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### **CORPORATE INCOME TAX GAP ESTIMATION IN THE CONTEXT OF DEVELOPMENT OF FISCAL SPACE**

*The article is devoted to the analysis of the corporate income tax gap as one of the indicators that characterizes the tax revenues that a country can accumulate accounting for its economic potential. The author summarizes the main theoretical views on the causes of the tax gap and investigates existing methodological approaches to assess the tax gap on corporate income tax in OECD countries.*

*The article estimates the income tax gap under the OECD Revenue Administration - Gap Analysis Program, which is based on determining potential tax revenues by adjusting the aggregate indicators of the system of national accounts (gross output, mixed income), which, according to the analysis, averaged at 1.4% GDP in the period 2017-2019, which shows a potential for the development of the fiscal space of Ukraine. Upon analysis of the distribution of the tax gap between institutional sectors of the economy, the largest gap in corporate income tax was found in the sector of foreign corporations whose potential tax revenues were estimated as tripled relative to the declared tax revenues accrued in the Consolidated Budget of Ukraine in 2018.*

*The author conducted a comprehensive analysis of the effectiveness of corporate income tax in Ukraine on the basis of tax efforts and budget efficiency ratios, which revealed significant weaknesses in comparison with similar indicators in other countries.*

*The main measures aimed at eliminating tax gaps in OECD countries are summed up and recommendations are made for Ukraine.*

**Keywords:** *tax gap, corporate income tax, fiscal space, tax effort, budget efficiency*

Traditionally, tax gap is considered as an indicator of the effectiveness of tax system in the presence of tax evasion, through which researchers seek to estimate the size of shadow economy [1]. Such a tax gap resulting from abuses and deliberate

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infringement of tax laws by taxpayers (such as concealment of income or illegal use of tax benefits) is known in the scientific literature as compliance gap.

The reasons for such a tax gap, according to EU experts, may also be shortcomings in the tax law, including overcomplicated and ambiguous interpretation of tax law, which is not conducive to tax awareness of taxpayers and leads to unintentional violations of the above mentioned rules, and, moreover, to the insolvency of tax paying entities (individuals or companies), resulting in tax arrears [2, p. 11].

At the same time, IMF experts point out various legal reasons for the shortfall in profit tax (the so-called *policy gap*), in particular, including the availability of loopholes for “legal” tax evasion (e.g., via the use of benefits, deferrals, etc.) [3, p. 2]. Actually such uncollected tax revenue may become a source of accumulation of additional income to expand the fiscal space.

The tax gap is measured by comparing the amount of actual tax revenue with the potential one, or like it is also called, the theoretical total tax liability. From this standpoint, tax gap is the difference between potential tax revenues (i.e. those that can be collected) and actually collected ones in a particular jurisdiction during a certain period [2, p. 11]. The potential amount of tax revenues, according to the definition by EU experts, is the amount of tax revenues that can be accumulated in the budget in the absence of tax violations, tax evasion, tax arrears or other losses [2, p. 20]. According to World Bank experts, this amount characterizes the tax revenues that a country can accumulate taking into account its economic potential [4, p. 13, 20–21].

In international practice, two methods are used to define the potential amount of profit tax revenue in order to estimate the tax gap:

- 1) bottom-up approach, also known as the direct method or estimation of the tax gap at the micro level;
- 2) top-down approach, also known as the indirect method or estimation of the tax gap at the macro level.

The measurement of the profit tax gap by the *bottom-up method* is performed, for example, in Australia, the United States and the United Kingdom. For the estimation, sample data from the operational audit of taxpayers are used, which analysts then extrapolate to a larger taxpayer population. Given this, the main disadvantage of this approach is that it does not reflect the total tax gap, but gives an idea of its distribution only at the micro level, in particular in terms of individual taxes or taxpayer categories [5].

In order to estimate the tax gap for direct taxes based on the results of audit, non-detection multipliers are used, which are applied to the results of audit to take into account tax violations that are not identified or audited. It is worth noting that in the UK they for a long time used multipliers, calculated by the US Treasury Department for the US economy. Only in 2019, at the initiative of the IMF, a decision was made to develop non-detection multipliers specially for the UK.

