

UDC 336.225.673 (100)

DOI <https://doi.org/10.26661/2414-0287-2024-2-62-08>**ASSESSMENT OF TAX CONTROL PRACTICES IN FOREIGN COUNTRIES****Saienko O.R., Somchenko V.V., Klots A.K.***Zaporizhzhia National University
Ukraine, 69600, Zaporizhzhia, Zhukovsky str., 66
vika_znu72@ukr.net*

ORCID: 0000-0001-8979-9354, 0000-0003-4860-0964

Key words:

tax control, tax systems of foreign countries, tax audits, penalties, taxpayer liability, control and inspection work, elements of the tax control system.

The article analyses the basic principles of organisation of tax control in foreign countries. The author substantiates the role of tax control in the activities of fiscal authorities of foreign countries to achieve a high level of fiscal efficiency of the tax system, which should be studied and taken into account in the process of optimising tax control in Ukraine. The author studies the institutional support of procedural actions in the field of violation of tax legislation. The main powers of foreign controlling authorities are analysed. The legislative and legal support of the process of controlling tax payments to the budget is considered. The author analyses the forms and methods of tax control and the use of forms of organisation of control inspections in the world practice. The elements of tax control systems in developed foreign countries are identified and the results of their application in terms of compliance with tax legislation are formed. Attention is paid to informative and analytical methods of tax control. The article shows positive examples of organisation of tax authorities' activities in the field of tax control, which can be adapted and implemented in domestic practice. The author offers recommendations on organisation of the tax control process in Ukraine with due regard to the world experience and identifies the directions of their implementation.

**ОЦІНКА ПРАКТИКИ ОРГАНІЗАЦІЇ ПОДАТКОВОГО КОНТРОЛЮ
В ЗАРУБІЖНИХ КРАЇНАХ****Сасенко О.Р., Сьомченко В.В., Кльоц А.К.***Запорізький національний університет
Україна, 69063, м. Запоріжжя, вул. Жуковського, 66***Ключові слова:**

податковий контроль, податкові системи зарубіжних країн, податкові перевірки, штрафні санкції, відповідальність платників, контрольна-перевірочна робота, елементи системи податкового контролю.

Стаття присвячена аналізу основних засад організації податкового контролю в зарубіжних країнах. Обґрунтовано роль податкового контролю у діяльності фіскальних органів зарубіжних країн щодо досягнення високого рівня фіскальної ефективності податкової системи, який доцільно вивчити та врахувати у процесі оптимізації податкового контролю в Україні. Досліджено інституційне забезпечення процесуальних дій у сфері порушення податкового законодавства. Проаналізовано основні повноваження зарубіжних контролюючих органів. Розглянуто законодавчо-правове забезпечення процесу контролю розрахунків з бюджетом за податками. Проаналізовано форми та методи податкового контролю та використання форм організації контрольних перевірок у світовій практиці. Визначено елементи систем податкового контролю в розвинутих зарубіжних країнах та сформовано результат їх застосування щодо дотримання податкового законодавства. Приділено увагу інформативним та аналітичним методам податкового контролю. Показано позитивні приклади організації діяльності податкових органів щодо організації контролю за сплатою податків, що можуть бути адаптовані й реалізовані у вітчизняній практиці. Запропоновано рекомендації щодо організації процесу податкового контролю в Україні з урахуванням світового досвіду та визначені напрями їх реалізації.

Formulation of the problem

The main goal of tax control is to de-shadow the national economy and increase the economic welfare of the state by reducing taxpayers' tax arrears to the budget. In this regard, the tasks of tax control organisation include the following: identifying the cause and effect of violations of tax legislation; developing measures to improve the efficiency of the tax system.

One of the ways to solve these problems is to study foreign experience of tax control in order to find the best ideas and methods of its implementation and determine the possibility of their application in the domestic taxation system.

Analysis of recent research and publications

The theoretical and practical issues of tax control are reflected in the works of many domestic scholars, such as V. Andrushchenko, P. Buriak, N. Vytvitska, B. Karpinskyi, A. Kizyma, A. Krysovaty, M. Melnyk, P. Melnyk, N. Maryniv, O. Naidenko, Y. Solovyova, D. Reva and others.

However, measures to improve the efficiency of tax control are considered by researchers ambiguously and require systematisation and adaptation to the current economic climate.

Thus, the problem of improving the efficiency of tax control in Ukraine is relevant, and one of the ways to solve this problem is to study the global trends in its organisation.

Formulation of the goals of the article

The purpose of the article is to study the peculiarities of organisation of tax control in foreign countries and to systematise the results obtained with regard to the possibility of their adaptation to domestic needs.

