

The summary of Ph.D. thesis

The impact of tax exemptions on the universality of taxation as regards value added tax

This thesis is an attempt at investigating the impact of tax exemptions on the universality rule of taxation with reference to value added tax. In particular, it is about establishing whether tax exemptions should be perceived in terms of exceptions to the rule of universality of taxation.

Thus, previous research is required connected with the problem of universality of taxation itself and the element of the tax structure related to tax exemption. The intended research objective entails the need to explain issues connected with the comprehension of the rule of universality as regards value added tax as well as who is the addressee of such rule with the assumption that actual tax burden shall be borne by the consumer. Then the problem connected with the rule of tax exemptions should be analysed, especially in the context of establishing how tax exemptions being an element of legal structure of the tax should be perceived.

The subject of the thesis has been chosen on account of the fact that more and more often in the judicature and in the doctrine of tax law it is stressed that benefits resulting from the use of exemption increase in fact the cost of business activity. It is pointed out at the same time that the reduction of quantitative elements of the tax structure, i.e. tax rates or tax base would be a better solution. In the so-called Green Book prepared by the European Committee in 2010 it is stressed that exemptions stand in contradiction to the rule of universality of taxation being one of principal rules of a common system of value added tax. In the said document legitimacy of maintaining the existing exemptions has been questioned. At the same time, the need for the verification of such exemptions is emphasized, especially in the light of economic and technological changes. It is argued that extension of the scope of taxation by limiting the number of exemptions increases effectiveness and neutrality of VAT and constitutes a real alternative for the increase of its rates. On the other hand, in the literature issues concerning tax exemptions and their possible impact on the universality of taxation are raised while discussing basic rules related to value added tax.

The thesis consists of six chapters. In the first chapter it has been presented how the idea of justice was developing at the various stages of civilization development, its most

outstanding promoters and thinkers. In the further part of this chapter, just taxation has been presented, being the token of universality of equality of taxation. The trend in the interpretation of just taxation presented by the Constitutional Court has also been emphasized. An attempt to place the universality rule of taxation as the element of tax just has also been emphasized in this chapter.

The second chapter is dedicated to the rule of universality of taxation expressed with reference to value added tax. It contains a synthetic description of developing the rule of universality of taxation as regards value added tax. Its different aspects, especially descriptive and normative character of the rule of universality of taxation has also been pointed out. Such a rule has been placed in two-level structure of universality of taxation.

Chapter three contains deliberations concerning the universality of taxation as regards value added tax. First of all, issues connected with normative character of the universality of taxation versus value added tax have been raised. It has been pointed out that the universality of value added tax is developed by normative content of the subject and object of the tax, so, it must be understood from the angle of definition designates of the subject and object of taxation.

Chapter four is an introduction to issues connected with tax exemptions. This element of the tax structure has been analysed in the context of tax and legal actual status. Dissertations have also focused on whether tax exemptions are obligatory or a kind of entitlement. The method of setting this element of tax legal structure in the structure of a tax norm has also been suggested.

Chapter five discusses issues connected with the rules of creating and applying tax exemptions in the common value added tax system. On account of the scope of this chapter, general rules of the European Union law have been defined, such as the principality of equality, effectiveness, subsidiarity and proportionality. Also, the requirements concerning indirect tax harmonization have also been presented in the necessary scope. Such theoretical background allowed for detailed dissertations connected with the harmonization as regards tax exemptions in the context of discretionary power granted to Member States. The further part of this chapter focuses on problems related to tax exemptions as autonomous notions of the European Union law. Simultaneously, the main stress has been put on objective exemptions, leaving aside subjective exemptions as regards value added tax. The results and consequences of tax exemptions have also been presented, constituting an element of a complex transaction. Finally, the chapter contains dissertations on local regulations being at variance with the Directive 2006/112 in the scope of tax exemptions.

The thesis ends with synthetically presented conclusions drawn on the basis of research referred to in the content of the thesis.

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10.06.2016

