

STRATEGIC DIRECTIONS OF EFFICIENT TAX ADMINISTRATION DEVELOPMENT IN RA

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Abstract: In the Republic of Armenia, although the problems of improving the tax system, increasing competitiveness, improving the business environment of the national economy, and ensuring the necessary tax revenues for the state budget have always been solved with separate legislative amendments, nevertheless, the current trends in the development of the world economy, new challenges, regional developments and ongoing within the framework of economic unions integration processes have created an objective need to re-regulate tax relations. In the modern market economy, the tax policy of the state is oriented towards high-quality and competent tax administration, which significantly depends on the efficiency of the tax system. The article focused on the need for methodological reinterpretation of the theoretical problems of tax administration and tax administration was considered as a part of the management of the relations established between taxpayers and the tax authority.

Keywords: tax system, state budget, tax revenues, tax policy, tax administration, market economy, tax discipline

JEL code: P43

Research aims: based on the video-methodical analyzes of the tax administration in RA, to present the administration aimed at ensuring full and timely fulfillment of tax obligations by taxpayers, combating tax offenses, reducing the shadow economy and increasing tax discipline, main characteristics.

Research novelty: is expressed in the methodical justification of the modern directions of tax administration, the increasing role of the adjustment of the competitiveness of the RA tax system within the framework of its improvement strategy.

Introduction

The tax system of each state expresses the features of economic development, and the main lever for the implementation of tax policy is tax administration, which is a dynamically developing system that manages and regulates tax relations in the market economy and coordinates the work of tax authorities. In the conditions of market relations, the main task of tax administration is to promptly regulate various changes in economic and political relations. Since one of the preconditions for the development of the RA economy is to increase the efficiency of tax administration through legal regulation and changes in tax legislation, therefore, if any of the mentioned principles deviates from its essence, then informal relations arise. shadow economy and bureaucratic risks, which contribute to the decrease in the efficiency of tax administration, the disruption of tax system management. It is true that there is no systemic corruption in the RA tax system, but there are still corruption risks, misinterpretation of laws and omissions that prevent the desired level of effective tax policy. Consequently,

in order to increase the efficiency of tax administration, it is necessary to create a mutually beneficial cooperation aimed at the management of the tax system, the registration and accounting of taxpayers, the prevention of artificial bankruptcy of economic entities, as well as the increase of the efficiency of the RA tax authority.

Research results

Tax policy is the main guarantee of high economic growth and macroeconomic balance, stabilization and progress of the economy, that is, there is a direct connection between the tax system and the level of economic development. Ultimately, the tax policy can be considered effective if it contributes to the activation of investment activities and the increase of employment, is applied with liberal tax approaches and through strict tax administration, equal competitive conditions are created for all economic entities, based on the approach according to which: Taxes can be compared to a medicine, the therapeutic properties of which are manifested only in the case of its intelligent dosage" [3]. There are various definitions of tax administration in the scientific literature. Tax administration acts as a process of tax collection and distribution by tax authorities in the state administration system [4]. From another point of view, tax administration is considered as a state policy management system, which includes the principles of tax revenue forecasting, tax rate optimization and tax potential identification [5]. Therefore, the main goal of tax administration is the collection of maximum tax revenues in the state budget by tax officials. Tax administration can also be considered as a management system of

tax relations, the main goal of which is the development of new forms of tax accounting and control in those relations [6]. In that sense, tax administration is formal, purely administrative in management theory. is a set of imperative forms and methods [7]. In other words, tax administration can be defined as the consolidation of certain functions of tax authorities and the relationships formed between the participants of tax relations (tax authorities and taxpayers) within the framework of tax legislation in the tax system in the country [2]. This circumstance determines the necessity and relevance of the systematic theoretical analysis of the factors affecting the financial management priorities of the RA tax system in the context of the economic development of our country. Tax administration is carried out within the limits of its functions and powers, which are defined by the tax legislation. so tax administration is a set of activities carried out by the authorized body of the RA (state administration or local self-government body performing administration or control), on the basis of the tax code and other legal acts, which is aimed at ensuring the widespread and correct application of legal acts regulating tax relations [1] (the tax authority implementation of problems). In other words, it is practically the full implementation of the provisions of the tax law. The tax administration of Armenia is based on the principles of taxation accepted in modern world practice, the organizational foundations of the structure of the tax system and the types of taxes used.

