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## **MODERN CASTE SYSTEM IN TAXATION**

**Анотація.** У статті досліджено сучасний динамічний розвиток оподаткування - одного з найстаріших форм фінансових інституцій. Податки існують відколи існує сама історія суспільства. Їх основна роль полягає у покритті фінансових витрат держави для виконання своїх функцій. Таким чином, вони виконують перерозподільну функцію. Податки часто розглядають як форму примусового відчуження на користь держави результатів діяльності суб'єктів господарювання, що характеризується низьким рівнем готовності їх платити. Однією з найімовірніших причин цього може бути те, що зворотна компенсація за сплачені податки надходить не відразу або протягом певного прогнозованого періоду, зокрема у багатьох випадках навіть не в матеріальній формі. Тому багатьом платникам здається, що вони платять податки даремно. У цій статті автори розглядають проблему на трьох рівнях: на рівні громадян, суб'єктів господарювання та транснаціональних корпорацій. На всіх трьох рівнях визначені чинники й особливості, які характеризують дану групу. Готовність громадян платити податки досліджується за результатами міжнародних досліджень, які присвячені питанню податкової моралі у державі. Очікуваною метою та результатом цього міжнародного дослідження буде розробка більш прозорої, уніфікованої податкової системи (за якої важче уникнути податкового тягаря). Автори аналізують готовність платити податки та способи, за допомогою яких платники намагаються зменшити суму до оподаткування, або, за можливості, взагалі нівелювати податкові ризики. Найменше перспектив у цьому питанні мають окремі громадяни. Простір для маневру компаній вже значно ширший, що характеризується наявністю кількох способів зменшення розміру податкових платежів на рівні бізнесу. Як показує дослідження, найбільше можливостей у цій сфері мають транснаціональні корпорації. Спокуса отримати величезний прибуток часто переважає навіть основні моральні міркування. На основі отриманих результатів авторами сформовано теорію сучасної податкової кастової системи та визначено можливі перспективи її подальшого функціонування.

**Ключові слова:** оподаткування; податкова мораль; держава; громадяни, підприємства, транснаціональні компанії, правова прогалина.

**JEL Classification:** H22, H25

**Abstract.** Ebben a tanulmányban a szerzők megvizsgálják, hogy a világ egyik legrégebbi pénzügyi intézménye, az adózás hogyan alakul napjainkban. Az adók egyidősek a történelemmel. Szerepük legfőképpen az, hogy fedezzék az államnak azokat a költségeit, amelyek a közfunkciók ellátása során felmerülnek. Az adók így egyfajta újraelosztó funkciót töltenek be. Az adókat sokszor elkerülendő, szükséges rossz rendelkezésként kezelik, és gyakori az adófizetési hajlandóság alacsony szintje. Ennek egyik legvalószínűbb oka lehet, hogy a befizetett adóért cserébe nem azonnal, vagy belátható időn belül érkezik az ellenszolgáltatás, ami ráadásul sok esetben nem is kézzelfogható formában jelenik meg. Ezért érzik sokan úgy, hogy az adót a semmiért fizetik. A jelen cikkben a szerzők a kérdést három szinten vizsgálják: az állampolgárok, a vállalkozások és a multinacionális cégek között. Mindhárom szinten kutatják azokat a sajátosságokat, amelyek az adott csoportot jellemzik. Az állampolgárok adózási hajlandóságát az államokra jellemző adómorált vizsgáló nemzetközi kutatások eredményeit felhasználva vizsgálják. Ezeknek a nemzetközi kutatások várható célja és eredménye egy átláthatóbb, egységesebb (és kevésbé megkerülhető) adózási rendszer kialakulása lesz. A szerzők elemzik az adófizetési hajlandóságot és azokat a módszereket, amelyekkel igyekeznek csökkenteni a fizetendő adó mértékét, esetleg teljesen elkerülni az adófizetést. A legkevesebb lehetőséggel e téren az egyes állampolgárok rendelkeznek. A cégek mozgástere már jóval szélesebb, számos módon csökkenthető a fizetendő adó. A legmesszebbre pedig – ahogyan az ebből a tanulmányból kiderül, milyen messzire – a multinacionális cégek képesek elmenni. Az óriási profit kísértése sokszor az alapvető erkölcsi szempontokat is felülírja. Az eredmények alapján a szerzők megfogalmazzák a modern adózási kasztrendszer elméletét és kifejtik a véleményüket ezzel a rendszerrel kapcsolatban.

