of the work plan of the Main Directorate of the DPS in the Kirovohrad region, 719 inspections were carried out, as a result of which agreed and unagreed monetary obligations in the amount of 95.6 million hryvnias were added. At the same time, 14 scheduled documentary inspections were carried out (53,679,000 hryvnias were overestimated, 132 unscheduled inspections were carried out (32,590,000 hryvnias were overestimated), and 573 actual inspections were carried out (overestimated were 9,286,000 hryvnias). In addition, according to the results of In 2022, for various types of inspections, taxpayers paid fines in the amount of 4 million hryvnias [1].

Results and Conclusions. Tax control is an integral part of state financial control. It influences the formation of the revenue part of the budget of any country. With the help of its measures, control over the fulfillment of their obligations to the state by business entities and citizens is carried out. In Ukraine, it is regulated by the main tax document – the Tax Code. During the period of war, tax control measures are somewhat relaxed. Prospects for future research are seen in the generalization of methodological aspects of tax control.

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