At the current stage of tax reforms implemented in RA, the increase in business activity and the legal protection of taxpayers is also due to the increase in the efficiency of tax administration, as a

result of which such negative phenomena for the economy of RA have been significantly reduced, such as double bookkeeping by business entities, under-declared tax revenues and shady dealings, administrative and corruption risks, undocumented goods circulation, the number of unregistered workers, etc. One of the most important results of the economic reforms is the significant increase in the income level of the RA state budget (see Figure 1) [9].

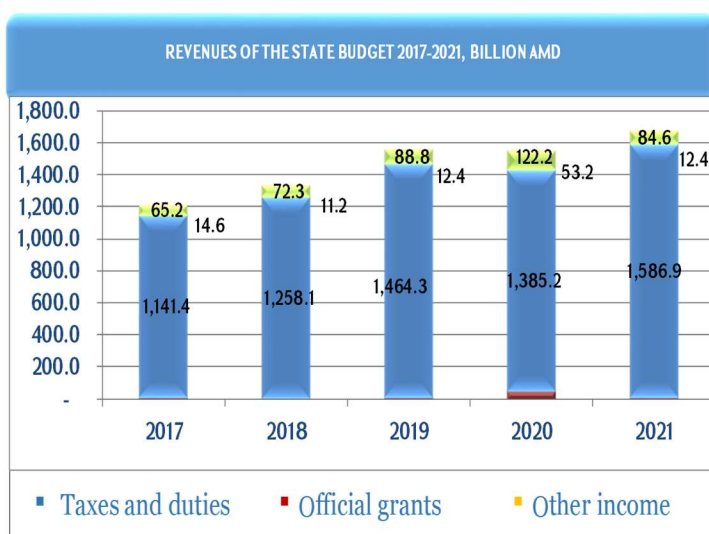


Figure 1. Revenues of the RA state budget in 2017-2021

At the same time, the implementation of tax reforms in RA fully demonstrated the relevance and relevance of the issues of further development of the tax administration system, as a result of which the reduction of the tax burden should be accompanied by an increase in the general level of tax administration. However, today it does not completely satisfy neither the state nor the

taxpayers. The situation is unacceptable for the state, when there are still many cases of tax evasion by taxpayers, for which they use more complex economic and modern technical schemes. And taxpayers generally complain not so much about tax rates, but about the applied tax administration. For example, the taxpayer in the countries of the European Union, the USA, and Japan is more demanding towards the tax authority [10], than in newly adopted post-Soviet countries, including Armenia. There is another important difference, according to which, if in Armenia the main expectations from the point of view of ensuring the revenues of the state budget are from the big business sector, then in developed countries the main taxpayer is the small and medium business, moreover, the middle class, which is still at the stage of formation in our country. In this regard, it is appropriate to conclude that the liberalization of the economy is one problem, its impact on social development is another. Thus, the social factor of development is a matter of serious concern in our country. That is why even the economic growth expressed in two-digit numbers still does not have its tangible impact on the improvement of the standard of living of the national population. according to which, if in Armenia the main expectations from the point of view of ensuring the revenues of the state budget are from the big business sector, then in developed countries the main taxpayer is the small and medium business, moreover, the middle class, which is still in the formative stage in our country. In this regard, it is appropriate to conclude that the liberalization of the economy is one problem, its impact on social development is another. Thus, the social factor of development is a matter of serious concern in our country. That is why even the

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Consequently, the formation of a qualitatively new system of tax administration in the long term should be the basis of tax administration reform. Since tax administration reforms are one of the main prerequisites for the development of any economy, increasing the efficiency of tax administration and improving legislation in the Republic of Armenia will contribute to the implementation of quality tax policy, collection of tax revenues, activity of entrepreneurial activities, reduction of the unemployment rate, optimal distribution of the tax burden, reduction of the volume of the shadow economy, etc. Establishing an efficient and modern tax administration in Armenia is one of the key prerequisites for sustainable economic growth and improving competitiveness. The State Revenue Committee of Armenia, as the RA tax authority, has come a long way for continuous improvement. Tax reforms in RA should, on the one hand, imply a relaxation of tax pressure and the solution of fundamental problems for business, and on the other hand, transparency of taxpayers' activities for the state and exclusion of opportunities for tax evasion.