On the results of tax audit, the total tax gap on profit tax in the UK in 2018-2019, according to analysts at the Ministry of Finance of this country, amounted to 4.4 billion pounds, which corresponds to 7% of the potential amount of profit tax revenue that could have been collected to the budget. It is worth noting that most of the shortfall was created by small businesses (2.8 billion pounds, or 14.4%), which is more than threefold the tax gap on corporate profit tax in medium-size and large businesses.

The measurement of the tax gap *by the top-down method* is based on aggregate data, whose source include public finance statistics and the system of national accounts, as well as statistical reports and surveys conducted at the national level. This approach fails to provide detailed information on the tax gap at the level of companies or individual taxpayers, but it can be used to compare the tax gap between different economic activities and institutional sectors.

Thus, the basis for calculating the potential amount of profit tax revenues is the data of the system of national accounts on “gross profit, mixed income”. However, given that “gross profit, mixed income” is not equivalent to the calculation base of profit tax, in order to raise the reliability of calculations of the potential amount of income tax revenues, IMF expert U. Ueda developed a methodological approach to estimating the tax gap called Revenue Administration - Gap Analysis Program (RA-GAP) [6] and based on the adjusted indicator of “gross profit, mixed income”, which takes into account the balance of the company’s other income from operation and ownership of assets, change in working capital and fixed capital as a result of their physical and moral deterioration during reporting period, and also includes additional accruals and deductions from taxable income, including losses carried to other periods that are not reflected in the SNA. Defining the potential base of profit tax takes place in three stages.

At the first stage, the indicator of “gross profit, mixed income” is adjusted by the amount of income from capital, capital transfers, and other current transfers received and paid by companies, and considers the difference between the value of working capital at the beginning and end of reporting period and consumption of fixed capital as reflected in SNA. U. Ueda called the resulting indicator ( $D_1$ ) “financial accounting profits”.

At the second stage, the amount of financial income ( $D_1$ ) is added by expenses for which a refusal to deduct from taxable income was received, and other incomes included in taxable income, and is reduced by the amounts of taxable income that are not subject to taxation (tax benefits and dividends received), reflected in the profit tax declaration. U. Ueda called the resulting indicator ( $D_2$ ) net tax base.

At the last stage, the net tax base ( $D_2$ ) is added by all losses incurred by companies in the current year and deducts losses carried forward. The result obtained, according to U. Ueda, is the potential base of profit tax ( $D_3$ ). The share of the potential profit tax base, defined using the nominal profit tax rate, is the potential amount of



profit tax revenue. Based on the comparison of potential tax liabilities with actual ones, one can conclude about the level of tax gap.

The RA-GAP method, developed in 2018, is relatively new compared to the international practice of estimating the tax gap based on tax audit, and therefore has not yet gained sufficient practical application. We were able to obtain the results of an estimation of profit tax gap in Italy and Costa Rica. Thus, the level of profit tax gap in Italy, as obtained using the RA-GAP method by experts of the Italian Tax Service, in 2013-2017 averaged 9613 million euros, which corresponds to 27.5% of the potential profit tax base, or 0.58% of this country's GDP (Table 1).

Table 1

**Corporate income tax gap in Italy according to the RA-GAP method in 2012-2017**

Indicator	2012	2013	2014	2015	2016	2017
Million euros	10705	10383	9943	8128	8729	9792
% of potential profit tax base	30.4	30.3	28.5	22.1	23.6	27.9
% of GDP	0.7	0.6	0.6	0.5	0.5	0.6

Source: compiled by author according to Italian Tax Service [7].

It should be noted that the profit tax gap in Costa Rica estimated by IMF experts using the RA-GAP method, was (as % of GDP) much higher than in Italy: in 2012-2015 it ranged from 4.5 to 4.8% of this country's GDP [8, p. 47].

For a deeper analysis of the causes of the tax gap and on finding more effective ways to eliminate it, the analysis of tax gap should not be limited to just measuring it, but should also include estimation of other indicators of profit tax, in particular - indicators of its effectiveness.

