

TAXATION OF MSE – THE PROBLEM HOW TO CHOOSE THE METHOD OF TAXATION

Summary

Polish tax law gives to small entrepreneurs possibility to pick out one of four methods of taxation. For that reason firms, before each tax year, have to decide which method of taxation will be optimal for them. The aim of the paper is to present the algorithm that allows to choose the most beneficial method of MSE taxation.

Translated by Adam Adamczyk

DEPRECIATION IN POLNISH TAX SYSTEM AND COMMON CONSOLIDATED TAX BASE

Summary

As the consequence of joining the European Union, Poland was obligated to standardize definitions that are essential for corporate finance like: revenue, income, tax cost.

Among the tax costs there is also tax depreciation of fixed assets. The goal of the article is to discuss the problem of the system of tax depreciation in the aspect of CCCTB by indicating the differences between polish system of depreciation and the system of depreciation based on CCCTB. The article presents the results of questionnaire which goal was to examine the propensity of polish firms to use accelerated depreciation methods. The survey was conducted as a part of project financed by Ministry of Science and Higher Education.

Translated by Adam Adamczyk

RISIKOMANAGEMENT DURCH EINE VERRECHNUNGSPREISDOKUMENTATION

Zusammenfassung

Der Beitrag stellt den Inhalt der polnischen Rechtsvorschriften zur steuerlichen Dokumentation von Verrechnungspreisen dar. Wird für Transaktionen zwischen verbundenen Unternehmen die steuerliche Dokumentation der Steuerbehörde auf Aufforderung binnen 7 Tagen nicht vorgelegt, so wendet sie auf das erhöhte Einkommen eine Strafsteuer i.H.v. 50% an. Angesichts der Risiken und Kosten gewinnt auch der planerische Aspekt der Gestaltung von Verrechnungspreisen an Bedeutung. Im Rahmen dieses Beitrags wird gezeigt, wie der Prozess der Erstellung einer Verrechnungspreisdokumentation optimiert werden kann. Es wird insbesondere auf den dokumentationspflichtigen Personenkreis, Bagatellgrenzen, Dokumentationsbestandteile sowie Planungs- und Kontrollaspekte eingegangen.

Übersetzt von Marcin Jamroży

**SELECTION OF FORMS OF TAXATION IN CORPORATE INCOME TAX
FROM INDIVIDUALS AS AN ELEMENT OF FISCAL POLICY
IN SMALL ENTERPRISES**

Summary

One of the problems, which small businesses are facing, is the choice of form and principles of business taxation. This is one of the most important tax strategies that firms must take, since it affects the amount of income tax. Small businesses have the choice of general principles, or forms of lump-sum. Each of these forms has its advantages and disadvantages. Depending on the size, location and type of activity, and the level of costs generated by a small enterprise it is essential to select the most optimal solution that ensures the lowest income tax. This article aims to show how the choice of a form of taxation affects the amount of the tax burden of small businesses and in which cases general principles are more cost-effective , and when the lump sum payment.

Translated by Magdalena Anna Makuch

TAX NEUTRALITY – INTRODUCTION

Summary

Classification of taxes based on relationship between the amount of tax and the taxpayer, that is direct and indirect taxes, is one of the rules of creating modern tax systems.

The difficulty connected with direct tax, especially income tax in case of business entities, is that its directly connected with reducing of achieved profit and thus hinders its

potential to develop. Every financial burden is a big problem for the company, especially an expense that will not lead to increasing the income.

An important problem connected with indirect tax, VAT, is its neutrality. If we assume that it can be transferred to the final buyer, which is a tax payer this tax should not influence company costs and financial results. In reality however the neutrality problem is much more complicated both in case of direct and indirect tax.

Translated by Agnieszka Opalka

THE LEGAL FORM CONSTRUCTIONS OF ENTREPRENEURIAL ACTIVITY USED IN THE TAX OPTIMIZATION

Summary

Any person operating a business has to pay tax obligations. Source of savings for the company may be tax optimization allows to reduce the tax burden and improve the company's financial results. Among the instruments of the tax optimization can be change of legal form, or relocation to the country applying the more lenient tax policies. The paper presents a method to minimize the tax burden, and also presents Cyprus, which can be used in the tax structure to reduce taxes legally payable by the company.

Translated by Rosa Anna

FISCAL BURDEN OF AGRICULTURAL VALUE ADDED TAX IN POLAND AND THE EUROPEAN UNION

Summary

Specific solutions in VAT tax allows businesses conducting agricultural activities on specific tax advantages. They allow VAT refunds in the form of a flat or accounting for on general principles of tax refund of a substantial surplus of input over output. An example of a significant preference in this regard is Poland, where the VAT is one of the lowest rates in relation to agricultural production and the largest spread between basic rate and the reduced relating to agricultural production from European Union countries. It should be noted that tax expenditures for agricultural activities to a greater degree of tax charged to other sections of the national economy. Using a linear VAT rate for all sectors of national economy and the resignation of the flat-rate VAT would contribute to greater justice management and a reduction in the total fiscal burden of the other business operators in national economy.

