

VALUE ADDED TAX

For several millennia of human history, taxes have been paid close attention to all segments of the population. Any change in the tax system becomes the object of political struggle, criticism in the media. Such attention was and remains justified, since taxes are deductions from taxpayers' income, the main source of income of the modern state, an effective tool for regulating the market economy.

The procedure for calculating and paying taxes plays a huge role in the system of taxes and fees of the Republic of Belarus. This is due to the fact that this order determines who and when should pay a certain tax, and therefore replenish the republican budget. In addition to this purely financial function, the tax mechanism is used for the economic impact of the state on social production, its dynamics and structure, on the state of scientific and technological progress. The state is able to stimulate or restrain business activity by changing tax rates, granting or canceling tax benefits, which is important for the economic development of the country.

As for the tax system of the Republic of Belarus, taxes from organizations play a significant role here. They are represented by such basic taxes as value added tax, excise tax, income tax, land tax, real estate tax, transport and environmental tax.

The state uses taxes, benefits and certain financial sanctions to influence trade organizations and thereby ensures equal conditions for all participants in market relations.

Tax rates and objects of taxation are changing, some benefits are being canceled and new ones are being introduced, the sources of tax payment are being clarified. Numerous changes and additions are being made. All this dramatically increases the flow of information on taxation, which is difficult to keep track of, but must be received in a timely manner.

Today, no state can exist without an economic basis, a significant part of which is the tax system, which is a combination of taxes and fees.

What is value added tax (VAT)? VAT is an indirect tax levied at all stages of production and sale of goods, works and services [1].

The main legislative act regulating the operation of VAT is the Tax Code of the Republic of Belarus.

VAT payers, according to the Code, are:

- legal entities (organizations);
- individual entrepreneurs with a general taxation procedure specified in Article 91 of the Tax Code of the Republic of Belarus;
- trust managers;
- in some cases – individuals [2].

The rates of value added tax may be different – 0%, 10%, 20%, 25%. The rates of 0% and 10% are preferential, the main value is 20%.

0% is the implementation of:

- transport services;
- goods or services for the EAEU countries;
- services for the re-equipment of aircraft or trains for foreign enterprises;
- services related to the activities of airports, etc.

10% is the implementation of:

- some agricultural and livestock products;
- some products for children from the list approved by the President of the Republic of Belarus, etc.

The 25-percent rate applies to the sale of telecommunication services.

All other cases – 20%.

Some goods are completely exempt from VAT:

- medicines and medical products from the list approved by the President of the Republic of Belarus;
- some medical services;
- veterinary services;
- funeral services;
- travel services;
- work on personal subsidiary farming;
- services in the field of space activities.

The updated Tax Code has been in effect in Belarus since January 1, 2021. It has increased the VAT rate from 10% to 20% for certain imported food products, as well as children's goods, and the import VAT rate of 10% for some medicines and medical products begins to operate.

Below we consider a diagram that shows the volume of VAT receipts over the past 5 years [4]:

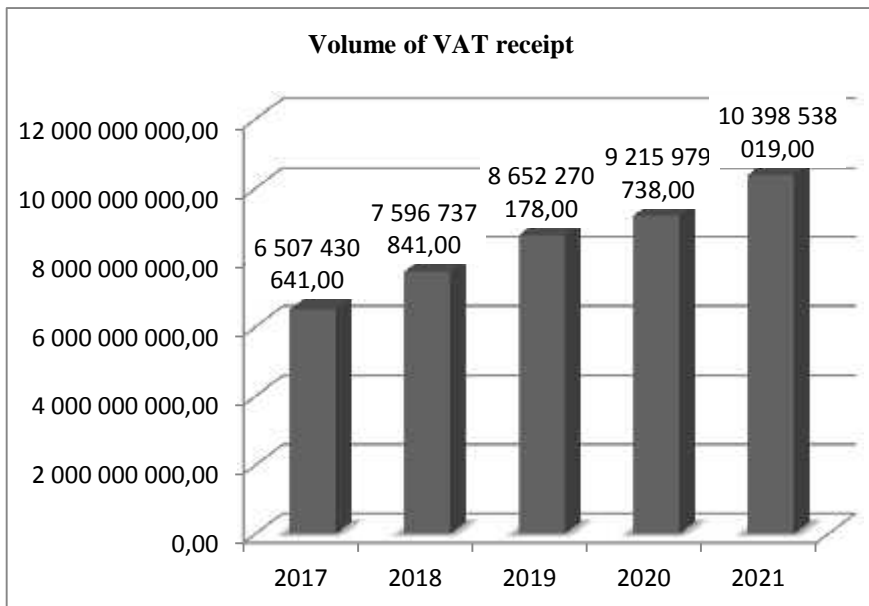


Figure 1 – Volume of VAT receipts

According to the diagram, you can see that the receipt of VAT is growing every year, which allows you to increase the budget of the Republic of Belarus.

The funds received during the collection of taxes go to the formation of budgets of various levels: local and republican. This makes it necessary to stimulate the payment of taxes, as well as to take actions to improve the tax calculation system.

Ignorance of the laws does not exempt from responsibility for their non-compliance.

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2. [] – :
- (pravo.by).
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3. () [] –
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4. 2021 : –
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