Presenting main material

Tax control is a necessary lever of influence on the tax system of each country. Its necessity is determined by both objective (instability of tax legislation) and subjective reasons (low tax discipline of taxpayers).

Tax systems of different countries were formed under the influence of different political and socio-economic conditions [1].

For example, the French Tax Code regulates the organisation of tax control, which defines the methods and mechanisms necessary to combat tax evasion.

A special feature of tax control is the taxation of individuals with high incomes (journalists, artists, athletes, heads of large enterprises) carried out by the Office of Tax Audits. The selection of taxpayers for audits is based on the analysis of submitted tax returns or on the basis of external information. Qualitative indicators of tax audits are: the amount of additional taxes charged; measures taken to pay taxes in full; the ratio of resources expended to the amount of additional taxes charged [2].

As for Japan, the tax collection system in this country is quite efficient and well organised. Special bodies are used to collect taxes – local and central tax authorities. They monitor compliance with tax legislation, conduct audits of taxpayers and collect taxes.

Japan has a system of tax refunds. For example, if a company invests in the development of new technologies, it can receive a refund of part of the taxes paid. This contributes to the development of business and research in the country [3].

HM Revenue and Customs (HMRC) is responsible for the following within its competence: control over the correctness of tax payments to the budget; accounting for tax surcharges; investigation of tax crimes and offences; control of relations between tax authorities and taxpayers.

Control over the correct administration of taxes and duties is exercised by tax inspectors, whose duties include: sending reminders to taxpayers about the deadlines for payment of taxes and tax return forms; auditing tax returns and other tax reporting; and assessing tax liabilities (in cases of failure to submit a proper tax return or inaccurate data).

To improve relations between large taxpayers and tax authorities, the UK has established a Large Business Service Centre. In addition, the country uses the method of horizontal tax monitoring. A condition for the implementation of this method at an enterprise is the signing of an application for control over the payment of taxes [4].

The Swedish tax control system is considered to be one of the most effective. When considering the collection of declarations, management of funds, enforcement and control of large enterprises, the country has a strict centralisation of tax control, while tax control planning remains decentralised. Swedish law regulates the use of desk and documentary tax control without any time limits for on-site tax audits.

The high level of voluntary tax payment in Sweden is achieved by establishing explanatory work with taxpayers, including the provision of advisory services on the calculation and timing of tax payments and gaining trust from taxpayers in the work of tax authorities [1].

In Italy, tax audits are divided into random audits, audits by lot and audits for other reasons (e.g., special types of work). In the system of tax control authorities in Italy, an important role is played by the Financial Guard, which was established in 1881. Legislation on liability for tax crimes in Italy remains unsystematic at present, and its provisions may be contained in laws, decrees-laws and decrees of the President of the Republic.

In France and Italy, penalties are set as a percentage of the amount of underpaid or unpaid tax. At the same time, the amount of penalties also depends on the intent of the tax offence. The maximum fine in France is 80%, and in Italy – 240%. Italy also imposes a penalty for ignoring tax inquiries – 500-600 euros for each inquiry [2].

The Internal Revenue Service oversees compliance with US tax laws and the collection of federal taxes. At the same time, at the state level, there are tax authorities that control the payment of taxes imposed in these states, and local tax authorities control the payment of taxes imposed by local authorities. There is a close relationship between the tax authorities at all levels.

The Internal Revenue Service has a special unit that directly controls the taxation of large and medium-sized businesses. In addition, the Internal Revenue Service has a specialised unit whose main task is to select taxpayers for tax audits.

Tax audits are divided into: absentee (submission of documents to the tax authorities by mail), in-house (audit of declarations at the location of the tax authorities), and on-site (comprehensive audit at the location of the taxpayer). For each type of audit, the US has developed detailed instructions to regulate audits.

One of the grounds for conducting an audit may be that the inspector-controller receives information from a paid informant.

Late payment of taxes in the United States is subject to a penalty of 5% of the unpaid amount and 50% of the amount the taxpayer would have received if the money had been deposited in a bank. Failure to submit tax returns is punishable by a fine of up to USD 100 thousand USD with imprisonment for up to one year. A fine of up to USD 100,000 is imposed for the submission of incorrect tax information by individuals and a fine of up to USD 500,000 is imposed for the submission of incorrect tax information by legal entities.

In order to prevent tax offences, the US tax service annually holds a tax workshop, which is broadcast on public and cable television across the country. In addition, the United States has established the institution of tax courts that deal exclusively with tax claims [5].