Traditionally, one of the main indicators of the efficiency of a tax system is the tax ratio, which is defined as the share of tax revenue in relation to GDP. It characterizes, on the one hand, the government's ability to collect taxes provided by law, and on the other - the willingness of taxpayers to bear the established tax burden. The higher is the level of taxation, the better is the government's ability to collect legally established taxes or the higher is the tax burden, or both.

However, this indicator fails to give an idea of how fully the government uses its taxation potential. An indicator that helps define how fully the government uses its potential tax base is *tax effort*, which is defined as the ratio of the share of actual profit tax revenues (relative to GDP) and the share of potential revenues of this tax (relative to GDP). The degree of use of a country's taxation potential is considered high if tax effort exceeds 1; medium - if it is equal to 1, and low - if it is less than 1.

As a rule, developed countries show, on average, higher taxation levels than developing countries. It is well known that, among many factors, the relatively low level of taxation in developing countries may be related to large-scale tax evasion. To



take this into account, the World Bank experts suggested estimating the tax effort in developing countries on the basis of the ratio of actual tax revenues (as % of GDP adjusted for shadow economy) to the level of potential tax revenues (as % of GDP, adjusted for shadow economy). Adjustment of GDP for shadow economy in the methodological approach developed by the World Bank experts is carried out using a coefficient of 0.33 [2, p. 20]:

$$\text{Adjusted GDP}_{\text{shadows}} = \text{Actual GDP} + 0.33 * \text{Actual GDP}$$

$$\text{Tax effort}_{\text{relative}} = \text{Actual TR}_{\% \text{ GDP shadows}} / \text{Potential TR}_{\% \text{ of GDP shadows}}$$

If the ratio of actual tax revenues (as % of shadow adjusted GDP) to potential tax revenues (as % of shadow adjusted GDP) in the country is less than 0.85, then, according to World Bank experts, such a tax effort is considered low.

The country's tax effort is classified as average, if  $0.85 \leq \text{TE}_{\text{shadows}} \leq 0.95$ .

The country's tax effort is classified as high if  $\text{TE}_{\text{shadows}} > 0.95$ .

Analysis of 61 countries conducted by World Bank experts in 2000-2010 revealed that at that time the governments of many countries of the former Soviet Union (Azerbaijan, Armenia, Georgia, Moldova), and of Latin America (Argentina, Chile, Mexico, Peru, Uruguay), as well as Thailand, Slovakia, Ireland, and Portugal underutilized their taxation potentials.

Besides, among these countries, Azerbaijan, Armenia, Georgia, Argentina, Chile, Mexico, Peru, Thailand and Uruguay also had low levels of tax revenues, calculated as a percentage of GDP adjusted for shadow economy. Compared with the median level of 30%, their values deviated by more than  $\frac{1}{2}$  of standard deviation. Given the low rate of tax effort, this means that these countries have opportunities for the accumulation of additional tax revenues - both via strengthening tax control and by raising the level of taxation (Table 2).

The countries with average degree of the use of tax potential in 2000-2010, included many EU member states, in particular, Belgium, Germany, Hungary, the Netherlands, Greece, Latvia, and Estonia (Table 1). At the same time, Greece, Latvia and Estonia were characterized by average levels of taxation, which indicates that they had room to accumulate additional tax revenues, in contrast to Belgium, Germany, Hungary and the Netherlands, where taxation level was already quite high by international standards.

The highest levels of tax effort ( $\text{TE}_{\text{shadows}} > 0.95$ ) were observed in Belarus, Bosnia and Herzegovina, Montenegro and Serbia, as well as in Austria, Denmark, Finland and France. It should be noted that these countries were also characterized by high tax revenues. This fact shows that in these countries taxpayers are taxed according to the full program and their tax administrations are currently functioning to the best of their abilities. Thus, the accumulation of additional tax revenues in these countries requires expanding their tax bases via attracting investment and encouraging economic activity in the formal sector.

Three countries with low tax revenues in the sample - Tajikistan, El Salvador and Indonesia - have high tax effort. These countries have a large shadow economy: according to World Bank estimates, about 40% of GDP. However, a significant increase in tax revenues can be achieved via policy measures to encourage de-shadowing and via more efficient tax administration [2, p. 20–21].