**Kulcsszavak.** Adózás; adózási hajlandóság; állam; állampolgárok, vállalkozás, multinacionális vállalatok, joghézag.

**Abstract.** The article examines the modern dynamic development of taxation - one of the oldest forms of financial institutions. Taxes have existed since the very history of society. Their role is mainly to cover the financial costs incurred by the state in the performance of its public functions. Thus, they perform a redistributive function. Taxes are often considered as a form of forced alienation of the business entities results in favour of the state, and low levels of willingness to pay are common. One of the most likely reasons for this may be that the refund of taxes paid does not come immediately or within a certain forecast period, and in particular, in many cases, not even in a tangible form. Therefore, many taxpayers feel that they are paying taxes in vain. In this article, the authors examine the issue at three levels: at the level of citizens, business entities, and transnational corporations. Factors and features characterizing this group are defined at all three levels. The willingness of citizens to pay taxes is investigated based on the results of international studies devoted to the issue of tax morality in the state. The expected goal and result of this international study will be the development of a more transparent, unified tax system (where it is more difficult to avoid the tax burden). The authors analyse the willingness to pay taxes and the ways in which taxpayers try to reduce the amount before taxation, or, if possible, eliminate tax risks altogether. Individual citizens have the least prospects in this matter. The room for manoeuvre of companies is already much wider, characterized by the presence of several ways to reduce the size of tax payments at the business level. As the research shows, transnational corporations have the most opportunities in this area. The temptation to make huge profits often outweighs even basic moral considerations. Based on the obtained results, the authors formed a theory of the modern tax caste system and determined possible prospects for its further functioning.

**Keywords:** Taxation; tax morale; state; citizens, enterprise, multinational companies, legal gap.



**Introduction.** Ever since the state institution appeared in history, people have been paying taxes. The purpose of taxes is to provide a source of power to finance its services to the community (defence, internal order, stability, redistribution network). Because these features are mostly not tangible for individual people, most people don't understand why taxes are needed. Especially in the case of a high tax rate or a strict collection organization. The situation is similar with businesses that see the tax as a profit-reducing factor. Therefore, on the one hand, the tax policy of a given country, on the other hand, the attitude of the population, and on the third hand, the way of thinking of companies influences the willingness to pay individual and corporate taxes. In this study, we examine this propensity in different selected countries around the world and analyse what capital-intensive multinationals do to keep as little of their revenue as possible to the state as taxes.

India is one of the countries in the world whose history we find a civilization that goes back into the shadows of the past – even when hordes of hunters have migrated to other continents. However, not only is the civilization of this vast country old, but also its social system. This is the so-called caste system, for the elimination of which urban India is doing more and more, but it still lives on unchanged among the billions of rural people. The reason why this is the case was explained by a European lawyer, Ehrlich, a professor of law living on the border of the Austro-Hungarian Monarchy in the early 20th century [1]. (Of course, he was not talking about India but about his own society; still, the theory he created is a perfect explanation for the caste system that still exists today.) In short, whatever the legal system of a country, it is different from traditional customary law, than people organize their own lives and communities according to customary law. For example, despite a well-used contract law, instead of a signature and a seal, a legal bond arising from the contract will be created by handshake. Today's representative of Ehrlich's theory, Teubner [2], still believes that traditional customary law will also be the basis of "world law" in the context of globalization. This is the main reason why rural India does not give up the caste system.

A question may arise in the reader as to how the caste system relates to modern taxation. We argue that there is a close connection between the two concepts. Individuals, businesses, and large, capital-intensive multinationals have very different situations and opportunities. These companies can afford financial and legal experts who are out of reach for the average person. These experts "solve" the problem of paying taxes, and the company's executives and shareholders enjoy the consequences of higher profits. Such companies seem untouchable to the individual. The only difference compared to the caste system is that in India the poorest strata belong to the education genres (untouchable), while in the case of taxation the richest multinationals are untouchable. We present this "reverse" caste system in our article. In addition to multinational companies, we chose Ukraine and Hungary as the subject of our study, to which we are more closely connected through our affiliation. Our research is also a remembrance of the former researcher of our college, Viktória Szemjon, who died young, and whose research was one of her research areas.

