

**Міністерство освіти і науки України**

**Національний університет харчових технологій**

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**80 МІЖНАРОДНА НАУКОВА  
КОНФЕРЕНЦІЯ  
МОЛОДИХ УЧЕНИХ,  
АСПІРАНТІВ І СТУДЕНТІВ**

*“Наукові здобутки молоді –  
вирішенню проблем харчування людства  
у XXI столітті”*

*Частина 4*

*10–11 квітня 2014 р.*

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**Київ НУХТ 2014**

## 28. Tax accounting in Ukraine

Anastasiya Sedlova

*National University of Food Technologies*

**Introduction:** Ukraine has two-tier tax system and levies taxes on the local and state levels. There are 18 state and 5 local taxes and charges. Ukraine imposes taxes on its residents on a worldwide basis. The residency of legal entities is determined based on the place of incorporation. As to individuals, the Tax Code provides for a tiebreaker rule.

However, tax authorities tend to use the Commentaries in their interpretation of the Tax Code's provisions.

**Resources and methods:** The analytical method was used to work with the material and such types of taxes were distinguished: 1. General; 2 Corporate Income Tax; 3 Value Added Tax; 4 Personal Income Tax; 5 Payroll Taxes.

**Results:** General taxes can describe the most common levies paid by individuals over the course of their lives. The most common general taxes include such things as income, sales, property and service taxes. Some taxes can be reduced by deductions, credits and write offs. Others can only be avoided by not making certain purchases or using specific services.

Are officially recognized of the national taxes in Ukraine – the main ones include: company income tax (23%); personal income tax (15-17%); value-added tax (20%).

The Value Added Tax rules are contained in the Tax Code. In accordance with Article 180.1. of the Tax Code, any Ukrainian or non-Ukrainian legal entity will be required to pay VAT, if, inter alia, that entity:

Has sold goods (or provided works or services) subject to VAT during the last 12 calendar months with an aggregate value in excess of UAH 300,000 (approximately US\$ 37,500); Imports (ships) goods and concomitant services into the customs territory of Ukraine; etc.

A 0% tax rate is provided by the Tax Code for the export of goods and concomitant services.

Residents and non-residents are taxed at the same rates (basically, 15% and 17%); no more need for foreigners to obtain Ukrainian tax residency; basic tax rate 15%; 5% on dividends and royalties etc.

The payment of social insurance contributions is regulated primarily by the Law of Ukraine On the Levy and Records for Unified Mandatory State Social Insurance Contribution of July 8, 2010, N2464-VI, effective of January 1, 2011. With regard to the employer-related Unified Contribution, it is not deducted from the employees' salaries, but must be paid by the employer in addition to their salaries. The Unified Contribution is payable at the rates which range from 36.76% to 49.7 % of paid income. In addition, the employer is required to withhold the employee-related Unified Contribution in amount of 3.6% at the expense of the employee's salary.

**Conclusions:** Ukraine today represents one of the most exciting emerging markets for international companies. Situated at the crossroads of Eastern Europe, Russia, Central Asia and the Middle East. Ukraine has established a reputation as a major exporter of grain, machinery and rolled-metal products. Since 1991, after Ukraine became independent, the Ukrainian tax system has started its development and is still changing rapidly. Ukraine has two-tier tax system and levies taxes on the local and state levels. There are 18 state and 5 local taxes and charges. Ukraine imposes taxes on its residents on a worldwide basis.

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*Scientific supervisor: Olena Klymova*