THE ROLE AND SIGNIFICANCE OF INTERNATIONAL EXPERIENCE OF TAX ADMINISTRATION AND TAX SYSTEM MANAGEMENT IN RA TAX SYSTEM

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Introduction. The development of various forms of entrepreneurship against the background of the accelerating process of globalization of the world economy forces many countries, including the Republic of Armenia, to look for new directions and forms of relations in the tax field that meet today's requirements. The activity of the tax mechanism implies the management of the tax system of the state, which in turn includes not only law-making activity (preparation of draft tax laws), but also the organization of the implementation of tax legislation, that is, tax administration. Tax administration includes control over the implementation of tax legislation, as well as methodical and information provision of uniform application of tax legislation. The article examines the global experience of taxation and tax administration, which gives an opportunity to determine the possibilities of building an effective system of relations between tax authorities and taxpayers. The discussion of issues related to tax administration, both in Armenia and in foreign countries, is relevant and of particular interest for the development of the RA tax system, which in the modern conditions of the formation and development of market relations has a special relevance for the formation of tax interaction between taxpayers and tax authorities and for development. The tax systems of foreign countries are significantly different from each other in terms of basic economic indicators, the ratio of direct and indirect taxes, the level of tax culture and tax discipline of taxpayers, measures of responsibility for the violation of tax legislation, and sources of taxation. These features of taxes in each individual country depend on many factors: economic, political, demographic, social, which play a decisive role in the redistribution process of the country's gross domestic product and national income. The sources of tax legislation of different countries, the system of taxes and fees, as well as the level of the tax burden are also criteria for comparison.

Methodology. The methodological, informational and theoretical basis for the scientific article was the study of international leading experience in the field of tax system management and tax administration, on the example of some countries with a developed tax system and tax administration. The mentioned methods were applied in the "Analyses" section of the article. In the "Introduction", "Analyses", "Conclusions" sections of the article, the reforms taking place in the RA tax system, the laws accelerating the RA and international tax relations and other normative-legal acts were applied. In the "Introduction", "Analyses", "Conclusions", "Scientific novelty" the methods of combinations, analyses, comparisons and statistics were used to perform analyses.

Literature review. Due to the transition to market relations, during the implementation of tax reforms, it is necessary, first of all, to understand the role of taxes in the process of extended reproduction [Manucharyan, 2021, pp.177-189]. Many theoretical, practical and methodological issues were covered in the direction of tax system management and tax administration reforms in the Republic of Armenia were covered by V. Harutyunyan [Harutyunyan, et al., 2010, 600], A. Markosyan [Markosyan, et al., 2002, p.480], V. Bostanjyan [Bostanjyan, et al., 2004, p.158], T. Harutyunyan [Harutyunyan, 2006, p.184] and others, and a number of issues of applying international advanced experience in the mentioned fields were studied in the works of foreign authors: S. Akseonov [Akseonov, 2010], I.Pogodina [Pogodina, et al., 2017], E. Pospelova [Pospelova, 2014, p.14] and others. Taking into account the results of the researches, it is necessary to understand how the application of advanced international experience of tax system management and related administration in the Republic of Armenia contributed to the formation of an effective tax system. In the conditions of market relations, the Republic of Armenia, as a state, is one of the most important economic regulators of the state regulation of the economy. In turn, the state financial management itself completely depends on how correctly the state management system is structured, the quality of which largely determines the amount of tax and other revenues of the RA state budget, which is necessary for our state to carry out public functions [Manucharyan, 2022, p. 118-129]. The application of world leading experience in tax administration and management of the tax system will enable in our country to determine the possibilities of building an effective system of relations between tax authorities and taxpayers, in particular, information interaction between the tax authority and business entities, since they create suitable conditions for taxpayers to deal with tax authorities creates.