Translated by Rafał Rosiński

TAXATIONS OF CONTRIBUTIONS IN KIND TO PARTNERSHIPS

Summary

Bring a contribution to partnerships may result tax consequences on the ground of personal income tax. The tax regulations which are in force sometimes do not correspond with the respective regulations of Polish Commercial Code. Various positions of the tax authorities and administrative courts made it necessary to change the law. The paper attempts to assess how tax law matches to asset structure of partnerships. It becomes important to estimate the consequences of amendments, taking effect from 1 January 2011 to the Personal Income Tax Act.

Translated by Agnieszka Sobiech

PROBLEMS OF TAX COMPETITION IN THE EUROPEAN UNION

Summary

In this article the author discusses the problem of tax competition in terms of efforts to establish uniform rules for the taxation of corporate profits in the European Union. He also discusses how taxation harmonization could limit such tax competition and affect the development of national economies and the competitive potential of enterprises. The conclusion is that any harmonization of direct taxation, especially done through harmonization of tax rates, might bring significant negative outcomes if it gave rise to increased taxation in the countries which joined the European Union only recently.

Translated by Michał Sosnowski

INCOME TAX FROM LEGAL PERSONS
– A BARRIER IN ENTREPRENEURSHIP DEVELOPMENT
– OWN INQUIRY OF CONSTRUCTION UNDERTAKINGS

Summary

The aim of this feature is to assess the significance of income tax from legal persons as a barrier in running economic activities and to study the relationship between the specification of activities by construction undertakings vs. the interpretation of income tax from legal persons as a barrier in running economic activities and reducing the state budgetary incomings.

239 construction undertakings have been the subject of study. The feature is composed of the introduction, tax mechanism and tax impact on black economy and of own study concerning income tax from legal persons.

Key words: income tax from legal persons, barrier in development, black economy, undertakings taxation, Polish tax system, construction branch

Translated by Iwona Pawluczuk

**ACCIDENT INSURANCE AS A BARRIER
IN DEVELOPMENT OF UNDERTAKINGS
- OWN INQUIRY OF CONSTRUCTION UNDERTAKINGS**

Summary

Labour costs comprise different contributions relating to employment. According to the international statistics, salary costs are most often divided into two items: direct costs which embrace salary paid to employers, after the cuttings, qualified in Poland as net salary, and into indirect costs that embrace margins on salary, mainly taxes and dues together with accident insurance.

The aim of this feature is to assess the significance of accident insurance as a barrier in running economic activities and to study the relationship between the kind of these activities by construction undertakings and the perception of accident insurance as a barrier in running economic activities.

239 of undertakings from the construction have been the subject of study. The feature is composed of the introduction, the characteristic of tried-out sample and of the chapter about the interpretation of accident insurance as a barrier in economic activities by construction companies as well as the interpretation of other margins on salary by interviewed firms.

Translated by Iwona Pawluczuk

REAL ESTATE TAX IN A BUSINESS ENTITIES

Summary

Real estate tax is one of the categories of taxation that are imposed on business entities. Real estate tax is subject to regulatory provisions of The Local Taxes and Charges Act of 12th January 1991 and a property tax, the revenue from which is allocated to municipal budgets. This study is devoted to a detailed analysis of real estate tax, with a particulate emphasis on those structural components of the tax that determine the amount of the tax burden imposed on business entities. The analysis focuses on the scope and the compo-

nents of the tax, issues pertaining to taxation rates, as well as the principles of application of tax exemptions. Furthermore, this study attempts to resolve the interpretative doubts related to application of real estate tax.

Translated by Natalia Kałuża

TAX ENVIRONMENT OF SMALL BUSINESS' ACTIVITIES

Summary

Examining the impact burden of taxation of the income on the enterprise decisions it can be concluded that they are one of the basic elements of the decision situations. The company do not remain indifferent to the impact of taxes, which is reflected in the tax policy. Based on own studies, the article presents the impact of the tax environment on the development of businesses in the podlaskie voivodship.

Translated by Monika Walicka

EVALUATION OF FISCAL BURDEN OF FARMS IN POLAND - COMPARATIVE APPROACH BY TYPE OF FARM

Summary

The aim of this paper is to assess the relevance of the fiscal burden for the production of farm in terms of their types of farming. Commodity farms in Poland leading agricultural accounting in the years 2004–2009 were examined. The paper uses empirical data from the Polish FADN (Farm Accountancy Data Network). To achieve the goal established in the work, we examined the fiscal burden of farms, taking into consideration specialty of farms, size of agricultural land, total costs, the value of agricultural production.

Translated by Danuta Zawadzka

TAX RATE LUMP-SUMP-BASED FORMS OF TAXATION AS AN DETERMINANT SELECTION FORMS OF TAXATION BY MEANS OF INCOME TAX

Summary

The article deals with the problem of active support for development of the sector of micro enterprises as far as constructing taxes is concerned. One of the most effective tools of support for micro enterprises is the simplified tax system. The lump-sum-based forms of taxation by means of income tax, which – in their construction – take into account the specific nature of micro enterprises to the greatest extent, have been losing popularity year after year. It was proved in the simulation carried out (on the basis of data obtained from the Chief Central Statistical Office) that the height of the tax rates is to be blamed for this situation. The tool that ought to stimulate the growth of micro enterprises has turned out to be too costly in application and forces the subjects to accept the system of far more time – and effort – consuming general principles.

Translated by Arkadiusz Żabiński