

Forms and Methods of Tax Control: Ratio of Concepts

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Abstract: On the basis of the analysis of works of the Russian scientists and the existing tax law by authors the conceptual framework of system of tax control is investigated. The researcher's interpretation of the concepts "form of tax control", "method of tax control" is presented. By results of the conducted research distinctive features of the forms of tax control existing in Russia and the methods corresponding to each of them provided by the tax law are established.

Key words: Tax law, tax audits, accounting of taxpayers, tax monitoring, tax authorities, taxpayers, interdependent persons

INTRODUCTION

In modern conditions in general system of the state financial control the leading role belongs to tax control. The special attention to tax control from the state is caused by the fact that taxes act as the main source of budget incomes which are replenished generally due to payment by legal entities and physical persons of taxes and other obligatory payments (Rykunova and Sevryukova, 2013). So, according to Federal Treasury of the Russian Federation as of 01.01.2016 the tax income constituted 58.1% of the consolidated budget of the Russian Federation and budgets of state non-budgetary funds. In the income of the federal budget the tax income constituted 63.4%.

Tax budget revenues express the economic relations arising at the state with taxpayers in the course of forming of the budget of the country. As a form of manifestation of these economic relations serve different types of payments of the entities, organizations and the population in the government budget. Questions of filling of the federal budget and budgets of regions find reflection in researches of modern scientists (Tkachyova, 2011, 2014).

In the consolidated budget of the Russian Federation in 2015 arrived the income of 13,788,3 billion rubles administered by Federal Tax Service Russia of Russia, or is 8.8% more than in 2014. Forming of all tax income in 2015 for 80% is provided due to receipt of a severance tax 23%, the income tax of the organizations, 19%, personal income, 20% and the VAT 18%. Thus, the provided data confirm increase in a role of tax revenues as major factor of forming of the budget.

From the moment of emergence of taxes there was always a problem of short-reception by the state of the

sums of money determined in a legislative order. In this context the significant role is purchased by institute of tax control which main objective is the prevention and identification of tax offenses. For determination of essence of tax control his concept is considered in two aspects:

- As function or element of public administration by economy
- As special activities of competent authorities of the government for execution of the tax legislation (Bezrukov, 2015)

Within this research the concept of tax control is considered as activities of tax authorities for execution of the tax legislation. Differentiation of concepts of forms and methods of tax control is necessary for systematization of knowledge of forms of tax control, identification of general signs of the applied methods in case of implementation of this or that form, determination of measures of responsibility by results of tax control.

MATERIALS AND METHODS

Analysis of the conceptual apparatus of the tax control system: The state tax control includes a complex of actions for check of respecting the rule of law, feasibility and efficiency of actions of tax authorities for forming of cash funds of the state regarding the tax income and also on identification of allowances of increase in tax revenues in the budget and to improvement of tax discipline among taxpayers. Researches of modern scientists of the end of the 1990th, the beginning of the 2000th reduce a main objective of tax control, as a rule, to involvement of taxpayers to responsibility for violation of the tax legislation (Egorova, 2012).

According to item 1 of Article 82 of the Tax Code of the Russian Federation tax control is understood as activities of authorized bodies for control of observance by taxpayers, tax agents and payers of charges of the legislation on taxes and fees (The Russian Federation, 1998).

The question of forms and methods of tax control is the most disputable and debatable. Despite numerous researches in the field of financial control, the unity of opinions concerning these concepts isn't observed yet. So, Kazak (2011) notes that the form of tax control expresses content of control process and in the classification offered by it, forms of tax control depending on time of carrying out are subdivided into preliminary, current and subsequent control. However, this classification which cornerstone the sign of the temporary period of monitoring procedure behind accomplishment by subjects of the tax liabilities is allocates separate types of tax control rather, than establishes a concept of its form.

Vasilyeva (2013) defines a form of tax control as the way of the organization, implementation and formal fixing of results of the tax control measures representing uniform set of actions of authorized bodies for performance of a specific objective of tax control regulated by standards of the tax law.