Scientific novelty of the analysis of the experience of leading foreign countries in the field of tax system management and tax administration includes the set of measures aimed at identifying the features of a good tax system in the Republic of Armenia, evaluating the various factors affecting it, and studying the issues caused by them, the author's research has contributed significantly to the creation of the necessary methodological and methodical foundations for the regulation and effective management of existing relations in the given field. Consequently, the ongoing variability of economic processes and the current socio-economic situation of the republic clearly require the improvement of the developed and implemented tax administration, and the implementation of an effective tax policy in that direction. According to the author, the need for further reforms of the tax system in the Republic of Armenia is due to several circumstances. First, the author's analyzes show that the formed tax system still remains vulnerable in many ways, and the imperative of full implementation of the country's economic development opportunities requires the exclusion of systemic factors that hinder it. On the other hand, the need to review the management of the tax system and tax administration is to a certain extent determined by the qualitative changes implemented in the economy. The fact that the state does not play a decisive role in the economy makes it necessary to exclude any discrimination against business entities and various sectors of the economy in the application of tax and in general all other levers of state administration. The principles and mechanisms of tax administration and management of the tax system in RA must be periodically reviewed, in accordance with the tax policy conducted by the state, with the general guidelines defined by the plan of the Government of the Republic of Armenia, promptly responding to internal and external economic changes, as well as information technology progress, defining in line with them. new strategic directions and measures of development.

Analisis. The tax administration system is a part of the management of the system of organization of relations between tax administration presented by taxpayers and tax authorities, within which the tax discipline defined by law must be observed, which in turn regulates taxation processes and the specific technology of tax relations, as well as tax legislation and measures of responsibility for the violation of the powers of tax authorities. As a set of ways and means, the tax administration in RA recently has a certain orientation towards the improvement of the organizational and methodical forms of the observed relations. We have conducted a comprehensive and in-depth professional analysis of the tax systems of some developed countries with long-term experience in the field of taxation, which gives an opportunity to evaluate the changes taking place in the Republic of Armenia in recent years, as well as to imitate and localize the achievements of that field of state activity.

United States of America (USA). “There is nothing permanent in this world ex-cept death and taxes” (Benjamin Franklin, politician, one of the authors of the US Declaration of Independence) [Akseonov S., 2014, 14].

The US tax system is considered to be one of the most efficient tax systems in the world. The US federal government receives 70% of tax revenue, state governments receive 20%, and local governments receive 10% [Leightner, 2011, 539-549]. The US tax system is based on constitutional principles, which are the legal basis for federal and state tax legislation [Devereux, 2014, 449-475]. In the USA, the principle of fair taxation applies, which means uniform legal conditions for tax collection, taking into account the real capabilities of the taxpayer and, consequently, the uniform requirements of tax legislation [Listokin, Schizer, 2012, 179]. At the same time, the principle of tax immunity is defined, which was formed in judicial practice as a result of the interpretation of "commercial agreements", which establishes the right of Congress to prohibit the imposition of taxes and commercial relations between the states [US Federal Constitution]. The US Federal Constitution also enshrines the principle of equality of privileges and immunities, according to which all state taxpayers, regardless of citizenship, are equal before the state's tax laws [Lora, 2007, 185-212]. US tax law does not define federal, state and local taxes. States have the right to establish any taxes in their territory, the main thing is that they comply with the constitutional principles of taxation. The US tax system is characterized by the parallel use of the main types of taxes by the federal government, state governments and local government bodies [Listokin, Schizer, 2012, 179] . For example, US citizens pay 3 types of income tax (federal, state, local), 2 types of property tax and universal excise tax (state, local), and 5 types are included in the price of some products (fuel, tobacco and wine-vodka products). excise (federal, state, mixed, universal and special excises). In the taxation system, the main types of taxes are applied according to the levels of government: higher, where federal taxes are collected and entered into the federal budget, middle, where taxes and fees set by state laws are collected and entered into state budgets, lower, where taxes set by local self-government bodies are collected and entered into local budgets. In practice, the states have virtually unlimited autonomy in setting taxes because the US federal tax code, unlike in many federally structured countries (such as Russia), does not define the types of taxes applicable in the states. Federal taxes have a progressive nature, that is, as the object of taxation increases, the tax rate also increases, while state and local taxes are calculated at regressive rates. The US tax system is considered one of the most complex tax systems in the world[1] (see Table 1).

