

FORMATION OF ACCOUNTING AND TAX POLICY OF THE COMPANY

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ABSTRACT

When optimizing tax calculations, accounting procedures need to be reformed, which is aimed at improving the organizational and methodological tools that contribute to the effectiveness of determining the methods of forming indicators for determining the tax base. To this end, the concept of accounting policy for accounting and taxation was clarified on the basis of the proposed hierarchical structure for matching accounting and tax policies regarding the ability of a company to legally influence the calculation of the tax base in accordance with the choice of accounting methods, principles and procedures. Thus, a procedure was established for taking into account accounting policy elements in determining the tax base and the formation of taxes, which ensures proper information for the correct, accurate and impartial determination of the amount of tax liabilities.

Keywords: Accounting Procedures, Tax Planning, Accounting Policy, Tax System.

JEL Classifications: M21, O16

INTRODUCTION

Improving the informative capacity of management data and facilitating the complexity of accounting implementation scenarios are accompanied by the development of accounting organization, which fully applies to the accounting of tax calculations and payments. One of the main objectives of the economic and accounting policy of any enterprise is to minimize costs, including those related to the payment of taxes - both directly amounts of taxes and indirect costs (documentation, filling and submission of declarations, etc.).

Due to its imperfections, the tax system focuses on finding new solutions for tax reforms and encourages tax planning in order to reduce the tax burden at the microeconomic level with the establishment of optimal tax payments, helps reduce the tax burden and, accordingly, develop enterprises in unstable economic conditions.

Currently, a number of economic and socio-legal factors influencing the functioning of domestic entities significantly affect the improvement of accounting for tax calculations and payments, organization of tax planning as conditions for the effective development of enterprises. This situation is explained by the qualitative parameters of tax optimization, the organization of which is carried out to improve the efficiency of activities and the identification of internal reserves that ensure the sustainable development of an enterprise without attracting

other sources of financing through a guiding influence on financial results. These measures are tactical in nature, aimed at short-term results, and encourage them to be constantly monitored and timely regulated in accordance with the needs of a systematic introduction of tax optimization.

The accounting interpretation of the financial result obtained by the enterprise is characterized by a subjective characteristic that determines the general nature of the calculation of its amount depending on the moment of the accounting display of events and phenomena, guided by the method of estimating costs, which is fixed in the accounting policy of the enterprise (Bradul et al., 2019). Thus, if the company's revenues are unconditional and fully justified and represent the amount of revenue, the costs are the result of applying the accounting methodology, and therefore the professional competence of a specialist, in a certain way negates their reliable nature.

REVIEW OF PREVIOUS STUDIES

The relevance of changes in the accounting of tax calculations is explained by a significant amount of taxes and payments, constant regulation of tax legislation, which complicates the process of calculating the tax base and is the cause of contradictions and debatable moments when fulfilling tax obligations and tax transfers to the budget. Long-term practice shows the occurrence of problems in business entities in terms of tax calculations precisely because of the lack of a clear understanding of the procedure for calculating and paying taxes, as well as the use of tax incentives (Appelbaum et al., 2017).

Ignorance of regulatory measures and unintentional errors in the calculation do not relieve the administration of enterprises from liability and the payment of penalties (Baker et al., 2017). Thus, the high-priority task is not only to optimize the accounting of taxation, but to provide recommendations on how to conduct, with additional clarification of the discussion points that are an obstacle to the fulfillment of obligations and the cause of conflicts with regulatory authorities (Biondi, 2017).

The interests of users differ, which can be generalized by listing the signs that govern the content of the accounting report and are the basis for its preparation, based on the requirements of legal regulations and rules (Drobyazko et al., 2019; Drobyazko et al., 2018). Interest in tax accounting information is increasing now, since its reliability allows making informed decisions that characterize the relevant tax discipline (Hilorme et al., 2019)). The latter is a tool for regulating tax liabilities and tax ethics concerning counterparties, and therefore, makes partnerships between different levels of economic systems and government bodies (Hilorme et al., 2019). Consequently, the level of importance of systematization of information in the accounting system as an information base increases, which is distinguished by maximum reliability and fully substantiates the indicators given in the tax reporting.

Expansion of the range of users causes complications of requests for tax data, which are not limited only to the fact of fulfilling obligations to the budget and reflecting the total amount of calculated taxes (Leal et al., 2018). Information requests of the present are characterized by interest in obtaining information about the tax policy of the enterprise, which is indirectly provided through generalized indicators and, consequently, deepens the informativeness of the financial statements (Rogoff, 2017).

METHODOLOGY

The theoretical and methodological basis of the study is a set of general scientific methods of cognition of processes and phenomena, basic in the context of accounting for tax calculations and payments. The study used: epistemological method - to specify the content of categories and concepts, which are the main focus in determining the essence of taxes, accounting policy, taxation system and tax planning; induction, deduction - for the development of the theoretical and methodological foundations for tax calculations and payments; methods of theoretical generalization and comparison for the study of the development of the accounting policy of the enterprise, the definition of prospects, parameters and directions of the organization of tax planning; generalization method to increase the information content of accounting for tax purposes.

RESULTS AND DISCUSSIONS

Information support of management is based on the processing of facts of activity of business entities, processing of which is possible only on the basis of source documents, which increases the level of data reliability. It is the accounting system that provides other information management subsystems for making decisions and satisfying the information needs of various users. In accounting, not the facts of economic activity are processed, but the information about such facts is documented which is the basis for the formation of accounting information and reporting on the activity results of the enterprise in a market environment. The concept of the formation of accounting information is the structuring of the facts of activity, using regulators for processing, transfer and storage of data.

