

16. Ukrainian Workers Abroad. What Taxes to Pay and What can be Levied

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Introduction. Labor migration of Ukrainians abroad is one of the most important problems of the country. According to various analytic agencies, almost 12 million Ukrainian citizens are guest workers. According to the National Bank, in 2017, money transfers to Ukraine from abroad amounted to approximately 9.3 billion dollars. The conditions for the taxation of migrant workers are determined by Art. 19 of the Law of Ukraine "On Foreign Labor Migration", according to which it is carried out in the order and in the amount established by the state of residence.

Materials and methods. General scientific methods and special techniques were applied. In particular, the methods of logical analysis and synthesis, comparative analysis were used.

Results. Residents of Ukraine, taking into account the norms of international treaties, have the right for enrollment of taxes and fees paid outside Ukraine in the calculation of taxes and fees in Ukraine in accordance with the norms of the Tax Code of Ukraine. Avoidance of double taxation of income is realized by the relevant international treaties of Ukraine. If a citizen is recognized as a tax resident of Ukraine, he is obliged to pay to the budget personal income tax (PIT) from all received income at a rate of 18% and military salary - 1,5% of income.

As a general rule, the amount of foreign income is included in the total annual taxable income of an individual. At the same time, you must submit an annual tax return - in person, through a trustee, by post with a notice of delivery and an attachment description, in electronic form with a registered electronic signature.

For those who are officially employed, it is possible to take into account the amount of income tax paid in another country to reduce the tax liability on personal income tax. As a result of such an offset, a person may actually be exempted from paying the PIT if the amount of the foreign tax exceeds the amount of tax in Ukraine. Such a netting from the personal income tax is possible, if there is an agreement on avoidance of double taxation between the countries. To do this, you need to obtain a certificate from the foreign tax authorities on the amount of tax paid, the base and object of taxation. The certificate is subject to legalization through the Apostille or through the Consulate of Ukraine abroad.

For non-submission or late submission of tax returns on income and property, a fine of 170 hryvnias is charged, as well as administrative liability is stipulated. The financial resources of labor migrants earned in foreign countries and invested in the Ukrainian economy in the form of entrepreneurial or financial capital are proposed to be made into sources of financing of investment activity.

Conclusion. Some experts say about the positive factors of foreign labor migration of Ukrainians, since they bring or transfer most of the money to Ukraine, these funds help to reduce poverty rates, allow them to teach children, to buy or build housing in Ukraine, and to acquire new skills, to increase opportunities for entrepreneurship, etc. But in order to reduce the dynamics of labor migration of Ukrainians abroad, it is necessary to implement reforms aimed at the reduction of the economy, the formation of a flexible labor market, taking into account the needs of employers, and ensuring decent wages.