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State Regulation of the Tax System of Ukraine

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ABSTRACT

The article examines the theoretical and practical principles of state regulation of the tax system of Ukraine in the context of the transformation of the economic environment, the strengthening of the state's budgetary needs and the need to ensure the stability of tax revenues. The purpose of the study is to substantiate the directions of improving the mechanisms of state regulation of the tax system of Ukraine, taking into account modern economic, institutional and social factors. To achieve this goal, the methods of system analysis, generalization, comparison, structural and functional analysis, induction and deduction were used. The application of these methods made it possible to consider the tax system as a complex of interrelated instruments of state economic policy and to determine the interdependence between the tax burden, fiscal efficiency, economic activity of business entities and the level of voluntary fulfillment of tax obligations. As a result of the study, the main functions of state regulation in the field of taxation were systematized and key problems of the functioning of the tax system of Ukraine were identified. These include the complexity and instability of tax legislation, the administrative burden on taxpayers, the lack of predictability of tax policy, the uneven distribution of the tax burden, the risks of tax evasion and the need for further digitalization of tax administration. It is substantiated that the effectiveness of state regulation depends not only on the level of tax rates, but also on the quality of administration, transparency of procedures, stability of the regulatory environment and the effectiveness of control. The scientific novelty of the study lies in the comprehensive substantiation of directions for improving state regulation of the tax system of Ukraine based on the coordination of fiscal and incentive functions of taxation. It is proposed to consider the digitalization of administration, risk-based tax control, increasing the transparency of tax procedures and strengthening the predictability of tax policy as interrelated components of a single regulatory mechanism. The practical significance of the results obtained lies in the possibility of their use by state authorities during the formation and adjustment of tax policy, improving tax administration, increasing the efficiency of control and creating more predictable conditions for the activities of taxpayers. The implementation of the proposed approaches will contribute to increasing the fiscal sustainability of the state, reducing administrative costs and forming a more balanced interaction between the state, business and taxpayers.

KEYWORDS

tax system of Ukraine; state regulation; tax policy; tax administration; tax burden; tax control; digitalization of taxation; fiscal efficiency.

Introduction

The tax system occupies an important place in the functioning of public finances. Tax revenues form a significant part of budget revenues, finance state and social programs, and ensure the performance of public functions. At the same time, the impact of taxation is not limited to the formation of budget resources. Tax decisions directly affect the financial position of enterprises, the level of business activity, investment processes, and the behavior of taxpayers. That is why the quality of state regulation in this area determines not only the volume of budget revenues, but also the conditions for economic development.

The Ukrainian tax system operates under conditions of significant burden on state finances and the economy. The state constantly faces the need to ensure a sufficient level of budget revenues, while not creating excessive restrictions on business activity. This situation complicates the choice of tax instruments and requires a more balanced approach to their application. Raising rates or expanding the tax base can provide additional revenues in the short term, but under adverse conditions, it can increase the tax burden and affect economic activity. On the other hand, excessive use of tax benefits and exemptions can narrow the financial basis of the budget.

The problem of state regulation of the tax system also lies in ensuring clear taxation rules. For business entities, it is important to be able to predict tax costs and take them into account when making financial and economic decisions. The instability of legislation, frequent changes in individual norms and the complexity of administrative procedures increase the costs of fulfilling tax obligations. Under such conditions, even formally justified tax decisions may have undesirable economic consequences.

A separate direction of transformation of tax regulation is connected with digitalization. The transition to electronic interaction between payers and state bodies has already changed a significant part of the procedures for reporting, accounting and control. Further use of digital technologies creates prerequisites for automation of information processing, faster detection of inconsistencies in tax data and more targeted implementation of control measures. At the same time, digitalization by itself does not solve the problems of tax administration. The result depends on the quality of information support, the coherence of the work of state bodies, regulatory regulation and the level of trust of payers in the relevant procedures.

The nature of the state's interaction with taxpayers is also of great importance. The effectiveness of control is not always determined by the number of inspections carried out. Much more important is the ability of state bodies to timely identify risky transactions, concentrate control resources on relevant taxpayers and at the same time not to create unreasonable obstacles for entities that fulfill their obligations. In this regard, further development of a risk-based approach to tax control is promising.

The content of state regulation of the tax system should be linked not only to fiscal objectives. Tax policy should simultaneously ensure budget revenues and create conditions under which tax mechanisms do not hinder economic activity. Accordingly, the fiscal, regulatory and stimulating functions of taxation should be considered in conjunction. Their relationship is of particular importance for Ukraine, where the financial needs of the state are combined with the need to support entrepreneurship, investment and restore economic potential.

