

RESEARCH OF ECONOMIC ESSENCE OF THE NOTION „TAXABLE CAPACITY OF BUSINESS ENTITY“ AS THE BASIS OF ITS IDENTIFICATION AND ASSESSMENT

კატეგორია „სამეურნეო სუბიექტის საგადასახადო პოტენციალის“ ეკონომიკური არსის, როგორც მისი იდენტიფიკაციისა და შეფასების მეთოდის, გამოკვლევა

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ეკონომიკის მეცნიერებათა კანდიდატი,
ცენტრალური უკრაინის ეროვნული
ტექნიკური უნივერსიტეტის აუდიტისა
და დაბეგვრის კათედრის დოცენტი,
უკრაინის დამსახურებული ეკონომისტი
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ABSTRACT

The article presents the research of the essence of economic notion “taxable capacity”. The principles of applying the economic notion in the context of the concepts of “taxable capacity of the country”, “taxable capacity of the region” and “taxable capacity of business entity” were considered. It was proved that we should prioritize the research aimed at determining the nature, essence and assessment of taxable capacity of business entities (companies, institutions, organizations) and individuals who receive income that under the current tax law is the subject to tax. It should be taken into account that it is the constituent of the taxable capacity of the state and a region. The concept of determining the economic essence of the notion of “taxable capacity of a business entity” and its elements is proposed, within which the classification criteria (optimal and actual taxable capacity), the structure (resource and structural approach), functions (resource-saving, regulatory, informational and analytical), the place and role in the system of tax administration. Using of this concept ensure the correct identification of the entity from the standpoint of its capacities to provide tax obligations to the state were outlined.

Keywords: capacity, taxes, tax relation, taxable capacity, taxable capacity of a business entity

ანოტაცია

სტატიაში გამოკვლეულია ეკონომიკური კატეგორიის „საგადასახადო პოტენციალის“ არსი. განხილულია მოცემული ეკონომიკური კატეგორიის გამოყენების პრინციპები ცნებების „ქვეყნის საგადასახადო პოტენციალი“, „რეგიონის საგადასახადო პოტენციალი“ და „სამეურნეო სუბიექტის საგადასახადო პოტენციალის“ კონტექსტში. დასაბუთებულია, რომ პრიორიტეტული ინდა იყოს კვლევები, რომლებიც მიმართულია სამეურნეო სუბიექტის (საწარმოს, ორგანიზაციის, დაწესებულების) და მოსახლეობის - ფიზიკური პირების, რომლებიც იღებენ შემოსავალს, და რომლებიც მოქმედი კანონმდებლობის შესაბამისად ექვემდებარებიან დაბეგვრას, საგადასახადო პოტენციალის არსისა და ბუნების განსაზღვრაზე იმის გათვალისწინებით, რომ ზუსტად ის წარმოადგენს სახელმწიფოს და ცალკეული რეგიონის საგადასახადო პოტენციალის მნიშვნელოვან შემადგენელს. შემუშავებულია „სამეურნეო სუბიექტის საგადასახადო პოტენციალის“ და მისი შემადგენლების კატეგორიების ეკონომიკური არსის განსაზღვრის კონცეფცია, რომლის ფარგლებშიც წარმოდგენილია საკვალიფიკაციო ნიშნები (ოპტიმალური და ფაქტიური საგადასახადო პოტენციალი), სტრუქტურა (რესურსული და სტრუქტურული მიდგომები), ფუნქციები (რესურსების დამზოგავი, მარეგულირებელი,

საინფორმაციო - ანალიტიკური), ადგილი და როლი სავადასახადო ურთიერთობების სისტემაში. მოცემული კონცეფციის გამოყენება უზრუნველყოფს სამეურნეო სუბიექტის კორექტულ იდენტიფიკაციას მისი სახელმწიფოს წინაშე არსებული სავადასახადო ვალდებულებების შესრულების შესაძლებლობების პოზიციებიდან გამომდინარე.

საკვანძო სიტყვები: პოტენციალი, ვადასახადები, სავადასახადო ურთიერთობები, სავადასახადო პოტენციალი, სამეურნეო სუბიექტის სავადასახადო პოტენციალი.