Table 2

		<b>Tax effort and the level of tax revenues, 2000–2010</b>		
		<i>Tax effort</i>		
		Low	Average	High
<i>Tax revenues</i>	Low	Azerbaijan, Armenia, Georgia, Argentina, Chile, Mexico, Peru, Thailand, Uruguay	Kazakhstan, Turkey, Malaysia	Indonesia, Tajikistan, El Salvador
	Average	Moldova, Slovakia, Ireland, Portugal	Greece, Latvia, Estonia, Russia, Romania, Japan	Brazil, Canada, South Africa, Ukraine, Switzerland
	High		Belgium, Germany, Hungary, the Netherlands	Austria, Belarus, Bosnia and Herzegovina, Denmark, Serbia, Montenegro, Finland, France

Source: compiled by author according to World Bank data [2].

The potential base of profit tax can also be used to analyze the *budget efficiency of corporate income tax*. According to the IMF experts' methodology, budget efficiency ratio of corporate income tax (CIT efficiency ratio) is calculated as the ratio of actual profit tax revenues (AC) to “gross income, mixed income” indicator (GOS) multiplied by the standard profit tax rate ( $\tau$ ):

$$ER_{CIT} = \frac{AC}{\tau * GOS}$$

The lower is the CIT efficiency ratio, the less productive the profit tax is in terms of revenue accumulation in relation to the potential level.

According to the calculation of the efficiency of profit tax based on “gross income, mixed income”, conducted by IMF experts in 93 countries in the period from

2008 to 2012, the actual imputed tax base  $\frac{Ac}{\tau}$  in most countries was significantly less than the potential tax base, as defined by “gross profit, mixed income”. As a result, the CIT efficiency ratio was less than 1 and averaged 0.43, ranging from 0.07 (China in 1995) to 3.38 (Cyprus in 2008) [9, p. 61–62].



Given that the potential income tax base (D3) exceeds the “gross profit, mixed income” (due to the inclusion of property income, capital gains, etc.), it is obvious that the CIT efficiency ratio calculated based on the potential profit tax base (D3), will be even lower than the IMF results.

**Estimation of the tax gap on the corporate income tax in Ukraine**

Corporate profit tax is the third largest source of tax revenues in Ukraine. In 2019, it accumulated UAH 117.3 billion in Ukraine’s Consolidated Budget, which provides about 11% of total budget revenues from taxation. Analysis of the tax gap on corporate profit tax will help develop an adequate strategy for the mobilization of additional tax revenues in Ukraine, which is especially relevant under modern conditions.

**Methodical approach to the estimation of the tax gap on corporate profit tax in Ukraine**

As a basis for estimating the profit tax gap by the *top-down* method, we took the methodological approach Revenue Administration - Gap Analysis Program (RA-GAP), developed by U. Ueda [6]. Note that due to the lack of data, our analysis is limited to the calculation of imputed financial income (D1). The application of the base rate of profit tax (18%) to imputed financial income allows determining the amount of potential revenues of profit tax. Comparing them with actual profit tax revenues, we obtain the tax gap.

The actual income tax includes its revenues to Ukraine’s Consolidated Budget less the items of the repayment of tax debt and the restructured arrears of corporate profit tax.

Table 3

**Algorithm for calculating imputed financial profit**

Code	Operations and balancing items	
B.2g	Gross profit, mixed income	+
D.4r	Received property income (interest, dividends, rent)	+
	Income (taxable) received from other countries	+
D.7	Other current transfers received	+
D.9r	Capital transfers received	+
P.52	Change in inventories of working capital	+
D.4p	Paid property income (interest, rent)	-
P.51c	Consumption of fixed capital (depreciation)	-
D.7p	Other paid current transfers	-
D.9p	Capital transfers paid	-
	Other costs not related to intermediate consumption	-
D1	Imputed financial profit	=

Source: compiled by author.

As to the imputed financial income, it was specially developed by U. Ueda for these purposes and, as already noted, is calculated on the basis of indicators of the system of national accounts. Based on the adaptation of U. Ueda's methodological



approach to Ukraine's SNA, we systematized a list of indicators to be included in the calculation of companies' imputed profit in Ukraine (see Table 3).