The above circumstances determine the need for further research into the mechanisms of state regulation of the tax system of Ukraine. This is not about finding a single universal tool, but about harmonizing legislative, administrative, financial and digital mechanisms. This approach makes it possible to assess the tax system from the standpoint of its fiscal effectiveness, impact on economic activity and convenience of fulfilling tax obligations.

Thus, the relevance of the study is due to the need to improve state regulation of the tax system of Ukraine, taking into account the modern conditions of the functioning of the economy. Special attention should be paid to the issues of increasing the stability of tax legislation, improving administration, developing digital tools, increasing the effectiveness of tax control, and finding an acceptable balance between the fiscal interests of the state and the economic capabilities of taxpayers. Solving these issues should contribute to the formation of a more predictable tax environment and increasing the efficiency of state financial policy.

Literature Review

The issues of functioning and reforming the tax system of Ukraine over the past decade have remained the subject of attention of representatives of economic science, specialists in the field of public administration and international organizations. The content of scientific and applied research has gradually changed in accordance with the transformations of the economic environment. If earlier the main attention was paid mainly to the tax burden, the structure of tax revenues and shortcomings of administration, then in recent years more and more attention has been paid to digitalization, risk-based control, voluntary compliance with tax legislation and harmonization of the Ukrainian system with European approaches.

One of the areas of research is the assessment of problems that have long characterized the Ukrainian taxation model. Maliarchuk and al. (2025) and Fedoryshyna & Aleskerova (2026) draw attention to the excessive fiscal orientation of tax policy, the complexity and contradictions of regulatory regulation, as well as high administrative costs. The author links these shortcomings to the problems of implementing tax reform and emphasizes the need to change approaches to public administration in the tax sphere. These provisions remain relevant today, although the system of state regulation itself has undergone significant changes during this time.

An important place in modern literature is occupied by studies of tax policy in a broader international context. Sopronenkov and al. (2023) and Challoumis (2023) consider changes in tax policy in different countries, analyzing taxation of personal income, corporate profits, consumption, property and other objects. Such studies make it possible to trace general trends in tax reforms and compare national approaches to tax policy formation. For Ukraine, this experience is important primarily in terms of finding a correlation between the fiscal function of taxes and their impact on economic activity.

A separate direction is made up of works devoted to tax administration. Paroli (2023) considers modern tax administration not only as a body of control over tax payments, but as a system that should ensure proper fulfillment of tax obligations, effective use of information and reduction of administrative costs. Comparative studies by Salahova (2025) and Salosso & Hammar (2026) cover indicators of tax administrations' activities, digital services, organization of control and interaction with taxpayers. This approach is important for Ukraine, since the efficiency of the tax system is largely determined not only by legislative norms, but also by the practice of their application.

Khatniuk examines the issue of reforming the Ukrainian tax system in the face of modern economic challenges and al. (2024), Zayats (2024), Bohušová (2025). The authors consider the directions of optimization of the tax system of Ukraine and emphasize the need for its adaptation to the conditions of war and post-war recovery. The work raises the issues of corporate income taxation, value added tax, simplified taxation system, tax benefits and possibilities of changing the tax model. This approach expands the understanding of tax reform, as it connects it not only with fiscal needs, but also with the tasks of economic recovery.

Klymenko and al. (2023) analyze the current state of the tax system of Ukraine and the directions of its optimization, paying attention to the tax burden and behavioral factors that affect the functioning of the taxation system. This approach is important given that formal compliance with tax regulations does not always mean high efficiency of the tax system. The behavior of taxpayers also depends on the complexity of procedures, the level of trust in state institutions, the perception of the fairness of taxation and the expected consequences of violating tax legislation.

The current stage of reforming the tax system of Ukraine is largely related to the National Revenue Strategy until 2030. The Ministry of Finance of Ukraine defines it as a framework document that sets the direction of reforming the tax and customs sectors, improving administration, adapting legislation to the law of the European Union and increasing domestic revenue mobilization. At the same time, the Strategy provides for orientation on international experience and recommendations of the OECD, the International Monetary Fund and the World Bank.

The content of the National Revenue Strategy indicates a gradual change in the very logic of state regulation of the tax system. Its tasks include increasing the level of voluntary compliance with tax legislation, strengthening the transparency and integrity of regulatory bodies, improving tax administration, and developing digital solutions. Particular importance is attached to the transition to modern approaches to tax risk management.