PROBLEM STATEMENT. One of the main conditions for the efficient growth of revenues of the budget system is a qualitative improvement of tax administration through monitoring and application of modern methods of economic analysis of tax burden in certain economic activities. The main components of the methodology of a complex analysis and planning of tax revenues to the budgets of different levels of the country include the following objects of research: the tax basis and its changes depending on the level and dynamics of major macro- and microeconomic trends and qualitative characteristics of tax policy; taxable capacity which is the maximum possible amount of accrued taxes and fees under the existing tax law; taxes and fees in Ukraine in general and in the regions by the levels of the budget system, by economic activity and groups of taxes; debts and arrears on tax payments, overdue fees and financial sanctions at the levels of the budget system of Ukraine.

Currently there is a real necessity to identify, analyze and assess the taxable capacity of a business entity. That will help to determine the potential revenue budgets at different levels as well as to assess the impact of the state tax policy on the effectiveness of business entities and the change of their taxable capacity.

ANALYSIS OF RESEARCH AND PUBLICATIONS. The research of the essence of taxable capacity and the issues of informational support for assessment of taxable capacity of business entities was carried out by many Ukrainian scientists and economists (V.L. Andruschenko, V.V. Buryakovskiy, O.D. Vasylyk, M.V. Hrynyuk, O.D. Danilov, S.V. Kalambet, M.M. Kasyanenko, A.Ya. Kizyma, A.I. Krysovatiy, Ya.V. Lytvynenko, S.L. Londar, A.F. Melnyk, P.V. Melnyk, V.N. Oparin, M.N. Skvortsov, A.M. Sokolovska, V.M. Sutormina, O.M. Tymchenko, V.M. Fedosov, N.P. Flissak, P.V. Tsymbal, S.I. Yuriy and others). Taking into account the importance of scientific results of the scholars it should be noted that today there

is a need to develop scientific statements concerning the nature of the essence of “taxable capacity” in order to work out practical recommendations on the formation of the system of informational support for the assessment of taxable capacity at different levels: country, region, business entity. The lack of the developed issues of this problem confirms the relevance of the research.

RESEARCH OBJECTIVE. The above-mentioned considerations determined the objective of the research which is to disclose the essence of the taxable capacity as an economic notion and the necessity to study it at different levels (country, region, business entity).

MAIN MATERIAL OF RESEARCH. The basic concept of “capacity” is interpreted as a unseen opportunity, ability, force which may arise under certain conditions [16, p. 74] or as a combination of all available means, opportunities, resources and productive forces and so on, which can be used in any industry, section or sphere to solve any task or to get a particular objective [2, p. 121].

The study of scientific and practical approaches to interpreting the essence of “taxable capacity” in the national and international scientific literature shows that this economic notion is used primarily in the context of the notions of “taxable capacity of the country”, “taxable capacity of the region” and is rather limited in relation to the term “taxable capacity of a business entity (company, institution, organization)”. Therefore, there is not a distinct, clearly formulated view on the interpretation of these notions.

Most scientists who study the problems related to the notion of “taxable capacity”, the results of presented in the works [1; 3; 7; 10 and others] come to a common point of view as to what taxable capacity is. It is above all, the possibility of taxes, due to taxable mobilization of the resources, to bring revenue to the budget. In this context presenting taxable capacity through the prism of tax relations as “regulated by tax regulations of financial public relations which arise about the establishment and collection of taxes from companies and businesses entities” [18, p. 283] in our opinion, it is appropriate to talk about general possibility of taxes (fees), tax institutions and instruments which provides certain notional amount of tax revenues to budgets of different levels. Under taxable resources, in this case, one understands the resources which in accordance with the laws of the state become the objects of taxation and are the basis for calculating the tax base of any tax.

Not all scientists have a common view on the breadth of the concept of taxable capacity. For example, the Russian scientist Gorskiy I.V. proposes to consider taxable capacity in terms of three aspects [3, p. 11]: 1) in terms of tax competency at different levels of government; 2)

depending on the sources of revenue to the budgets of different levels; 3) from a position of total potential of the region, that is the total capacity.

In practical terms the taxable capacity by Gorskiy I.V. is "...the amount of all existing capacities in the region of separate taxes..." [3, p. 13], and taxable capacity of a separate tax is "...the maximum possible amount of revenues on the tax for a certain period based on the established by federal law tax base and rate (rates)" [3, p. 17]. Accordingly, the additive characteristics of taxable capacity are formed: the total taxable capacity consists of the capacities of separate taxes; tax capacity of the country consists of the capacities of the regions; taxable capacity of the region consists of the capacities of local budgets. According to Gorskiy I.V., in order to make a structural analysis, we may also talk about the capacities for indirect, direct, property and other groups of taxes.