**Literature Review.** We start our thinking with the concept of Good State Good Governance (GSGG). This has already been articulated in detail by Enlightenment thinkers (Locke, Montesquieu). The essence of the theory is that the state is for man,

as it promises and provides protection, stability, security, and fair distribution. However, achieving these goals requires financial resources in addition to making the right decisions. The basis for such resources is the public burden on citizens, which takes the form of taxes and contributions. As security of life, stability and similar conditions are, of course, a situation experienced by the citizens of the state, they are perceived as difficult to grasp. Withdrawals in the form of taxes and contributions, on the other hand, are experienced in a concrete quantifiable form. Therefore, today, unfortunately, it is not uncommon to get rid of public burdens, such as concealing part or the entire tax base. Tax havens and the offshore companies registered in them are thriving, while a fraction of their revenue is what they are forced to spend, at least for the sake of appearances, for the benefit of the public.

Based on these ideas, our first research question is what factors influence the willingness to pay taxes and the motivations for tax evasion. Willingness to tax, which is usually defined as the internal motivation to pay taxes, is a vital element of the tax system. This is because most tax revenues are based on the voluntary obligations of taxpayers. Higher willingness to pay taxes therefore has the potential to increase revenues, with relatively little enforcement effort. In the short term, this can be achieved primarily through economic approaches to its behaviour, but in the longer term, structural changes are needed, which will increase taxpayers' confidence and legitimacy [3].

The concept of willingness to tax can basically be measured by meeting four criteria [4]. The co-operating taxpayer declares all his taxable income, pays all his tax liabilities, has no tax arrears, and has no penalty for tax evasion. There are basically two types of willingness: voluntary or forced [5]. Takácsné and Dobos [6] summarised the factors influencing the willingness to tax by reviewing the available literature: the most important of these are the cultural environment, religious values, national pride, and accepted social norms in addition to demographic factors (gender, age, marital status) and attitudes.

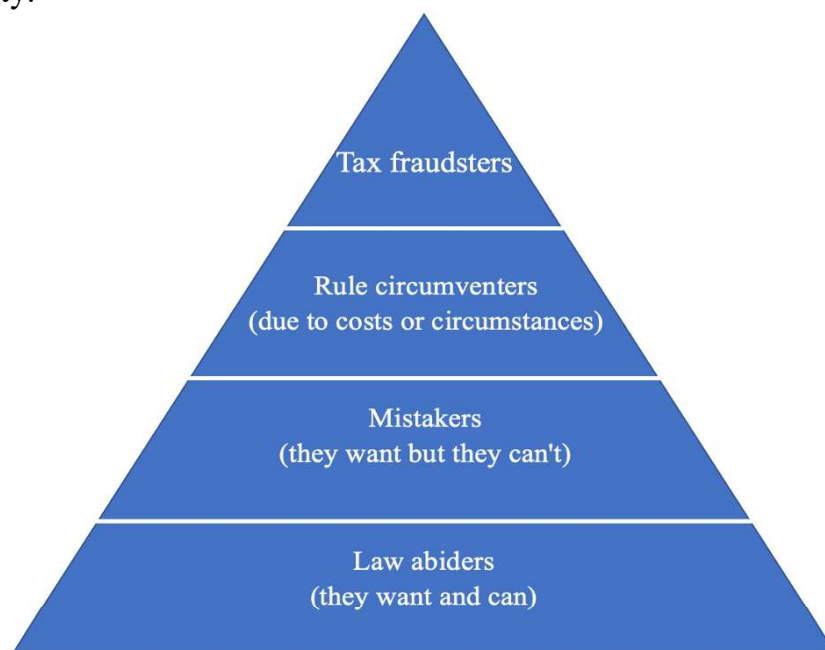
**Purpose of the study.** The purpose of our study is to show that all taxpayers are willing to avoid paying taxes, especially if they find the amount to be paid too high or the services received from the state in return for taxes too few and not specific enough. Large multinational companies have sufficient resources and experts and are present in several countries. They make use of this advantage and in some cases, not deterred by anything, they try to withhold all amounts intended for tax payments. We wanted to draw attention to the fact that until a cross-border uniform position and organisation is developed in international tax regulation, these companies will remain untouchable by the authorities. The sad topicality of our work is that just before its publication, the United States Government unilaterally terminated the international double taxation treaty concluded with Hungary in 1979 with its notification sent on 8 July 2022. The reasons for the termination are partly not economic but political considerations. However, its effect will be exactly the opposite of the current unification goals of international taxation.