International studies also indicate a gradual shift in emphasis from a purely control model of tax administration to risk management and increasing the level of voluntary compliance with tax obligations. For Ukraine, this direction is gaining practical importance in connection with the introduction of a tax risk management system and the development of electronic interaction between state bodies and taxpayers. At the same time, the digitalization of tax procedures should be considered not as an independent result of the reform, but as a tool for improving the quality of state regulation.

In modern studies, the issue of trust in tax authorities is increasingly raised. Strengthening control in itself does not guarantee an increase in the level of voluntary tax payment. No less important are the clarity of rules, availability of information, predictability of decisions of state bodies and uniform application of tax norms. In the National Revenue Strategy, this aspect is also associated with the need to form a customer-oriented tax system and increase the trust of citizens and businesses in regulatory authorities.

Thus, the analysis of scientific works and analytical materials shows that the main areas of modern research are tax reform, optimization of the tax burden, improvement of administration, digitalization, development of risk-based control, increasing voluntary compliance with legislation and adaptation of Ukrainian norms to European requirements. At the same time, most of the works focus on individual components of the tax system. To a lesser extent, their interaction within the framework of a single mechanism of state regulation is considered.

An unresolved part of the general problem remains the definition of such a mechanism for state regulation of the tax system of Ukraine, which would simultaneously take into account the fiscal needs of the state, the economic interests of taxpayers, the digital transformation of administration and the need to increase trust in tax institutions. The issue of harmonizing tax policy, administration and control in such a way that increased mobilization of budget revenues does not create excessive barriers to economic activity also requires further justification. This aspect is the subject of further research.

Problem Statement

The main objective of the study is to substantiate the directions of improving state regulation of the tax system of Ukraine, taking into account the need to ensure stable budget revenues, reduce excessive administrative burden on taxpayers and create favorable conditions for economic activity. Achieving this goal involves considering state regulation not only as a set of measures to mobilize tax revenues, but as a comprehensive mechanism for the state’s influence on economic processes.

To achieve the goal, the following main research tasks were identified: to analyze modern approaches to state regulation of the tax system and determine its role in ensuring the financial capacity of the state; to characterize the main problems of the functioning of the tax system of Ukraine; to assess the impact of the tax burden, administration and tax control on the interaction of the state with taxpayers; to determine the possibilities of using digital technologies to increase the efficiency of tax administration; to investigate the feasibility of applying a risk-based approach to tax control; to identify areas for increasing the predictability of tax policy and voluntary fulfillment of tax obligations; to substantiate proposals for improving the mechanism of state regulation of the tax system of Ukraine.

Methods and Materials

The information basis of the study is official statistical and administrative data, regulatory legal acts of Ukraine, materials of central government bodies, as well as analytical and methodological materials of international organizations. The main sources of statistical information are data from the State Statistics Service of Ukraine, the Ministry of Finance of Ukraine, the State Tax Service of Ukraine and the State Treasury Service of Ukraine. To assess the general trends in the formation of budget revenues and the role of tax revenues, indicators of the state budget, revenue structure, tax revenue volumes and their dynamics were used. Certain aspects of the development of the tax system were considered on the basis of the provisions of the Tax Code of Ukraine, legislative changes in the field of taxation and strategic documents of state policy.

For comparative analysis, materials from the Organization for Economic Cooperation and Development, the World Bank, the International Monetary Fund and other international institutions were used. Their use allows us to compare individual characteristics of the tax system of Ukraine with general approaches to tax policy and administration used in other countries. When forming the information base, preference was given to materials published over the past ten years, which allows us to take into account current trends in the development of tax regulation.

The methodological basis of the study is a systems approach, according to which the tax system is considered as a set of interrelated elements of state regulation, covering tax policy, regulatory support, administration, control and information and analytical support. The systems approach is used to determine the relationships between individual components of tax regulation and their impact on the effectiveness of the tax system.

The method of analysis and synthesis was used to study the structure of the tax system, identify the main problems of its functioning and generalize scientific approaches to state regulation. Using the comparison method, individual indicators were compared in dynamics and changes in the structure of tax revenues were determined. The method of statistical analysis was used to process quantitative indicators, identify trends and assess changes in the role of individual types of tax revenues in the formation of budget revenues.

To determine the nature of changes over time, dynamic analysis was used. It involves comparing absolute and relative changes in the studied indicators over individual periods. Structural analysis was used to determine the share of tax revenues in the total budget revenues and the ratio between the main types of taxes. This makes it possible to assess not only the absolute volumes of revenues, but also changes in their role in the formation of the state's financial resources.

