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TAX MANAGEMENT IN THE ENTERPISE MANAGEMENT SYSTEM IN UKRAINE AT THE CURRENT STAGE

Introduction

The conditions of martial law in Ukraine necessitate constant changes and amendments to the tax code, making the issue of corporate tax management highly relevant. Tax management is a component of the overall tax policy, both at the state level and at the enterprise level. It represents a system of principles and methods for developing and implementing management decisions related to the selection of a tax system, the calculation of tax payments, and continuous monitoring of their execution. The task of tax management is to develop the tax policy of the enterprise based on its economic strategy and areas of activity, as well as to determine such a tax system that would allow maximizing profits by optimizing tax payments to the state budget, which is a crucial aspect at the current stage in Ukraine.

Tax management, as a process of managing corporate taxes, in turn regulates their financial relations with the state in the process of redistributing the income of business entities and forming state budget revenues. In the context of adapting Ukraine's tax legislation to EU laws, tax management should be a continuous management process aimed at establishing an optimal tax burden combined with the achievement of the entity's overall objectives. Therefore, researching the issue of tax management at the micro level in the context of Ukraine's integration into the EU is quite (Rulyev, Gutkevych, 2021).

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Objective

The purpose of this article is to highlight the essence of tax management within the enterprise management system under the conditions of martial law and constant changes in Ukraine's tax legislation of martial law and constant changes in Ukraine's tax legislation, is a systematic approach to tax planning and compliance that aims to minimize tax liabilities while ensuring full compliance with all applicable tax laws and regulations.

Martial law in the country requires changes and amendments to tax legislation, which primarily imposes a significant and unequal tax burden on business entities. This, in turn, becomes a factor in creating disproportionate conditions for competition. This is especially relevant when it comes to the implementation of tax optimization measures by businesses, the theoretical and practical foundations of which are determined by tax planning. Therefore, tax management has become the most important component of financial planning at the enterprise level in the current stage. Moreover, financial stability largely depends on properly organized tax management, as it ensures the alignment of financial and business activities with taxation (Romashova, 2024).

Tax management within the enterprise management system in Ukraine during wartime is a key component that ensures financial stability and the functioning of businesses under extraordinary circumstances. The war has significantly impacted the tax system and its requirements, leading to the need for effective management of the tax aspects of business activities. The main directions of tax management during wartime include:

1. Adaptation to changes in tax legislation:

– simplified tax regimes. The Ukrainian government has introduced new tax initiatives, including the transition to a simplified system for small and medium-sized businesses, as well as temporary tax exemptions for enterprises in combat zones or under occupation;

– temporary tax holidays for war-affected businesses. This may include deferrals of tax payments or reduced rates;

– exemptions from certain taxes and fees, particularly for businesses actively supporting the military or engaged in humanitarian activities.

2. Optimization of tax expenses:

– businesses need to review their tax obligations and seek opportunities for optimizing tax payments in line with new conditions;

– uhbbbtilizing tax benefits and deductions provided by the state during martial law.

3. Tax risk management:

– in conditions of instability and frequent changes in regulations, it is important to respond promptly to new requirements to avoid fines and other sanctions;

– Conducting regular tax audits to identify potential problems and risks.

4. Interaction with tax authorities:

– establishing effective communication with tax authorities, including the possibility of electronic reporting and receiving consultations on current changes;

– piarticipation in government business support programs that offer financial and tax incentives to businesses affected by the war.

5. Financial stability and tax planning:

– businesses must develop tax planning strategies that ensure cash flow stability and minimize risks related to tax payments;

– ensuring compliance with tax reporting requirements, particularly under martial law, when regulations may change rapidly.

6. International taxation aspects:

– for businesses operating internationally or with foreign markets, it is important to consider changes in tax agreements between countries;

– new challenges arise concerning the taxation of foreign economic activities, particularly when exporting and importing products during wartime (Valeeva, 2024).

Overall, tax management, as part of the management process of a business entity, can be illustrated as follows (see Figure 1).

