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TAX REGULATION AND STIMULATION OF THE VALUATION SPHERE OF UKRAINE

Abstract. Tax regulation reduces the uncertainty of the future tax expenditures of economic entities and the degree of their adaptation to an aggressive external environment. That is why the features of the taxation process, its importance for the economy of the country as a whole, and for each taxpayer in particular, make it necessary to distinguish the tax payment management system into an independent branch of financial management and a separate scientific and practical direction of economic thought in Ukraine.

Currently, in Ukraine there are separate elements and techniques of tax regulation, but there is no coherent theoretical and methodological basis on which to build a system of relevant practical decisions, measures and mechanisms of tax management at both the level of economic entities and the entire tax process of the country. Therefore, the need to separate the tax management system into a specific area of scientific knowledge is obvious. The complexity and volatility of the current economic environment, the uncertainty and riskiness of the functioning of enterprises and the state financial economy make forcing a scientific basis in the process of tax regulation taking into account the realities of a market economy. Moreover, with the complication of tax systems and economic ties under the influence of globalization processes, the role of tax regulation is increasing. This is especially true in modern Ukraine, where market relations and institutions have not yet been fully formed. Regulation of tax payments by Ukrainian enterprises also requires its methodological substantiation and practical development. Corporate tax regulation should become one of the most important functions of enterprise management, which, unfortunately, is still being applied haphazardly and for the most part in order to minimize tax payments. This testifies to the extreme importance of the scientific solution to the problem of tax regulation in the context of organization of tax management at the enterprise.

Tax policy of Ukraine, as the main direction of realization of its financial activity, is a key factor of state formation. Regulation of the social sphere by means of tax policy is one of the most important directions of state regulation, first, in the conditions of unstable economy.

The key directions of the tax policy of the state in accordance with the priorities of the social sphere are presented. The main task is to analyse trends in tax regulation in the context of social processes. Several effective tools of tax regulation of social sphere of Ukraine are offered.

The comparative analysis of the peculiarities of the application of tax regulation instruments of social processes in domestic practice is carried out. The comparative characteristics of the mechanisms of reduction of tax payments are presented. The tendencies of development of the tax system of Ukraine in the context of social processes are revealed. The social aspects of the implementation of the anti-crisis tax policy have been determined. Scientific, methodological and

practical recommendations for improving the efficiency of tax regulation of social development have been developed.

Keywords: tax regulation, social sphere, tax, taxation, state guarantees.

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ПОДАТКОВЕ РЕГУЛЮВАННЯ І СТИМУЛЮВАННЯ СОЦІАЛЬНОЇ СФЕРИ УКРАЇНИ

Анотація. Податкове регулювання скорочує невизначеність майбутніх податкових витрат економічних суб'єктів і ступінь їхньої адаптації до агресивного зовнішнього середовища. Саме тому особливості процесу оподаткування, його значущість для економіки країни в цілому та кожного платника податків зокрема викликають необхідність виділення системи управління податковими платежами в самостійну галузь фінансового менеджменту та окремий науково-практичний напрям економічної думки в Україні.

На даний час в Україні застосовуються окремі елементи і прийоми податкового регулювання, але відсутня цілісна теоретична і методологічна база, на якій повинна будуватися система відповідних практичних рішень, заходів і механізмів управління податками як на рівні суб'єктів господарювання, так і всього податкового процесу країни. Тому необхідність виділення системи управління податками в особливу галузь наукових знань очевидна. Складність і мінливість сучасного економічного середовища, невизначеність і ризиковість функціонування підприємств і державного фінансового господарства примушують підвести наукове підґрунтя під процес податкового регулювання з урахуванням реалій ринкової економіки. Причому, з ускладненням податкових систем і економічних зв'язків під впливом процесів глобалізації роль податкового регулювання зростає. Особливо це стосується сучасної України, де ринкові відносини та інститути ще остаточно не сформовані. Регулювання податкових платежів українськими підприємствами також вимагає свого методологічного обґрунтування і практичного розвитку. Корпоративне податкове регулювання повинно стати однією з найважливіших функцій управління підприємством, яка, на жаль, поки що застосовується безсистемно і здебільшого в цілях мінімізації (замість оптимізації) податкових платежів. Зазначене свідчить про надзвичайну важливість наукового розв'язання проблеми податкового регулювання в контексті організації управління податками на підприємстві.