The generalization method was used to form conclusions about the current state of state regulation of the tax system of Ukraine and to determine the directions of its improvement. The use of induction and deduction made it possible to move from the analysis of individual characteristics of tax regulation to general conclusions about its effectiveness. The normative method was used in the analysis of the legislative foundations of the functioning of the tax system and to determine the directions of its further development.

Special attention is paid to the analysis of the digitalization of tax administration and the development of a risk-based approach to control. For this purpose, official materials of the State Tax Service of Ukraine on electronic services, tax administration, tax control and interaction with payers were used. The combination of statistical, regulatory and analytical materials allows us to consider state regulation of the tax system not only from the perspective of the volume of budget revenues, but also taking into account the organizational and administrative conditions of their formation.

Thus, the combination of statistical, comparative, systemic, structural and normative approaches ensures a comprehensive nature of the study. The use of different groups of sources makes it possible to compare regulatory provisions with actual indicators of the functioning of the tax system and, on this basis, identify problematic aspects of state regulation and areas for their further improvement.

Results and Discussion

State regulation of the tax system of Ukraine in recent years has been influenced by several factors at the same time. On the one hand, the state needs significant and stable revenues to finance budget expenditures. On the other hand, excessive fiscal burden may limit the opportunities of enterprises for development, investment and recovery. Therefore, it is not enough to assess the effectiveness of tax regulation only by the volume of revenues received. It is necessary to take into account the structure of revenues, methods of their administration, the level of digitalization and the nature of interaction of regulatory authorities with payers.

The first stage of the study was to determine the dynamics of tax revenues to the state budget. According to official data from the Ministry of Finance of Ukraine, in 2022, tax revenues to the state budget amounted to UAH 949.8 billion, in 2023 - UAH 1,203.5 billion, and in 2024 - UAH 1,647.2 billion. Thus, in 2022-2024, their volume increased by almost UAH 697.4 billion, or 73.4% (Table 1).

Table 1. Dynamics of tax revenues of the State Budget of Ukraine

Indicator	2022	2023	2024	Change 2024 to 2022
Tax revenues, billion UAH	949.8	1203.5	1647.2	+697.4
Growth rate compared to the previous year, %	–	126.7	136.9	173.4
Share of tax revenues in state budget revenues, %	53.2	45.1	52.8	-0.4 p.p.

Source: Compiled by the author based on data from the Ministry of Finance of Ukraine

The obtained indicators indicate the restoration of the role of tax revenues in the formation of the state budget after its decrease in 2023. In 2022, the share of tax revenues in state budget revenues was 53.2%; in 2023 it decreased to 45.1%, and in 2024 it increased to 52.8%.

At the same time, the increase in nominal tax revenues should not be interpreted solely as a result of increased tax administration efficiency. The dynamics were influenced by changes in tax legislation, economic activity, inflationary processes, the structure of budget revenues, and the peculiarities of collecting individual taxes. Therefore, an analysis of the structure of tax revenues is more indicative (Fig. 1).

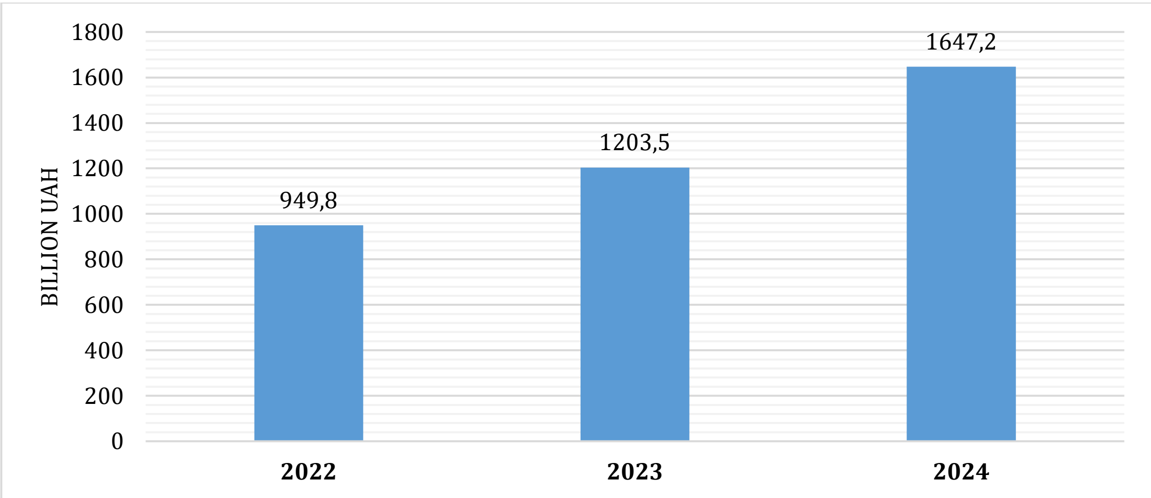

Figure 1. Dynamics of tax revenues of the State Budget of Ukraine in 2022–2024, UAH billion

Source: Constructed by the author based on data from the Ministry of Finance of Ukraine.