**Research results and discussions.** One good illustration of the propensity to tax phenomenon (Figure 1) is the compliance pyramid [7]. This is a good indication that most citizens and companies are behaving lawfully. Of course, the news is always about tax evasion, the exploitation of loopholes, as has already been the case for the

role of the media. Based on the pyramid, we can interpret the difference between tax evasion and tax evasion. This does not manifest itself in the amount of unpaid tax, but in the form of a moral dilemma. Tax evasion is legal but unethical because it exploits the shortcomings of tax legislation. Examples of tax evasion include artificial transactions to obtain tax benefits or a tax advantage, tax-reducing business structures, the creation of companies registered in tax havens, and so on. In contrast to tax evasion, tax evasion (tax fraud) is already an illegal activity. This is behaviour that violates the law and is intentionally contrary to it. So, the result of the two concepts is the same (paying less tax), but the way is not. Both formats can be used by both individuals and companies.

The main factors influencing the willingness to tax were summarised by Richardson [8]. These are the following:

- a high degree of uncertainty about the country's political and economic situation,
- low level of individualism [9],
- enforcement,
- trust in government, and
- religiosity.



**Figure 1. Compliance pyramid**

*Source: Nobilis, 2011 [7]*

In addition, professional identity is also an important factor [10], and empirical studies show an interaction between tax payments and the size of the informal economy. Mitra [11], for example, notes that theoretical models generally always predict or assume that higher taxes lead to larger informal sectors. Empirically, there is a positive, negative relationship between tax rates and informality, and even there is no correlation between the two variables. The relationship in each country depends on two factors: the degree of tax enforcement and the level of development of the economy's credit market. A higher level of enforcement means a higher probability of detection and punishment, while more credit means that the sector provides better

formal access for financing. Both factors encourage formalization. That is, taxes reduce informality beyond a tax enforcement threshold. This threshold depends on the level of financial development.

The willingness to tax is significantly influenced by the government's public finance policy. If citizens find that public money is spent by the state for what they think they are, they are much more willing to confess and pay their taxes. This is true even if the taxpayer may not personally benefit from their results. If, on the other hand, public money and taxes are seen to be draining, this will lead to disagreements and therefore an increase in the frequency of tax evasion efforts [12]. This phenomenon is explained by the theory of the psychological contract [13] [14]. Central to this contract is proper government communication. Indeed, for citizens, transparency, and fair spending of public revenues in line with pre-planned goals are the basis for opinion forming. Therefore, it is especially important in this area that the policy does not restrict free expression with its measures but uses a broader positive emphasis on its own results and successes to counterbalance its counterarguments [15]. The cultural background and environment in which taxpayers live is also a significant factor [16]. Thus, the culture of society is also a determinant of tax culture [17].

Tax culture can be damaged in two ways: in the form of shock or lag [18]. The essence of the shock is the uncertainty and dissatisfaction with the new tax rules, which can be found in the masses of taxpayers as well as in the employees of the tax authority. In such cases, a reduction in tax morale and tax discipline in the country and an increase in tax resistance on the part of taxpayers are to be expected. Cultural lag occurs when different parts of a culture do not change at the same rate. In this case, readjustments will be needed in different, interrelated parts of the culture. If the lag persists (this can take a significant number of years), we can talk about an adjustment inaccuracy. The period of culturally incorrect adjustment or imbalance is characterised by social unrest and societal adjustment problems. This is exactly what can be observed in the sphere of tax culture during the transformation or reform processes.