Податкова політика України, як основний напрям реалізації її фінансової діяльності, є ключовим чинником державотворення. Регулювання соціальної сфери засобами податкової політики є одним із найважливіших напрямів державного регулювання, насамперед, в умовах нестабільної економіки.

Ознайомлено з ключовими напрямками податкової політики держави відповідно до пріоритетів соціальної сфери. Основне завдання полягає в аналізі тенденцій податкового регулювання у контексті соціальних процесів. Запропоновано кілька дієвих інструментів податкового регулювання соціальної сфери України.

Проведено порівняльний аналіз особливостей застосування інструментів податкового регулювання соціальних процесів у вітчизняній практиці. Наведено порівняльну характеристику механізмів зниження податкових платежів. Виявлено тенденції розвитку податкової системи України в контексті соціальних процесів. Визначено соціальні аспекти реалізації антикризової податкової політики. Розроблено науково-методичні та практичні рекомендації щодо підвищення ефективності податкового регулювання соціального розвитку.

Ключові слова: податкове регулювання, соціальна сфера, податок, оподаткування, державні гарантії.

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Introduction. Today, in a harsh environment where the world has come to understand that all countries are interconnected and interdependent, new challenges are rapidly becoming universal in nature and posing real threats to both national and international security and stability. Our state is keenly concerned about the availability of sufficient funds in the budget to implement the necessary and planned measures that directly affect the development and functioning of the state in the future.

One of the ways to replenish the state budget is through taxation. They make up the largest part of the country's budget revenues, at the same time, without their rational accumulation, and subsequently, redistribution cannot achieve the planned goals. Tax is a legal formalization of property of legal entities and individuals to the budget of the appropriate level (in the amounts and within the terms stipulated by the law) on the principles of mandatory, irrevocable, individual free of charge [1, p. 381].

The impact of taxation on social processes is manifested through the use of tax policies aimed at promoting effective social infrastructure.

Social infrastructure is one of the main components of the economy, which directly affects the sphere of life of the population, since the level and quality of life of people, as well as political and social stability depend on the availability of services related to education, health, culture and social service. The peculiarity of social infrastructure is that it contributes to the reproduction of the main productive force of society — man, his spiritual and physical development. Today, there is an increase in the interaction of economic and socio-political processes, so the issue of social development through the tax regulation of social infrastructure is a key consideration in any aspect of society. The current level of development of branches of social infrastructure of Ukraine is far behind the modern requirements of society, which requires special attention from the state to this sphere [3].

Regulation of the social sphere by means of tax policy is one of the most important directions of state regulation, especially when the influence of the state on economic processes decreases, and the need for state intervention is not only preserved, but also amplified by the crisis state of the economy and especially the social sphere. In Ukraine, tax regulation should be used as the main instrument of socio-economic influence. In these circumstances, when improving the tax system, it becomes possible to intensify tax regulation in its various manifestations with the use of modern methods of state tax management.

The primary problem that needs to be addressed in the country is support for the underprivileged, as in recent years there has been a decline in household income and an increase in the proportion of poor people. The issues of protection of vulnerable sections of the population are also resolved at the expense of the tax policy of the state, within which the tax support of these sections of the population should be ensured through the use of various tax regulation instruments built into the mechanisms of taxation of individual taxes.

In many countries around the world there are similar trends and common features in building the system of taxation of personal income, but each country has its own peculiarities. Unlike in developed countries, the main principle of income taxation, the principle of social justice, is partially violated in Ukraine, which in turn also affects the share of tax revenues in the consolidated budget. This problem exists not only in Ukraine but also in foreign countries. In this regard, in different countries, according to their peculiarities, a gradual reformation of taxation is carried out, in particular by expanding the tax base, creating a more homogeneous tax regime for different sources of income, and restructuring the system of social incentives in taxing the income of the poor. Reducing poverty and unequal distribution of income, equality and equity are important macroeconomic goals of any country.