Structural changes indicate that tax regulation in Ukraine is largely dependent on several main sources of revenue. In 2024, the general fund of the state budget received UAH 2.177 trillion. Among the payments, the collection of which is controlled by tax and customs authorities, UAH 466.1 billion was for VAT on imported goods, UAH 271.1 billion -for corporate income tax, and UAH 268.3 billion -for VAT on goods produced in Ukraine (Table 2).

Table 2. Main tax revenues to the general fund of the state budget in 2024

Payment type	Revenue, billion UAH	Role description
VAT on imported goods	466.1	One of the main sources of budget revenue
Corporate income tax	271.1	Reflects the financial results of enterprises
VAT on goods produced in Ukraine	268.3	An important source of domestic tax revenue
Other tax and customs payments	rest	Form a diversified part of the income

Source: Compiled by the author based on data from the Ministry of Finance of Ukraine.

This structure is important for state regulation. The high role of VAT means that the state of the domestic consumer and import markets directly affects budget revenues. At the same time, significant revenues from corporate income tax link fiscal results to the financial condition of business entities.

In 2023, the situation was somewhat different. The general fund of the state budget received more than UAH 1.66 trillion in taxes, fees, and other payments. The main sources among payments controlled by tax and customs authorities were VAT on imported goods, VAT on goods produced in Ukraine, personal income tax and military levy, excise tax, and corporate income tax (Fig. 2).

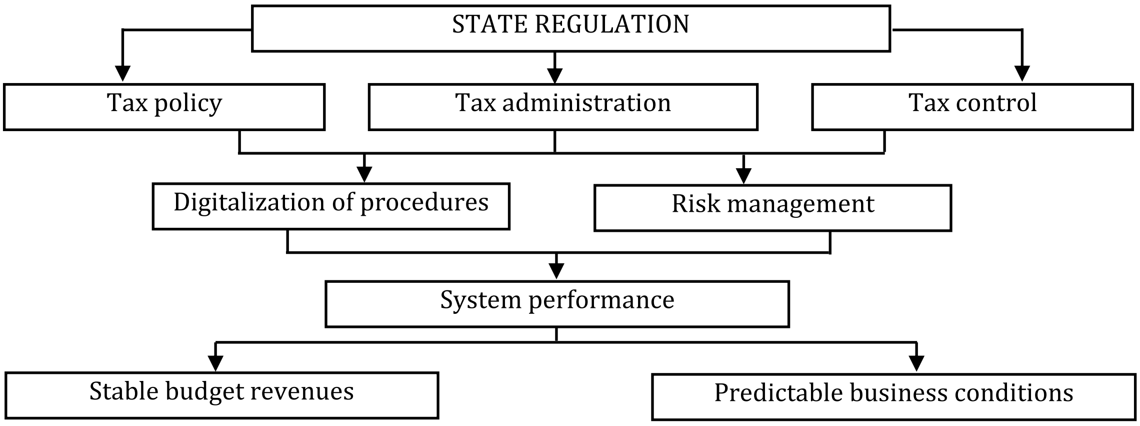

Figure 2. Main components of state regulation of the tax system

Source: Developed by the author.

The results of the analysis give grounds to argue that tax regulation cannot be effective if its individual components are developed in isolation. An increase in budget revenues must be accompanied by improved administration and control. Otherwise, the growth of the fiscal result may occur at the expense of increasing administrative costs of taxpayers and the state.

One of the most notable areas of system transformation is digitalization. In 2024, the State Tax Service continued the development of electronic services, automation of tax reporting processing and improvement of the Electronic Cabinet. An experiment was also launched on the functioning of the tax risk management system and work began on IT solutions for "E" - audit and SAF-T UA processing.

The dynamics of the use of electronic reporting is indicative. According to the Main Department of the State Tax Service in the Odessa region, as of January 1, 2025, 97% of tax returns were submitted electronically. For legal entities, this figure was 98.1%, for individuals 96% (Table 3).

Table 3. Results of digitalization of tax administration

Payment type	Value
Share of tax returns filed electronically	97.0%
Share of electronic declarations of legal entities	98.1%
Share of electronic declarations of individuals	96.0%
Electronic declarations in the Odessa region in 2024.	834,483
Total number of declarations submitted in Odesa region	859,914

Source: Compiled by the author based on data from the State Tax Service of Ukraine.

