

PUBLIC BUDGET AND TAXES

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Modern methods of calculating the taxes suppose a permanent relation with tax-payers directly, at the pay-office, on the phone, electronically, relations which are developed by the fiscal organ that comes into contact with the payers giving up at its position of oppressor organ in the favour of an efficient relation.

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At the macroeconomic level the role of the budget and especially for the fiscal incomes ,part which is bond to the present study ,is praised by the connections between it and the other component elements of the general consolidated budget .Thus ,the public budget contains all the documents of the public sector ,which gives it the status of budgets formed of :the budget of state ,the budged of state social enssurances and the local budgets.

On the other side ,the state budget is the most important component of the integrated system of budgets ,through financial relationships it develops with each elements of the public system .The state budget contains the incomes and the expenses distributed by the annual budgetary law, which are of central importance .At the state budget come most of taxes and part of contributions,but also some other specific incomes.

By consolidated general budget of the state proceed to elaborations of some social and economic politics ,which aim at the accomplishment of macroeconomic poise in future periods.

The macroeconomic regulation through the state general budget ,and implicitly ,through the state budget , is accomplished by the size of the macroeconomic equilibriums and disequilibriums with modern methods that analise the appeareance of types of deficits or excesses of public sector , respectively the conventional ,primary ,operational ,structural deficit or excess ,as well as cvasi-fiscal deficit.

Fiscal problems have an important role in the market economy .So, the tax being a prelevation established by law with an obligatory , definitive character ,represents one of , the main sources of formation of the state financial resources .In this context , as object of discipline are the fiscal reports that appears in the formations process of public founds .These reports put face to face two parts ,law subjects :on the one side ,state as main subject ,represented by fiscal juridical structures ,which gives a privileged position ,and on the other side ,physical and juridical persons who have the obligation to contribute to the setting up of public financial resources.

The level of productions , of income ,of expenses and of prices in a market economy ,knew in time movements named “the cycle of affairs “or economic fluctuations. In some periods the productions , the incomes and the expenses were reduced and the unemployment grew ,while in other periods the growth of expenses and incomes had as result the inflation (a last growth of the prices level).

These growths and reductions of the economic activity were produced as a consequence of some changes in the initial expenses which determind a chain reaction ,by the multiplication of effects .Thus ,a change of expenses of a economical unity (firm ,consumers ,government) -upward or downward- affects the incomes of other unity .This one ,on its turn ,determines a change in expenses of another economic unity which ,on its turn ,affects the income of the next one and the process goes , including the entire economy .The final result of those changes outruns ,many times ,the dimensions of initial changes .On the other side , the fluctuations of economic activity (expressed by growth and diminutions) influence the life level of citizens ,in the sense of its growth or diminution .

The fiscal system in its structure reflected by the official fiscal politics supposes specific fiscal budgetary procedures ,techniques promoted by The fiscal procedure Code ,procedures which influence on their turn ,the tax-payer 'behaviour and not lastly the fiscal efficiency.

About this issue it is recognized the fact that the taxes 'administration is a well outlined theme, both form the conceptually and practically point of view.

Fiscal science and technique were outlined and delimited in time through the effort and experience of specialists in domain .In present , fiscal technique improves continuously under the influence of informatical applications and under the influence of literature of speciality at which we have access in the present.

However, fiscal efficiency is generally low , and we think that there are two causes at the base of this phenomenon : gaps in the general fiscal legislation and secondly, the management of administration of taxes. We want to study the last cause, considering that this issue still hides many conditions, and being analyzed and corrected, it may praise the real possibilities of fiscal system and of taxes of fiscal system.

The relations between taxes are of conceptual, technical and practical nature. All the taxes that function at a given moment in an economy and the relations between them make up the fiscal system.

Taxes established by the specific reglementations of fiscal domain generate, beside the relations between them, other influences on the environment which is the social one.

Taxes, the functioning of fiscal system, its relations with tax-payers and the influences upon the economy are established by juridical laws, specific subjective laws.

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If nowadays the decrease of fiscal pressure was realized both by deduction of level of taxes and by promotion of fiscal advantages , it seems that the last method is more performant regarding the effects on payers.

Grouping together the fiscal advantages in deduction from taxes sector and deductions from the calculated taxes, these seem to be the main methods of fiscal charge' deduction.

The main aim of scientific approach in this domain is to discover and to delimitate the generating connections of organizatorical potential and efficiency between the taxes that form the actual fiscal system and the connections between the components of fiscal organ and between this and the payers.

Choosing the most efficient relations and realizations of a functional table would justify its forming in order for the specialists to chose easier the alternatives that generate organizatorical potential and fiscal efficiency.

Such a model could be double capitalized , namely: from practical point of view for improvement of informational flux' organization inside the fiscal system and in its relation with payers and from theoretical point of view , by putting at the students and specialists' disposal the proposed models and structures.

