

Annotation

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Tax reform in agriculture: risks and prospects.

Taxation is one of the most effective tools of economic regulation ensuring operational state influence on economic processes in the country in order to balance the public interest. Functioning in agriculture of Ukraine tax model does not meet the generally accepted criteria of forming tax system; it is not conducive to the balanced development of agrarian economy and needs reforming.

Research objective is to study the feasibility and evaluation of prospects of tax reform in agriculture of Ukraine.

In the work with the help of economic and statistical research methods, in particular monographic, comparison, tabular and graphical ones, expediency is substantiated and evaluation of prospects of tax reform in agriculture of Ukraine is carried out, as well as risks are marked and prospects of constructing the optimal tax model of the agrarian sector are identified.

It is found that special tax regimes of farms operating in the agricultural sector for the fourth five-year plan have actually become exhausted and in the short term their effect should be abolished. The current tax tools of agricultural enterprises developed under another structure of agricultural production in the conditions when the fiscal capacity of subjects of agricultural production was very low. The use of special tax regimes played a positive role in agricultural development, overcoming its loss, increased production and exports of agricultural products and income of agricultural producers.

In view of the changing situation in the agricultural sector and the economy as a whole, the system of taxation of agricultural activity needs serious reforms, especially in terms of eliminating disparities in the taxation of various categories of agricultural producers. However, taxation in agriculture where there are special objective economic conditions should keep its stimulating focus that, inter alia, should be manifested in the application of simplified mechanisms for tax collection and administration of taxes, especially in the taxation of small and medium-sized agricultural businesses.

Optimal tax policy on agriculture must include a differentiated approach to the taxation of certain categories of producers selected on the basis of scientific criteria.

Key words: *tax reform, tax system, agribusiness taxation, value added tax, flat tax, tax incentives.*