The state of the economy of Ukraine in recent years shows that the solution of such problems of socio-economic nature has become a strategic one and has become one of the main ones in the country. To enhance equity and reduce poverty, the state can influence economic processes by using the regulatory function of tax policy. We believe that indirect taxes are one of the effective instruments of government regulation of inflation and that they have an indirect impact on the standard of living of the population through the price mechanism of consumption taxation.

In our view, a prerequisite for improving the standard of living of a person is the development of human capital, since the more developed its individual components (capital of health, capital of education and professional experience), the greater the opportunities for human being to improve its well-being.

The greatest impact on the development of these components of human capital can be achieved through the mechanisms of income tax, VAT and personal income tax. Today, the problem of building an effective tax system is one of the most pressing in the process of developing market relations in Ukraine and integrating the national economy into the world market. And one of the ways to solve it and reduce the tax burden on business entities should be to use preferential taxation as an effective regulator of economic processes.

Research analysis and assignment. Some social aspects of tax regulation in Ukraine and abroad were studied in the works of famous Ukrainian and foreign economists: V. Andrushchenko, E. Balatsky, S. Bandur, S. Barulin, S. Blankart, M. Blauga, F. Butynts, D. Buchanan, Z. Varnalia, N. Vitvitskaya, V. Vishnevsky, E. Gaidar, I. Gorsky, P. Germanchuk, O. Danilov, T. Efimenko, A. Isaev, D. King, R. Krylov, A. Krisovaty, V. Kutsenko, M. Kotsupatroho, AND. Mayburova, R. Masgrave, V. Melnik, T. Merkulova, R. Nizhegorodtsev, G. Panskov, N. Petrenko, A. Slavkova, D. Stiglitsa, I. Stefaniuk, V. Tanzi, L. Tarangula, V. Fedosov, T. Yutkina, etc. Well-known Western economists J. Galbraith, J. Keynes, A. Laffer, M. Porter, P. Samuelson made a significant contribution to the theoretical development of problems of state regulation and tax systems, A. Smith, J. Stiglitz and others.

However, a systematic study of the theoretical and methodological foundations of tax regulation of the social sphere remains an urgent problem.

The purpose of the article is to determine the most correct in the present conditions approach to the formation of key directions of the tax policy of the state in accordance with the priorities of the social sphere and to analyse the trends of tax regulation in the context of social processes.

Research results. Tax policy of Ukraine, as the main direction of realization of its financial activity, is a key factor of state formation. The regulation of the social sphere by means of tax policy is one of the most important directions of state regulation, first of all, in the conditions of the crisis that will most hurt the most vulnerable. Almost 40% of Ukrainians are mostly people over 60 who have low incomes, disabilities and large families who complain about the cost of goods and services. Therefore, the desire to meet their urgent needs is the main reason for their emigration. For example, social security in Germany in 2020 is a decisive factor in choosing a country to move.

The developed social system of Germany allows to provide protection of inhabitants in any vital vicissitudes. Let's look at the main types of social benefits in this country: basic assistance for the elderly; assistance for unemployed (job seekers) and their families; child support; financial support for young people (loans and scholarships for schoolchildren and students); subsidy for

rental housing; refugee assistance and shelter; assistance in raising children. These types of benefits provide for the immediate needs of the people, and the payments depend on the age, social status and circumstances of the recipient.

If you consider the world tax practice, there is a whole set of principles of organization of the tax incentive system.

The main among them are:

- the application of tax breaks should not be electoral in nature, depending on the form of ownership, type of activity, subjective assessment of their importance by lobbying groups in parliament;
- tax exemptions are not characterized by uneconomic coercion and mandatory application;
- tax privileges by their internal nature are not peculiar to the purely administrative and command nature of the application;
- investment tax credits are granted exclusively to payer groups that ensure the implementation of nationwide investment programs;
- the application of tax benefits should not have the effect of reducing the profits of either the budget or corporations and personal economic interests;
- the procedure for granting privileges is determined at the national level, approved by law by the central government;
- at the local level, benefits are exercised within the framework of higher legislation.

Accordingly, the development of specific tax measures, considering the system of social orientation benefits in taxation of income of poor people, in Ukraine should not only consider experience of other countries, but also be tied to the features of national socio-economic development. On this basis, the main directions of tax policy should be reduction of tax pressure on incomes of poor people and tax support for the development of small business.