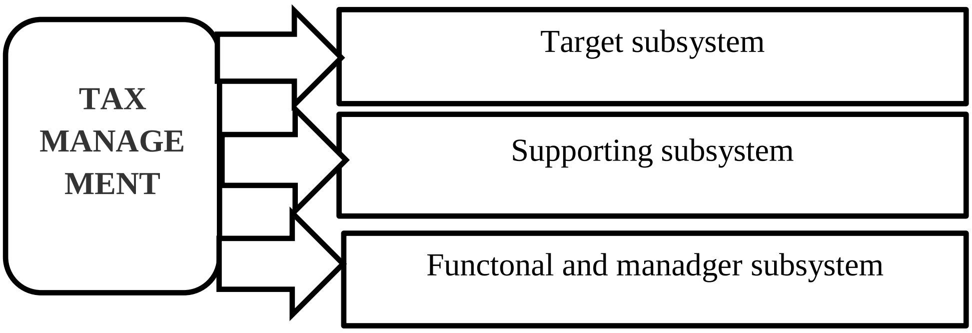

Fig. 1. Process tax management of a business entity
Source: developed by the author

The target subsystem establishes the goals and objectives of tax management based on improving the quality of its key elements. The support subsystem is designed to provide methodological, informational, and legal support for the tax management process, while the functional subsystem includes the management functions and the order of their implementation (introduction of tax planning, development of the company's tax strategy, definition of accounting policy directions, determination of tax accounting and control principles). The controlling subsystem defines the participants in the tax management process and their responsibilities.

Research methodology

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Tax management during wartime is critically important for maintaining the economic stability of businesses and their ability to survive and grow amidst constant changes. Effective tax management helps minimize costs, ensures compliance with legislation, and maximizes the opportunities provided by the state to support businesses during the war.

Result

Thus, the goal of tax management is to develop and implement a tax strategy that optimally balances the tax burden with the enterprise's maximum achievable results. The main functions of tax management implementation include tax planning, the development of methods and approaches to accounting and tax reporting, control over the accuracy and reliability of tax calculations, reduction of tax risks, and evaluation of the effectiveness of tax planning principles and methods. As a result, tax planning ensures the correct and accurate calculation of taxes, optimal tax burden, and added value in accordance with the goals and objectives of the organization. Overall, the tax management cycle of a business entity can be illustrated as follows (see Figure 2).

