

ACTIVITIES OF SMALL BUSINESS ENTITIES: THE TAX ASPECT

Small business is made up of small and micro-business entities and is a large proportion of all business entities registered in Ukraine. These business representatives are able to adapt quickly to changing market conditions. However, they are first to experience changes, in particular, the impact of tax legislation, which is characterized by instability and imperfection.

Given existence of a common and simplified tax system for small business owners, there are a number of pressing issues when conducting business: actual forms of reporting, calculation of tax amount, accounting procedure and availability of primary documents, etc. In order to specify information on key issues, in the article, systematizes requirements for tax accounting and reporting by small business entities by individuals and legal entities that choose general or simplified tax system, based on rules of current tax legislation.

It was founded out that entities that have opted for a simplified tax system are able to legitimately minimize their own revenues, which significantly reduces amount of tax revenues to the budget. Therefore, author proposes to abandon practice of applying a simplified taxation system and to legally enshrine for all subjects possibility of applying only general taxation system. In order to determine the object of taxation, it is recommended that the amount of income received be adjusted to a social standard, such as the minimum wage as of January 1, of the tax year. This will reduce the number of changes in the legislation in this matter and determine the revenues based on the realities of economic development of the country as a whole.

Also, the Book of Accounting for Revenue and Expenditure should be made compulsory in accordance with existing primary documents regarding income and expenses incurred.

Keywords: *small business; a small business entity; taxes; general taxation system; simplified tax system.*

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