By definition, tax regulation is considered as a set of measures of indirect influence of the state on the development of production by changing the rate of withdrawal to the budget by reducing or increasing the general level of taxation: individual income tax rates, corporate income tax, indirect taxes [2].

It should be noted that the diversity and extent of the application of tax regulation by different countries is determined by the specific national conditions of socio-economic development, the priorities of economic policy, and the level of influence of globalization processes.

Modern socio-economic relations in Ukraine are accompanied by changes in the social orientations of the economy. The sharp exacerbation of budgetary and financial problems in the country's economy, as well as the internal «pressure» in the social sphere, confirmed the futility of attempts to solve social problems solely by further increase of financing — without deep structural changes in the sphere of social policy of Ukraine [3, p. 38].

Recognizing the need to improve the quality and standard of living of Ukrainian citizens, the Government set itself one of the urgent tasks: not to passively adapt social policy to the country's scarce financial and material resources, but to identify key priorities and actively implement reforms that make it possible to implement the principles of social justice. and to ensure a constant increase in the welfare of the population.

Recently, measures have been introduced to increase the targeting of providing individual social benefits with income, introduced a cash form for certain types of benefits, initiated the implementation of measures to create a full-fledged child-rearing system in the family environment, and so on. This made it possible to increase the effectiveness of social support programs for the population.

In order to address a number of social issues in the provision of subsidies and subsidies for housing and communal services and to stimulate their recipients to economically consume energy, a further transition to the payment of utility benefits in cash will be ensured, which will start at the end of this year.

To improve social support, a pilot project on social protection of families with children and support the development of responsible parenthood for the provision of one-off «baby pack» and reimbursement of the «municipal nanny» childcare service have been introduced since 2019. The deinstitutionalisation of childcare has also been initiated to provide for their upbringing in the family or in family-friendly settings.

Further creation of an effective and perfect system of social support for the population is relevant and necessary in the medium term. In particular, a comprehensive approach to addressing the most vulnerable sections of the population, promoting their social integration and poverty reduction, ensuring the protection of children's rights, their safety and well-being will continue to be implemented.

The objectives for 2020—2022 are:

- ensuring maximum targeting of appropriate social support for those who need it;
- transparency and accessibility in receiving social support;
- the provision of housing subsidies and benefits to the population in cash;
- enhancing the motivation of beneficiaries and housing subsidies of the population to economical consumption of housing and communal services and implementation of energy efficiency measures;
- providing social support, considering the unified criteria for calculating the total income of the family and its financial and financial status;
- improving the efficiency of management in the field of social insurance by combining social insurance funds based on the Pension Fund of Ukraine;
- ensuring protection of the rights of the child, including through the development of family and other forms of upbringing of children close to family, provision of orphaned children, children deprived of parental care, persons from among them.

The social sphere of the state, as a set of sectors of the economy, which are in one way or another involved in the process of meeting the needs of people, and their workers receive the corresponding income from the funds allocated by society for these needs [4, p. 4]. Instead, it is common practice to implement the state social policy of Ukraine is to establish a set of mandatory social standards and their constituents, such as state social guarantees.

Analysing Article 1 of the Law of Ukraine «On State Social Standards and State Social Guarantees», we outline the basic concepts:

- Social standards are «social norms and norms or their complex, on the basis of which the levels of basic state social guarantees are determined»;
- State social guarantees (DRGs) — «statutory minimum wages, income, retirement benefits, social assistance, other social benefits, statutory and other legal acts that provide a standard of living not less than the subsistence level» [5].

Building social policy based on DRGs is a common worldwide practice. The diversity of social processes regulated by the state causes a wide range of DRGs.

One of the taxes that directly affect the social life of people is the personal income tax (PIT), which belongs to the national taxes. The taxation procedure is governed by Section IV of the Tax Code of Ukraine.

From the point of view of ensuring the social function of the PITF, in our opinion it is worth assessing the effectiveness of the existing mechanism of granting the tax social privilege (hereinafter — PSP). Thus, according to the current GCC (Article 169), each payer is entitled to reduce the amount of the total monthly taxable income received from one employer in the form of wages by the amount of the GSP.

