

DOUBLE TAXATION, ITS ESSENCE, AND METHODS OF ELIMINATION

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In the modern condition, taxation system of Ukraine is similar by its composition to taxation systems of developed European countries; however, it did not become a tool for increasing competitiveness of the country and is characterized by a significant shadow turnover.

Division of taxpayers into residents and non-residents requires a certain system of revenue accounting and corresponding system of charge of taxes. Thus, in each country, there arises an issue of revenue accounting of citizens that are obtained both in the territory of a certain state and outside its territory.

Legislations of countries of the world have certain features of taxation of income of citizens and differ by the level of development and tax burden that leads to international double taxation. Imperfectness of the national taxation mechanism causes double taxation within the country.

Double taxation appears in the process of imposition of the same or analogous tax on

one object of taxation of a single taxpayer for one and the same space of time.

In most cases, a problem of elimination of double taxation is solved by adoption of international agreements.

In terms of the modern economy, there are two main methods of elimination of double taxation:

1) one-sided measures, envisaged by the national tax legislation, applied by the government of this country without a coordination with other countries;

2) many-sided measures realized with the help of international agreements and conventions on avoiding double taxation.

Thus, one-sided elimination of double taxation is optimal, as well as one of the simplest methods of regulation, as it does not require protracted negotiates between countries, making undesired concessions, which obligatory appear when concluding international agreements.