

This system must adequately respond to the many socio-economic problems, to ensure the unity and stability of organizational and economic relations between all branches of power and cover all levels and public sector of the economy.

It must build on common organizational and methodological principles, uniform standards of operation and implementation of these objectives with a clear definition of the control and distribution of their functions and powers.

The need for development of the state financial control in Ukraine caused by the objective necessity to create efficient and effective control system to counter threats in the economic sphere, namely on: ensuring revenue taxes and duties (mandatory payments); reducing the number and scope of fiscal offenses; stabilization of fiscal discipline; strengthening the state's role in the system of financial control.

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ANALYSIS OF SUSTAINABILITY OF PUBLIC FINANCES

In modern conditions of global turbulence in the world economy, the processes of the relevant changes and responses to the globalization challenges force the governments of developed countries and countries with transitional economies to strengthen state regulation of socio-economical processes. Based on current trends in the economic development in Ukraine as one of the components of the global economic system according to modern challenges of transformational change, is of particular urgency questions of state regulation of socio-economic development of the state. At the same time, the leading role is given to the fiscal sector, in particular to the tax policy and tax regulation of the economy of the state.

The structure of the national tax system takes into account the level of development of the country and the political platform of governments, based on strategic goals and based on a ratio of principles of taxation. Existing problems of implementation accepted in Ukraine tax model are subjects to some inconsistencies in rates, methods of taxation and tax control of the current state of the national economy, the current system of economic relations. This is manifested, in particular, in tax evasion, in the negative attitude of businesses and citizens – taxpayers to the tax system.

For the purpose of leveling and further overcoming the negative impact of certain aspects it is necessary to application of several effective methods, tools, instruments of tax regulation, which would ensure a high level of efficiency of its implementation. In the current situation not only a function of the fiscal tool of filling the state budget, but also assistance of overcome the deformities and correction of negative processes in the economic-financial system, economic growth, and motivation in business activity of economic agents rely on tax regulation.

Issues of theory and practice the effects of taxes on regulation socially-economic processes at different stages of the economic cycle is a question highly relevant and multifaceted. Thus, the analysis of scientific economic literature suggests the presence of a

variety of theoretical and applied studies of impact of tax regulation on various sectors of economic activities. In particular: tax regulation of innovation activity [1], tax regulation of agricultural production [2], tax regulation of investment and innovation space [3], tax regulation of interbudget relations [4], tax regulation of foreign economic activity [5], tax regulation of banking institutions [6], tax regulation in the system of anti-crisis measures of the state [7], tax regulation of small business development [8], etc.

The European integration vector of Ukraine's development requires careful consideration and implementation of foreign experience in domestic practice of tax regulation. Generalized directions of reforming the tax regulation enshrined in the main legal acts – the Association Agreement between Ukraine and the European Union, the Strategy for sustainable development «Ukraine – 2020», the Memorandum with the IMF.

Modern transformational changes require further development and accumulating the ways for future development. There remains the need for a thorough study and critical analysis of the feasibility and timing of implementation of European experience in the framework of improvement of mechanisms of tax regulation in Ukraine with the aim of ensuring fiscal sustainability and stabilizing public finances in the long term.

Stabilization of public finances and ensuring fiscal sustainability became one of priority directions of economic policy in the aftermath of the 2008-2009 crisis. The financial crisis has weakened the fiscal positions of many countries. The drop in income due to the economic downturn and rising costs of anti-crisis measures in many countries led to a significant budget deficit and rising of public debt.

Changes in the tax system of the EU are permanent in nature. Elaborated tax reforms ensure the stability of public finance, economic development, employment and competitiveness, increasing the level of welfare of the population. The analytical frameworks of the European Commission allow to track the number of tax reforms in the 28 member countries of the EU.

During 2010-2015 years 1188 tax reforms took place, which concerned at once or gradual increase or decrease rates and/or tax base, the introduction/cancellation of taxes.

