

MILITARY TAX IN UKRAINE

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The Ukrainian Tax System has developed radically since Ukrainian independence till present. The first major reform of the tax system was undertaken in 1997 with the main aim of increasing budget revenues, primarily by reducing the number of tax exemptions and simplifying and streamlining compliance procedures.

In Ukraine all taxes or levies are national or local. Tax collection procedures and tax incentives may be established only by law. According to the Tax Code in Ukraine now exist 22 taxes and levies [5].

The constituent parts of the tax system of Ukraine are as follows: tax payers, the object of taxation, the tax base, the tax rate, the tax calculation procedure, the tax period, the term and the manner of payment of taxes, the period and procedures for reporting, the calculation and the payment of taxes [6].

Ukraine's parliament amended its tax laws to introduce a 1.5-percent military tax based on workers' income.

Since August, 3rd 2014 the Law of Ukraine «About modification of the Tax Code of Ukraine and some other acts» from 31.07.2014 has come into force. № 1621-VII of which, in particular, established a military tax [1].

With the goal of providing finances to raise the military capabilities of the state, it is suggested to temporarily introduce a new all-national tax, a military tax through January 1, 2015. This tax will be set at 1.5% from the incomes of individuals from their salaries, as well as from other income, compensation or other monetary awards that are transferred to the taxpayer [3].

According to items 1.2 of item 16-1 of subsection 10 of section of XX Tax code object of the taxation military gathering are incomes in the form of a salary, other incentive and compensatory payments or other payments and compensations which are charged (are paid, given) to the payer in connection with labour relations and under civil-law contracts; a prize in the state and not state monetary lottery, etc. Military tax should be considered on subaccount 642 «Calculations on obligatory payments» [2].

The sums of the withheld tax from the payments to workers included into fund of payment are displayed by correspondence of accounts:

Debit 661 «Calculations on a salary» ;

Credit 642 «Calculations on obligatory payments» [2].

If military tax is paid from the sums which the enterprise withholds (as the tax agent) from non-worker, in particular, at compensation payment under civil-law contracts, subaccount 685 «Calculations with other creditors» is applied to reflect the sum of the withheld tax, and is displayed by correspondence of accounts [2]:

Debit 685 «Calculations with other creditors»;

Credit 642 «Calculations on obligatory payments».

The Ukrainian government hopes to receive around \$240 million when implementing a new tax.

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