Total imputed financial profit is the balance of indicators covering four institutional sectors of the economy, namely non-financial corporations (S11), financial corporations (S12) (excluding the National Bank of Ukraine and funds not paying profit tax), households (S14) (excluding employees) and rest of the world (S2).

It should be noted that this approach also allows estimating the tax gap on profit tax separately for the financial and non-financial institutional sectors, which are the main payers of this tax. Using the Methodological provisions on the organization of national statistical survey on "Annual National Accounts" regarding the "Distribution of current taxes on income, property by institutional sectors of the economy" [10, p. 60–61], we identified the profit tax items that are collected separately from non-financial and financial corporations (Table 4).

Table 4

**Distribution of corporate income tax by institutional sectors: non-financial and financial corporations**

<i>Non-financial corporations</i>	<i>Financial corporations</i>
Profit tax on enterprises and financial institutions of communal property	Profit tax on enterprises and financial institutions of communal property
Profit tax on enterprises established with the participation of foreign investors	Profit tax on banking organizations, including Ukraine based branches of foreign based banking organizations
Profit tax from casinos, video stores, slot machines, concert and entertainment events	Profit tax on insurance companies, including Ukraine based branches of foreign based insurance companies
Profit tax on state-owned enterprises and organizations	Profit tax on financial institutions, including Ukraine based branches of foreign based companies, except for insurance companies
Profit tax on organizations and enterprises of consumer cooperatives, cooperatives and public associations	
Profit tax on private enterprises	
Other profit tax payers	

*Source:* compiled by author.

As shown in Table. 4, the profit tax of enterprises and financial institutions of communal property falls into both categories due to the practical impossibility of its delimitation and will be equally distributed between the two sectors. Another item of profit tax, namely the profit tax of foreign legal entities, is not included in the above table, as it belongs to another institutional sector – “Rest of the world” (S2).



According to our calculations carried out in 2017–2019, the average tax gap on profit tax in this period amounted to 49.9 million UAH, gradually decreasing from 80,123 million UAH in 2017 to 18,464.25 million UAH in 2018. (Table 5).

*Table 5*

**Defining the tax gap on corporate income tax in Ukraine in 2017-2019,**

*UAH million*

<b>Indicator</b>		<b>2017</b>	<b>2018</b>	<b>2019</b>
Imputed financial profit	p. 1	820633.00	853972.00	734044.00
Actual tax revenues	p. 2	70402.01	106143.48	117316.77
Potential tax revenues	P. 3 = p. 1 *18%	147713.94	153714.96	132127.92
<i>Tax gap</i>	P.4 = p.3-p.2	77311.93	47571.48	14811.15
<i>Implicit profit tax rate, %</i>	P.5 = p.2 / p.1	8.6%	12.4%	16.0%

*Source:* author's calculations.

As shown in Table 5, with the reduction of the tax gap, the implicit profit tax rate, calculated as the share of actual tax revenues in imputed financial profit, gradually increased. Thus, in 2017 it was 8.6%, which is almost by 10 percentage points less than the nominal rate of this tax, and two years later - in 2018 - it almost doubled - to 16%.

Experts M. Galuchi, R.V. Panzini and S. Pisani explain the excess of the nominal profit tax rate over the implicit tax rate, calculated as the ratio of actual profit tax revenues to imputed financial profit, by the fact that imputed financial profit is greater than the real tax base [7].

It should also be noted that in conditions when during the analytical period the unified nominal profit tax rate remains unchanged, annual fluctuations in the implicit tax rate (the ratio of profit tax revenues to “gross profit, mixed income”) result from changes in the structure of imputed financial profit (D1).

Thus, according to our calculations, the amount of revenues from corporate profit tax in Ukraine in 2019 compared to 2017 increased by 67%. However, the increase in “gross profit, mixed income” was only 23%, and imputed financial income (D1) - on the contrary - decreased by 11%. The most significant decrease took place in the sector of non-financial corporations, whose imputed financial profit in 2019 compared to 2017 decreased in nominal terms by UAH 194.5 billion, which is more than 64%. This was primarily due to a decrease in the value of inventories by the end of 2019 compared to the year's beginning. As a result, the so-called "holding loss" incurred by Ukraine' non-financial corporations amounted to about UAH 111.6 billion.

