

TAXATION REFORM IN UKRAINE

Taxes are the main source of funding for medicine, education, national defence, culture, science and other spheres of public life. Effective tax reform can improve the lives of all citizens. In our country, tax reform started in 2015 and is still being performed.

The main goals of taxation system reform:

1. to solve the problem of tax evasion;
2. to decrease the level of tax liability (burden);
3. to regulate the norms of tax legislation [2].

The tax system should be simple and transparent and should require a streamlining of government resources for the administration and collection of taxes.

At present, some **positive improvements** have been achieved by the government of Ukraine, namely:

1. the state fiscal service transformed into the service department;
2. created an electronic database of taxpayers;
3. the system of electronic managing of value added taxes (VAT) and excise taxes minimizes the contacts between tax payers and tax collectors, thus enhancing monitoring while reducing corruption of fiscal service employees [4].

As to the **key challenges** of this process they are:

1. the numerous changes in tax legislation violates the principle of stability. It makes impossible quality planning of work and leads to errors;
2. the issue of tax police reform is not resolved;
3. insufficiently considered actions and imitation of reforms cause confusion and resentment among the people [6].

Possible solutions of the problems:

1. to study the practice of the tax system functioning in other countries;
2. to establish a system of government accountability for the reform process of the taxation system;
3. to promote public awareness of the benefits of the tax payment process and a fair distribution of government resources [3].

Taxpayers should see the efficacy of their taxes and experience this efficiency personally.

Only by following the principle of, "I care about the country, and then the country takes care of me", it is possible to build a strong economically developed state.

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