

V. Hmyria
*Candidate of Economic Sciences,
Associate Professor at the Department of Banking
Cherkassy Institute of Banking,
University of Banking of the National Bank of Ukraine*

TAX POLICY AS A TOOL FOR SOCIAL AND ECONOMIC DEVELOPMENT

Currently, Ukrainian tax policy has mainly fiscal orientation which is the basis of government decisions in the field of taxation and is conducted with regard to fiscal interests of the state, and with a lesser extent, to regions. This orientation leads to formation of a tax policy, neglecting the following factors in the development and adoption of state decisions in the field of taxation: assessment of impact of the aggregate of taxes on the economic situation of businesses and their prospects for sustainable development, assessment of the possible reaction of taxpayers to changes introduced in tax system, impact of decisions on the economic development of individual businesses, regional economic sector and national economy as a whole.

Creation of the appropriate effective tax policy for any country is a process that requires, along with objective economic laws, consideration of general institutional features of development. Implementation of the tax policy is carried out through the tax mechanism. Consideration of realities of modern economic development of Ukraine

and the role and place of tax administration in the overall system of social and economic relations is necessitated through considering tax policies as a mechanism for coordination of economic interests of various actors of tax policy at different levels: republican level, regional (local) as well as households.

The level of tax revenues and tax potential of the national economy significantly affects opportunities and quality of economic growth in general and its reorientation towards integration with respect to the conditions of the global market space. Therefore, budgeting at all levels should be based on scientific projections of budget revenues, built on economic realities and objective economic laws such as creation of conditions for expansion of self-employment and small and medium-sized private businesses as a basis for broadening of taxation base and diversification of branches of tax-payers and improvement of tax legislation to encourage the creation of new entities as well as the withdrawal of existing businesses as sources of taxes from the informal sector.