In recent years, significant changes have taken place in the tax system of the Republic of Armenia. The biggest change in 2016 in October was the adoption of the tax code, which entered into force in 2018. from January 1. 2018 from July 1, the authority and responsibility for official clarifications on tax and customs issues was transferred from the tax authority, the RA State Revenue Committee (SRC), to the RA tax policy-making body, the RA Ministry of Finance. Tax and customs services in Armenia are currently provided by one department, the RA SRC. Since 2015, Armenia has been a member of the large regional economic union, EAEU, within

the framework of which unified policy and administration in the field of customs and indirect taxes are implemented. Armenia has signed several international agreements, including within the framework of the Organization for Economic Co-operation and Development (OECD), which relate to automatic data exchange and other tax administration issues that support the development of tax authority capacity and the improvement of services provided to taxpayers. In that regard, a number of important complex and integrated packages of information technologies aimed at the modernization of tax administration have been implemented. Thus:

1) Simplified tax payment procedures have been introduced, in particular, an electronic reporting system, as a result of which the range of services provided to taxpayers has been expanded, thereby eliminating obstacles to the fulfillment of their tax obligations. Thus, if in 2011 the share of users of electronic tax declaration was 20%, today it has already reached almost 98%, which is equal to the level of many member countries of the Organization for Economic Cooperation and Development. The services provided to taxpayers have been significantly improved thanks to the establishment of a call center and other internal reforms.

2) Within the framework of the reforms, the modernization of the main information technology systems was carried out, including the unification of databases, centralized data processing, backup (management of information accidents) and data exchange with third parties, for example, Cadastre, Police and Central Bank.

3) A modern (digital) system of tax audits and studies based on the assessment of indicators of the risk of tax violations was created, the purpose of which is to improve the law enforcement of the tax

obligations and to establish targeted mechanisms. This reform significantly reduces the opportunities for arbitrariness, thereby increasing the transparency and accountability of tax administration.

4) An up-to-date database with a large number of state-of-the-art servers was created, the teaching methodical base of the SRC training center was modernized, etc.

Conclusion

Summarizing the research carried out in the article, we come to the conclusion that in order to have an effective tax administration system in RA, in our opinion, it is necessary to apply the following measures:

1. It is necessary to take into account the attitude, perceptions and expectations of taxpayers towards the tax administration, because the manifestations of mistrust and disappointment towards different parts of the state administration system for objective and subjective reasons can have a negative impact on business activity. Regularly examining the opinions of taxpayers and being in constant contact with them are considered pillars of increasing efficiency and transparency for all progressive tax administrations. Therefore, we believe that the RA SRC will also make this approach an integral part of the tax administration of our country. We believe that this research initiative will also contribute to the improvement of SRC-taxpayer dialogue and further reform of tax administration.

2. At present, one of the priorities of the tax authority is the optimization of tax collection accompanied by the minimum

administrative costs of fulfilling tax obligations of taxpayers. In this process, it is important to regularly reflect on taxpayers' perceptions of tax administration and evaluate developments in revenue management. The RA tax authority should take into account all the opinions received from taxpayers, because the study of taxpayers' views aims to reveal the problems and possible inconveniences they face, which will allow to respond to the problems raised by taxpayers when developing the upcoming policy and formulating the tax administration development strategy.

3. One of the most important and priority goals of the SRC should be related to receiving regular feedback from taxpayers and ensuring constant dialogue with them, as a result of which it is expected to greatly expand the SRC's capacity to identify further ways to increase tax revenue collection while reducing the tax burden of taxpayers. That dialogue should be continuous, aimed at identifying problems, providing strategic objectives for improving tax administration, and assessing the impact of systemic changes on the part of taxpayers. The results of that dialogue will also allow to identify the main directions where there is a demand for improvement and modernization.

