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Tax reporting: reflected tax differences in the declaration № 897

The abstract. The article studies the major changes in the regulations and the Tax Code on income tax. The features of tax differences are reflected in the Declaration of taxpayer income. Ordering of major changes in the tax law income tax and it is reflected in the new tax reporting. Purpose of the article is the analysis reflected income tax and tax differences in tax reporting with changes of tax laws. The study used methods of comparison, analysis, synthesis, abstract, theoretical, historical and logical generalization. The methodological basis was the dialectical method of investigation.

Keywords: enterprise income tax, tax reporting, tax accounting, accounting.

I. Analysis of recent research and publications. Income tax is constantly in the spotlight. Issues related to the accounting and reporting of payments for corporate income tax at various times engaged in such domestic scientists - economists as: F. Butynets, D. Dryuchyn [3], T. Tsarevsky [5], M. Wisniewski [5], A. Fatenok-Tkachuk [4] and others. However, today, the constant changes in the Tax Code promote a detailed study of the calculation and presentation of income tax in the tax reporting. So, the question is relevant for further investigation.

II. Formulation of the problem. Financial results are extremely an important indicator for the entity, as they are displayed all aspects of activity of the company. From financial results their correct accounting, control and audit depends on the financial and property status and efficiency of the company. In modern conditions there are some problems in the accounting system financial results, which lead to a distortion of accounting data and their low quality and relevance caused this study [7]. Tax Reform of Tax Code, which was developed by the government has made drastic changes to the Tax Code of Ukraine (TCU) and to some legislative acts in 2016. Corporate income tax is one of the national tax that taxes the income of legal entities, so the size

of the penalties and display it in the accounts is essential both for taxpayers and for the state.

Therefore, the main focus in Ukraine should be done not only to reduce the nominal tax burden, but also on other aspects of optimizing taxation system and use the accumulated international experience. Therefore, to establish a system of taxation in Ukraine it is necessary to introduce a series of reforms based on international experience, including: - providing reasonable benefits; - establishing a differentiated tax rate; - exemption of certain companies temporarily from taxation; - loans to pay this kind of tax, etc [8].

III. Presenting the main material. According to the Tax Code [1] taxable income are resident and non-residents who receive income from a source of origin from Ukraine and abroad, which is determined by adjusting (increase or decrease) the financial result before tax (profit or loss), as defined in financial statements in accordance with national regulations (standards) accounting or IFRS, the difference.

The main purpose of the enterprise is profit, so pay attention to the major changes affecting profits. So how income tax is the main factor influencing the financial results, review the main innovations regarding this tax [2]:

1. Quarterly reporting period cumulatively. Exception is the year-old period for newly, farmers and taxpayers with accounting income for the previous year is not more than 20 million. This abolished the special filing period for income tax (at p.57.1 TCU for the year to June 1).

2. Abolition of monthly advance payments from 2016. Taxpayers only pay up to 31 of December 2016 down payment in the amount of 2/9 of income tax accrued in the tax accounting for three quarters of 2016.

3. Saved advance payments in the payment of dividends.

4. Penalties on non-payment of advance payment of income tax in accordance with paragraph.126. 1 TCU are:

- with a delay of up to 30 calendar days following the last day of the term of payment of monetary obligation - 10% repaid tax debt;

- with a delay of more than 30 calendar days following the last day of the term of payment of monetary obligation - 20% repaid tax debt.

Moreover, if after the set maturity consistent monetary obligation payment is not made then the amount of tax debt accrued penalties for each day of delay at the rate of 120% annual discount rate of the National Bank of Ukraine (st.129 TCU pp.129.1.1 p.129.1).

5. Basic income tax rate is unchanged and amounts to 18%.

6. When calculating the income tax for 2015, TCU rules act as amended before 01.01.2016. However, given that the financial result before tax reduced by the amount of accrued income from equity other taxpayers income tax, single tax payers 4th group and the amount of accrued income from dividends to be paid on his behalf by other taxpayers who pay advance payments of income tax for the payment of dividends.

7. Resolved the situation with combining condominiums (condominium) on the rules of statutory instruments that would provide them to be non-payers of income tax.

8. There are differences on financial debt restructuring.

An important change in 2016 was the introduction of a new declaration of income tax, which has significant differences from the previous one. To summarize all changes present them in Table 1.

Table 1

Major changes income tax declaration in 2016

Change	Explanation
The uniform declaration	Now, instead of five different variants of individual declarations of income tax is just one. That all income tax payers fill a single declaration appropriate reflection of individual lines that meet the peculiarities of their activities.
«Cap» Count 9 «special mark»	must affix the mark in the case of a particular activity (producer of agricultural products, bank, insurer, etc.).
In column 1 «cap» disappeared declaration of marking of consolidated returns.	From 2015 to TCU are existing rules on the payment of the consolidated income tax.

