



Actual Problems of the Tax Law



Tax law

is a complicated institute of financial law regulating basis of budget revenues

Tax law considers only relationships concerning unidirectional cash flows from the bottom up - from taxpayers to the budget in the form of taxes and fees

Tax legal relations

regulated by rules of the tax law social relations, whose participants have mutual subjective rights and legal duties for levying taxes and fees secured with coercive power of the state

Tax law subject

homogeneous group of social relations determining flow of funds from taxpayers to the budget in the form of taxes and fees

Tax law method

financial and legal involving the use of imperative legal rules

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institute with subject that is strictly dedicated to a specific subject - the kind of relations that are emerging on the establishment, payment and collection of taxes and fees, their changes and cancellation

regulates social relations related to establishment and levying of tax payments, their changes and cancellation; Distribution and use of public funds is beyond the scope of tax relations, as well as issues of establishment and recovery of non-tax payments and other public fees

establishes the obligation legal entities and individuals to pay taxes and fees, as well as regulating the procedure of calculation and payment of taxes and fees, the procedure of control and the application of tax legal liability measures for tax violations

complex institute that covers the set of original financial law legal rules. This specificity involves analysis of relations that cover the cash flow from taxpayers to the appropriate funds (budgets) in the form of tax payments.

Constitution
of Ukraine



and other acts
of customs
legislation

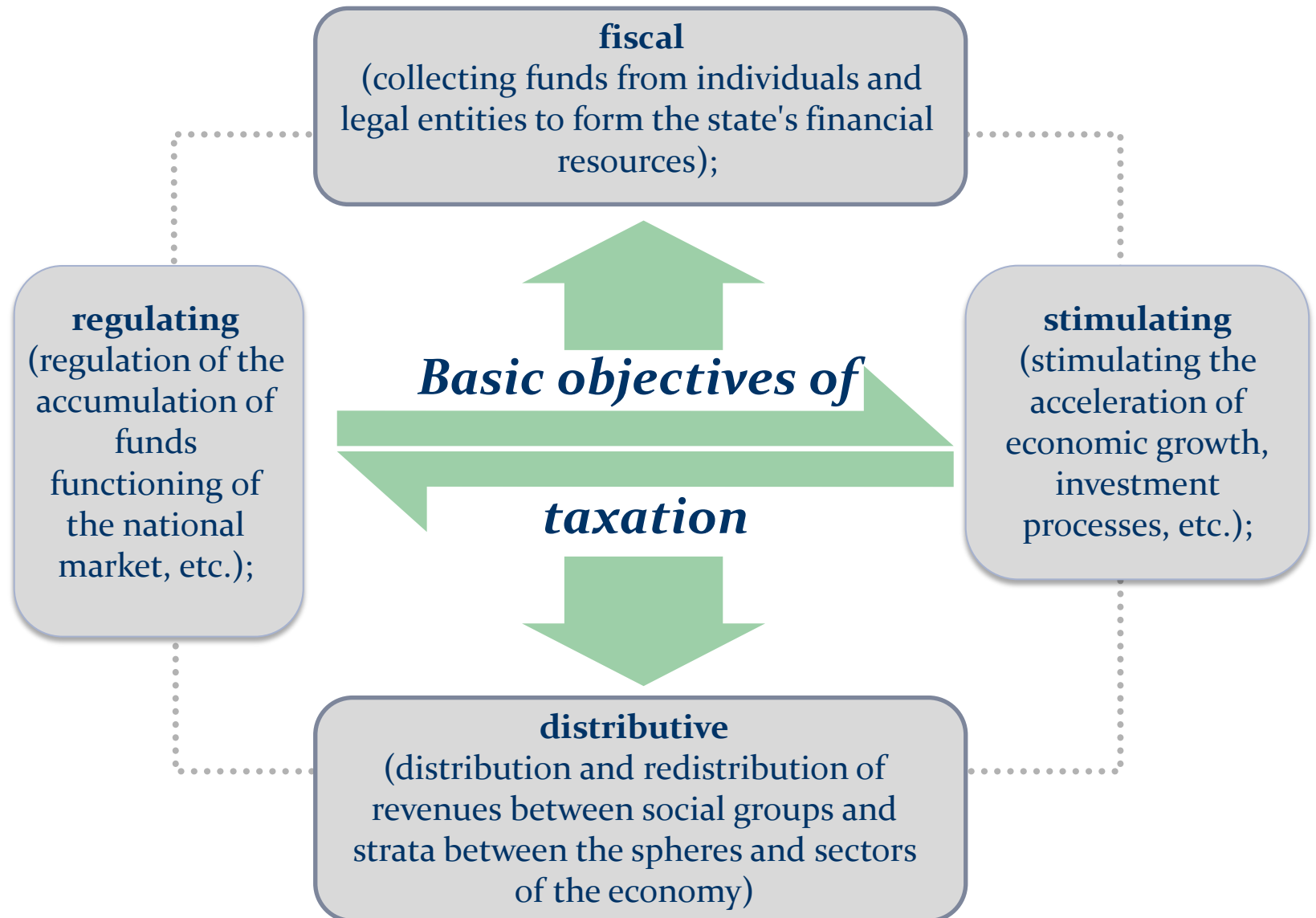
in the part of regulation
of legal relations arising
because of the taxation
of transactions with the
movement of goods
across the customs
border of Ukraine