The facts of the enterprise's economic activity characterize its existence in the external economic environment, determining its condition, possibilities, relations with contractors and future development prospects. This is a set of actions and a number of events that encourage business operations, as a result of which the financial result of activities changes, which affects the condition of assets, capital and liabilities of the enterprise. Each such fact is the moment of the general business process, which changes the composition and size of the enterprise's assets, its assets, funds, and the sources of their formation, which is determined by management policy, characteristics of relations with counterparties and development strategy.

Certainly, accounting policy is an environment for integrating accounting and tax systems to form information support for decision-making by various groups of users. Adding together groups of elements contributes to the definition of a complex of principles and procedures at the enterprise, on the basis of which, owing to the temporary context, there is a leading influence on the financial statements and, accordingly, on the calculation of the tax base.

Thus, the accounting policy is the result of a weighted combination of the right for the enterprise to choose accounting methods and requirements imposed by regulatory authorities on the formation of a unified information system that provides requests for various levels of management of the internal and external environment.

In our opinion, the accounting policy on taxation is a tool for the effective implementation of the company's tax liabilities, through their economic expediency (Table 1).

Optimization of taxation within the framework of the development of accounting policy provides for a number of measures to determine the possibilities for regulating tax payments as efficiently as possible in the economic activity of the enterprise without violating the statutory provisions. The enterprise's right to alternatives is determined as ambivalent when calculating the tax base and collecting taxes to the budget, since, on the one hand, this possibility is justified by the choice of methods, principles and accounting procedures, but on the other hand, the

impact of the accounting policy on the tax system is impossible. Alternatives in accounting can not and should not affect the fulfillment of tax obligations to the budget. However, in modern conditions of organization of accounting, the enterprise is empowered to influence the calculation of the tax base on the basis of the choice of methods, principles and procedures of accounting. Thus, it is necessary to prescribe in the tax legislation separate provisions for the accounting of elements of the accounting policy in determining the tax base and the formation of taxes. It is the accounting policy that provides adequate information for the correct, accurate and impartial determination of the amount of tax liabilities.

Stage	Characteristics of the stage
Initial (design)	Analysis of the legal form, business conditions of the enterprise, its development
	Formation of short-term and long-term goals of the enterprise activity
	Assessment of the actual state of accounting and taxation system
	Determination of goals, stages and procedure of tax policy formation
Operational (current)	Determination of methods, principles and procedures for tax policy formation
	Development of working documentation on the procedure for taxation in accordance with certain aspects of activity
	Internal regulation of the procedure for determining the tax base and fulfillment of tax obligations
	Determination of ways and mechanisms of optimization of tax burden
	Adjustment of the previous tax regulation
	Establishment of the procedure for the implementation of tax preferences
Final (control)	Regulation of the procedure for the implementation of the right to tax relief
	Resolving issues related to the regulation of special tax regimes in accordance with the implementation of general tax policy provisions
	Analysis of tax deductions and tax exemptions
	Monitoring of the implementation of tax policy provisions
	Attraction of advice on new methods in tax regulation
	Prompt implementation of changes to internal tax policy provisions
Assessment of innovations in tax mechanisms for the introduction of taxation in the enterprise	

Between the accounting policy and the tax system there is a close relationship, manifested in the organization of accounting for tax purposes of the enterprise. Thus, the development of accounting policy is carried out taking into account the optimal option for the efficiency of the tax system.

In accounting policy for the purposes of taxation of an economic entity, it is necessary to reflect the totality of methods for indicators formation for determining the tax base (methodological techniques and methods) and the general accounting for tax calculations and payments (organizational and technical accounting methods).

For tax purposes, in the annexes to the accounting policy the appropriate forms of analytical registers, primary documents must be approved, which the company develops independently. That is, economic entities are obliged to form accounting policy for tax purposes, at least for comprehensive accounting concerning the procedure for accounting for elements of taxation.

Information on accounting procedures for tax calculations and payments should cover: the procedure of formation of income with the allocation of the share of expenses included in the calculation for tax purposes; the amount of expenses (losses) that are included in the expenses of

future tax periods; the algorithm for the formation of reserves; the amount of tax payments to the budget.

Accounting policy and tax planning have common factors of influence and are implemented in an integrated set of conditions for optimizing the activity of the enterprise. Their relationship can be considered an element of a developed accounting methodology for the provision of the enterprise taxation system. Thus, the role of tax planning and organization of the accounting policy of the enterprise are implemented through the methods, principles and procedures for determining the income and expenses of the accounting reflection and taxation. The elements of accounting and taxation system have a leading influence on the indicators of reporting and characterize the state of the enterprise activity with the characteristic result of its business processes.

RECOMMENDATIONS

A reduction in the absolute value of taxes to be withdrawn can be achieved by influencing one of two components that determine the amount of tax: the tax rate or the tax base. The full and proper use of all statutory benefits is important. Deferred payment of taxes is of particular importance for the company in cases where it is aimed at extending the investment, and the possibility of obtaining funds raised has been exhausted.

CONCLUSIONS

The leading influence of accounting policy concerning tax liabilities is controversial, since it is revealed when a tax is deferred. Currently, this problem is largely solved by using accounting policy, which provides an opportunity to choose economically sound accounting methods and, thus, allows accounting policy to be combined with the policy for profit taxation, taking into account the already established practice of using the same accounting methods.

The direct interrelation of the accounting policy of the enterprise on tax planning was substantiated, which can be considered as a methodology of management and accounting (consolidated) accounting for tax optimization purposes at the enterprise. Thus, the value of the tax impact on the organization of the accounting policy of the enterprise is the variation of the accounting methods in accordance with the rationalization of the tax system.

The actualization of the accounting policy, which affects tax liabilities on the example of fixed assets accounting, was substantiated. The actualization of the accounting policy involves achieving a new quality of the taxation process, implementing various business options and using resources to determine the optimal level of tax liabilities that arise.

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