

TAXATION. ECONOMIC ISSUES AND APPROACHES

Ioan-Dan Morar

Faculty of Economics, University of Oradea, Romania

e-mail: morar_id@yahoo.com

Anca Mitu

Romanian Academy, Bucharest, Romania

e-mail: anca_mitu@yahoo.com

Summary: Public finances are influenced by the general policy of the state and in turn influence official policy of governments in operation.

Public finance performance is influenced at least the following variables, namely: a) the economic performance of the country's economy, expressed through macroeconomic indicators specific; b) the size or volume and capital structure underlying the economy of a country; c) the degree of cultural and civic involvement of the population of a country; d) design and reliability of budgetary policies of the government of the country concerned; e) reporting and the level of harmonization of monetary policy and financial restrictions imposed budgetary international monetary system; f) the level of regional integration and union, in our case in the European Union and g) economic policies and military influence regional and international.

Content:

Public finances are an important part of economic and social reality in which we live day by day, in terms of institutional, economic, social, political. From the standpoint of existence and functionality of modern and contemporary state, public finances, and functionality of their existence is eliminatory. In other words, no state money to public budgets do not work there. In terms of social public finances provide the state the tools necessary redistribution in society by different social groups, the various branches of activity in society by segments disadvantaged for various reasons and as you will know the entire scaffolding public office existing in all countries modern without which social peace can not be ensured.

From the economic point of view, the public sector is an important part of national economy, the public services which are an important source of demand at the macroeconomic level and the public economy sector, which is usually the most stable part of the economy in the country us, but in general the global economic level. From the point of view of political, public finances through the organization and structure of their reflect Polt official public, and on the other hand it provides the financial instruments necessary to promote official policies or those proposed by different social segments and not all turn into policy official.

Because of the importance of public finances, the importance accepted rule in the literature in this paper wants to highlight the importance of performance of public finances and especially the process of impozitatre or taxation, for the simple reason that the bulk of government revenue are income tax .

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involvement of a country's population; d) the design and reliability of budgetary policies of the government of the country concerned; e) reporting and the harmonization of monetary policy and financial restrictions imposed by the international monetary system budget; f) regional integration and Union level, in our case, the European Union and g) the economic and military influence regionally and internationally.

By analyzing these variables in time, during the recent past and possibly lund into account projections for the future, taking account of the moments of the evolution of economic crises and having vederevfenomenul office in the center of which stands individual "social" with all of the contemporary we intend to highlight conditionings interrelations between these variables and shape the taxation position and importance in contemporary society.

a)Economic performance of the national economy.

The economic achievements of the national economy usually presents official documents related to a calendar year and usually in comparison to previous years and quantitative achievements of other countries. In our country, government, National Bank, other national shows regularly at the national level by publication of macroeconomic indicators.

One of the aggregated macroeconomic indicators gross domestic product, abbreviated GDP of a country, calculated usually for a period of one year.

GDP is a macroeconomic indicator that reflects the sum of the market value of all final goods and services for consumption produced in all branches of economy within a country within a year.

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The value of GDP last 10 years:

| Anul | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---------------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| GDP - billion | 710,23 | 669,50 | 639,3 | 596,7 | 557,3 | 522,6 | 501,1 | 514,7 | 496,7 | 416,0 | 344,6 |
| GDP - billion | 159 | 150,8 | 144,7 | 133,9 | 131,5 | 124,1 | 118,3 | 139,7 | 123,7 | 97,7 | 79,5 |

