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## **WAYS TO IMPROVE THE TAXATION SYSTEM IN UKRAINE**

**Annotation.** *The article reflects the problems of the tax system of Ukraine. The advantages of direct taxes are shown. Taking into account the existing opinions of experts, a set of measures to improve the tax system of the state has been revealed.*

**Keywords:** *tax system, direct taxes, indirect taxes.*

Taxes are the financial regulators on which the state's financial policy is based. They ensure the withdrawal and redistribution of the created gross domestic product and the formation of centralized funds of monetary resources of the state.

The tax system is determined not only by a set of taxes and fees, but also by the principles of its construction, which are enshrined in law. Such principles as: fairness, certainty, convenience, economy have become the basis for building a tax system [1, p. 72-77].

However, the tax system in Ukraine has a number of problems. Many special specialists have worked and are working on problematic and debatable issues. Nevertheless, Ukraine's tax system needs perfect improvement and rational improvement. Therefore, the research topic is extremely relevant.

The purpose of the article is to develop ways to improve the tax system of Ukraine.

Ukraine has complex tax legislation. A significant number of articles of the Tax Code are not entirely unambiguous, and certain laws and regulations are insufficiently consistent and contradictory.

Among the main problems of the tax system of Ukraine it is expedient to single out the following: uneven tax burden, fiscal orientation of tax instruments, instability of tax legislation, inefficiency of tax benefits. The study of this issue is given considerable attention by such scientists as: NV Dutova, ES Lesik [2, p. 43-52], S.I. Small [3, p. 110-114], I.I. Pedchenko [4, p. 167-168] and others.

An important problem in the process of reforming the tax system in Ukraine is the optimal combination of direct and indirect taxes. The tendency to increase the share of direct taxes is in line with the practice of developed countries. Although indirect taxes are beneficial to the tax authorities in terms of their collection, but their payment is a burden on the shoulders of the final consumer.

Direct taxes in the tax system today occupy a leading place [5, p. 397-401]. The advantages of direct taxes include:

- establishing a relationship between the payer's income and payments to the budget;
- promoting a more or less even distribution of the tax burden, implementing the principle of social justice;
- impact on the structure of production and consumption in the country;

- assistance in regulating economic processes.

Therefore, the advantage of fair direct taxes avoids negative consequences, such as:

- lower living standards of the majority of the population;

- further decline and decline of Ukrainian production, which is not able to compete with cheap products of foreign companies.

To improve the welfare of the population, changes in the taxation system must occur together with the reform of the system of remuneration, pensions, and the improvement of the social sphere. For the convenience of taxpayers, the conditions of taxation should be simple and clear, the tax should be levied at a convenient time and by an acceptable method.

To reform the tax system, it will be advisable to propose the following set of measures:

- carrying out of works of tax administrations on explanation to the population of essence of tax payments and separate questions;

- creation of consultation points at tax administrations to provide free information on various issues;

- transparency of tax payment and prevention of corruption in tax administrations.

The directions of changes in the taxation system of Ukraine can be:

- maximum elimination of tax differences when calculating the amount of taxable profit of enterprises;

- differentiation of VAT rates and minimization of benefits from this tax;

- maximum cooperation of tax authorities of different levels;

- setting up a system of electronic interaction between tax authorities and taxpayers;

- expansion of the tax base of environmental tax and real estate tax [6, p. 140-141].

The state must take into account the economic needs of territorial communities, their level of solvency. It is advisable to increase the powers of local governments in terms of local taxation, but in the Tax Code of Ukraine clearly establish criteria for the application of local taxes or benefits, which will avoid corruption schemes in the implementation of the law. It is necessary to ensure compliance of the Tax Code of Ukraine with the economic conditions of management, ie when changing economic conditions, it is advisable to make appropriate changes to the Tax Code taking into account the principle of stability.

Thus, such important financial regulators as taxes have significant problems with the law. Modernization of the tax system will contribute to the creation of an effective instrument of state regulation of the economy, which in turn will increase tax revenues to the budgets of various levels and provide incentives for positive processes in the economy of Ukraine.

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