Significantly reduced, simplified and brought into line with current legislation bulk of the declaration.	To provide basic information allocated only six rows (p 01 - p.06). The value of the first line is a marker that further are define the obligation to make advance payments in the next year, and no less important duty adjustment facility tax on tax differences. If the line 01 exceeds 20 million UAH, the taxpayer fills addition RI (which are the difference), and rows declaration that focus on calculating the monthly amount of advance payments.
Some changes were lines to reflect the correction of errors.	Now, to correct tax liability of income tax allocated to one line instead of two. That one line should reflect a positive or negative value of the tax liability on income tax, which is specified. The same applies to the increase (decrease) in tax liability calculated for the payment of withholding or advance payments that are specified.

* Note: The author developed based on sources [3].

Because changing the shape of the declaration of the same income tax declaration submitted applications (Table 2). If the company because of the lack of indicators does not make the relevant appendix to the Declaration, these «empty» application is not required to file.

Table 2

Applications to income tax Declaration

Appendix Declaration	Description of the application
Appendix AV	Line 20 to return AV «Calculation of advance payment of corporate income tax by the amount of dividends paid (equal to them payments)»
Appendix ZP	Line 16 ZP to return «Reducing the amount of accrued tax»
Appendix PN	the line 23 PN «Calculation (report) tax liability of non-residents who have income from sources in Ukraine» and «Profit from trading interest-free (discount) bonds or treasury liabilities»
Appendix TC	«Self-adjusting tax liability of the taxpayer for the purposes of transfer pricing» (now there is only one table in Appendix instead of two as before)
Application VP	to lines 27 - 30 32 - 34 36 - 38 declaration «The calculation of tax liability in the period in which the error occurred»
Appendix RN	the line 03 declaration RI «Differences». This new application, which grouped all the difference according to Section III of PKU, which increase (decrease) financial result
Application PO	05 PO line to return «The calculation of profit tax exempt» and «The grounds for the application preferences»
Appendix AM	To row 1.2.1 appendix RI the line 03 declaration «Information on accumulated depreciation»
Application CP	4.1.3 Annex to the line RI declaration in line 03

* Note: developed by the author

When calculating the income tax payer, whose annual income from all activities is more than 20 million UAH must adjust (increase / decrease) the object of taxation, obtained accounting data. According to the Tax Code, the taxable income to be determined on the basis of accounting data by adjusting the financial result before tax, as defined in the financial statements on the differences that increase or decrease the financial result before taxation according to the provisions of this section namely [4]:

- Depreciation of fixed assets;
- Reserves (provisions);
- Restrictions on certain types of expenditures and preferences and so on.

To reflect differences in the tax declaration of income tax intended line 03 PI «Differences arising under the Tax Code of Ukraine (+, -) ». This line reflects the outcome (collapsed) the result of accounting adjustments financial results A complete list of «increasing» and «decreasing» differences are contains in appendix RI. They rely on generalized indicator and then transferred to this line of declaration with the sign «+» or «-».

It is worth noting the convenience of display parameters in addition RI. In the left field accumulated differences that increase financial results in the right - those that decrease. On this basis the taxpayer is not necessary when entering the amount of the corresponding line notice her sign «+» or «-» [6].

The differences, which should be adjusted financial results before tax, include not only the district. TCU III. There are a number of differences, which are mentioned in other sections of the TCU, p. I (so-called transfer pricing difference), p. II (relating to the insurance contract within the private pensions) and subsection 4 years. XX. So, the RI application covers all differences directly affect the outcome of the fin, which ultimately becomes the object of taxed income [6].

Decoding the appendix RI applications are AM (to line 1.2.1) and the CP (to line 4.1.3). If the adjustment of income and expenditure for the controlled transactions,

the tax claim cuirassiers must be submit to application TC (row.3.1.4. 3.1.4 TC and application RI).

These applications are required to submit only those companies whose income exceeds 20 million UAH, as well as those whose income does not exceed that amount, but they account for voluntary tax differences. It should be noted that taxpayers with an annual income of 20 million or less, which refused conducted adjustments are not obliged to carry out adjustments listed only on the difference in the district TCU III.

The application RI serves companies whose income less than 20 million UAH only provided that:

— they are unpaid losses of previous years. Then, following last year's tax losses are reflected in line 3.2.4 application PI;

— to adjust the amounts financial results differences provided in 4 Sec.XX TCU. These differences reflect in rows 4.1.9 - 1.4.16, 4.2.7 - 4.2.12 Section 4 «Other differences» RI application.

Close Results of these adjustments (provided PM140.4.2 and subdivision 4 section XX TCU) companies whose income less than 20 million UAH with appropriate sign «+» or «-» transferred to line 03 declaration.

IV. Conclusion. Since the accounting of tax differences and display them in the declaration is an important issue for taxpayers as a result of generalization of basic changes in tax legislation in 2016 and a new declaration of income tax, one can conclude that the data correction exercise only those whose income exceeds 20 million UAH, as well as those whose income is less, but they reflect on a voluntary basis. The new declaration of income tax (number 897) to reflect these differences appointed RI addition, the filling of which, data is automatically transferred to the Declaration 03RI line declaration number 897 (if the use of automated software).

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