All these aspects of tax capacity, as I.V. Gorskiy states, may be used in solving specific interrelated and interacting tasks. They give a universal approach to determining the taxable capacity of the region at the national, regional and local levels. The basis of determining taxable capacity, in his view, is the tax base or "taxable capacity factor" which is used in assessing the capacity of a specific tax or a group of taxes with the same base. He believes that the amounts of actual revenues in different regions or in the same region at different times can vary and change at constant tax base depending on the particular rates and benefits. Therefore, the tax base is the determinant of taxable capacity.

In a different way taxable capacity is understood by I.V. Gorskiy when it comes to assessing the overall capacity of several taxes which is, in fact, required while considering the essence of the taxable capacity of the region. The tax base of different taxes may be incompatible in its principle (the cost in monetary units and the production volume in tonnes), but even in case of using the same units of measurement, say certain monetary units, adding the tax bases of two taxes may be meaningless. For example, the total capacity of tax on individuals' income and VAT can be the amount of their tax bases. Therefore, it is impossible to assess the taxable capacity of the region using the direct tax base. The tax base may be only a "taxable capacity factor" [3, p. 20].

Although I.V. Gorskiy's view widely covers the resources that are inherent in the concept of taxable capacity, its main disadvantage is that the context basis of this concept the author sees in the statutory tax bases, not corresponding resources of economic category that are subject to taxation. In this situation the question arises about the possibilities of establishing the actual value of such bases because in some cases the tax base is calculat-

ed with the minus of tax benefits, which are dropping out of the revenue budget. As a result, this position gives rise to another problem which is the objective determination of the tax base.

In the studies of taxable capacity of state and regional levels conducted with the participation of S. Barrow, the taxable capacity is interpreted as a "potential budget income per capita that can be received by the authorities for a certain period of time while applying uniform conditions of taxation throughout the country. Singling out a part which is the budget competence of certain authorities out of a set of taxable resources or sources of budget revenues is attributable to the profitable capacity of the budgets of the corresponding levels of power. The concept of taxable capacity takes into consideration the maximum possible number of taxable resources of the territory" [1, p. 30]. With this definition of taxable capacity there are certain problems that concern the use of taxable resources as the base of taxable capacity, averaging tax rates and a considerable focus on the competence of the regional authorities.

Despite these drawbacks, the research of I.V. Gorskiy and S. Barrow is quite significant in the system of theoretical studies of taxable capacity.

Another noteworthy concept of taxable capacity was developed by T.F. Yutkina [19, p. 121-196]. This concept raises a number of issues related to the operation of the tax system of the state. Taxable capacity is considered based on two basic principles: 1) mapping the strategy of the objective reproductive processes; 2) the desire for the parity of the functions such as fiscal and regulatory.

Based on the fact that the knowledge of the causes of the deviation of the amount of real taxable capacity from its scientifically predicted value answers the question if it is appropriate or not to reform the tax system, if so, how detailed, how long and what specific areas of the tax law. T.F. Yutkina divides taxable capacity to strategic and functional [19, p. 126 - 127].

Under the strategic taxable capacity she understands "the potential capacity of the tax system to ensure a steady growth of national, primarily, social needs (needs of the public sector of the economy) with the qualitative and quantitative assessments based on the solvency of the entities in the sphere of "business" at the end of the full cycle of circulation of capital and satisfaction of their investment needs" [19, p. 126]. In practical terms, T.F. Yutkina considers the taxable capacity as "the forecasted amount of the gross financial result generated in the sphere of production and increased in the sphere of circulation, after the deduction of the total costs associated with its retrieval" [19, p. 126]. This indicator makes it possible to assess the general trends of the economic

development of the country. It is used in grounding of different conceptual approaches to the nature of the tax reforms and allows identifying trends of macroeconomic processes and to identify and evaluate the factors that determine them, including the tax factor.

Under the functional taxable capacity T.F. Yutkina understands “the estimated amount of revenues based on the calculation of the qualitative and quantitative assessments that characterize the condition of the tax environment, the state of the strategic taxable capacity, all specified items related with tax liabilities (rates, benefits etc.) in the development of tax budgets (planning of the total amount of tax revenues) for each fiscal year” [19, p. 127]. Thus, there is a clear correlation of the aspects in defining the taxable capacity due to versatility and integrity at the same time, as well as the objective orientation this category.

