

## 1. Introduction

In George Soros's book "In Defense of an Open Society" [1], the author expresses the main idea of the worldview war between "open" and "totalitarian" societies. According to J. Soros, the basis of every society is the economy, which should be based on morality.

The economic inequality of taxpayers for the state in any case stems from the moral inferiority of those, who create the rules of the game and create systemic economic instability of any economic system.

Thus, the actual inequality of taxpayers, which is enshrined in the norms of the state, in the long run entails a deterioration of the financial situation of the state, and, accordingly, both socially vulnerable and privileged persons.

Different authors, in particular Starostenko G. G. in the work "Tax regulation of banks in the formation of the information society" [2] analyze mainly the same function of banks in the modern economic space. Namely, the role of the regulator and the subject of financial monitoring, however, few people take into account that banks are business entities and large taxpayers.

Significant volumes of operations require large amounts of complex research, if not a simple one. Because banks are system structures, each small system operation reflects the overall performance of the institution. Therefore, the author in studying the issue of taxation of financial institutions decided to go from small to large, namely, to study the systematic work of the taxpayer on the example of insignificant transactions.

The aim is to investigate the identified problem in terms of comparing the enterprises of the real economy and the banking sector, providing options for changes in the taxation system, as if to promote equal business development.

## 2. Research materials and methods

Economic phenomena and processes develop under the influence of many factors. The work of an economist-scientist is to identify systemic features of economic processes, their analysis and systematization.

To do this, you need to be able to abstract from insignificant circumstances, to identify the system and the main thing, as well as to provide recommendations and ways to optimize economic processes. Induction and abstraction methods were used in the study.

## 3. Results

### FIELD EXPERIMENT No. 1.

Circumstances: the author of this article concluded a loan agreement No. 501160913 with PJSC Alfa Bank dated July 9, 2019. The loan amount is UAH 28,600.00, in fact UAH 3,600.00, the insurance payment in favor of Alfa Insurance amounted to UAH 3,600.00, the real interest rate was 129.24 % per annum. UAH 25,000.00 was received. The annual interest rate on the loan is 0.1 % per annum, the monthly commission for "settlement and cash service" is 4.3 % per month of the initial loan amount.

## FIELD RESEARCH IN THE SPHERE OF TAX-PAYERS' EQUALITY

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**Abstract:** Tax evasion is a major factor in the shadow economy and a cornerstone of corruption in any social system. At the same time, taxes are a measure of social justice and should not only ensure the economic stability of the state, but also instill in members of the taxpayer society a positive tolerance to the state. The term for defining the state as "social" implies meeting the social needs of each member of society. According to the author's view, this does not mean that the state should sponsor people, who do not want to work. At the same time, the state must provide an appropriate level of support to society members who, due to objective circumstances, need it. Taxes are a source of social benefits for society. At the same time, they are a form of fair treatment of citizens by the state. Inequality or injustice in the collection of taxes contributes to social inequality and significantly reduces the tolerance of society members to the state.

**Keywords:** taxes, tax evasion, banks, National Bank of Ukraine, State Tax Service, interest, bank interest, credit, settlement and cash service, tax evaders.

At the same time paragraph 1 of the loan agreement provides for the collection of fees for acceptance of funds on the loan. The amount of the fee is set by a separate agreement for settlement and cash services and the bank's tariffs, which are posted on the bank's website [3].

In November 2019, the author of the article lost her ability to work and received the appropriate disability group, which provides for the payment of insurance indemnity, which, incidentally, IC "Alpha Insurance" did not pay.

The application for insurance indemnity was refused in the branch of PJSC "ALFA-BANK". That is, the point of acceptance of the cost of insurance services is located directly in the bank. The bank's employees are authorized to enter into agreements on behalf of Alfa-Insurance. At the

same time, the bank does not accept documents on insurance payment, which is an independent violation of a person's right to proper provision of services by a financial institution.

The analysis of the agreements, concluded with PJSC "ALFA-BANK", revealed the fact of double collection of the commission for the provision of the same services (settlement and cash service).