Tax audits in Canada are divided into absentee, in-house and on-site audits. Large corporations may sign special agreements with the tax authorities that stipulate certain issues related to scheduled audits. Such audits usually last from 3 to 8 months, and the subject of control can only be the activities of the last 4 years.

Tax audits of large companies and their branches are conducted simultaneously throughout Canada and are coordinated by the central tax authority.

The risk categories for committing an offence are divided into four groups. If a taxpayer is held liable, it may be subject to a long prison term or a significant fine, including confiscation of the taxpayer’s property.

As in the United States, Canada has a tax court, which plays an important role in ensuring that tax control is carried out at the proper level [6].

A feature of the current German tax control system is that tax consultants who are not employees of state bodies are vested with controlling powers. To perform this work, the Ministry of Finance issues them a licence to carry out such activities.

The main form of control activity of German tax inspectors is a tax audit, which is conducted on the basis of an order to appoint an audit with a defined range of tasks.

In Germany, the tax authorities have the right to conduct on-site inspections without notifying the taxpayer. There are no time limits for such audits.

To simplify tax control, Germany widely uses an electronic tax administration system. To conduct tax control of large taxpayers, Germany has a special department for servicing this category of business entities. It is subordinated to the Supreme Financial Directorate. In this case, a documentary audit is carried out at least once a year, but not more often than once every six months. In addition, indirect methods are used to conduct tax control (the most

Table 1 – Elements of tax control systems in developed countries

Elements of tax control systems	Country	Result of applying a specified tax control
The Code of Tax Procedures as a separate legislative act (procedures for conducting tax audits of legal entities and individuals differ significantly)	France	Approximately 90% of tax audits are effective in detecting tax offences and making decisions on additional tax payments
Private consulting on tax accounting and tax reporting	France	High level of voluntary tax compliance
Increased attention is paid to taxpayers who provide the largest budget revenues. Other taxpayers are subject to control if there is a high risk of committing a tax offence	United Kingdom	Reducing the cost of controlling and monitoring the activities of all taxpayers
Keeping the financial authorities and the tax inspectorate under a single authority (German Ministry of Finance)	Germany	Free exchange of information on financial transactions of legal entities and individuals between different financial authorities and tax inspectorates
Tax forecasting: – Expected costs of the audit, – the amount of possible additional tax payments, – the degree of compliance with the principle of minimal interference with the payer's activities	Germany	Reducing tax administration costs by eliminating ineffective audits
Tax consulting for taxpayers, training of specialists for the public and private sectors on taxation issues Partnership	Sweden, USA	High level of voluntary tax payment, close cooperation between tax authorities and taxpayers
Use of information and communication technologies	USA	Free access of tax authorities to information databases of other authorities that have information on income, expenses, financial liabilities and financial position of taxpayers
Tax courts	USA, Canada	Quick, professional and effective resolution of conflicts between taxpayers and tax authorities; strengthening of tax discipline; increased responsibility of all participants in tax relations for decisions made

Source: compiled by the authors for [2, 5]

common is the method based on the analysis of production stocks) [7].

A special feature of the control over the work of German tax inspectors is the system of point-based assessment of their work, according to which a tax inspector is awarded a certain number of points (from 1 to 8) and each inspector must score at least 34 points in the reporting year.

The scoring system is used to assess the decisions of tax authorities. The scoring standard also serves as a basis for drawing up inspection plans for the future period in terms of the most optimal distribution of the workload between individual inspectors.

The effectiveness of tax control is significantly enhanced by the presence of the tax police in the country – the “shtoyfy”, whose employees have the rights of law enforcement agencies. At the same time, the country has the institution of tax judges, who, acting within the general framework of the justice system, are exclusively engaged in consideration of claims on tax issues [5].

Based on the results of studying the experience of developed countries in terms of building tax control systems, we can identify the following elements that, with proper adaptation, can be implemented in domestic practice (Table 1).

The foreign experience of organising the activities of tax control bodies cannot be fully transferred to Ukrainian legislation, but knowledge of the way tax control is developing in developed foreign countries and study of their achievements helps to create an effective system of controlling entities in the field of taxation in Ukraine.

Conclusions and suggestions

As a result of the study of foreign experience of tax control authorities, the following possible areas for improving the tax control mechanism in Ukraine can be identified:

- Adoption of departmental instructions that would define in detail the procedure for conducting each type of tax audit;
- Creation of the institute of authorised tax consultants;
- Introduction of a scoring system for the certification of tax control officers in order to improve the quality of their duties;
- Use of indirect and computerised methods to identify the risk of possible tax offences;
- Use of information and communication technologies to obtain information on income, expenses, financial liabilities and financial position of taxpayers.

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