

## MONEY, FINANCES AND CREDIT

### FISCAL EFFICIENCY OF CORPORATE INCOME TAX FOR THE STATE AND BUSINESS

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Transformation of Ukraine's tax system is aimed to synchronize it with the European tax practice and key global principles for building a tax system. The main changes are focused on simplification of the mechanisms of accrual and payment of taxes, as well as elimination of inefficient fiscal instruments in favor of more efficient. In the context of active discussion of the necessity of transformation of corporate income tax into a tax on withdrawn capital, it becomes very urgent to analyze and assess fiscal efficiency of the corporate income tax in Ukraine both from the perspective of state and business. This research can be a basis of confirmation or refutation of the necessity of corporate income tax to tax on withdrawn capital transformation.

There are several approaches to the assessment of the fiscal efficiency of taxes. The most widely used among them are the

next indicators: fiscal importance of the corporate income tax (the share of tax revenues in the structure of consolidated budget revenues), the tax burden by corporate income tax (corporate income tax revenues to GDP ratio), effective tax rate (corporate income tax revenues to tax base ratio), the ratio of tax revenues to tax administration costs and others. The analysis of the calculation of the above mentioned indicators show the low level of fiscal efficiency and regulatory potential of corporate income tax in our country from the perspective of government authorities, as well as the existence of problems with corporate income tax among legal entities (the opacity and complexity of the definition of the object of taxation, the scope for the usage of schemes of tax evasion etc.). Thus, it seems quite reasonable to transform corporate income tax into the tax on withdrawn capital.