The data provided indicate that the electronic format has already become the main channel of interaction for a significant part of taxpayers with tax authorities. At the same time, the mere fact of switching to electronic reporting does not yet mean a complete digital transformation of tax administration. The next stage should be the use of accumulated data for automated risk analysis, prevention of violations and reduction of the number of unjustified control measures.

In this direction, the transition from predominantly reactive control to tax risk management is important. In 2024, the State Tax Service launched a corresponding experiment. In parallel, BigData TP is being implemented to analyze large amounts of information during transfer pricing control. Ukraine also joined the international automatic exchange of tax information under the CRS standard, and the first exchange of financial data took place in the fall of 2024 (Fig. 3).

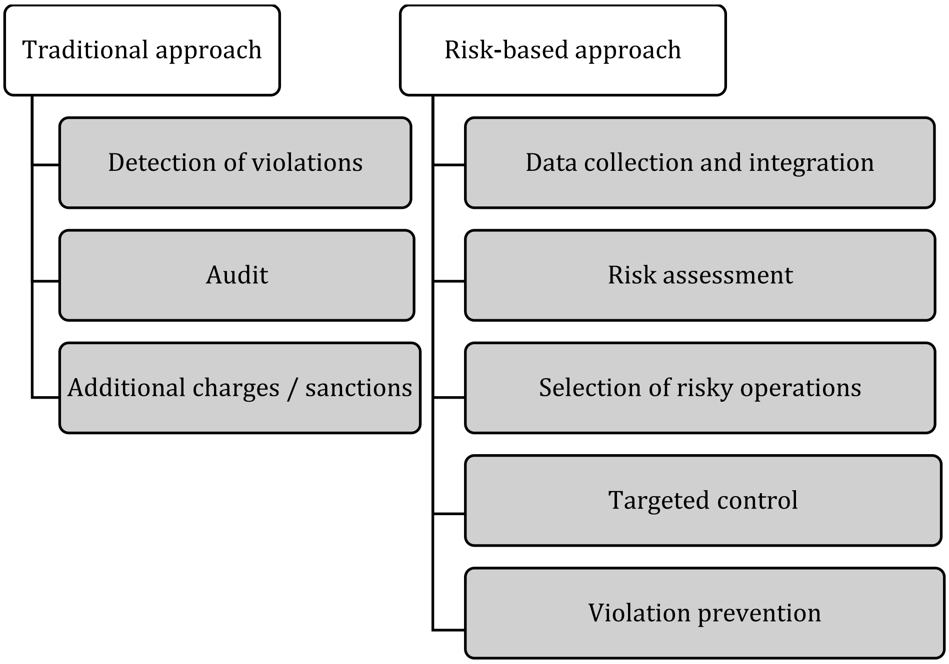

Figure 3. Transition from traditional to risk-based tax control

Source: Developed by the author based on a generalization of modern approaches to tax administration.

Comparing the two approaches allows us to draw an important conclusion. In the traditional model, the main burden falls on the stage of verification of already completed transactions. The risk-based model involves transferring part of the analytical work to the previous stage. This makes it possible to concentrate the resources of the supervisory authority on transactions with a higher probability of violation and at the same time reduce interference in the activities of payers with a low level of risk.

Positive results of digitalization are also observed in the fiscalization of settlement operations. In 2024, the number of registered RROs/PRROs increased by 11.9% from 851.2 thousand to 952.6 thousand. The total amount of revenue declared by business entities increased by 35.4%, or by UAH 1,160 billion, and the number of checks increased by 20.9% (Table 4).

Table 4. Changes in fiscalization indicators in 2024 compared to 2023

Indicator	2023	2024	Change
Registered RROs/PRROs, thousand	851.2	952.6	+11.9%
Declared revenue, billion UAH	3280.6	4440.6	+35.4%
Number of checks, million pcs.	7848	9487	+20.9%

Source: Compiled by the author based on data from the State Tax Service of Ukraine.

The growth of the above indicators indicates the expansion of digital control over settlement operations. At the same time, this process has a double effect. For the state, it means an increase in the volume of information about business transactions and control capabilities. For business, the need to comply with additional procedures and technical requirements. Therefore, the further expansion of digital tools should be accompanied by simplifying their use and minimizing the costs of performing tax procedures.

