

TAXPAYERS' LIABILITY FOR TAX EVASION IN UKRAINE

SYCH Olga

*PhD in Economics, Associate Professor,
Associate Professor of the Department of Financial Management
Ivan Franko National University of Lviv
ORCID ID: <https://orcid.org/0000-0002-9322-8105>*

SEN Iryna

*PhD in Law, Associate Professor,
Associate Professor of the Department of Criminal Law and Criminology
Ivan Franko National University of Lviv
ORCID ID: <https://orcid.org/0000-0003-0648-6948>*

Abstract. *The article analyzes the main tax evasion schemes in Ukraine and their impact on the state budget. The authors compare the volumes of evasion in 2019 and 2024, revealing the growth of the shadow economy. Types of liability for tax offenses are considered, and recommendations are offered for de-shadowing the economy. Special attention is paid to the need to reboot key state institutions and improve the tax administration system.*

Keywords: *tax evasion, tax optimization, de-shadowing, liability, Criminal Code of Ukraine, criminal offence, criminal liability, fine, administrative liability, financial liability*

The article is devoted to analysing the problem of tax evasion in Ukraine, which is a serious threat to the country's economic security.

The authors examine the key evasion schemes and their impact on the state budget and compare the situation in 2019 and 2024. The article contains a comparative analysis of the volume of tax evasion during those years, which allows assessing this phenomenon's dynamics. The payment of wages "in envelopes" has become the leader of evasion schemes, in third place before the coronavirus crisis. The segment of "grey" imports and smuggling includes distorted declarations, hidden movement of goods and abuse of customs privileges; it ranks second in scale and is estimated at UAH 120-167 billion in losses. Over the past five years, its volume has continued to grow despite the authorities' reform of customs and countermeasures. Counterfeiting and illegal trade in excisable goods entail budget losses estimated at 35-40 billion hryvnias in 2024, demonstrating upward dynamics and annual growth in illegal trade volumes. Losses from the use of offshore jurisdictions are estimated at 9-11 billion hryvnias in 2024, and this is almost the only type of violation whose volumes have significantly decreased over the past 5 years.

Particular attention is paid to analysing legislative norms regulating liability for tax offences and their effectiveness. The article considers various types of liability, including financial, administrative, and criminal, and their application in practice. The authors emphasise the need for a comprehensive approach to combating the shadow economy, including improving legislation, strengthening control, and raising tax culture.

The article contains recommendations for de-shadowing the economy and improving the tax administration system. The need to reboot key institutions, such as the State Tax Service, State Migration Service, and the National Police, to increase the effectiveness of the fight against tax violations is separately considered. The authors propose modifying the tax invoice monitoring system to reduce the burden on business. The article emphasises the importance of international cooperation in combating cross-border tax evasion. In the conclusions, the authors emphasise the need to simplify tax legislation and increase the efficiency of law enforcement agencies. The article highlights the importance of overcoming corruption to ensure a fair tax system.

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