Fiscal charge aims the effort of all citizens and releases unexpected reactions even of some so called non-payers of taxes, but who stands the effort under the effect of fiscal charge' impact.

It is known that taxes are a necessary evil , being indispensable a state form of social organization and that is why fiscal charge is accepted by payers till a certain level without too big oppositions.

From the moment when fiscal charge grows from different reasons, such as covering the budgetary deficit , this fact releases unexpected social interactions and still undiscovered totally.

If persons and collectivities have reasons of joy when it is contracted a public credit with destinations that bring social benefits , on the other hand when it is time to reimburse these credits , when big taxes are asked , their reaction is reverse to the initial one, such budgetary

measures suppose many modifications within financial politics and implicitly on some indicators such as: instalment of interest, of inflation, of consumption, etc.

The growth of budgetary incomes based on taxes or on the contrary, on the account of public credit, influenced by the way of using and functioning of public budget, the financial resources being partly directed to the unproductive sectors and are generally fructified with a smaller instalment than the medium interest instalment.

It results from these judgements that state will always spend worse its sources, in comparison with private sectors and that public sector should be divided such as to generate more rarely or at all such situations, such needs of financing by growing the taxes.

The benefic effects of incitations by taxes will have to be combined with suitable currency measures, which to generate an economic relaunching in conditions of maintaining the instalment of interest under control or till a certain level.

If we do not take in consideration some restrictions of fiscal politics such as: its correlation with financial potential of society, correlation with monetary politics, social politics in general, assuring the standing degree of fiscal pressure, subordination of the fiscal politics' aims to economical politics in general, assuring the working of fiscal system, integration of national fiscality into the international fiscal trends, assuring an efficient informational system and many others of the same kind, then the secondary consequences are multiple and most of them will be negative.

The unwanted effects will be: reduction of the productive effort, amplification of swindle and fiscal evasion, stressing of inflationist process, deterioration of international competition and generally, a deregulation of economical and social values of the system.

If the fiscal instalment exceeds a certain limit, this fact will dishearten the efficient work, will dishearten saving and investing. Possibilities of evasion and fiscal frauds will be looked, underground economy will take proportion, both regarding the mastership who want a reduction of subject of taxation for its incomes and fortune, and regarding the physical persons who will stand raised taxes in conditions of small net incomes in comparison with the level of gross incomes.

The increase of taxes implicitly generates the increase of prices with effects on inflationist process and on trade unions politics who immediately looks the increases of salaries and in this way the inflationist spiral goes on.

Such correlative conditions regarding the increase of taxes can be identified in time, on longer periods of time, context in which a morality problem can be put, namely supplementary fiscal charge generated by reimbursing of public credits repercurts in time on future generations which, we do not know if they are disposed to such an effort. On the other side, we do not know if we have the right to mortgage a part of our children's incomes for aims considered to be necessary but unaccepted by all in the collectivity.

Fiscal politics are controverted because sometimes they have unexpected results, results that are different from the initial intentions. For example, the budgetary deficit at which it gets to as a result of incomes' growth and / or as a result of reduction of taxes' level may get to a fast growth of public debt. In these conditions state has to borrow money in order to cover the expenses that should be done from the budget, because these outrun, in size, the incomes made from taxes. The credits for financing the budgetary deficit may determine the growth of interest instalment which determine the economical agents (sellers and buyers) to borrow less and, in the same time, to spend less than they have planned to.

There are two reasons for which fiscal politics could have unexpected and unwanted effects; allowing the government to have a deficit, it changes the constraints on expenses and the political responsibility of those who decide regarding the budget (which gets to huge, successive deficits, as well as to the fast growth of public debt), in order to cover the expenses that outrun the incomes made from taxes, state has to borrow money. This loan for financing the budgetary

deficit may determine the growth of interest instalment , fact which will be felt in the activity of economic agents. They will ask for less credits and they will spend less than they would have wanted.

The system of budgetary incomes and expenses is the base of a detailed analysis of the economic and social situation of a certain country , following to be established the necessary measures for macro-economic regulation.

We do not have to omit the fact that there are government actions of a special importance that have nothing to do with state budget , such as financial markets' politics, the reglementation of competition and others , but their realization has a huge impact on budgetary incomes and expenses.

The uncertainty of decisions regarding the state budget determine a series of budgetary changes for a single financial year , which may take to macro-economic disequilibriums generating of regrettable social phenomena.

The fiscal and budgetary operations in general and the procedures that are at their base reflect the economic and politic content of public budget .Taxes and budgetary incomes in their totality also represent the most important budgetary chapter and at least by the fact that they represent the state' main source of incomes , without which the functions of state cannot be accomplished.

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