The author of the article drew attention to the Resolution of the National Bank of Ukraine of August 1, 2017 No. 73 "On approval of the List of settlement and cash services that are not subject to taxation" [4].

Subparagraph 1 of paragraph 5 of the above NBU Resolution states that a transaction of "acceptance of cash from customers and correspondent banks for crediting to own accounts and accounts of others or to the relevant bank account [including unfit banknotes (coins) and banknotes (coins), withdrawn from circulation]" is not the subject of taxation.

That is, the monthly fee for settlement and cash services in the amount of 4.3 % of the initial loan amount is not taxable.

The total amount of such commission under the loan agreement is UAH 24,596.00. This is a tax-free return on one loan. For 1000 credits, the amount is increased by the appropriate number of times.

When establishing an unlimited benefit for banks, the national regulator should not have relied on the integrity of financial institutions.

### *The essence of the experiment.*

Finding an obvious violation of tax legislation, the author filed a lawsuit in court, where she described all the above circumstances and involved the State Tax Service as a third party in the case (case No. 552/3374/20). During the trial, the State Tax Service of Ukraine did not react in any way to the alleged notification of non-payment of taxes by a banking institution in particularly large amounts. It is the duty of the tax authority of Ukraine to conduct an appropriate in-house or actual inspection of a business entity operating in the financial sector.

However, both the regulator of the financial services market and the fiscal service did not respond in any way to the appeal

of the author of the article broadcast through the court. Public authorities have shown extraordinary tolerance for the taxpayer, which brings income, though not significant, compared to the amount of hidden taxes, but brings [5].

Similar tax avoidance schemes are used by other financial institutions in Ukraine that operate in a retail format.

Rapid lending is usually used by the most vulnerable, legally and economically illiterate clients, who are largely unable to defend their rights in court, which helps financial institutions make extra profits and finance affiliated businesses at a lower interest rate, ensuring overall profitability.

I believe that this situation is a significant economic problem for Ukraine. The Law of Ukraine "On Consumer Lending" [6] limited the rights of consumers of financial services to the maximum. In a global sense, this has the effect of lowering the economic level of the population and increasing external migration.

The consideration of the court case No. 552/3374/20 ended on March 19, 2021 with the refusal to open cassation proceedings regarding the cassation appeal of PJSC "Alfa Bank" [7].

To the credit of Ukraine's courts, the latter have shown respect for the law, not for businesses that do not engage in fair business practices.

#### *FIELD EXPERIMENT No. 2.*

Circumstances: on June 19, 2013, the author of the article registered in Ukraine as a business entity, a natural person-entrepreneur, choosing the type of activity 69.10 "Services in the field of law".

In 2017, when changing the taxation system from general to single tax, I sought advice from the local tax service on how to fill out another form of reporting. The tax consultant provided an erroneous advice. The result of the erroneous consultation was an incorrectly submitted report and double accrual to the author of the article of the Single Social Contribution for 2017 for the total amount of UAH 8,448.00.

For two years, the author of the study corresponded in vain with the tax authority, asking to recalculate erroneously accrued tax liabilities.

However, in 2018 a tax claim was formed against the author in the amount of about UAH 11000.00 (including penalties), and in 2019 – in the amount of UAH 9691.00, which were presented to the State Executive Service with all restrictions, defined by the Law of Ukraine "On Enforcement Proceedings". That is, the local tax authority, in addition to illegal double-taxing, doubled this amount and resorted to enforcement.

In connection with the above, the author was forced to apply for protection of her rights to the Poltava District Administrative Court. Proceedings No. 440/4733/19 on this fact were opened [8]. During the trial, the State Tax Service voluntarily withdrew one of the tax claims. The court upheld my claim. Consideration of the case ended after the decision of March 5, 2021 by the Administrative Court of Cassation of the Supreme Court to refuse to open cassation proceedings on the complaint of the Main Department of the State Tax Service in Poltava region [9].

That is, in honor of the courts of Ukraine, they have repeatedly shown their commitment to the law, not to the government.