Into the Tax code of Ukraine since its adoption in 2010 – on January 1, 2016 submitted the 108 packages of legislative and regulatory changes (2010 – 1; 2011- 18; 2012 – 23; 2013 – 9; 2014 – 24; 2015 – 33), which indicates a permanent state of reform of Ukraine's tax legislation. In 2014-2015 there were such changes in the main budget-forming taxes and charges.

According the Law of December 28, 2014 № 71 «On amendments to the Tax code of Ukraine and some legislative acts concerning the tax reform» a number of changes was made, which directed at ensuring implementation of the annual state budget plan for 2015 in terms of revenues. Changes made to the rules of administration of most major taxes, including: income tax, value added tax, single tax, income tax, excise tax, vehicle tax, local taxes and fees, tax on real property other than land.

Taxes are a stabilizing controller of the state economy. In this context, tax regulation can be considered as a mechanism of stabilization of public finance in general and fiscal sustainability as indicator of their state in particular.

The analysis proved the existence of weakening trends of the sustainability of public finances of both Ukraine and the EU-28 in general in the context of global turbulence. Perspective weakening of fiscal system is sustainable on the choice of the preconditions for economic development, which in turn requires government intervention through the enactment of appropriate regulatory mechanisms (Figure 1).

The continued long-term sustainability of public finances is a priority objective of fiscal policy, therefore, to avoid uncontrolled growth of public debt, with the budget crisis, we need to develop and implement a strategy of fiscal reform. Elements of this strategy should be measures aimed at reducing government spending and searching for sources of future additional income.

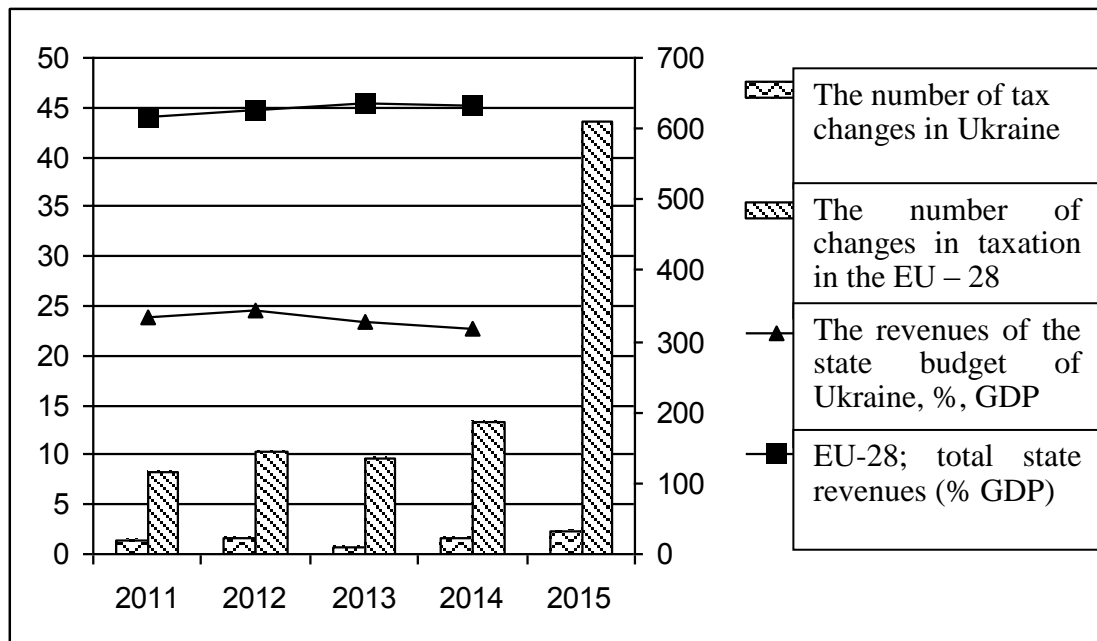


Fig. 1. Dynamics of total public revenues and the number of changes in taxation as a reflection of the impact of tax regulation in Ukraine and EU-28, 2011-2015

Compiled by the author based on data [<http://ec.europa.eu/eurostat/data/database>; <http://www.treasury.gov.ua/>; www.minfin.gov.ua]

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