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## CLASSIFICATION OF TAXES FOR INDIVIDUALS

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**The purpose** of this work is to investigate the taxation system for individuals in Ukraine and conduct the comparative analysis of the personal income tax rates in Ukraine and other countries. The organization responsible for tax policy in Ukraine is the State Fiscal Service, operating under the Ministry of Finance of Ukraine. Taxation is legally regulated by the Taxation Code of Ukraine. According to the research residents of Ukraine are taxed on their worldwide income, subject to the restrictions set forth by any applicable double tax treaty (DTT). Non-residents are subject to Ukrainian tax only in respect of their Ukrainian-source income (this includes income received by the individual from their employer, either resident or non-resident, in relation to employment exercised in Ukraine). The same tax rates generally apply to tax residents and non-residents (with certain exceptions). There are three main types of taxes for individuals in Ukraine: personal income tax, single tax, military tax.

**Personal income tax rates.** The standard tax rate of 18% applies to income received as salary and other benefits under employment and civil agreements, foreign income, and other income not covered elsewhere. Taxable income received from abroad is subject to a tax rate of 18%. The 18% rate also applies to all passive income (e.g. interest, dividends, royalties, investment profit), unless specified otherwise by a special article. Dividends paid by resident CIT payers (except mutual investment institutions) are taxed at 5%. Dividends paid by non-residents, mutual investment funds, and non-payers of CIT in Ukraine are taxed at 9%. Dividends that are 'not ordinary dividends' are taxed like salary (i.e. 18%). Income earned by tax non-residents from sources in Ukraine should be subject to tax under the same order and rates as those for tax residents, unless otherwise specified by the Tax Code. In Ukraine, the Personal Income Tax Rate is a tax collected from individuals and is imposed on different sources of income like labour, pensions, interest and dividends.

**Single tax rates** are set in percentages (fixed rates) to the minimum wage established by law on January 1, tax (reporting) year (hereinafter in this chapter - minimum wage), and in percentages of income (interest rates).

**Military tax.** A temporary 1.5% military tax on personal income was introduced in August 2014. This is effective until the reformation of the Ukrainian Military Forces is completed. The completion should be confirmed by the respective decision of the Parliament. Tax base for the military tax is the same as for PIT (with minor exceptions) and is not capped. Ukrainian employers and other tax agents are responsible for tax withholding.

The comparative analysis of personal income tax rates in Ukraine and other countries has been conducted and the results are presented in Table 1.

Table 1.

Country	Last (%)	Date	Previous (%)	Range (%)
<u>Japan</u>	55.95	Dec/18	55.95	55.95 : 50
<u>Netherlands</u>	52.00	Dec/18	52	60 : 52
<u>Germany</u>	47.50	Dec/18	47.5	57 : 44.3
<u>Australia</u>	45.00	Dec/18	45	47 : 45
<u>China</u>	45.00	Dec/18	45	45 : 45
<u>France</u>	45.00	Dec/18	45	59.6 : 45

## Економіка інноваційної діяльності підприємств

Іноземні мови

Country	Last (%)	Date	Previous (%)	Range (%)
<u>Spain</u>	45.00	Dec/18	45	56 : 43
<u>United Kingdom</u>	45.00	Dec/18	45	50 : 40
<u>Italy</u>	43.00	Dec/18	43	51 : 43
<u>Switzerland</u>	40.00	Dec/18	40	40.4 : 40
<u>United States</u>	37.00	Dec/18	39.6	39.6 : 35
<u>Argentina</u>	35.00	Dec/18	35	35 : 35
<u>Canada</u>	33.00	Dec/18	33	33 : 29
<u>Indonesia</u>	30.00	Dec/18	30	35 : 30
<u>Brazil</u>	27.50	Dec/18	27.5	27.5 : 27.5
<u>Singapore</u>	22.00	Dec/18	22	22 : 20
<u>Ukraine</u>	18.00	Dec/18	18	13-18
<u>Russia</u>	13.00	Dec/18	13	13 : 13
<u>Saudi Arabia</u>	0.00	Dec/18	0	0 : 0

**Conclusion.** Thus, the taxation system of individuals is a set of taxes paid to the budget in accordance with the procedure established by the laws of Ukraine, as well as the rights, duties and responsibilities of taxpayers.

### References

1. <https://tradingeconomics.com/ukraine/personal-income-tax-rate>