In addition to the main concepts highlighted above there are other points of view to determine the nature of taxable capacity.

Thus, some researchers determine taxable capacity as: “...the maximum possible at present time amount of tax revenues calculated at the elimination of arrears in the payment of taxes, irrational tax breaks, imperfections and collisions between the norms of tax and other legislation” [14, p. 34]. However, in this case problems arise in determining taxable capacity, due to the abstract concept of “rationality of tax benefits and non-compliance of tax and other legal norms.” In addition, understanding taxable capacity as a category defined only on the basis of actual income taxes to the appropriate budget is unnecessary because actual revenues largely do not correspond to the capabilities of local resources generate tax revenues.

N.I. Klimova studying the problem of inter-budgetary relations, defines taxable capacity as “...possible tax revenues calculated on the basis of the tax base taking into account current (forecasted) rates, the established order of calculation in terms of standard tax conditions and efforts” [9]. At the same time she highlights a number of methodological problems. First, “...from the standpoint of formation and conceptual apparatus of the budget and tax issues if it legitimate to consider “potentially possible” and “possible tax revenues”, which are essentially equal values, in one case as a resource and in the other case as a capacity” [9]. Second, “...to what extent standardization of the conditions for the formation and accumulation of taxes is implemented on the basis of elimination of tax benefits and the level of tax collection can be used as an adjusting parameter of the assessment of taxable capacity of a particular territorial entity” [9].

From the point of view of semantics the essence of these issues comes to assess the legality of the use of the

uniform terminological definitions for the qualitative identification of different categories. However, it should be kept in mind that the introduction of the synonyms (“possible” – “potentially possible” tax revenues) in the disclosure of the content of the notions and formation of the conceptual framework reduces the certainty and logics of the term. In this regard, the researchers expressed the view according to which there will be legitimate assumption to separate the content basis of the considered notions, highlighting and clarifying their own content meaning conditioned by special economic relations. They show that this specificity is clearly evident if the notion “capacity” is interpreted as the best possible result of a particular hierarchical level economic activity that can be achieved with the involvement of all available resources.

According to the proposed concept by N.I. Klimova, taxable capacity is classified: “...as the taxable capacity of the region which represents the maximum possible amount of tax revenues obtained by the optimum use of all available within the given territory resources; the actually realized taxable capacity, which represents the amount of tax revenues obtained in the circumstances of the use of all available within the given territory resources; as tax revenues received under optimal conditions of use of actually involved in the production public resources; as tax revenues received under certain conditions of the formation and use of the involved in social production tax resources” [9]. At the same time resources (factors that contribute to obtain results) are identified as sources for the formation of taxable capacity, which may include: added value in the total value of goods and services, profits of enterprises and organizations, income of population, amounts of excisable goods, etc. [9].

Each of the categories listed above has a dual economic nature. Thus, in case of horizontal section of social production by institutional sectors, namely business, including the state as business entity (in this case the assumption is that a part of the state functions are transferred to regional authorities at the meso-level) financial sector and households, these categories are resulting. They represent either the income or the amount of the produced goods. However, in case of vertical section of social production, where the ranking of institutional sectors carried out according to their hierarchical subordination, the defined resulting parameters of the sectors are transformed into sources of the tax revenues of the state [17]. In this way we can see their resource nature that allows recognizing these categories as the sources of the formation of taxable capacity of the territories. So, taking into account the dual nature of each of these categories, conditioned by the hierarchy of social production and at the macro and mezzo-economic analysis, the proposed

distribution of resources and the resulting parameters of the functioning regional economic systems can be recognized as economically legitimate and logically justified.

Based on the distribution suggested in this concept, the formation and usage of taxable capacity and tax resources is carried out by different stages of social production “ex ante” – “predictable flow of revenues” [6, p. 220] as the stage of formation of conditions and resources of social production, and “ex post” – “flow of actual revenues” [6, p. 220], with the characteristic attributes of the defined and implemented activities and obtaining the expected result [17]. As a result, at each of the defined stages the conditions or the formation or implementation of the tax base take the front place, defining appropriate resource and resulting parameters of the formation of tax incomes of the regional economic system.