**Tax
legislation**

bylaw, adopted in cases
stipulated by the tax and
customs legislation

international treaties of
Ukraine on taxation
(Customs Convention on
the Temporary
Importation etc.)

*(The Order of the Ministry of Finances «On the approval of the
Procedure of direction of tax notices by state tax service bodies to
taxpayers» etc.)*



Tax system of Ukraine



Types of taxes and fees:

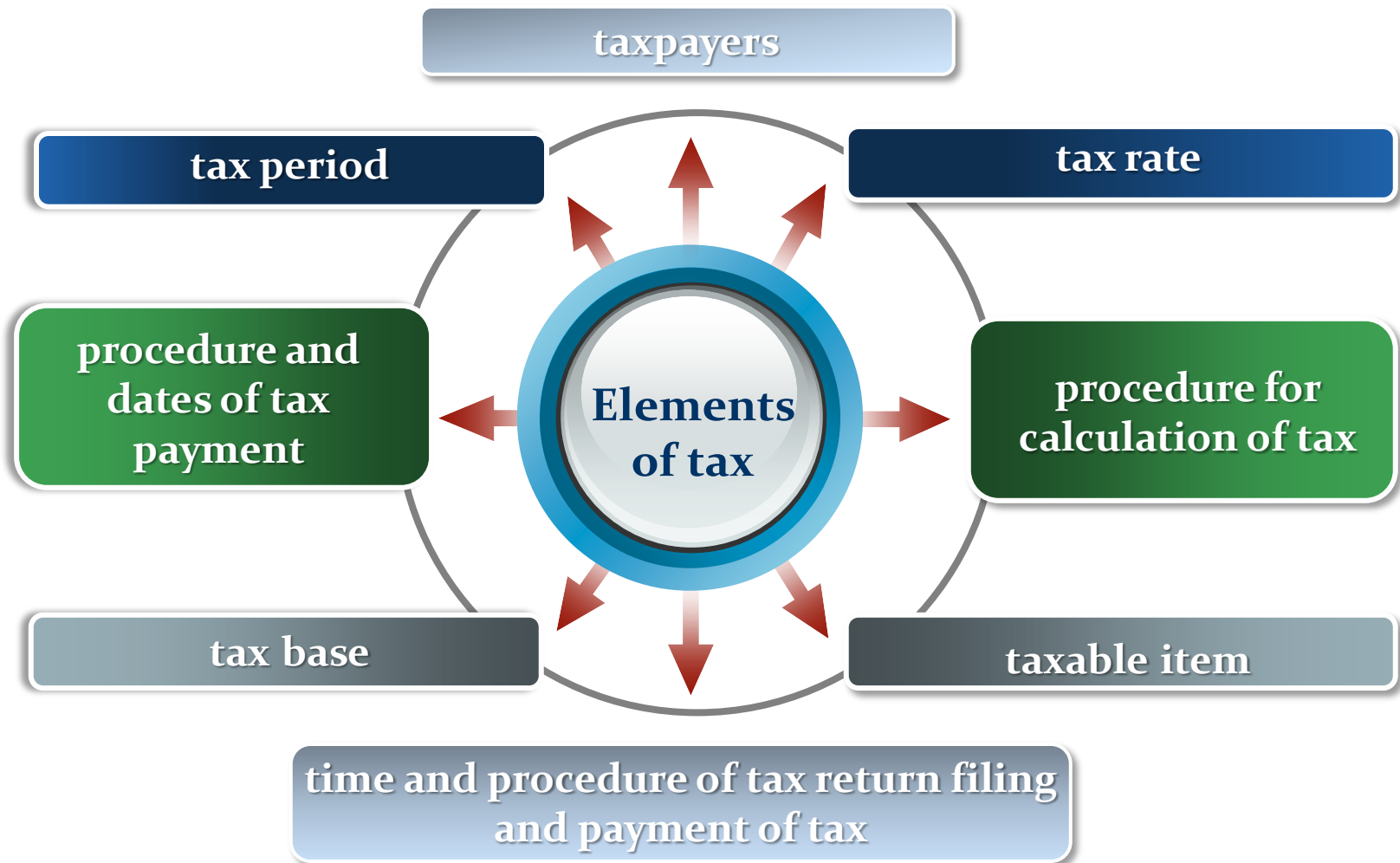
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graph TD; A[Types of taxes and fees:] --> B[National]; A --> C[Local];
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National