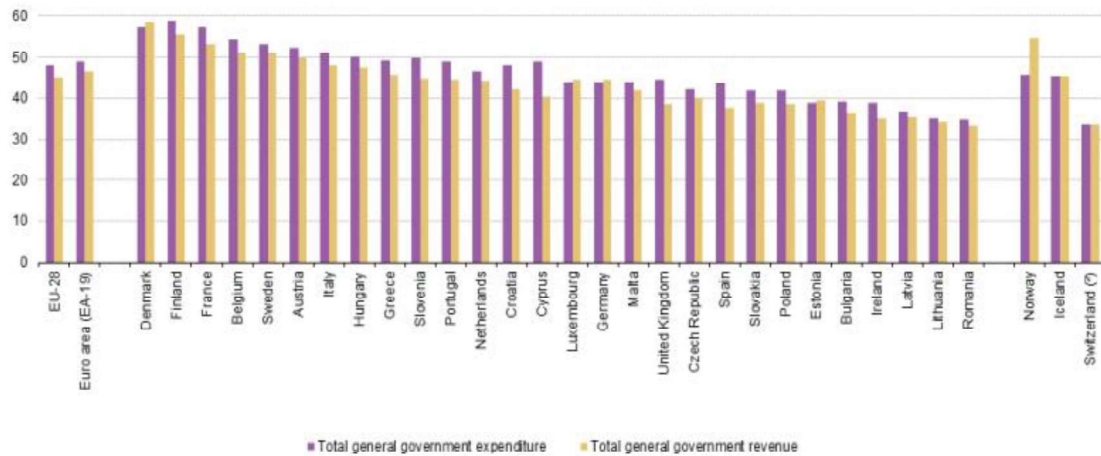
Source:Eurostat

The calculation of gross domestic product alleged to aggregate consumption expenditure of households, private non-profit organizations, investment spending, public spending of the state and also the trade balance, ie the difference between the value of exports and imports.

Briefly gross domestic product can be expressed as $GDP = Consumption + Investment + (Export-Import)$

Consumption has two components, namely, public consumption and private consumption.

GDP growth in our country so as is reflected in the table above is positive, but to make us a picture of reality in an international context, this volume indicator should be compared with the achievements of other countries. So, in the table below can be seen accomplishments EU member countries.



(*) Data extracted on 21.04.2015. Data ranked in descending order according to the average of total revenue and expenditure.
 (*) 2013.
 Source: Eurostat (online data code: gov_10a_main)

b) Volume and capital structure.

Capital underlying economy is the accumulation of a company, an idea tar over time, both in the form of fixed capital, as well as working capital, in other words it is the wealth of a country at a time. Both movable and immovable property of the state and its institutions, state-owned companies and those owned by individuals, private companies and nonprofit companies is evidenced in books and so called national accounts. Real estate properties and securities represent some of the tax base for local taxes due to local administrative authorities.

Structure is important in terms of national wealth capacitatii to produce profit, to produce value newly created national income.

Component of its capital and earnings, national income, gross domestic product are mirror using state or national capital in the hands of private individuals and legal persons.

Capital Property fact that we made the emphasis was produced along time citizens of the country, in fact human capital. Human capital labor force of a country is the most important part of the capital of a country. The preparedness of the workforce is rezultatnta education and culture policies along time.

The degree of training of the workforce is a factoreliminatoriu for making coupling relationship to the economic union and it reflects the ability of a people to adapt to the demands of the international economy in the present and in the future.

A good level of training of the workforce can compensate for lack of material resources and other resources in the current context of Community harmonization and globalization.

Workforce capacity to adapt to different conditions and to realize labor productivity necessary for a global market, reflects the genetic level of individuals and the performance of the education system in the country concerned.

c) The involvement of cultural and civic population of a country;

The level of culture of a nation and by extension the population of a country is a different concept from the level of civilization of a nation or a population of a country or region. The civilization of a nation can be judged according to certain indicators of national consumer or average citizen is just an assessment,, in general, lifestyle and behavior of each individual is different depending on traditions, habits and family area and not finally ability existential understanding of each individual.

Quantitative indicators of consumption, such as value cosnitei daily structure, use of soap, detergent and toothpaste, water consumption, consumption of spices, service levels and structure, demand structure of services, the savings family and financial investments individuals and families and other indicators also reflect a certain level of civilization of a population.

The cultural level of a nation or an individual is harder to quantify, yet it is relevant to consider certain indicators such as level of education, population illiterate, the number of student omie inhabitants, the level of participation of population programs cultural offered by organizations in the field, the degree of computerization of cultural and scientific phenomenon.

d) The design and reliability of official budgetary policies.