N.I. Klimova’s ranking of these categories allows forming the internal hierarchy of the conceptual apparatus of the territorial tax provision and build a chain of categories with logical interrelationship of resources, conditions and results of the formation and use of tax base of the territories [9].

V. Rybak exploring the problems of financial equalization [15, p. 131], identifies the concept of “capacity of jurisdiction” and “taxable capacity”. He believes that the capacity of jurisdiction (taxable capacity) is the tax per capita collected within certain administrative and territorial unit. Actually V. Rybak recognizes the impact of economic factors on the value of taxable capacity, although he identifies it with the amount of accrued taxes per capita, based on the adopted by legislation tax base.

A fundamentally different approach to interpreting the concept of taxable capacity at the macroeconomic level has S.V. Kalambet [8, p. 125], who defines it as real national income, reduced by the amount of the costs, which provide vital needs of citizens and capital aimed at investment needs. In addition, the author highlights the relative taxable capacity and the absolute amount of taxable capacity.

N.D. Matrusov defines taxable capacity in the “narrow” sense as “...the financial resources that are to be accumulated into the budget through tax payments according to the current tax system in the country...” [12, p. 158]. Taxable capacity in “broader” sense is “...a set of financial resources that can be effectively mobilized through taxation in the system of “population – economy (entity) – territory”, with all basic processes of society within the region” [12, p. 159].

In “broad” understanding, taxable capacity is a total amount of taxable resources of the territory. In “narrow” (practical) sense, taxable capacity is a maximum possible amount of income taxes and fees, calculated in terms of

current tax legislation. There are many factors that influence taxable capacity of the territory, both objective and subjective. The objective factors include current tax legislation, the level of development of regional economy, regional industrial structure, the level and dynamics of current prices, volume and structure of export and import etc. Subjective factors include the state of tax policy, the number of tax benefits, indulgences and deferred payments [10, p. 12]. According to this view, the definition of taxable capacity in “broader” sense comes to the definition of taxable resources, despite the fact that such economic resources may be resources that are not taxed at a certain period of time or under certain circumstances.

Based on the interpretation of the essence of taxable capacity in “broad” sense, it is clear that taxable capacity of the country as a whole and a separate region is formed in the light of components of taxable capacity of certain business entities that operate within the limits of certain territory and taxable capacity of the population that receive income that under the current tax laws are subject to taxation. Therefore, the research should be aimed at defining the nature, essence and assessment of taxable capacity of business entities (companies, institutions).

It should be noted that taxable capacity of business entities (enterprises, institutions and organizations) are mostly identified with their tax burden [13, p. 9], and determine by the ratio of the total tax payments to the added value resulted in the process of production. In this case, taxable capacity of a business entity is considered as a result of the implementation of tax relations of a company with the state.

Quite ambiguous and unexpected interpretation of this term is used by experts in the field of tax audit since the term “taxable capacity of an enterprise” is used to characterize the hidden, implicit overpayments of taxes to the budget [5, p. 19]. The overpayments to the budget happen due to various reasons including the ambiguity, uncertainty, inconsistency and conflicts of tax legislation. In order to reduce tax risk from controversial practices of application of the tax laws business entities sometimes deliberately overstate tax obligations and carry out the appropriate tax payments, allowing them to create a kind of a “tax shield” to avoid calculation of fines, additional charges of tax liabilities and penalties.

Taxable capacity as an economic category is closely connected with tax planning. Thus, Lysenko A.M. and Shalimova N.S. consider taxable capacity as the basis of tax planning at the state and at the territorial levels to assess the correlation of taxable capacity and actual income taxes and levies, to determine economically justified tax revenues into the budget system for the planned period [11, p. 167].

Other authors consider taxable capacity of the company from the perspective of tax planning and it is seen as an object of tax optimization which includes the implementation of legal ways to minimize taxes using the benefits provided by law and the ways of reducing tax liability [4, p. 78]. In this case, the priority is given to tax relations between the state and a business entity (taxpayer). Thus, each party is trying to satisfy their interests at maximum. The state is interested in increasing revenues and, consequently, in the growth of tax revenues from taxpayers. Taxpayers, on the contrary, due to the fact that taxes are taken from their net income, are interested in the reduction of such payments.