An important problem remains ensuring a balance between increased control and voluntary fulfillment of tax obligations. Data from regional departments of the State Tax Service show that a significant part of tax obligations is fulfilled without direct intervention of regulatory authorities. In particular, according to the report of the Main Department of the State Tax Service in the Dnipropetrovsk region, in the structure of income tax revenues in 2024, 96.8% fell on tax obligations determined by taxpayers themselves.

This indicator is important for assessing the effectiveness of state regulation. If a significant part of payments is made voluntarily, then the state's task is not only to identify violations, but also to maintain conditions under which compliance with the legislation is understandable and economically acceptable for the payer.

On this basis, it is appropriate to highlight several main problems that hinder further improvement of the tax system of Ukraine.

Table 5. Main problems of state regulation of the tax system and directions for overcoming them

Problem	Consequence	The appropriate direction of response
Frequent changes in tax rules	Growing uncertainty for business	Increasing the stability and predictability of legislation
Significant administrative burden	Additional costs for taxpayers	Simplification of procedures and automation
Insufficiently targeted control	Unnecessary interference in the activities of conscientious taxpayers	Risk-based control
Incomplete use of data	Loss of opportunities for analytics	Information systems integration
Risks of tax evasion	Loss of budget revenues	Information sharing and automated analysis
Uneven digital capability of payers	Difficulties in using electronic services	Consulting support and interface simplification
Lack of trust in tax institutions	Reduction of voluntary discipline	Transparency of decisions and predictability of control

Source: Systematized by the author.

A comparison of the results obtained with the approaches set out in the National Revenue Strategy until 2030 shows their general consistency. The strategic document envisages improving tax administration, increasing voluntary compliance with the law, developing digital tools, managing tax risks, and harmonizing the Ukrainian system with European standards. Practical steps of the State Tax Service in 2024, the launch of an experiment on tax risk management, the development of "E-audit", BigData TP, and international information exchange, correspond to these areas.

However, a number of obstacles remain between strategic guidelines and the practice of their implementation. These include the need to integrate various government information systems, ensuring data quality, protecting tax information, training employees to work with analytical tools, and the readiness of taxpayers for further digitalization. An additional problem is the need to maintain a balance between automation of control and taxpayer rights.

Overcoming these obstacles requires the consistent implementation of several interrelated measures. First of all, it is necessary to ensure unified approaches to data exchange between state information resources. The next step should be the development of analytical models for risk assessment with a clear definition of the criteria for their application. It is also important to ensure that the payer can receive a clear explanation of the reasons for classifying a specific transaction as risky. This will allow combining technological control capabilities with the principles of transparency and legal certainty.

Based on the analysis conducted, the following sequence of improvements to the state regulation mechanism can be proposed: stable regulatory environment → digital administration → data integration → risk assessment → targeted control → voluntary fulfillment of obligations → stable budget revenues.

The proposed model differs from the approach in which the main result of state regulation is considered to be an increase in the amount of taxes collected. In the proposed sequence, the fiscal result is the result of better performance of the entire system. If the legislation is clear, administration is maximally translated into electronic format, risks are identified based on data, and control is focused on problematic transactions, the need for widespread use of administrative measures is reduced.

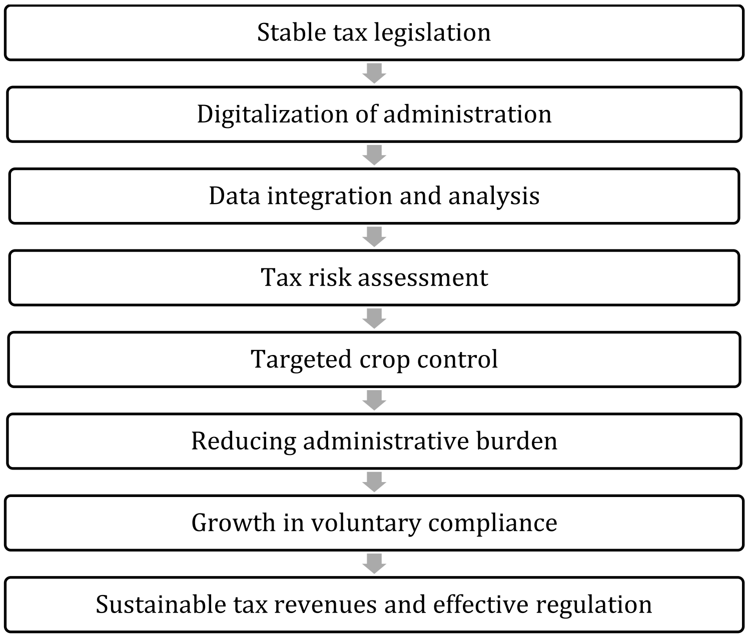

Figure 4. Proposed model for improving state regulation of the tax system of Ukraine

Source: Developed by the author.