Doesn't clear up a problem of determination of forms and methods of tax control and the Tax code Russian Federation where in item 1 of Article 82 it is determined that tax control is carried out by officials of tax authorities within the competence by means of tax audits, receipt of explanations from taxpayers, tax agents and payers of collection, verification of data of accounting and the reporting, survey of the rooms and the territories used for commercialization (profit) and also other forms provided by The Russian Federation (1998). That is survey of the rooms and the territories used for commercialization (profit) is called as one of forms of tax control. However the provisions of Articles 91 and 92 of the Code regulating appropriate authority of tax authorities are directly specified that survey of the territories (rooms) of the taxpayer and access to the territory (to the room) the taxpayer is possible only in connection with carrying out concerning this taxpayer of exit tax audit or cameral tax audit of the tax declaration on the VAT. Therefore, in the context of the operating legislative regulation survey of the rooms and the territories used by the taxpayer for commercialization (profit) can't be considered as an independent form of tax control and be performed outside exit tax audit or cameral check of the value added tax.

Having analysed the concept "Forms" according to which the form is a method of existence of content, inseparable from it and serving as its expression (unity of form and content); external outline, subject exterior; the established sample something, etc. (Ojegov, 2012), it is possible to offer the following determination of a form of tax control.

The form of tax control is a certain model of the organization of control actions of the state through legislatively established actions of authorized bodies for the purpose of complete and timely payment of tax payments.

As for methods of tax control, according to philosophical dictionaries, the method (from Greek *methodos* a way, a way of a research, training, a statement) is a set of methods and operations of knowledge and practical activities, a way of achievement of certain results in knowledge and practice (Tarsky, 1948). That is the method of tax control can be considered the systematized set of steps, actions which are aimed at the solution of a certain task or achievement of a certain purpose. Due to its to the limitation a framework of action and result, methods tend to become outdated, being transformed to other methods, developing according to time, achievements of a technical and scientific thought, requirements of society. The set of uniform methods is called the approach. Development of methods is a natural consequence of development of a scientific thought.

Thus, authors suggest to understand the systematized set of the control procedures directed to observance of the tax law as method of tax control. Proceeding from the aforesaid, it is possible to mark out the main distinctive feature of methods of tax control from his forms which consists that methods of tax control have no independent value and can't be used separately from any certain form of tax control.

RESULTS AND DISCUSSION

The analysis of the conceptual apparatus of system of tax control and provisions of the tax law of the Russian Federation has allowed to systematize the forms of tax control applied in the Russian tax system and corresponding to them methods that is presented in Fig. 1. By forms of tax control, according to the authors, is possible to carry the accounting of taxpayers, tax audits and tax monitoring and other activities are methods of tax control that is, in fact, instruments of the first.

Primary form of tax control is accounting of the organizations and physical persons as taxpayers. The taxpayer registration consists in forming of system of

