

## **TAXATION OF PERSONAL INCOME IN UKRAINE: SOCIAL ASPECT**

**Koptieva H. M., Selezneva O. Yu.**

*National technical university  
«Kharkiv polytechnic institute»,  
Kharkiv*

Personal income tax is an important source of filling budgets at all levels, both in Ukraine and in many economically developed countries. It is the main tax by which social policy is implemented in any country. The advantages of this tax include its social justice, since it puts the level of taxation in direct dependence on the amount of income of payers. In addition, progressive rates and tax incentives can reduce the tax burden for low-income segments of the population and increase it for individuals with high incomes.

The personal incomes taxation is one of the main tools for ensuring social justice in society through the application of a transparent mechanism for their redistribution. The system of individuals' incomes taxation in Ukraine combines personal income tax (PIT), military tax and a unified social contribution to the compulsory state social insurance (USC).

Summarizing the conducted research, we can state that the current system of personal income taxation in Ukraine, despite a number of reforms, does not ensure the growth of revenues to the budgets and insurance funds, and does not fully fulfill the social function of protecting citizens who receive low incomes. Therefore, in our opinion, in order to ensure the social efficiency of the personal income taxation system, it is necessary:

- to restore the progressive nature of the personal income tax, which will contribute to a more efficient and socially equitable income distribution;
- to increase the effectiveness of social tax benefit by establishing a higher limit for its application;
- to reduce the tax pressure on the citizens' income by canceling the temporary military tax;
- to ensure social justice in the incomes' taxation, to take into account the marital status, the number of children and working people, age, etc.;
- to provide the scientific validity and consistency of reforms in the process of improving the income taxation system.

Consequently, building an efficient and socially fair system of personal income taxation will allow not only to ensure stable tax revenues to the budgets but also to improve the quality of the social protection system in Ukraine.

Thus, the development and improvement of the mechanism of taxation of income of persons in the context of ensuring their socio-economic interests should be promising areas for future research.