Returning once again to the transparency already mentioned, this will be helped, for example, by reducing the number of types of taxes and rates. It also enhances competitiveness through the stability of the institutional framework and the increase in available financial resources [19]. The institutional background is mainly approached in terms of negative effects by Nurunnabi [20], who illustrates these phenomena in the South Asian states (e.g., political engagement in both the private and public sectors, the multinational role of corporations (MNCs), and corruption and lack of public sector accountability and enforcement). The issue of NMCs and accountability links Nurunnabi's analysis to our caste theory.

### ***Willingness of Citizens to Pay***

As a first step, we examined the tax systems of Ukraine and Hungary and the tax morale of the residents of the two countries. The Ukrainian tax system and willingness to pay are presented primarily using the work of Stetsenko and Nishcheretov [21] and Semyon [22]. The Ukrainian tax system consists of a mixed group of property taxes, consumption taxes, customs duties, and other taxes. Both individuals (18% personal income tax) and companies (18% profit tax) tax their assets. Taxation after consumption is mainly VAT (0%, 7%, and 20% rates) and excise duty, but in a broader sense, it is also environmental tax. A mixed group is called taxes for the use.



Some of these types, such as international oil, gas and ammonia pipelines passing through the country, can also be seen as a kind of duty. You must pay for the use of soil and goods (water, forests) as well as for the use of radio and television broadcasting frequencies. In addition to state taxes, property tax, parking place fee, so-called flat tax, and tax on tourism are levied as local taxes. Income-dependent temporary military tax (1.5%) and Social Security Contribution (22%) supplement all these types of taxes. That is, the income of individuals is subject to a total deduction of 41.5%. The tax system is described in more detail in the KPMG summary [23]. Retail tax morale is low, in line with the OECD finding [24]. This is mainly due to institutional factors, namely, distrust of the government, government instability, anti-democratic phenomena, and corruption.

The transformation of the Hungarian tax system began in 2010 and is ongoing. The transformation will be organised around the following areas [25]:

- reduction of tax deduction,
- shifting the focus of taxation from income to consumption,
- reduction of the tax on labour income to increase the desire to work,
- reducing the tax burden on companies to increase competitiveness, and
- increase the efficiency of tax collection by developing real-time data collection technology.

The directions of tax theory are that economic growth is negatively affected by high income taxes and income taxes, while consumption taxes and taxes on harmful externalities are less affected [26]. The assessment of the transaction taxes also introduced is no longer so clear. However, a 9% corporate tax rate makes Hungary globally competitive for investors [27].

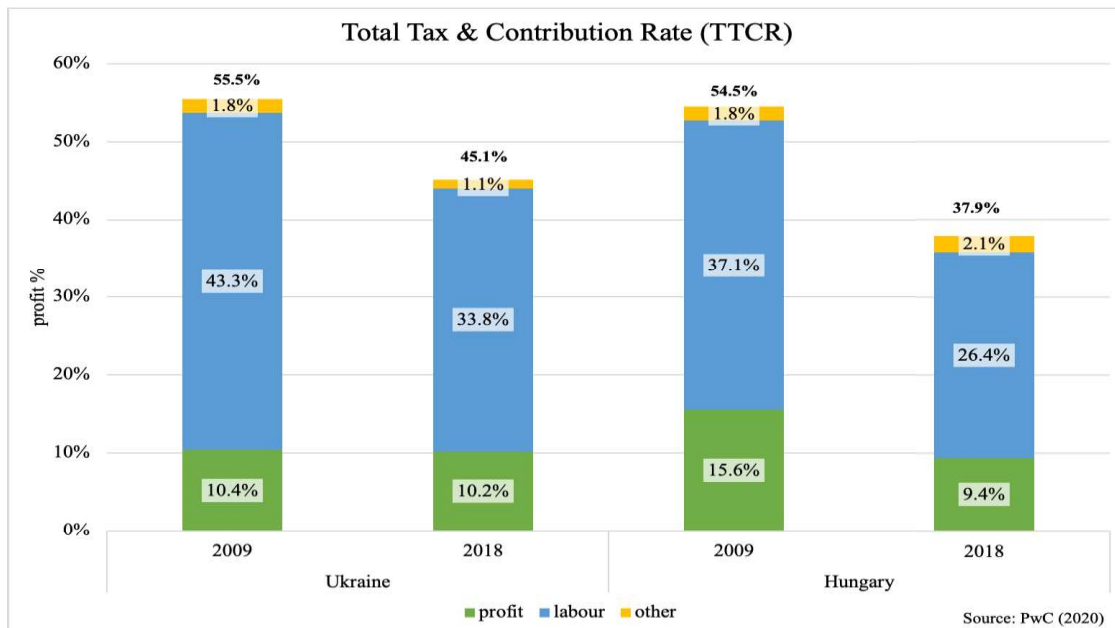
In the field of personal income tax, it is important to mention the benefits for families and the political decisions that reduce their tax burden, which also influence increasing the willingness to pay taxes. Overall, the changes have contributed to a stable, growing economy through increased employment and investment. Although the coronavirus pandemic caused a relapse, there is no need to change the basic directions [7].