Both sides show every possible models of tax behaviour to achieve their goals and maximize satisfaction of interests. In particular, a business entity (taxpayer) under certain institutional conditions would like to use the of “tax evasion” and the model of “circumvention of taxes.” The model of “tax evasion” is when a business entity (taxpayer) deliberately disregards tax laws in order to minimize tax obligations and tax payments. The second model is the model of “circumvention of taxes” has a similar goal, with the only difference in how to achieve it (understating the financial results, the value of property used in turnover, conscious prevention of certain types of income, the choice of the place of business registration, etc.).

In such circumstances it is vital to determine the nature of taxable capacity of a business entity, capabilities for the formation of interest of the business to assess and determine the value of taxable capacity, not only from the point of view of benefit in relations with the state but taking into account the factors which provide favourable conditions for the establishment and growth of value of the enterprise.

In this perspective, the fair definition of the nature of taxable capacity is given by Kalambet S.V. [8, p. 163], who states that “at the micro level according to the structure of economic activity of business entities taxable capacity means a series of static and dynamic components of sustainable operation and development of the company.” And the static component of economic activity of the company integrates all the tools, capacities and capabilities that allow the company making income (land, buildings, equipment, location in the infrastructure, cash, inventories, vehicles, etc.). The dynamic component is material and financial flows of the company (material costs, wages, sales, revenue, added value, etc.) which, together with static component, transform static capacity to produce profit [8, p. 197].

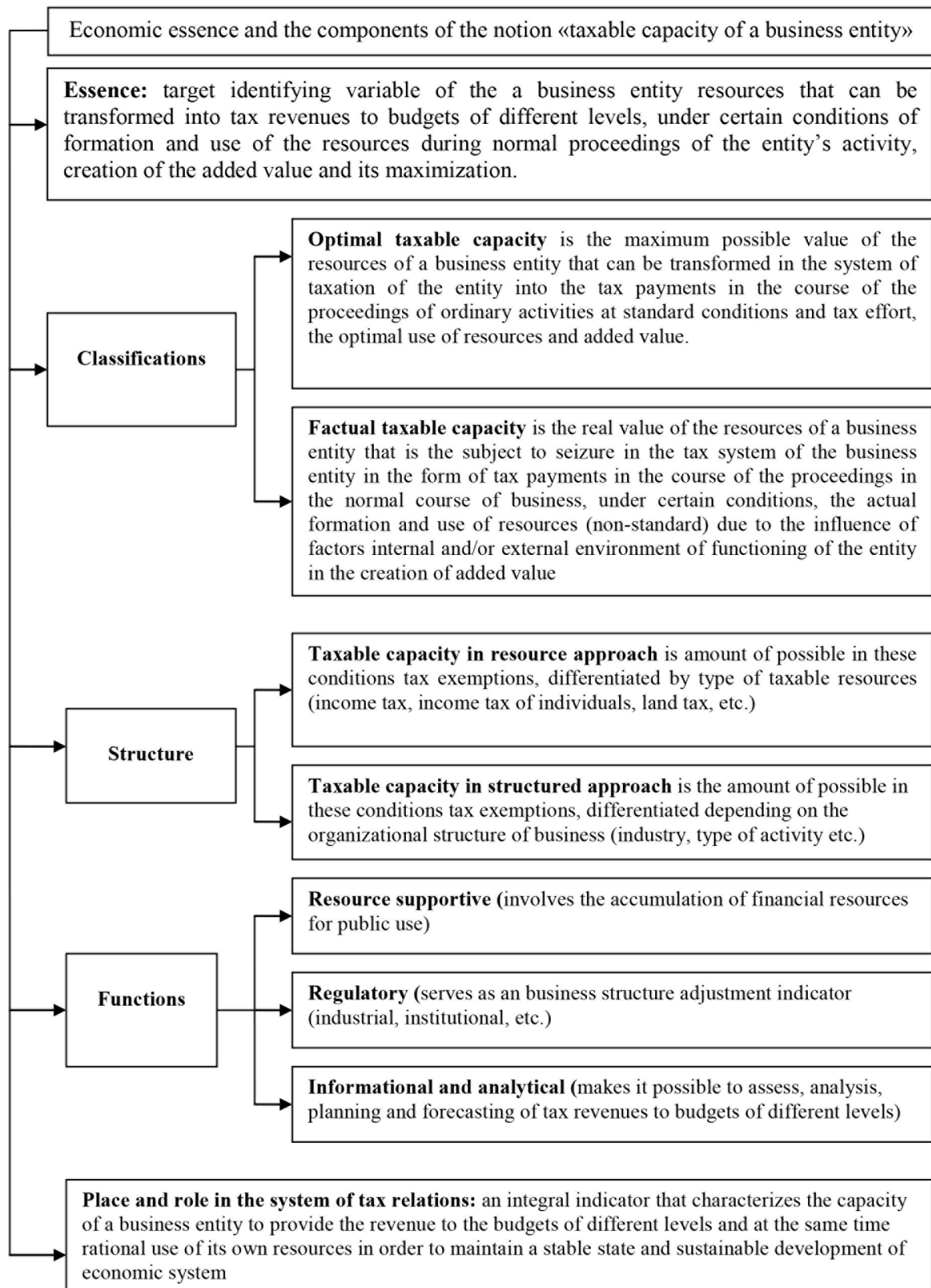
Tax relationship can not happen only through the efforts of one country; like any other relationship, they are bilateral. Thus, the formation of the state income tax, on the one hand, and tax expenses of companies as a form of implementation of taxable capacity, on the other hand, involves active participation of taxpayers in the process. This participation is realized within certain legislative tax behaviour which should be formed on the basis of not only such features as tax law and duty, but as notes I.V. Gorskiy [3, p. 24], on the reproducibility of tax.