Table 1. The USA tax system

Federal Taxes	State Taxes	Local taxes
Income tax	Income tax	Income tax
Corporate Income tax	Corporate Income tax	Corporate Income tax
Payments to social insurance funds	Payments to social insurance funds	Payments to social insurance funds
Excise duties	Excise duties	Excise duties
Gift tax	Gift tax	Gift tax
Customs duties	Sales Tax	Sales Tax
	Property tax of natural persons and organizations	Property tax of natural persons and organizations
	Taxes from vehicle owners	Taxes from vehicle owners
		Environmental taxes

[1] The table was compiled by the author.

The US tax system is mainly oriented towards direct taxes. Direct taxes account for 70% of all tax receipts, with federal income tax accounting for more than 50%. Sales tax and excise taxes are preferred among indirect taxes. VAT is not defined in the USA, while in European countries VAT is the main source of state revenue. The main types of taxes in the formation of federal budget revenues are: personal income tax (levied in 46 states), corporate income tax (levied in 40 states) and payments to social insurance funds. They account for 75% of federal budget revenues, 10% for corporate taxes. Customs duties are levied only at the federal level, their share in federal budget revenues is 4%, excise duties - 3%. US taxes are considered one of the lowest among the developed countries of the world, their share in GDP is 25.4%, while in the countries of the European Union this figure is on average 41.5%, and in the member countries of the Organization for Economic Cooperation and Development 36.3%. The tax relationship is governed by the US Internal Revenue Code. The US tax system is highly decentralized. Each state has its own tax system and tax revenues are not redistributed among individual states. The powers of supervision and control in the tax field are assigned to the Internal Revenue Service (IRS) operating under the Ministry of Finance. It's the US Internal Revenue Service. The IRS is responsible for tax compliance by taxpayers, publishes manuals and guidance on the application of federal tax laws, monitors the accuracy of the application of the tax code, including tax collection and audits, and defends the interests of the United States in tax disputes. The activity of IRS is aimed at ensuring the tax revenues of the state treasury with minimum costs. For example, in fiscal year 2019, the IRS collected more than $3.56 trillion in tax revenue and processed more than 253 million tax returns, while spending just 33 cents on the IRS for every $100 collected [IRS, DATA BOOK, 2019].

People's Republic of China (PRC). In China, the tax system plays an important role in macroeconomic control, which contributes to the increase of tax revenues of the country's budget and effective distribution of revenues, and the fiscal system plays the role of an automatic stabilizer of the economy. In the PRC, taxes are divided into two groups according to the distribution of tax administration powers [Pospelova, 2014, 6].

1) central or national taxes (VAT, profit tax, consumption tax, etc.);

2) local or regional taxes (entrepreneurial activity tax, personal income tax, resource tax, property tax, etc.).

China's tax system is quite complex and consists of 26 main taxes, which are included in 8 groups[1] (see Table 2). The central (national) tax administration is carried out by the tax authorities of central taxes under the management system of the General State Tax Administration. Local (regional) tax administration is carried out by the tax authorities in the local (regional) tax management system of individual provinces, which are

[1] The table was compiled by the author.

subordinate to the People's Governments of the provinces and the General State Tax Administration. China ranks among countries with a relatively low level of tax burden. Thus, over the last 10 years, the level of the tax burden, which is estimated as the ratio of the total amount of taxes entered into the budget system to the GDP, did not exceed 15% [Pogodina I., 2017, 68]. China's economy is the fastest growing in the world, with a growth rate of about 10% over the past 30 years. Today, China is a space and nuclear power, which already from 2020 occupies the first place economically in the world, pushing back the USA. China also has more than 50% of the world's currency reserves. The main feature of China's tax system is that, for the first time in the world, an efficient tax system adapted to the «socialist market economy» was created in that country [Popova, 2011, 259].