The series of direct changes that characterise the paradigm shift in the operation of the tax office itself is decisive in the development of the Hungarian retail tax morale. These include the reduction of administrative burdens, the introduction of the e-PIT system, and the preparation of tax returns for taxpayers. The transformation of spirituality is also very important: the tax authority has changed from a penal authority to an office that helps citizens. All of this is also part of the welfare state concept outlined above, which has significantly increased overall tax revenues from the population.

### ***Propensity of Enterprises to Pay Taxes***

Corporate taxation has been examined by the authors using the Total tax and contribution rate (TTCR) index [7]. Total tax rate measures the amount of taxes and mandatory contributions payable by businesses after accounting for allowable deductions and exemptions as a share of commercial profits. Taxes withheld (such as personal income tax) or collected and remitted to tax authorities (such as value added taxes, sales taxes or goods and service taxes) are excluded. TTCR is divided into profit, labour, and other categories. The change in the tax burden over the ten years

from 2009 to 2018 is shown in Figure 2. The tax policies of both countries have moved towards a reduction in the burden.



**Figure 2. Business tax burdens 2009-2018**

Source: PwC, 2020, edited by authors

In Ukraine, the simplified corporate tax system serves this purpose. Companies with an annual income of at least € 200,000 can choose between two options: they can pay 3% of sales or revenues as tax (+ VAT), but they can also choose 5% of sales or revenues (excluding VAT). The tax on profits is based on profits made in Ukraine. The corporate tax rate is 18%. Although simplification does reduce the tax burden, the share of the informal economy remains high, at around 40% according to the IMF [29], while official estimates by Ukraine [30] also put it at 30%.

The Hungarian changes were more significant. One of the most successful steps has been the introduction of online cash registers [31]. The advancement of digitalisation and the electronic tax system have led to a change in the methods of tax collection and to an increase in the flow of data and information [32]. As a result of the measure, the turnover of the companies required to be introduced increased by 15-30% on average, which is a clear sign of the whitening of the economy. Growth was particularly strong among small and medium-sized enterprises (SMEs), where it exceeded 35%. However, it is well known that the “backbone” of the Hungarian economy is the SME sector. Therefore, the tax-paying attitude in this area is not at all indifferent. As a result, the VAT gap has narrowed, and sales tax revenues have increased [33]. Online cash registers have primarily made corporate taxation more transparent. The success of online cash registers has been very significant, especially in the retail sector, accounting for three-quarters of the revenue recorded and transmitted in online cash registers [34].

### *The Untouchables*

In the previous part of our article, we have reviewed the development of the willingness of individuals and businesses to tax because of the changes in tax policy





over the past decade. And this chapter presents the group of “untouchables” at the top of the tax caste system. The members of the caste are typically MNCs, including the most capital-intensive companies on several continents. Their world is quite different from the system learned in the previous two chapters. While there the state was the main player in the success or failure of taxation, here the companies themselves take control and simply avoid meeting the tax liability. Legislation and the judiciary are also circumvented or carried out by the state itself. The basis of this power is globalization and the resulting global village [35]. In this environment, the influence of state law and politics on economic life has diminished, on the one hand, because of the emergence of “global law without a state” regimes independent of state (domestic) law and public international law [36]. A well-known example of this is the classic duel between offshore tax havens and states that lose their tax revenues.