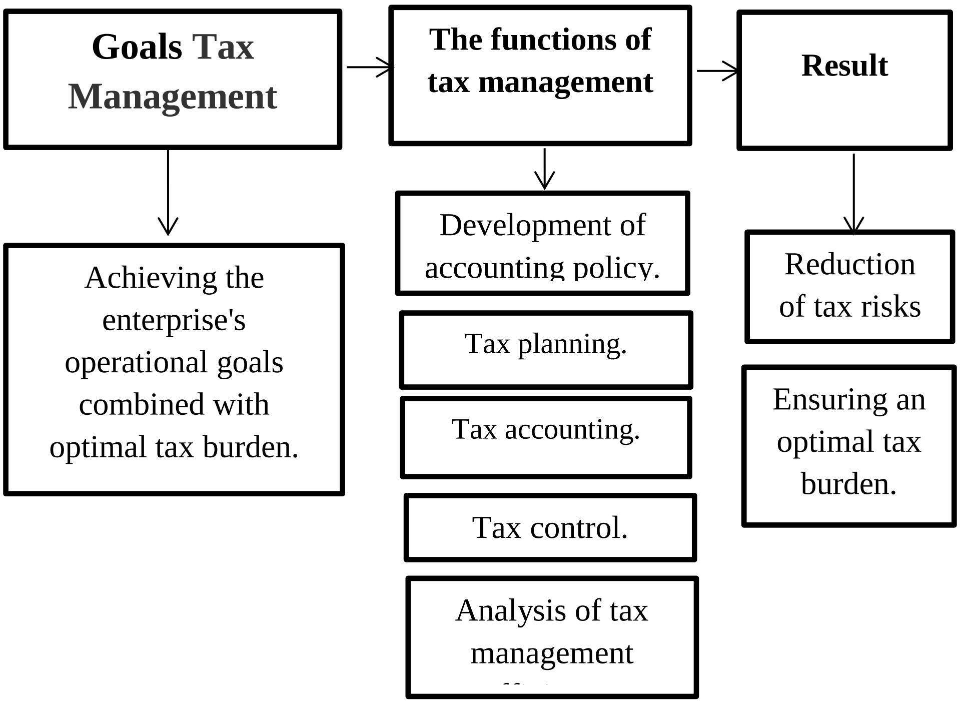

Fig. 2. The Cycle of Enterprise Tax Management
Source: developed by the author

One of the most important indicators of the effectiveness of a company's tax management is the minimization of tax liabilities through the legal use of existing contradictions in the Tax Code of Ukraine. The business entity fully discloses its accounting and reporting information in tax and financial reports. The foundation of properly organized tax management within a company is maximizing income through tax minimization (Chmyr, 2024).

The advisability of implementing

The advisability of implementing tax management at an enterprise depends on the weight of the tax burden on the business entity. In particular, if the share of taxes does not exceed 5% of the company's total income, the need for tax management is minimal. In this case, the control over the accuracy and timeliness of tax and payment calculations to the budget can be handled by the accountant. If the tax burden exceeds 10%, it is advisable for small and medium-sized businesses to employ a tax specialist, and for large companies, to have a group of specialists focused exclusively on monitoring tax and payment calculations with the budget.

The organization of the tax management process involves determining, based on the company's charter and tax legislation, the range of main taxes that must be paid to budgets at various levels and extra-budgetary funds. The next step is to compile a tax table, which describes the tax field of the business entity. Each tax is characterized by the following indicators: sources of payment (expenditure items), accounting entries, taxable base, tax rate, payment deadlines, details of organizations to which payments are made, benefits, or special conditions for tax calculation.

After this, the company's specialists analyze all the tax benefits provided by legislation for each tax to determine their applicability to business activities. Then, in accordance with the company’s charter and based on the Civil Code, the system of contractual relations for the company is formed. Typical business operations performed by the company are selected for this purpose; various options for accounting tax, contractual, and business transactions are considered, and the most optimal ones are chosen. These are then organized into blocks of accounting entries. From the optimal blocks, a journal of business transactions is compiled, which serves as the foundation for accounting and tax records.

It is advisable to follow the next chain of actions:

- evaluate the achievement of maximum financial results while considering tax risks;
- implement the most rational, tax-efficient placement of the company’s assets and profits;
- determine alternative methods for accounting policy.

The accounting policy adopted by the business entity for taxation purposes is applied consistently year after year. By varying accounting methodology within the legal limits, it is possible to choose the most advantageous accounting method. Therefore, defining and properly applying elements of accounting and tax policy is one of the key areas of effective tax management.

In practice, tax management includes the following components: organizing reliable tax accounting, controlling the accuracy of tax calculations, and minimizing taxes within the framework of current legislation.

The main task for businesses is to establish a system for the correct and timely application of tax planning tools, which is an instrument of tax management. Within this system, schemes for the optimal structure of business activities should be developed, taking into account the requirements of current tax legislation while simultaneously utilizing the opportunities it provides. Only by erforming a full range of tasks can tax management be organized most effectively within companies.

It is important to note that certain difficulties arise in organizing corporate tax management. This is due to the fact that most taxes and their administration procedures have been automatically adopted from foreign tax practices, while the administration of these taxes has not been properly developed, leading to contradictions in accounting and tax reporting. The adoption of the Tax Code of Ukraine and the subsequent amendments to it do not contribute to the stability of business activities and complicate the process of organizing tax management within enterprises.

Additionally, there are paradoxes within business culture: on the one hand, the goal of entrepreneurial activity is to generate profit, while on the other hand, businesses expend considerable effort to reduce profits in order to minimize tax expenses. Another factor complicating the organization of corporate tax management is the lack of a clear system for providing taxpayers with information about changes in tax legislation, as well as explanations regarding certain aspects of tax accruals, accounting, and reporting on some taxes. An equally important issue is the lack of coordination between different sections and the imprecision of wording in the Tax Code. As a result, there is a dual interpretation of the procedure for recognizing tax liabilities, which leads to legal disputes and encourages tax abuses by taxpayers (Vakhnovska, Corporate, 2024).