prescribed by the Tax Code taxes and fees to be paid on the whole territory of Ukraine, except as provided by the Tax Code

Local

established according to the list, within the size limits of rates prescribed by the Tax Code, the decision of the village, town and city councils within their competence, and shall be to be paid in the appropriate communities



TAXPAYERS

individuals (residents and non-residents of Ukraine), legal entities (residents and non-residents of Ukraine) and their separated subdivisions, who have receive (transmit) the objects of taxation or engaged in activities (operations) that are subject of taxation under the Tax Code or tax laws, and entrusted with the duty to pay taxes and fees in accordance with the Tax Code (art.15)

OBJECT OF TAXATION

property, goods, income (profit) or its part, the turnover from sale of goods (works, services), operations on supply of goods (works, services) and other objects specified by the tax law, with existence of which tax law which binds the occurrence the taxpayer's obligation (art.22)

TAX BASE

specific cost, physical or other characteristics of a particular object of taxation (art. 23).

TAX RATE

amount of tax due on the taxable base unit of measure
(art. 25)

TAX PERIOD

the period of time established by the Tax Code, on which calculation and payment of certain taxes and fees performs (art. 33)

INDIVIDUAL INCOME TAX

taxpayers (art.162 of the Tax Code)

- 1) individual - resident who receives income as originating in Ukraine and foreign incomes
- 2) individual-nonresident who receives incomes originating in Ukraine
- 3) tax agent(art.18 of the Tax Code)

taxable item (art.163 of the Tax Code)

of resident:

- 1) total monthly (annual) taxable income;
- 2) incomes originating in Ukraine, which eventually taxed at the time of their accrual (payment granting);
- 3) income (profit) received from sources outside Ukraine

non-resident:

- 1) total monthly (annual) taxable income originating in Ukraine;
- 2) incomes originating in Ukraine, which eventually taxed at the time of their accrual (payment, delivery)

The tax base is the total taxable income

Total taxable income - any income that is taxable accrued (paid, granted) in favor of the taxpayer during the tax reporting period
(art.164 PK)

Total taxable income consisting of income that ultimately taxed during their accrual (payment, granting), income which is taxed as part of the total annual taxable income, and income that are taxable under other rules set forth in the Tax Code

The total monthly taxable income consisting of the sum of taxable income accrued (paid provided) during such tax reporting month

The total annual taxable income equal to the sum of total monthly taxable income, foreign income, received during such tax year, income received by individuals - entrepreneurs from business activities in accordance with Article 177 of the Tax Code, and the income derived by an individual who conducts independent professional activities in accordance with art.178 of the Tax Code.

tax rate (art.167 of the Tax Code)

15%

tax base concerning income including form of wages and other incentive and compensation payments or other benefits and rewards accrued (paid, granted) to the payer in relation with labor relations and in civil contracts

5%

on income in cases specified in paragraph 167.2. and other rules of section 4 Tax Code (dividends, interests on the current or deposit bank account)

17%

part of the average annual taxable income exceeding 10 times the minimum wage established by law on January 1 of the year

10%

on tax base on income of certain categories of employees defined in p.167.4

other amount determined by the appropriate rules of Section 4 of the Tax Code