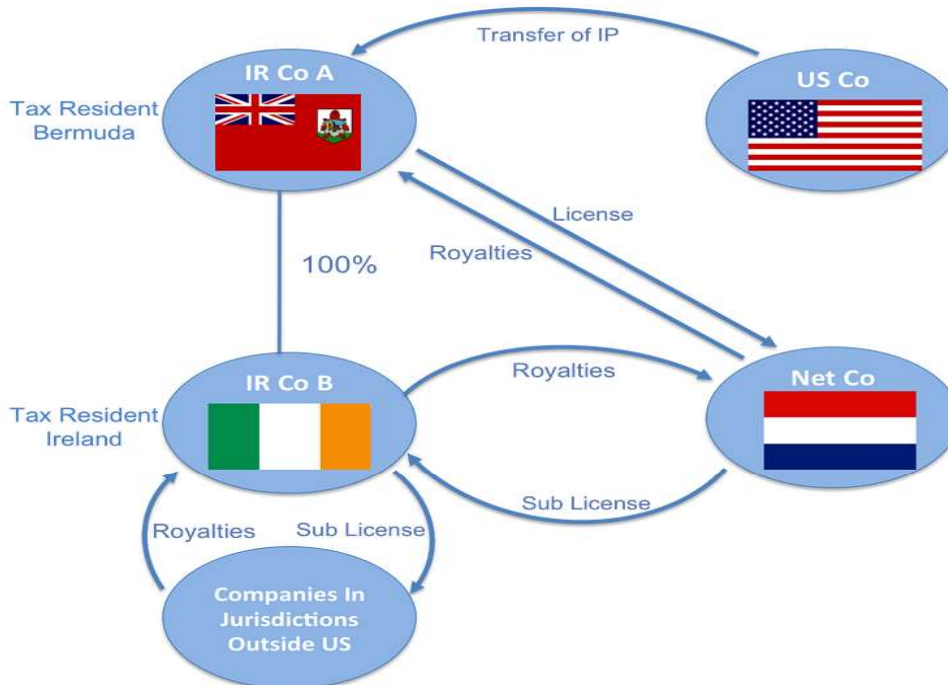
Transnational law (e.g., the *lex mercatoria*) and international meta-law (eg the Basel criteria) represent specific new limits to state sovereignty, as compliance with them is a condition for integration into the global economy. The rules applied in world trade practice, e.g., INCOTERMS standards [37] or UNCITRAL are now recognised and applied by state courts. Market logic limits state sovereignty, as evidenced, for example, by competition for investors and capital in ever-lower taxes and lighter regulation. The modern “Global Bukovina” that Ehrlich has been writing about for a hundred years has emerged. Even the goal of justice has become business efficiency: the arbitration procedure is a one-round; there is no remedy, as the parties accept in advance the jurisdiction of the court to decide.

The huge loss of tax revenue from these changes is illustrated by the fact that organizations such as the Organization for Economic Co-operation and Development (OECD) are tackling the problem. Each country loses \$ 240 billion a year in revenue due to tax evasion and revenue leakage (BEPS) [38]. The OECD-BEPS program addresses a wide range of tax issues, including site rules, sales taxes, or transfer pricing.

And MNCs are taking every opportunity to reduce their liabilities. Some of these are legal, though not ethical. A good example of this is the procedure known as “Double Irish with a Dutch Sandwich” [39] (Figure 3).