Second, imputed financial profit (D1) decreased due to significant amounts of current transfers paid by financial and non-financial corporations, which include, in particular, insurance payments. Thus, in 2019, the amount of current transfers paid by non-financial corporations exceeded the corresponding figure for 2017 by UAH 13 billion, while the similar excess by financial corporations was over UAH 29 billion.



However, it should be noted that in percentage terms, the largest profit tax gap was registered in the sector of foreign corporations. According to our calculations, the potential tax revenues of “rest of the world” sector in 2017 were 2.7 times higher than the actual profit tax revenues of the foreign legal entities, and in 2018 this gap was more than 3.5 times. If the implicit profit tax rate of the financial and non-financial sectors in 2018 averaged 13.5%, for the foreign corporations it was at 5.1%. However, in 2019 - as a result of a significant reduction in imputed financial profit - the gap between potential and actual tax revenues of foreign corporations considerably narrowed. The implicit tax rate on their profits grew to 15.4% and almost equaled the corresponding figure for other companies in Ukraine.

Our analysis of the corporate profit tax gap in Ukraine is not limited to identifying the difference between potential and actual tax revenues, but also includes an assessment of the efficiency of this tax. However, based on the methodological approach of RA-GAP, we replaced the indicator of “gross income, mixed income” (GOS) with the indicator of potential profit tax base (D1) - in order to raise the reliability of its results. At the same time, to ensure the comparability of international comparisons, we also defined the coefficient of budget efficiency of the profit tax based on the indicator of "gross profit, mixed income" (GOS) (Table 6).

Table 6

**Budget efficiency ratio of corporate income tax in Ukraine in 2017-2019**

<b>Indicator</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Based on “gross profit, mixed income”	0.35	0.46	0.47
Based on “imputed financial profit”	0.48	0.69	0.89

*Source:* author's calculations.

As our calculation shows, the coefficient of budget efficiency of profit tax (based on the indicator of "gross profit, mixed income") in Ukraine in 2017-2019 did not exceed 1: it ranged from 0.35 to 0.47, which indicates an excess of the potential base of profit tax over the actual one. It should be noted that this level (on average it was 0.42) is typical of most Eastern European and Central Asian countries, but is significantly lower than the level of economically developed European countries, where, according to IMF experts, it usually exceeds 1, and in some countries, in particular, in Cyprus, it exceeds 3 [3, p. 62].

The insufficient level of income accumulation relative to the potential level in Ukraine is also evidenced by the ratio of the share of actual revenues from profit tax (relative to GDP) and the share of potential revenues from this tax (relative to GDP), which in 2017-2019 averaged 0.42 (based on “gross profit, mixed income”) and 0.69 (based on “imputed financial profit”). It is generally believed that if this indicator, known as the coefficient of tax effort, is less than 1, the degree of use of taxation potential in the country is low.



**Ways to minimize the tax gap: international experience and conclusions for Ukraine**

Thus, as our analysis shows, the level of the tax gap on profit tax in Ukraine is significant (over UAH 46,564 million on average in 2017-2019, which is 1.4% of GDP). On the one hand, the larger the tax gap, the greater the potential for the accumulation of additional tax revenues, which is an important prerequisite for expanding the country's fiscal space. However, the tax gap also indicates an uneven distribution of the tax burden between the taxpayers receiving income from transparent sources and those engaged in shadow activities. As a result, the principle of tax justice is violated, which negatively affects the tax integrity of taxpayers and overall confidence in the existing tax system. Therefore, the existence of a tax gap requires immediate measures to minimize it.

The experience of other countries shows that the main measures to minimize the tax gap on corporate profit tax are mainly aimed at improving tax awareness. For example, in Canada, *small and medium-size businesses* are provided with free information and reporting assistance. Also, for companies that voluntarily report non-payment of taxes, the Program of voluntary recognition of violations is introduced, according to which they must repay their tax arrears plus interest, but become exempt from fines and criminal responsibility. In addition, a special unit is created to combat shadow economy in high-cash industries such as construction, real estate and retailing [11].