Table 2. The PRC tax system

Tax group	Types of taxes
turnover taxes	VAT: consumption tax (sales tax)
taxes on profits (income)	corporate income tax; profit tax of foreign organizations; personal income tax
resource taxes	natural resource use tax; Urban and Township Land Use Tax
targeted (special)taxes	City Maintenance and Construction Tax; Land Appreciation Tax; Fixed Assets Investment Orientation Regulation ; land sales tax
property taxes	property tax; Hous property tax
taxes from operations	Vehicle and Vessel Usage Tax; stamp duty; property transfer tax
agricultural taxes	agriculture tax; Animal Husbandry Tax
Customs duties	export duty; import duty

United Arab Emirates (UAE). The UAE tax system is quite unusual. There are no ordinary national VAT, profit tax and income tax. Each emirate sets its own tax system. But it was the tax system that turned the UAE into one of the biggest financial centers in the Middle East. There is no uniform tax legislation in the UAE. Each emirate sets its own tax policy. According to the Index of Economic Freedom, which is determined annually by the American Heritage Foundation and The Wall Street Journal, the tax policy of the UAE has been rated as one of the highest level tax policies in the world [Pogodina, 2017, 70]. In the "Financial Freedom" category, the UAE annually receives 99.9 points (In the index, the country's "financial freedom" indicates the degree of tax burden) [btimes.ru]. In individual emirates, a system of corporate taxes is defined for various spheres of activity. Thus, the entire oil industry and the banking sector pay income tax, capital tax, profit tax, corporate tax. There are more than 10 free economic zones (FEZs) in the UAE, each of which is regulated by a separate government agency that registers businesses and issues licenses to them. Tax freedom is one of the main advantages of free economic zones. Enterprises registered in the FTA are exempted from corporate taxes for 15 years. The law also provides for the possibility of extending this regime for the next 15 years. Company employees are exempt from all personal income taxes. Thus, the introduction of a general tax collection system for all citizens of the UAE may lead to the fact that some sections of the population simply will not be able to pay them. Therefore, today the United Arab Emirates does not change its traditions, which makes this country special for everyone.

Singapore. As an international financial center, Singapore offers significant tax benefits and a favorable investment environment as a center for regional and international business development. Taxes in Singapore's tax system are used to make Singapore a stronger nation, a more attractive business environment and a more vibrant economy, a place that Singaporeans are proud to call “home” [iras.gov.sg]. Taxes in Singapore are divided into the following main groups:

1) Income tax that applies to the income of individuals and companies. The corporate income tax rate is 18% and the tax rate for individuals is a progressive rate ranging from 0% to 20%. Overall, Singapore remains one of the lowest income tax countries in Asia, ahead of China (income tax rate 25%), Taiwan (25%), Malaysia (26%), Thailand (30%) and second only to Hong Kong (16 .5%).

2) Goods and Services Tax (GST). This is a consumption tax that is paid on the sale of goods or services, as well as on imports. It appears to replace VAT. The tax rate is 7%.

3) Property tax. Property taxes are paid by property owners based on the expected rental values of the property. The annual rate is 4% - 10%.

4) Stamp duty. This applies to commercial and legal documents relating to shares and real estate.

5) Taxes on betting. This is a fee levied on private lotteries, betting and lottery games.

6) Motor vehicle taxes. These are taxes (other than import duties) that apply to motor vehicles.

7) Customs and excise duties. Singapore is a duty free port and has relatively few excise and import duties. They are mainly applied to cars, cigarettes, petroleum products and beverages.

8) Casino tax. This is a tax levied on the gross gaming revenue of casinos.

Singapore has a territorial principle of taxation. If the management of the company is located outside Singapore, profits from foreign sources are not taxed in Singapore, provided they are not repatriated to Singapore. Singapore applies a one-tier taxation system, according to which all dividends received by shareholders are exempt from taxes and do not include the franking dividend amount[1]. The process of tax revenue collection is carried out by the Inland Revenue Authority of Singapore (IRAS), which is part of the Ministry of Finance. The latter has shown itself as an efficient and bureaucratic tax authority. The IRAS plays a key role in the formulation and implementation of tax policy, as well as the technical and administrative implications of such implementation. The purpose of the IRAS is to create a competitive tax environment that encourages development and strengthens the entrepreneurial spirit. 2018-2019 In the fiscal year, tax revenues accounted for 72% (or $53.5 billion) of the Singapore Government's Government Operating Revenue (GOR) collected by the IRAS [iras.gov.sg] .