At the same time, due to the lengthy consideration of the case, the author was forced to pay funds to the budget due to the non-withdrawn tax requirement.

After the consideration of this case in the courts, the author of the study applied to the State Tax Service for a refund of overpaid funds. The funds were not returned.

By the way, the minimum court fee for an entrepreneur to file a lawsuit in 2020 was UAH 2102.00. That is, any ordinary entrepreneur must pay the cost of lawyer's services and court fees.

Therefore, his/her costs for the trial will be more than the amount of charges. That is, any entrepreneur in Ukraine, who takes the legal path to protect their economic interests and human dignity, must be prepared for years of humiliation, total lawlessness and loathing on the part of public authorities. Also, the entrepreneur must be prepared for costs that are likely to be greater than the amount of economic profit.

In all cases of dispute with the author, the State Tax Service paid the court fee in full. That is, in order to defend his own illegal actions, the Defendant in the dispute paid: UAH 2,102.00 – compensation of the court of first instance, UAH 3153.00 for filing a complaint to the court of appeal, UAH 4204.00 for filing a cassation appeal. That is, the total amount of expenses of the STS, which are taken from the funds of taxpayers in this dispute amounted to UAH 9459.00, which exceeds the probable amount of economic profit of the state [10].

In addition, taxpayers paid salaries and future pensions to STS lawyers and their managers, who gave relevant senseless orders.

## 4. Discussion

The available results can be explained by the systematic cooperation between government agencies and big business, aimed at obtaining the maximum amount of profit by financial institutions. The author considers such cooperation to be global corruption.

The advantages of the obtained results are their documented reliability and provided legal results. In practice, the results are interesting for their practical obviousness. That is, the joint actions of government agencies and big business clearly contribute to the development of the latter to the detriment of the interests of the state and this is reflected in specific legal documents.

The author does not know practical experiments of a similar level. As a rule, existing research concerns theoretical research and mathematical models.

What is the peculiarity and philosophical content of the research, because in fact domestic situations are described? Approximately 90 % of taxpayers and small borrowers do not assert their rights, allowing the state and big business to enjoy their insecurity.

The results of the research can be applied:

a) when calculating budget losses from underpayment of taxes;

b) in the development and application of economic methods of combating the benefits, obtained by illegal means, namely – in violation of the principles of "open" society; c) when developing a regulatory framework that eliminates opportunities for illicit gain.

I believe that the results of research can be used by the National Bank of Ukraine in improving its own regulatory framework and the National Anti-Corruption Bureau of Ukraine in establishing methods and ways to combat high-level corruption.

Research materials will be sent to the National Bank of Ukraine with proposals for implementation in terms of improving the regulatory framework.

## 5. Conclusions

If we draw a parallel between two field studies, conducted by the author of this article: state regulators, namely the National Bank of Ukraine and the State Tax Service of Ukraine deliberately create situations, in which an ordinary and financially incapable business entity is in an economically disadvantaged position. At the same time, large tax evaders continue to receive economic profits with the assistance of the state.

The author of this article is not an anti-globalist. I have only researched the objective circumstances that contribute to the deterioration of the economic situation in Ukraine, the impact of financial and tax regulators.

I believe that the most effective way to protect the interests of the state of Ukraine in this case is the introduction of mechanisms of personal liability of officials of state bodies for

damages, caused to the state as a result of making clearly economically unreasonable decisions. Personal joint compensation of at least 50 % of court fees at the expense of the lawyer and the head of the tax authority, who ordered to spend taxpayers' funds on clearly unfounded and discriminatory lawsuits, would be the best incentive for government officials to avoid unreasonable budget expenditures.

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Received date 09.02.2021

Accepted date 18.03.2021

Published date 31.03.2021

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**How to cite:** Marchenko, H. (2021). Field research in the sphere of taxpayers' equality. *Technology Transfer: Innovative Solutions in Social Sciences and Humanities*, 4, 53–55. doi: <http://doi.org/10.21303/2613-5647.2021.001772>