

Tax Regime And Its Legal/Ethical Impact On Tax Payers

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What is tax, and why is taxation important in a modern economy?

Definition of taxes: Taxes are taxes that each person, family or company must pay to the State to pay for collective needs, thus contributing a part of their income.

Taxes are the most important taxes, through which most of the public revenues are obtained. With them, the State obtains sufficient resources to carry out its actions, such as, for example, administration, infrastructures or provision of services.

Classification of taxes

Taxes can be classified in various ways according to their characteristics. The first classification would be the difference between direct and indirect taxes.

Direct taxes are those that fall directly on the person, company, company, etc. since they are based on economic capacity: possession of an estate and obtaining income. Among the direct taxes, we have the income tax of individuals, corporate tax or inheritance and gift tax.

Indirect taxes: contrary to the previous ones, indirect taxes are imposed on goods and services and the transactions that are carried out with them, that is, when a purchase of goods or services is made, for example, people are paying a tax on indirect way. The tax does not fall on the specific person, even if it is the one that pays it, but it falls on the good or service that is acquired. Examples of indirect taxes would be VAT, property transfer tax or excise taxes on alcoholic beverages.

We have a second classification, which differentiates taxes between proportional, regressive and progressive.

Proportional taxes: the fee payable is calculated through a fixed percentage, such as VAT. The tax base or income of the individual subject to the tax is not taken into account.

Regressive taxes: the higher the profit or income, the lower the percentage of taxes that must be paid. An example would be VAT on basic goods since it affects a greater proportion of individuals with lower incomes.

Progressive taxes: the higher the profit or income, the higher the percentage of taxes that must be paid. An example would be the income tax.

Speaking of taxes is touching an important issue, whatever the country where one lives, because taxes are part of the tax systems that are implemented in each region of the world, and its purpose is to promote the welfare of society through different actions of governments.

In generic terms, we talk about taxes when we refer to what we pay to the government, although it is more correct to speak of taxes; the word tribute comes from the Latin tributum, which represented in antiquity what was paid to the tribe, this is the distribution of a part of personal gain for the maintenance of collective life, the tax is a type of tribute, as so are rights and exploitations in Mexico and taxes and social contributions in Colombia. (Internal Revenue Service, n.d.)

Taxes provide the government with the resources necessary to carry out public spending, which contributes to the economic development and social welfare of a country. Tax is generally paid for the personal gain obtained but also for carrying out activities such as selling, leasing and providing services. The most popular taxes in tax systems around the world are Income Tax, Income Tax, and Value Added Tax, VAT, since these two generate more than 50% of the income of the countries that have established them.

The taxes also contribute to the progress and stability of our countries, improving the economy, with the essential aim of the modern state to serve the community and promote the prosperity of its inhabitants; most modern constitutions provide for the citizens ' obligation to make contributions to such purpose, as illustrated by the following figure:

In a survey conducted among students and professors of the Higher Technological Institute of El Mante, in Mexico, they were asked about the utility of taxes and their perception is recognized:

To provide public services such as lighting, water and drainage

To create new infrastructure such as roads, hospitals and airports.

To grant support to society in the form of scholarships or recreation areas.

To cover the salaries of employees of public institutions

It is important to note that, although they still have not developed in the labor market, the young students know that they have an obligation to pay taxes; the foregoing makes evident the utility of the programs of diffusion of the tax culture promoted by the tax authorities, such as SAT in Mexico and DIAN in Colombia since the compliance rate in our countries is very low compared to other countries such as Denmark, where the highest taxes are paid from around the world in exchange for free public services.

Taxation system in Pakistan and discuss its overall structure within the country.

Main taxes in the Pakistan Tax System

We must bear in mind that some taxes are at the state level and others, on the contrary, are the responsibility of the Autonomous Communities or Local Haciendas, therefore, those that are not managed by the State, will not always have to coincide.