4. In order to increase the effectiveness of the tax policy in Armenia, the tax reforms should be aimed at eliminating the reasons that hinder the effective functioning of the tax system and ensuring the normal functioning of the system. The main goal of the tax reforms to be implemented in RA in the coming years should be the formation of a tax system that ensures sustainable economic growth and promotes the attraction of investments, which will ensure guaranteed budget revenues, both in the short term and in

the long term. Aimed at the stimulation and development of the economy, the main directions of the RA tax policy should be the gradual increase of the tax/GDP ratio, the expansion of the regulatory and stimulating functions of taxes, the promotion of SME's, assessment of the effectiveness of tax privileges and their revision based on this, transfer of some part of the taxable activities within the framework of the micro-entrepreneurship system to the general field of taxation, promotion of investments in the economy. In terms of increasing the efficiency of the tax policy, we believe that an important step can be (which is widely used in many foreign countries) to partially or completely exempt from the profit tax the part of the company's profit that will be invested in economic innovation projects.

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ԱՐԴՅՈՒՆԱՎԵՏ ՀԱՐԿԱՅԻՆ ՎԱՐՉԱՐԱՐՈՒԹՅԱՆ ՈԱԶՄԱՎԱՐԱԿԱՆ ԶԱՐԳԱՅՄԱՆ ՈՒՂՂՈՒԹՅՈՒՆՆԵՐԸ ՀԱՅԱՍՏԱՆԻ ՀԱՆՐԱՊԵՏՈՒԹՅՈՒՆՈՒՄ

Մարատ Մանուչարյան
Հայաստանի եվրոպական համալսարան, հայցորդ

Բանալի բառեր – հարկային վարչարարություն, ֆինանսական ռեսուրսներ, հարկ վճարողներ, հարկային քաղաքականություն, լիազորված մարմին, տնտեսական արդյունավետություն

Հոդվածը նվիրված է ՀՀ-ում կիրառվող հարկային վարչարարության համակարգին, որում կարևորվում է եկամուտների արդարացի բաշխման վերաբերյալ հասարակության պատկերացումները, գործող օրենքների պահանջների պահպանման նկատմամբ օպերատիվ վերահսկողության սահմանումը և հարկմանը չենթարկվող ստվերային տնտեսական գործարքների ու ապօրինի գործունեության կանխարգելմանն ուղղված քայլերի իրականացումը: Հարկման լավագույն համակարգի սահմանումը ենթադրում է բարեփոխումների ընթացքում հարկման տնտեսական արդյունավետության բարձրացման կարևորության գիտակցումը, որի դրսևորումը, նախ և առաջ, պետք է հանդիսանա հարկատու-հարկային ծառայող շփումների կրճատումը, հարկատուների կողմից ներկայացվող հաշվետվությունների քանակի և պարբերականության հնարավորինս նվազեցումը, ինչպես նաև դրանց լրացման համար ավելի մատչելի և պարզեցված պահանջների սահմանումն ու դրանով իսկ պայմանավորված՝ տնտեսական խաթարումների նվազագույն մակարդակի ապահովումը: Հարկային վարչարարությունը, որպես կառավարման լիազորված մարմնի գործունեություն, ընդգրկում է ոչ միայն գործող հարկային օրենսդրության կիրառումը, այլ նաև տեղեկատվության հավաքագրումն ու վերլուծությունը, այդ թվում՝ հարկային ստուգումների ընթացակարգերի իրականացման պրակտիկայի և հարկերի հաշվարկման մեխանիզմի բարեփոխմանն ուղղված միջոցառումների մշակումը, հարկային հսկողության ընթացակարգերն ու մեթոդները: Հարկային մարմնի որակյալ աշխատանքի շնորհիվ հնարավոր է բացահայտել հարկային օրենսդրության անկատարության

փաստերը, որոնք հնարավորություն են տալիս հարկ վճարողներին նվազագույնի հասցնել իրենց վճարումները կամ խուսափել վճարումից, ինչպես նաև կանխարգելիչ միջոցներ ձեռնարկել՝ վերացնելու այդ խախտումները:

Submitted: 13.09.2023; Revised: 16.09.2023; Accepted: 18.09.2023