Economic performance of a nation is influenced to a great extent and effectiveness of budgetary policies, namely budgetary resource allocation policies that reflect the government's official orientation towards the development of its public sector to private sector development or for major maintenance and modernixarea public services.

Public resources are eliminatory for simple reasoned that the state does not work and there is no budgetary resources, so at least important are fiscal policies and financing the deficit.

Public finance performance is given primarily on the degree of collection of receivables bugeare. This indicator shows how much of taxpayers' tax obligations are recorded and collected by the tax authority, namely;

$$Gic = \frac{Vfi}{Cb} \times 100;$$

where, Gic-The degree of collection of receivables budget;

Vfi- Tax revenues;

Cb-Nominal tax claims.

The degree of collection of tax receivables reflects not only the fiscal performance to track and collect taxes but tax policies.

Fiscal policies are marked by new theories of contemporary consumerist and current goals of governments to increase consumption at all costs, especially around election campaigns. Consumption, besides offering taxpayers a certain contentment is profitable and taxable base.

The degree of collection of receivables budget is influenced by the cultural model and taxpayers, this is the good that win or not over the centuries.

The transition to modern tax systems based on efficient procedure has been accepted to an extent different from country to country, we think and depending on the cultural level of the nation.

In fiscal strategy of our government budget for the years 2014-2016, the evolution of revenues and expenditures budget for 2016 estimates, evolved as follows:

%PIB

| Indicator | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------------|------|------|------|------|------|------|
| Budgetary revenues | 32,7 | 32,9 | 33,6 | 33,9 | 33,9 | 33,8 |
| Budgetary expenditure | 37,0 | 35,4 | 35,7 | 35,7 | 35,5 | 35,5 |
| Deficit | -4,3 | -2,5 | -2,1 | -2,0 | -1,8 | -1,8 |

e) The reporting and the harmonization of monetary policy and financial restrictions imposed by the international monetary system.

International financial flows is an important indicator in terms of effects it generates on national and international financial stability.

In the context of the current international monetary system based on floating rates, economies whose currency is quote depending on other currencies stronger and possibly more stable monetary policies imposed by the bank of issue would be marked by these restrictions on international flows. While the ins and outs of foreign currency in the country influence the national currency, monetary policy will aim at protecting its course to produce not issue bank losses and to not disrupt supply and demand in import.

f) Regional integration and Union level, in our case, in the European Union.

In the current context of EU integration, our country as other Member States receiving funding from grants guided by common policies of the Union.

For the period 2014-2020, estimates regarding the allocation of funds for Romania looks like this:

| | -mil euro- |
|--------------------------------------------------|-------------------|
| European Fund | Period- 2014-2020 |
| Structural and Cohesion Funds | 21.826 |
| European Agricultural Fund for Rural Development | 7.123 |
| European Fisheries Fund | 230 |
| European Agricultural Guarantee Fund | 10.393 |
| Total | 39.572 |

Issues arising from European integration have been shown to be related to performance and the union negotiations with fundraising available on these branches.

g) The economic policies and military regional and international influence.

Public expenditure on the army are always absolutely necessary. State sovereignty is manifested in particular by the ability of defense against dangers from outside or within the country. The need to increase spending arming is evident

in the current geostrategic context and to pay our obligations taken as a NATO member country.

Military expenditures by size of economy and society influence and their structures.

Purchases of military equipment from abroad shall submit the budget to a certain effort, as well as acquisitions within the country, just as they finance part of the national economy and national returners in the economic cycle.

Our country has allocated for defense in 2015, 1.35% of GDP, and this year's military budget is estimated at 1.48% of GDP.

Conclusions.

These factors influencing the real economy, generates behavioral reactions from taxpayers in their capacity as taxpayers and especially as consumers or end-users be productive.

If we consider all these factors, the official budget policy reflect changes within them, following the adjustments to be made at public expense and at the expense taxes and public borrowing. As the latter are limited leeway can be accessed in tax revenue and therefore taxation is of great importance in the functioning of public structures.

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