- Tax on the Challenge of Individuals (IRPF)
- Corporation Tax (IS)
- Non-Resident Income Tax
- Wealth Tax
- Inheritance and Donations Tax
- Value Added Tax (VAT)
- Tax on Patrimonial Transmissions and Documentary Legal Acts (ITPAJD)
- Special taxes
- Tax on Insurance Premiums
- Economic Activities Tax (IAE)
- Real Estate Tax (IBI)
- Tax on Mechanical Traction Vehicles (IVTM)

Sections. Tax system and Tax legislation

(Analyze the effectiveness of these systems and legislation and recognize weak areas to suggest improvements. The improvements have to be justified to develop an effective tax system and legislation that meets key principles in a global context).

Give the general overview of the selected System in India and the UK.

Compare and contrast Pakistan's taxation system with India and UK.

(The area of discussion should also be based on trade blocs where member countries may not have implications on their National taxation system. For instance, Pakistan is a member of SAARC and SEO, but none of the two blocks have any impact on its member's National tax system. The UK, on the

other hand, is a member of the OECD and publishes its model tax convention to encourage countries to comply with it. Pakistan UK, and many other countries are members of the WTO, which impacts the taxation names of its member states. Pakistan and the UK themselves have a double taxation Treaty that affects it directly, and so on. (OECD, 2021)

Task 2 (2500)

Organizations are formed as uniquely operated incorporated entities in both cases; they are liable to be taxpayers and are restricted by legislation. The choice of an organization to operate as a unique corporation or incorporation is mainly determined by the tax liabilities imposed on them, for example.

- The Ghazi Brother Dam project in Pakistan was executed by four companies that worked together as incorporated into Atif in partnership to complete the project.
- The newborn hydroelectric power plant project has several investors, companies, and individuals working on it who have formed an incorporation limited by shares to execute an 84-megawatt power generation unit. The incorporation will dissolve after the completion of the contract.

Both the above examples will have companies falling under ten different text legislation, and we'll have different tax liabilities. The choice of weather and incorporation was formed are not among us. The investors would have been guided by such considerations, amongst others.

Explore the characteristics of incorporated organizations, giving examples of these types of legislation. Also, explain the advantages and disadvantages of operating an Incorporated organization and What the tax liabilities for such organizations select; an incorporated organization collects data on its accounts and calculates its tax liability based on this data and interprets it by using recognized models and formulas.

Incorporated organizations explain the difference between private and public incorporations, giving examples of each type of Company. Go on to explain the difference in taxation liabilities for such companies further in the relevant Mario about Les house limited has prepared if statement of profit and loss with other comprehensive income their profit before tax is not adjusted your task is to find the adjusted profit before tax interpret the results using appropriate formula and models.

On a final note, highlight the difference in taxation liabilities between public-private and an incorporated organization and which organization would be more suitable for what kind of business activity.

Task 3 (1300 Words)

Having studied the details of taxation in different types of organizations, you are required to summarize in a report the relevant legislation affecting these different organizations at regional, National, and international levels where applicable. For example, at the regional level, a country can

define text-free or text-subsidized loans for Industrial Development at the National level, a country can set rebates for export promotion are tax exemptions for foreign exchange remittances at an international level, a country can define various cities like anti-dumping for items such as tinplate Import of cars paper etc.

Besides legal constraints, there are ethical considerations to be taken into account when running an organization with a fair amount of tax in a country of oppression is seen as a social responsibility and moral obligation on the part of the organization to provide a source of funds for public services such as Health Care Education infrastructure etc. this public services intern benefit this company is directly or indirectly text even has been branded as an Immoral and unethical practices that undermine the very integrity of the tax system explain what is meant by ethics in the domain of incorporated and an incorporated organizations how does the emphasis on ethical constraints differ from Nation to Nation how can article constraints be applied consistently across different cultures does bringing uniformity and age of operations for multinational. (Byars & Stanberry, 2018)

Ethical constraints on different organizations consider one example organization of each type and incorporated and incorporated public and private organizations. How do such regulations benefit or disadvantage the organizations? Conclude the extent of this impact on organizations and critically evaluate the impact on each type of organization and what this organization can do to respond to and minimize the impact of such legal and ethical constraints. The possible compliance methods can be recording transactions reporting income for taxation, defining the role of their organizations as collectors of tax, for example, VAT National Insurance Income Tax etc. Spot Your conclusions with examples from a range of international organizations. Are those methods effective in minimizing the impact of legal and ethical constraints? How else can this organization be more socially responsible for conducting its activities?

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