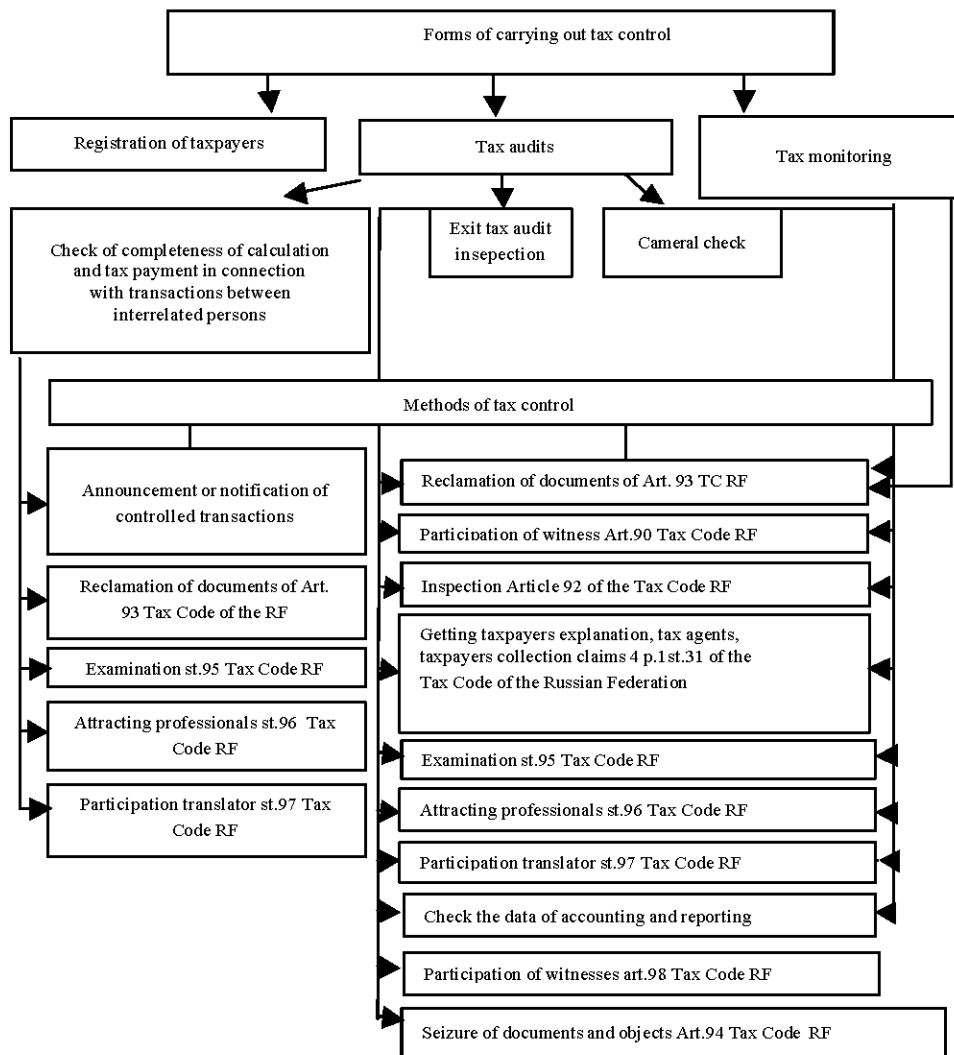


Fig. 1: The Form and methods of tax control in the Russian Federation

information about the taxpayers necessary for control of correctness of calculation, completeness and timeliness of payment by these taxpayers of the established taxes. Treat the specified data the name of the taxpayer (a surname, a name, a middle name of the taxpayer); its location (residence); form of business; information about the head of the taxpayer; other data.

The taxpayer registration precedes holding the subsequent control actions as thanks to results of carrying out accounting the base of taxpayers and charges used further during the planning and preparation of the subsequent tax control measures (Lissitsky, 2015) is created. Creation and maintaining by tax authorities the Unified State Register of Taxpayers (USRT) containing the above-stated information about the taxpayer becomes result of the taxpayer registration.

The taxpayer registration not only creates an object for further implementation of the state control of tax offenses but also allows tax authorities to plan indicators of the accrued and collected taxes and fees that it is an important factor in case of implementation of powers by state bodies in the tax and budget sphere.

Distinctive features of the accounting of taxpayers as forms of tax control are regularity, a continuity, generality, imperativeness of procedural providing. Methods of the state tax accounting are: registration; modification of accounting data; removal from accounting. Systematization of methods of tax control to which, according to authors, survey of the rooms and the territories used for commercialization (profit) belongs allow to draw a conclusion that in case of implementation of the taxpayer registration as forms of tax control, it is necessary to provide in the tax legislation a

possibility of carrying out survey in case of detection of the fact of conducting activities by the organization or the individual entrepreneur without statement on tax accounting.