Thus, the results of the study confirm the need to move from fragmentary improvement of individual tax instruments to comprehensive regulation of the system. The positive dynamics of tax revenues in 2024, the spread of electronic reporting, the development of tax risk management and the use of large data sets indicate the gradual formation of a new administration model. At the same time, these changes require further regulatory, organizational and technological support.

A comparison of the results with the strategic guidelines set by the state shows that the main directions of reform are generally consistent. However, their effectiveness will depend on how consistently the relationship between digitalization, risk- based control, stability of legislation and increased voluntary tax discipline is ensured. It is this interaction that should become the basis for further improvement of state regulation of the tax system of Ukraine.

Conclusion

The conducted research made it possible to achieve the set goal and fulfill the specified tasks regarding the assessment of the current state and directions for improving the state regulation of the tax system of Ukraine. It was established that the effectiveness of tax regulation is determined not by individual decisions on changing rates or the procedure for collecting taxes, but by the coherence of tax policy, administration, control and information support. This approach is of particular importance in the context of the need to simultaneously ensure budget revenues and support economic activity.

Analysis of the dynamics of tax revenues showed a significant increase in their volume in 2024 compared to 2022. At the same time, an increase in revenues cannot be considered as an independent criterion for improving the quality of state regulation. The fiscal result is influenced by the state of the economy, changes in tax legislation, the structure of consumption, import transactions and other factors. Therefore, the assessment of the tax system should combine the analysis of budget indicators with the study of the conditions under which tax liabilities are formed.

One of the most promising areas is the further digitalization of tax administration. The spread of electronic reporting, the development of the Electronic Cabinet, the use of software registrars of settlement operations, automated information exchange and the introduction of data analysis tools create opportunities for reducing administrative costs and improving the quality of control. At the same time, digitalization must be accompanied by proper information protection, improving data quality and ensuring clear rules for using automated procedures.

The feasibility of further development of risk-based tax control is substantiated. Its application makes it possible to focus control resources on transactions and payers with an increased level of risk, without creating an unnecessary administrative burden for honest business. An important condition for such an approach is the transparency of risk assessment criteria and the ability of the payer to receive a reasoned explanation regarding the application of appropriate control procedures to him.

According to the results of the study, it is proposed to consider the mechanism of state regulation of the tax system as an interconnected sequence: a stable regulatory environment, digital administration, integration of tax information, risk assessment, targeted control, and stimulation of voluntary compliance with tax obligations. The practical implementation of such an approach can contribute to the simultaneous increase in the predictability of the tax system and the stability of budget revenues.

The scientific novelty of the results obtained lies in the justification of a comprehensive approach to state regulation of the tax system of Ukraine, within which fiscal instruments are considered in connection with the digitalization of administration, tax risk management, and ensuring voluntary tax discipline. Unlike approaches that focus on individual elements of the tax system, the proposed model assumes their coordinated use to achieve a common regulatory result.

The practical value of the study lies in the possibility of using the proposed provisions when improving tax policy, organizing tax administration, and developing control mechanisms. The proposed approaches can be useful for government agencies when preparing regulatory decisions, determining directions for digital transformation, and improving interaction with taxpayers.

The expected economic effect of the implementation of the proposed measures is associated with a reduction in the costs of tax procedures, a reduction in the unreasonable control burden and an increase in the quality of budget revenue mobilization. The social effect may manifest itself in increasing the transparency of relations between the state and taxpayers, improving access to tax services and creating more predictable conditions for conducting economic activities. The indirect positive effect for the economy may be associated with the creation of more favorable conditions for entrepreneurial and investment activity.

At the same time, the implementation of the proposed directions has certain limitations. These include the need for significant information and technology resources, the need to harmonize state information systems, staff training, and ensuring the protection of tax data. Overcoming these obstacles requires the phased implementation of digital solutions, a clear regulatory definition of automated control procedures, and a constant assessment of their impact on taxpayers.

Prospects for further research are related to the quantitative assessment of the impact of digitalization and risk-based control on the level of tax revenues, administrative costs of taxpayers and voluntary compliance with tax obligations. A separate study requires a comparison of Ukrainian practice with the tax systems of the European Union countries and the identification of instruments whose adaptation may be appropriate for Ukraine. An important direction is also the development of a system of indicators for regular assessment of the effectiveness of state regulation of the tax system, taking into account not only fiscal, but also economic and social results.

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