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SIMPLIFIED TAXATION SYSTEM OF SMALL BUSINESS ENTITIES AND PROSPECTS OF ITS FURTHER DEVELOPMENT IN UKRAINE

Annotation. *The article deals with ways to improve the simplified system of taxation of small business in Ukraine. Specific recommendations and suggestions are highlighted in order to enhance the support of small business entities.*

Keywords: *simplified tax system, small entrepreneurship, tax, tax rate.*

Small business is a key element of the market environment that provides solutions to many social and economic problems. With the help of small business for various periods of time, starting from the transition period and ending with the stage of market relations is saturated with market goods and services, the budget is filled, stimulated positive changes in the economy.

A means to implement tax support for small businesses is a simplified system of taxation.

The main idea of the simplified system of taxation is the replacement of taxes that are part of the general system of one tax, which is calculated according to simplified rules. This tax is called "single".

The single tax combines the characteristics of all taxes and fees that it replaces, and paid by legal entities and individuals.

In modern conditions of socio-economic development of the state, the simplified taxation system needs to be reformed and is in the process of change.

The development of small business in Ukraine and other developed countries differs significantly. Of the 180 countries in the world, Ukraine ranks only 145th in terms of small business development capacity [1].

The practice of applying tax regimes in foreign countries can be a kind of example for Ukraine and the general features inherent in many states should be taken into account when formulating state policy to support small businesses in Ukraine.

The experience of economically developed countries shows that the application of simplified tax regimes to stimulate the development of small business is effective in the initial stages of reforming the economy. Ukraine is at this stage.

In order to stimulate the economic formations of the small business sector, most economically developed foreign countries practice the application of benefits and preferences in taxation (USA, UK), as well as the introduction of special tax rules (France).

Therefore, the following areas of state support for small businesses can be identified:

- exemption from the obligation to report on business results for certain activities;
- introduction of a simplified accounting system;
- introduction of special VAT regimes for certain types of transactions, which reduces the tax burden;

- use of taxes on estimated income and minimum taxes [3].

Use of a simplified system of taxation, accounting and reporting provides small businesses with a number of advantages:

- simplification of the procedure and procedure for registration of the taxpayer. Small businesses can switch to a single tax both from the beginning of the year and from the beginning of any quarter;

- greatly simplifies the calculations related to the determination of tax amounts;
- one form of reporting – the calculation of payment of a single tax by a small business entity – a legal entity submitted to the tax authority once a quarter;
- the right to pay VAT is given [2].

However, there are some disadvantages of the simplified taxation system that hinder the development of small business in Ukraine:

- limiting the revenue of small businesses that give the right to use the simplified taxation system;
- the amount of the single tax of the individual taxpayer is paid in advance for the reporting period (quarter);
- element double taxation in the simplified system at a rate of 6% subject to VAT. Because 6% of the tax is calculated on the basis of revenue, including VAT, which comes from buyers on the current account at the box office, and this is economically incorrect [4].

In particular, it is necessary to take measures to comprehensively reform the simplified system of taxation, accounting and reporting.

It is recommended to establish a "progressive" scale of tax rates for different amounts of revenue of a single tax payer. Thus, it is possible to ensure fiscal justice, because in this case, people with higher incomes will pay a larger amount of tax liability.

It will be productive to use foreign experience, namely the European Union, where simplified systems of taxation of small businesses have become widespread in other forms of state support.

To achieve a balance between the interests of the state and small businesses need to implement a number of the following measures:

1. Strengthen accountability for single taxpayers for using the labor of employees without proper registration of employment.
2. Create incentives for small business development by local authorities in their territories.
3. Introduce differentiated (within a year) tax rates.
4. Optimize the range of taxpayers, which will reduce minimizing taxation.
5. Optimize the list of taxes and fees (mandatory payments) that are replaced by a single tax.

To increase the efficiency of small businesses, you can implement a number of the following measures:

- to provide preferences and benefits to enterprises;
- to reduce the level of payroll taxation for enterprises that create additional jobs in areas with high unemployment;
- to simplify the accounting procedure;
- to stimulate investment and innovation activities of small business entities;
- to encourage conscientious fulfillment of tax obligations.

As a result, the simplified taxation system introduced in Ukraine is characterized by positive aspects, but there are problems with collecting the single tax, which requires further research on the impact of the simplified taxation system on small business development.

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