Conclusions. Comparing the tax systems of developed countries, we come to the conclusion that despite all the differences and diversity, they have a lot in common, which allows them not only to successfully fulfill the tasks set before them within the country and establish mutually beneficial relations with taxpayers, but also to cooperate effectively, at external economic and political levels. The current system of tax administration in Armenia was built on the basis of the best modern foreign experience, despite the fact that the conceptual approach to taxation in the tax laws of developed countries is somewhat different from that adopted in our country, which significantly depends on political and administrative structures, the level of legal culture, etc. Thus, the study of the tax systems of developed countries, which have long-term experience in the field of taxation, allows to evaluate the changes taking place in the Republic of Armenia in recent years, as well as to imitate and localize the achievements of that field of state activity, in particular:

1) Based on the existing world experience, in order to improve the tax administration of the Republic of Armenia, the activities of tax authorities should be as close as possible to the needs of taxpayers.

2) The implemented tax policy and the procedures and mechanisms arising from it must fully comply with the principles of national tax legislation, taking into account the requirements of the provisions of international treaties and normative-legal acts.

3) Tax administration reforms should be aimed at solving the existing problems of taxpayers, providing each business entity with the necessary access to information in accordance with the tax legislation, based on business needs.

4) The relations between the participants of tax legal relations should be based on the principle of cooperation, that is, the partnership model of relations should be implemented, and the most important principle of tax control should be the preservation of the taxpayer's guarantees and rights.

[1] Franking credit – Additional amounts paid by the Company against dividend tax.

5) It is necessary to develop the serious potential of such instruments of legal regulation, such as preliminary agreements on business taxation, which are concluded between tax authorities and taxpayers. Foreign experience testifies to the high efficiency of this means of regulating tax relations.

6) Attention should be paid to the introduction of the institute of tax consultants in the tax system of Armenia. The latter should become real mediators between taxpayers and tax authorities, becoming an important link in the system of tax relations.

7) It is necessary to develop the preliminary inspection analysis, which allows to reduce the time of the taxpayer's inspection.

Thus, the application of the above-mentioned measures proposed by the author will create an opportunity to move tax relations in the Republic of Armenia to a qualitatively higher level, creating the necessary conditions for effective interaction between tax authorities and taxpayers, and the significant economic changes that have taken place in our country in recent years and the continuous reforms of the market economy will be a significant incentive. For increasing the efficiency and further improvement of the RA tax system and tax administration.

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The role and significance of international experience of tax administration and tax system management in RA tax system

Key words: fiscal purpose ,tax policy, management of the tax system, tax administration, budget entries

In general, the fiscal goal of the state tax policy has always been and will be the most important for our state. However, the relationship between the main and secondary goals and their content may be different depending on the socio-economic and tax strategy chosen by the state. The tax policies of different states differ in their characteristics and uniqueness. These differences are caused by national characteristics, geographical and historical factors, the state of the economic and social spheres and many other criteria. At the same time, the tax policy of the same country, even in conditions of an unchanged socio-economic structure, can differ significantly. Continuous changes in the economic and business environment of the Republic of Armenia create the need to anticipate new challenges and take appropriate steps to respond to them. Consequently, the focus of our state's tax policy activities in the coming years will be increasing the efficiency of tax administration, preventing offenses, modernizing infrastructures, providing service to taxpayers by improving management systems, strengthening taxpayer-tax authority cooperation and trust, which will instill the importance of tax discipline in the public. especially in overcoming emergency situations and ensuring the normal functioning of society. The achievements of the RA tax system management and tax administration are the cornerstone of defining the future directions of development and initiating the necessary measures for their implementation. And in a perfect distinction, the tax policies of the state and business entities will have one goal: the development of our country's economy, because it leads to the advancement of the economy, the increase of GDP, the growth of budget revenues, the increase of the material well-being of businessmen and the national population, etc.