One of the latest measures to improve tax administration was the introduction of a new form of tax control monitoring of the tax by amending the first part of the Tax Code of the Russian Federation the Federal Law No. 348-FZ of 04.11.2014 which was supplemented by Section V.2 "Tax control in the form of tax monitoring".

The essence of tax monitoring is that the organization taxpayer complying certain conditions voluntarily represents to tax authority access to the documents (information) forming the bases for calculation (deduction), payment (transfer) of taxes and fees electronically and (or) access to information systems of the organization which contain the specified documents (information).

At the same time, each operation performed by the organization is controlled in real time in the presence of full access to data of registers of business and tax accounting (the income and expenses, the taxation objects), to data on analytical registers of tax accounting and also to information on an internal control system of this organization behind correctness of calculation (deduction), completeness and timeliness of payment (transfer) of taxes and fees (in the presence of such system) (Tatarchenko, 2012). The methods of implementing this form of tax control, for example can be time study, the creation of tax posts.

Today, the most effective forms of tax control are tax audits which allow the most complete and thoroughly check the correctness of calculation, timeliness and completeness of payment of taxes and fees by comparing the evidence obtained as a result of control measures, with the data of tax returns and other accounting documents submitted taxpayers to the tax authorities. According to the Tax Code of the Russian Federation the following types of tax audits are allocated: cameral tax audits, exit tax audits, checks of completeness of calculation and tax payment in connection with transactions between affiliated persons.

The methods of tax control used when conducting tax audits were provided in the figure 1. When conducting tax audits tax authorities have one common goal-control over observance by taxpayers, payers of charges or tax agents of the legislation on taxes and fees. The tax legislation provides a possibility of application of various control procedures when carrying out tax control.

Important point, in our opinion, is reflection in the Tax Code of the Russian Federation of the methods used

in case of determination for the purposes of the taxation of the income (profit, revenue) in transactions which parties are affiliated persons (chapter 14.3 of the Tax Code of the Russian Federation) whom treat a method of comparable market prices; method of the price of the subsequent implementation; costly method; method of comparable profitability; method of profit distribution. That is, in this case in the tax code methods which can be applied in case of implementation of a specific form of tax control are accurately provided. According to authors, this approach allows to minimize distinctions in an interpretation of provisions of the tax legislation taxpayers and tax authorities.

However, in the Tax Code of the Russian Federation, in our opinion, not enough attention is given to such method of tax control as verification of data of accounting and the reporting. This method isn't concretized therefore, the taxpayer isn't protected when conducting verification of data of accounting and the reporting from unreasonable intervention in data of accounting even if these data have no relation to check of correctness of calculation of taxes. We consider that the specified method of tax control needs to be reflected the individual clause Tax Code of the Russian Federation on each tax fixed by the second part of the Tax code Russian Federation.

Implementation of tax control by means of tax audits is directed not only to establishment of the facts of violation of the tax legislation as a result of which the budget system half-received the amounts of the payable taxes and fees but also on the prevention and suppression of consequences of non-compliance operating in the territory of the Russian Federation of rules of implementation of business activity, accounting and filling of the reporting.

CONCLUSION

In research the researcher's interpretation of the concepts "form of tax control", "method of tax control" is presented. By results of the conducted research distinctive features of the forms of tax control existing in Russia and the methods corresponding to each of them provided by the tax law are established.

The analysis of forms of tax control to which according to researchers, the taxpayer registration belongs allowed to draw a conclusion that it is necessary to provide a possibility of carrying out survey in case of detection of the fact of conducting activities by the organization or the individual entrepreneur without statement on tax accounting in the tax legislation. The group of methods of tax control on their relation to this or

that form of tax control allowed to reveal insufficient development of a method of conducting verification of data of accounting and the reporting. The specified method of tax control to reflect the individual clause Tax Code of the Russian Federation on each tax fixed by the second part of the Tax code Russian Federation is offered.

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