Reproducibility of tax is conditioned primarily by the term of tax existence as a financial category within the state. In addition, in order to ensure reproduction of the real tax it is necessary to ensure reproduction of the tax base. The tax base, in its turn is derived from the result in the flow of capital. In this regard, any business entity will not have economic possibilities to reduce tax relations with the state to “zero” through various ways of avoiding or circumventing of the taxes if there is no regulation of process by the state.

Thus, tax relations are bilateral with one party as a taxpayer (business entity: company, institution, organization) and with the other party as the state. The basis of the tax relations is tax obligations. Based on the theory of obligations they must also be bilateral. This means that if a taxpayer generates tax liabilities and acts as a debtor to the state, then the state should also assume the tax obligations and liabilities to be taxpayer at least for unambiguous interpretation of tax laws and be responsible for the effective use of tax revenues. In these conditions the interest for the formation of taxable capacity of a business entity will be realized not only by the state but by the entity (company) from the position the optimization of the value of taxable capacity and using it as a factor for creating and maximizing added value.

Thus, taking into account the analysis of modern concepts defining the essence of taxable capacity at micro and macro levels we offer the authors’ definition of “taxable capacity of a business entity”. Taxable capacity of a business entity is a target identifying variable of the business entity’s resources can be transformed into tax revenues to the budgets of different levels under certain conditions of formation and use of the resources during normal proceedings of the business entity and the creation by the entity added value and maximizing it. The concept of definition of the economic essence of “taxable capacity of a business entity” and its components are shown in Fig. 1.

FIGURE 1. THE CONCEPT OF DEFINITION OF THE ECONOMIC ESSENCE OF THE NOTION
“TAXABLE CAPACITY OF A BUSINESS ENTITY” AND ITS COMPONENTS



Source; composed by the author.

Conclusions and prospects for further researches. Systematic study and analysis of current approaches and concepts to identify and assess taxable capacity indicates the absence of a common point of view on the interpretation of the essence of economic notion of “taxable capacity of a business entity”.

Generalization of the results of this study provides an opportunity to determine category “taxable capacity of a business entity” as target identifying variable of the business entity’s resources can be transformed into tax revenues to the budgets of different levels under certain conditions of formation and use of the resources during normal proceedings of the business entity and the creation by the entity added value and maximizing it.

Based on the place and the role of taxable capacity of a business entity in the system of tax administration it is appropriate to classify it for optimal and effective. The optimal taxable capacity of a business entity is the

maximum possible value of the resources of a business entity that can be transformed in the system of taxation of the entity into the tax payments in the course of the proceedings of ordinary activities at standard conditions and tax effort, the optimal use of resources and added value. The factual is the real value of the resources of a business entity that is the subject to seizure in the tax system of the business entity in the form of tax payments in the course of the proceedings in the normal course of business, under certain conditions, the actual formation and use of resources (non-standard) due to the influence of factors internal and/or external environment of functioning of the entity in the creation of added value

The prospects for future research are to develop specific practical recommendations to build up an integrated system of accounting and informational support of the assessment of taxable capacity in the system decision-making.

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