According to Article 169 of the CCU, there are four types of tax social privilege in Ukraine:

1. «Normal» — at the rate of 50% of the subsistence minimum (UAH 4251 thousand) — for any payer of income tax in the form of wages from one employer. Since the adoption of the CCU, Article 169.1.1 provided that the PSA would be provided at 100% of the subsistence minimum for the able-bodied person on January 1 of the corresponding year, however, until December 31, 2014, a transitional provision for the SSP of 50% of the subsistence minimum was in force. for the able-

bodied person. In 2015, the Law of Ukraine «On Amendments to the Tax Code of Ukraine and Certain Legislative Acts of Ukraine on Balancing Budget Revenues in 2016» № 909-VIII of December 24, 2015, item 29 were amended, and today it is established on a permanent basis, that the average PSP is 50% of the subsistence minimum for an able-bodied person. This again confirms the associative effect of the tax innovation of 2015 [6].

2. «Social tax benefit for children» (hereinafter referred to as «PSP for children») in the amount of 100% of PSP «ordinary» for every child under 1 year — for a taxpayer who holds two or more children under 18.

3. «Increased CPA» — at the rate of 150% of CPA «ordinary» — for: single mother (father), widow (widower) or guardian, guardian per child under 18 years; a person who holds a disabled child for each child under the age of 18; persons classified as I or II categories of persons affected by the Chernobyl disaster; pupils, students, graduate students, disabled people of group I or II, including from childhood; other certain categories (for more details see subparagraph 169.1.3 of clause 169.1 of Article 169 of the CCU).

4. «Maximum SPE» — in the amount of 200% SPE «ordinary» (UAH 4173) — for: Heroes of Ukraine, Heroes of Socialist Labor or full cavaliers of the Order of Glory or Order of «Labor Glory», persons awarded with four or more medals «For braver»; combatants during World War II, or persons in the rear at the time, and persons with disabilities of groups I and II, from among combatants in the territory of other countries during or after World War II, subject to the Law on status of war veterans, guarantees of their social protection»; former prisoners of concentration camps, ghettos and other places of forced detention during World War II or persons recognized as repressed or rehabilitated; persons who were forcibly removed from the territory of the former USSR during the Second World War to the territory of the were at war with the former USSR or were occupied by Nazi Germany and its allies; persons who were in the blockade of the former Leningrad (St. Petersburg, RF) in the period from September 8, 1941 to January 27, 1944.

According to the data of the State Fiscal Service of Ukraine, the number of individuals who received the SPP in 2011—2018 has been steadily decreasing (in 6 years it decreased by more than 40 pp). At the same time, the majority of citizens enjoyed the right to receive a «regular» SPE (about 90% of all SPP recipients in the analysed years) [7].

Thus, in 2015—2018, about 4 million citizens declared wages at less than UAH 1710—1930. accordingly (*Table 1*), without being classified as «special» social categories), which is about 30% of the working population aged 15—70 years and almost 60% of the average number of full-time employees in 2011—2016. It is quite clear that the main reason for such an impressive number of PSP benefits can be considered the non-declaration of wages actually paid and the wages in the envelopes to be paid massively in order to reduce the burden on the payroll [7].

Table 1

Marginal Wage Amounts for PSP in 2011—2019

Years	ILC on January 1st	PM on January 1st	Marginal amount of income to earn a PSP		Average monthly salary of full-time employees
			All types of PSAs except for children	PSP for children	
2011	941	941	1320	2640	2639
2012	1073	1073	1500	3000	3032
2013	1147	1147	1610	3220	3274
2014	1218	1218	1710	3420	3470
2015	1218	1218	1710	3420	4207
2016	1378	1378	1930	3860	5187
2017	3200	1600	2240	4480	7105
2018	3723	1762	2470	4940	7770
2019	4173	1921	2690	5380	10583

Source: calculated by the authors according to the State Statistics Committee.