There fore, according to trends in the development of corporate tax management in Ukraine, the components of a company's tax management system should be represented by the following elements:

1. A strategy for optimizing tax liabilities with a clear plan for its implementation.
2. Organization of financial and tax accounting systems that allow for the prompt receipt of objective information for tax management.
3. Formation of an accounting policy for taxation that maximizes the opportunities for reducing the tax burden provided by Ukrainian tax legislation, taking into account external and internal factors.

4. Application of well-founded and effective methods for allocating indirect costs that help reduce tax payments.

5. Identification and monitoring of tax benefits available to the enterprise in the current and upcoming tax periods.

6. Development of a control system for excessive expenses that are not considered for taxation purposes (Valeeva, 2024).

Corporate tax management, being an integral part of financial management in the country, ensures the scientific prediction of development and the determination of ways to achieve expanded tax reproduction. Its effectiveness is significantly enhanced with proper and purposeful organization, which in turn requires the definition of tax planning goals and objectives (Chmyr, 2009).

Conclusions

Modern tax management requires improvement through the enhancement of the legislative framework, the implementation of an effective management system, and the involvement of qualified personnel and financial resources for the economic development of enterprises. The proposals outlined above for optimizing tax liabilities will contribute to the formation of an effective tax policy for the company and the adoption of well-considered management decisions (Fedulova, 2022).

In the current conditions, the viability of the economic system depends on the efficiency of tax management. This is a very complex task that requires highly qualified personnel capable of participating in the development of tax legislation, conducting tax planning, and ensuring the accuracy and timeliness of tax calculations and payments to the budget. Tax management, as an important area of scientific and practical research and methodological actions, forms part of the general theory and practice of management. It is based on a fundamental understanding of political, economic, legal, and other sciences, enriched by modern domestic and international practice.

Tax management in Ukraine's economy during wartime is critically important for maintaining the economic stability of enterprises and their ability to survive and grow in conditions of constant change. Effective management of tax matters helps minimize costs, ensure compliance with legislation, and fully utilize the opportunities provided by the state to support businesses during the war.

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Abstract

Essence and role of tax management is exposed in control system by an enterprise, especially during wars. Suggestions on the improvement of corporate tax management are given. Effective tax management is crucial for the sustainable growth and profitability of enterprises. In Ukraine, the complex tax landscape, coupled with frequent legislative changes, poses significant challenges for businesses. This research aims to investigate the current state of tax management practices in Ukrainian enterprises and propose strategies to optimize tax compliance and minimize tax risks.

Research Objectives:

1. To analyze the Ukrainian tax system and its impact on enterprise management.
2. To identify the key challenges and opportunities related to tax management in Ukraine.
3. To explore the best practices in tax planning, compliance, and risk management.
4. To examine the role of technology in enhancing tax management efficiency.
5. Propose strategies for optimizing tax compliance and minimizing tax liabilities.

A mixed-methods research approach will be employed, combining qualitative and quantitative research techniques. Qualitative methods, such as interviews and case studies, will be utilized to gain in-depth insights into the experiences of Ukrainian tax professionals and business leaders. Quantitative methods, including surveys and statistical analysis, will be employed to collect empirical data on tax management practices and their impact on enterprise performance.

This research is expected to contribute to the following:

– academic Knowledge: expanding the body of knowledge on tax management in emerging economies, with a specific focus on Ukraine.
– policy Implications: providing valuable insights to policymakers and regulators in Ukraine to inform the development of tax policies that promote economic growth and investment.
– practical Applications: offering practical guidance to Ukrainian businesses on how to optimize their tax strategies and improve their tax compliance efforts.

By understanding the intricacies of the Ukrainian tax system and adopting effective tax management strategies, Ukrainian enterprises can mitigate tax risks, enhance their financial performance, and contribute to the overall economic development of the country.

Keywords: tax management, tax planning, tax system, taxlegislations, current stage, Internal revenue code of Ukraine, risk management, minimizing tax liabilities

JEL Classification: M21