The main issue in this case is whether market “giants” such as where is Apple or Google considered a taxpayer, where are they taxed, or are they taxed at all? How can tax avoidance be achieved with this structure? Take the example of Apple. The intellectual property transferred to the Irish / Bermuda subsidiary is a right to use Apple's trademark or operating system. A significant portion of the price of hardware is trademark use and software licencing. These revenues go to the second Irish company (Ir Co B). In Ireland, corporate tax is low at only 12.5% [40]. But the tax base of this Irish company (Ir Co B) is also low, as it pays a large trademark usage fee to the Dutch company (Net Co) under the license agreement. The Dutch company (Net Co) also pays little tax as it transfers a significant part of its revenue to the first Irish company (Ir Co A) as a licence fee. The little income that remains is taxed favourably: in the Netherlands, income from the exploitation of intellectual property is taxed at a reduced rate. As the Dutch company has formally purchased the right to use the licence from an Irish (i.e., EU) company, the EU rules requiring the withholding tax of items that reduce the tax base to be transferred to tax havens are not applicable.

However, the first Irish company is only an Irish company “from outside” (the Netherlands), but it is not considered Irish under Irish law (since it is based in Bermuda), so it is not taxed in Ireland after its income.



**Figure 3. Double Irish with a Dutch Sandwich**

Source: *pearse-trust.ie*

A significant portion of the revenue realised as a trademark usage fee goes to Bermuda in an almost barely tax-deductible form (excluding the negligible tax paid by Ir Co B and Net Co), but there is no corporate tax here.

However, until this income is transferred to the parent company, there is no tax liability in the United States thereafter. Apple's parent company therefore pays 35% tax only on the exploitation of its intellectual property in the United States, but this is not much, as a significant proportion of its employees also work in the United States. In addition, there is research and development, which is also costly and therefore reduces the tax base and is subject to all kinds of preferential tax schemes. These allow for a significant cost deduction, so the company will have a low tax base in the United States. We can get an idea of the amount of money in circulation since another company, Google, earned \$ 24.5 billion tax-free in 2018 with a similar system [41].

MNCs sometimes go even further and gain control of sovereign states in a way that fits into an action movie or political thriller. One such case is still in the XX occurred in the first decades of the twentieth century. Its protagonist, a Honduran banana trading company, United Fruit, has received significant US funding for infrastructure development. Later, the situation in Honduras became unstable and the U.S. sent warships and troops to the region to advance its interests. United Fruit has thus become a determining factor in Honduras, as the country's economy has been heavily dependent on banana export revenues [42]. The other example this year will be three years old. This is the 2019 coup in Bolivia. Here, the President-elect nationalised



the country's lithium reserves and agreed to establish a battery plant with a German company. This so severely hurt the interests of Tesla that Elon Musk needed a president who was more in line with Tesla's goals. In a tweet that has since been deleted, he then responded to the accusations: "Let's beat whoever we want! Deal with it!" [43].

**Conclusions and prospects for further research.** The relationship between the economy and the law in a globalised world is extremely complicated and complex. On the one hand, states, as legislators and law enforcers, want to meet the needs of society. However, their power at the state borders is practically ending. Alongside them, however, an international business community, a society without a state, has emerged and is gradually strengthening, for which state solutions have proved unsuitable and, therefore, they use the modern form of the *lex mercatoria* as a "legal system" among themselves. Members of this new caste can circumvent state law and justice, and even force their own rights on state legislators. They can intervene in the operation of states to almost any degree to maximise profits. This process can only be controlled by an internationally co-ordinated policy, as exemplified by the OECD's BEPS program. Nowadays, the accelerating process of globalisation is really being felt, especially in the field of economics. Similar trends can already be observed in politics and even in law. In the UK, for example, there is an increasing number of statutory proceedings, while in Europe there is an increasing number of precedent-setting judgments. Although Pierre Legrand argues that the legal systems are not comparable [44], no obstacle seems to appear to their merger. This may make the caste of the untouchables more accessible.

Currently, our study covered only the overview of the tax environment of two countries, Ukraine and Hungary. In the future, we plan to carry out an international analysis with the involvement of several countries, which will highlight the common points and principles of the taxation systems, as well as reveal the shortcomings that can be used to prevent or eliminate tax anomalies. We are planning to expand the investigation primarily to countries that do not belong to the OECD, since the OECD has been investigating the issue among its own member countries for years and has raised several possible solutions. By examining additional countries, we would like to contribute to supplementing and, if necessary, modifying the image that has developed on the subject. We would like to focus our further research primarily on the tax willingness of individuals and businesses, as they are typically the most common taxpayers in all countries.

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