Thus, on the one hand, the state reduced the losses of the PIT tax budget from the PSP. However, this savings is not significant but, in some places, socially just. In trying to limit the

number of fraud cases upon receipt of the SPP, the right to a small privilege was also lost to those who really needed it. The social impact of the existing PSP in Ukraine is scanty — with PSP of 689 UAH. Savings on personal income tax in 2016 amounted to 124 UAH. per month (at a salary lower than 1930 UAH). It is real the tax rate for such citizens is about 11.5% (with an average effective PIT rate on wages — 18%).

However, budget losses from incomplete declarations of income and real wages by citizens and informal employment are much greater. According to the International Labor Organization, the shadow employment rate in Ukraine is about 9%; The level of struggle against illegal employment is scanty, last year the State Tax Service of Ukraine found more than 80 thousand employees who worked without concluding employment agreements with employers, which is only about 2% of shadow employment [8].

Since 2014, the economic process in Ukraine faces particularly challenging challenges. Accordingly, the support and adjustment of the social development system is fraught with many difficulties. Now, in our country, problems of unemployment, inflation, poverty, deficits of the state budget, external debt and so on are still acute.

All these factors influence the increase of the level of social insecurity of the population, therefore the formation of an effective system of social protection of the population both at the state and local levels is the main problem of today.

In the 2020 budget, social standards will increase moderately. It is planned that the subsistence minimum will increase from 2 027 UAH to 2 189 UAH. The minimum wage will be UAH 4 723, which is 13.2% more than in 2019.

The Government plans to provide subsidies and benefits in cash. Among the plans is the pooling of social security funds on the basis of the Pension Fund, which will allow you to manage your social security funds more effectively.

The government's intentions indicate that changes in education and health care that have been initiated in previous years will continue.

Specifically, a health guarantee program for all types of medical care can be introduced from April 2020 (medical subvention will remain in the first quarter).

Health care costs will be spent on the most effective types of primary care and outpatient care, emergency medical care, the availability of essential medicines to prevent disease complications, first-rate health care and pregnancy-related medicines, asthma, cardiovascular disease.

In the field of education, the reform of general secondary education «New Ukrainian School» will continue.

Priority remains the creation of a modern system of vocational education, updating educational programs, creating favourable conditions for the education of children with special needs. The reformatting of small-scale schools will continue.

In the process of developing a socially-oriented economy in Ukraine, the formation of a competitive market environment is increasing the role and importance of the state tax policy of regulating the income of the population, which should ensure the welfare of the population, the implementation of the principle of social justice taxation, according to which persons receiving lower incomes should pay smaller amounts of taxes.

The most vulnerable are the poor. One of the means of protecting the under privileged is to use tax regulation tools that can help the state support vulnerable populations. Ukrainian scientists are suggested to divide these instruments into two groups: 1) instruments for direct tax support for the poor. This group includes tools aimed specifically at the poor. These instruments are applied within the framework of such taxes as: personal income tax, local taxes and fees, land payment, state duty; 2) instruments of indirect tax support for the poor. This group includes instruments that are not directly applicable to the underprivileged, but which indirectly regulate their taxation processes. These instruments are applied within such taxes as: value added tax, corporate income tax, personal income tax [9, p. 174]. There are three ways to reduce tax payments in literature and international economic practice: tax evasion, tax avoidance, and tax planning.

Tax evasion is an illegal way to reduce your tax liability on tax payments, based on a deliberate, criminal offense (Article 212 of the Criminal Code of Ukraine [10] — tax evasion, fees, and other mandatory payments) methods of concealing income and property from tax authorities, creating fictitious expenses, as well as deliberately (intentionally) distorting accounting and tax reporting. There is no legal possibility of tax evasion. Any deliberate actions by an entity that violate applicable law, which result in the budget somehow failing to receive the amounts due to it by law, are fraudulent and illegal and lead to tax or criminal liability.

Tax avoidance — minimizing tax obligations through the legitimate use of conflicts and deficiencies in regulatory legislation; the taxpayer fully discloses his accounting and reporting information to the tax authorities. This method makes it possible to challenge the tax authorities' claims to the selected tax policy in a sufficiently successful way in the future, based on the principle that «what is not prohibited by law is allowed». Both latter methods, from a legal point of view, do not imply a violation of the legitimate interests of the budget. However, tax avoidance carries extrarisks associated with enormous difficulties in litigation with tax authorities.