As to international corporations with high risk of non-compliance with tax legislation, the work to minimize their tax gap is performed within the activities of the OECD's Joint International Taskforce on Shared Intelligence and Collaboration, which includes 40 tax administrations. The OECD has developed a Single Reporting Standard as a new international standard for automatic exchange of information on financial accounts between tax administrations, which includes data on non-residents' financial accounts, such as taxpayer's name, address, account number and account balance. In June 2017, Canada signed the OECD's Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS in order to counteract tax base erosion and exclusion of profits from taxation. This agreement allows partner countries to exchange financial information about multinational corporations. For example, Canadian financial institutions, such as banks and credit unions, are required to report international electronic money transfers of more than 10,000 USD [11].

Besides, in 2014, Canada launched the Offshore Tax Informant Program, under which individuals who provide reliable information about violations of international tax rules receive financial rewards in the amount of a percentage of federal tax. Thanks to informants, during 2014-2018, 29 million Canadian dollars' worth of federal taxes and fines was additionally accumulated to Canada's budget [11].

Despite the overall reduction of expenditures on the Internal Revenue Service of the US in recent years, its staff has increased by 31.5% - they are engaged in outreach and assistance in filing tax returns, which reflects the efforts to minimize cases of



unintentional tax violations caused, in particular, by the ignorance of tax legislation [12].

Besides, many years of experience in US tax audits have shown that a significantly smaller tax gap is traditionally registered on incomes from which taxes are withheld to the sources of origin (such as wages, and interest on deposits). Thus, in 2010-2013, on the tax liabilities related to these incomes, the US federal budget was only short of 9 billion USD, while the amount of arrears identified as a result of tax audits of other incomes (such as rent, business income, farm income, and royalties) was 12 times greater - 109 billion dollars. USA [13].

Therefore, considering all this, the main measures aimed at minimizing the tax gap on corporate profit tax could include the following:

- improving the audit of companies operating in high cash industries and/or profiting from non-transparent sources;
- greater use of third party reporting;
- and improvement of the technology for processing collected information and of the servicing of taxpayers.

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**ОЦІНКА ПОДАТКОВОГО РОЗРИВУ ПО ПОДАТКУ НА ПРИБУТОК У  
КОНТЕКСТІ РОЗШИРЕННЯ ФІСКАЛЬНОГО ПРОСТОРУ**

*Проаналізовано податковий розрив по податку на прибуток підприємств – як один із індикаторів, який характеризує податкові доходи, що може акумулювати країна з огляду на її економічний потенціал. Узагальнено основні теоретичні погляди на причини виникнення податкового розриву та досліджено існуючі методичні*

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*підходи щодо оцінки податкового розриву по податку на прибуток у країнах ОЕСР.*

*Оцінку податкового розриву по податку на прибуток у статті здійснено за програмою ОЕСР Revenue Administration – Gap Analysis Program, що базується на визначенні потенційних надходжень податку шляхом коригування агрегованих показників системи національних рахунків (валового прибутку, змішаного доходу), яка за результатами аналізу у період 2017–2019 рр. становила у середньому 1,4% ВВП, що свідчить про наявність резервів розширення фіскального простору України. Проведено аналіз податкового розриву в розрізі інституціональних секторів економіки, в результаті якого найбільший розрив по податку на прибуток було виявлено у секторі іноземних корпорацій, чиї потенційні податкові надходження у понад утринчі перевищували фактичні надходження податку до Зведеного бюджету України в 2018 р.*

*Автором здійснено комплексний аналіз ефективності податку на прибуток в Україні на основі показника податкових зусиль та коефіцієнта бюджетної ефективності, що допомогло виявити значні їх відхилення у порівнянні з аналогічними показниками в інших країнах.*

*Охарактеризовано основні заходи, спрямовані на мінімізацію податкових розривів у країнах ОЕСР та зроблено відповідні висновки для України.*

**Ключові слова:** *податковий розрив, податок на прибуток підприємств, фіскальний простір, податкові зусилля, бюджетна ефективність*