Tax planning is a legal way of reducing tax liabilities based on the use of opportunities provided by tax law by adjusting their business activities and accounting practices. For clarity, we group the data for each of these mechanisms into a *Table 2*.

Table 2

Comparative characteristics of mechanisms for reducing tax payments

Comparison criteria	Tax evasion	Tax avoidance	Tax planning
The economic benefit of the subject, provided successful application	The maximum	Average or minimum	Average
Level of risk	The maximum	Average	Minimum
Staff qualification required	Does not require special qualification	Special or High	High
Possible sanctions by the state	Up until the prosecution	Usually tax or administrative	Mostly tax
Damage to the state and society	The maximum	May be from minimum to maximum	Minimum
Preferred use	Individual entrepreneurs, small business	Small, medium and large business	Big business
Dependence on changes of economic policy of the state	Most prone to economic, political and other fluctuations in the situation	It is predominantly prone to fluctuations in taxation	Least prone to economic, political and other fluctuations in the situation
Combined with other mechanisms for reducing tax payments	Preferably applied alone	Can be combined with tax evasion	Can be combined with tax evasion and tax evasion

Despite the fact that all three mechanisms are actively used by taxpayers, set out in such a sequence, they are not only an evolution from simple to complex, but also the evolution of the nature of the relationship between business and the state, a kind of history of finding them a reasonable compromise.

Tax evasion should be defined as a means of reducing tax payments that are illegal, criminal in nature, that is, through the use of which criminal liability measures can be applied. First, such harsh liability measures are explained by the enormous public harm caused by the non-payment of taxes.

As a result of non-payment of taxes by some economic entities, the budget is underfunded, which, in turn, can lead to a number of negative consequences from underfunding of social programs to raising tax rates. The latter seriously hits on law-abiding taxpayers. Conscientious taxpayers are forced to compete with unscrupulous economically, with the latter having unfair

competitive advantages. All other things being equal, such competition is not in favor of law-abiding taxpayers [11].

Despite the fact that all three mechanisms are actively used by taxpayers, set out in such a sequence, they are not only an evolution from simple to complex, but also the evolution of the nature of the relationship between business and the state, a kind of history of finding them a reasonable compromise.

Conclusions. The state of social sphere of Ukrainian society shows that the major social threats — poverty, property and financial differentiation of the population, narrowing of access to medicine, education and culture — have reached dangerous levels, which pose a real threat to the economic and even national security of the state. Despite the positive changes that have taken place in recent years, there are very serious socio-economic problems that hinder the country's stable development.

In this regard, tax regulation is an important component of state regulation of social development. Significant results can be achieved through a systematic study of the possibilities and consequences of the use of certain tools embedded in individual taxes that relate to a particular social sphere.

The tools of tax regulation of social relations in our country are:

- improving the conditions for granting the right to a tax rebate to taxpayers on personal income tax related to the cost of mortgage lending, with the aim of increasing the attractiveness of mortgage housing lending to the population, which is one of the main conditions for stable functioning of the mortgage housing lending system;
- the creation of special conditions that will help attract additional funds for the implementation of projects in the fields of education, science and health and the environment;
- increased interest in providing enterprises with their own employees with social infrastructure;
- creation of a classifier of social infrastructure objects at the national level with appropriate harmonization of it with tax legislation;
- introduction of a mechanism for using the income of large taxpayers as a direct investment in the development of territorial social infrastructure;
- introduction of a fee for the improvement and development of social infrastructure;
- Improvement of the mechanism for ensuring effective implementation of tax policy in the regional aspect by changing the norms of fixing basic budget-forming taxes at local budgets.

The application of tax regulation of the enterprise and business relations creates the following important benefits for business: explanation of emerging problems; the ability to analyse and use future favourable conditions; preparing the enterprise for changes in the external environment; improving the training of managers; ensuring a more rational distribution and use of various types of economic resources and, enhancing the financial sustainability and value of the enterprise.

Thus, regulation of the social sphere by means of tax policy is one of the most important directions of state regulation, especially in the conditions of development of the Ukrainian economy. There is a noticeable tendency to reduce the influence of the state on economic processes, while maintaining the need for state intervention in the social sphere, which is exacerbated by external threats.

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