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THE ACCOUNTING ROLE IN FISCAL MANAGEMENT FORMATION

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Abstract: The current work is referring to the methodological and theoretical frame delimitation regarding tax liability and fiscal claim concepts, the procedures and stages of these concepts and their management approach, starting with the companies' specific one and going further with the administration ruled by ANAF, the conceptual delimitation of the fiscal management which is different from the general management and the observation of the procedural inadvertences regarding the fiscal management formation to the above mentioned fiscal players.

1. THE FISCAL ADMINISTRATION CONCEPT

First of all we need to answer the following question: what is a fiscal management? A simple empirical answer is that fiscal management is similar to goods management, but in our case the goods are the tax liabilities of a any individual, member of society or called „tax payer" towards the state.

But any activity, in order to be performed, implies a technical and material basis, an apparatus (the human factor), functions definitions, operational procedures, regulations to be sent to the tax payer and first of all the authority (in our case ANAF).

2. TAX PAYER'S FISCAL ADMINISTRATION PROCEDURES

In our research, the tax payer's fiscal management concept is considered as the general meaning of the French management expression „gestion", respectively „management" in the Anglo-Saxon terminology.

The fiscal liabilities management developed in the informational and accounting system of the tax payer is represented by various categories of fiscal obligations, such as:

a) Fiscal liabilities representing cost elements (local taxes, excise and custom duties, social contributions and so on) ;
b) Fiscal obligations generated by the value added (income tax and dividend tax) ; revenue tax in the case of independent activities revenues;
c) Fiscal liabilities of whose subject and payer is the corporation or the individual, but the source is employees' revenue (wage tax and compulsory social contributions on wages). Although these fiscal liabilities are explicitly deducted from the employees' revenues, implicitly they are also cost elements because they are part of gross employees' revenues which are cost elements too;
d) Fiscal liabilities, respectively value added tax, with its specific fiscal management because although the tax base is the value added by the activity of the tax payer, who also collect an pay it, the real bearer is the final user.

For instance, the fiscal liabilities which are cost elements, such as the local tax, excise and custom duties, social contributions which are supported by the tax payer, are revealed and reflected as costs at the moment the economic transaction occured. For example, regarding the local taxes, the recording on expenditure accounts such as 635 „Expenses with other taxes and assimilated payments" on debit side and 446 „Other taxes and assimilated payments" on the credit side, represents a fiscal obligation without any payment. This system is in accordance with the accrual accounting principle including all its benefits and disavantages.

In the same expenditure account, 635 „Expenses with other taxes and assimilated payments", other subaccounts, are reflected for instance, excise and custom duties, the dividend tax on the debit side and on the credit side trough the third parties account 446 „Other taxes and assimilated payments", distinct subaccounts, the liabilities to the state budget.
Similarly and according to the same principle, the employer's liabilities regarding the compulsory obligations are monthly emphasized on the corresponding expenses accounts, that is 645 „Expenses regarding social security and protection", distinct subaccounts for social security, unemployment, health on one hand, and on credit side of the accounts 431 "Social security" and 437 „Unemployment benefit" in order to record social security, health and unemployment benefit, on the other hand.
Also, in order to highlight the income tax obligations, in accordance with the current regulations, these are recorded on the expense account 691 „Income tax" debit side and on the credit side of the correspondent account 441" Income tax".
Another fiscal liabilities category whose quantum and recording are the tax payer's task, are the fiscal liabilities regarding the wages, such as tax on salaries and social contributions. These are recorded on financial accounting by diminishing the employees revenues as follows: the account 421 „Employees – salaries payable" is debited, and the accounts 444 „Tax on salaries", 4312 „ Employees' contribution to social security", 4314 „Employees' contribution to health insurance" 4372 „Employees' contribution to unemployment fund" are credited.
As described above, the tax payer uses the accounts of financial accounting in order to create and define the fiscal liabilities management. By debiting the third parties subaccounts it is reflected the bearer of that tax, which is the tax payer or a potential beneficiary of the revenues provided by that tax payer (employee – account 421 and so on).
The third parties accounts and these subaccounts reveal the correspondent budget the tax, social contribution and so on are owed to.
I have already expressed my reservations regarding the third parties accounts classification as stated by the legislators. In my opinion, the accounts reflecting the fiscal liabilities should be modified in case of potential change of financial accounting plan.
As an ultimate opinion, we emphasize the financial tools importance for the accrual accounting of the two systems (the financial accounting and the budget accounting – these form authentic primary evidence and also they are the frame where the external flows take place in most cases). Therefore a correct communication through the fiscal vector in the interface area is the premiss of a correct recognition and appraisal of liabilities/claims belonging to the two participants to the fiscal process.

3. PROCEDURES REGARDING THE FISCAL ADMINISTRATION WITHIN ANAF STRUCTURES

Regarding the fiscal management within ANAF structures, we consider a wider context, i.e. *"fiscal management"* as *"activities performed by fiscal authorities regarding fiscal registration, statement, determination, review and collection of taxes, contributions and other amounts due to consolidated budget, and also the settlement of appeals against tax deeds."*
The fiscal receivables management within the A.N.A.F. structures is based on classification criteria regarding the activity fields and features consisting on automatic processing of data.
As a result of data processing through computerized subsystems, the fiscal authority generates the « Tax Payer Sheet » for each subsystem, and also a general sheet.

The accrual accounting principle implementation within the public accounting system is a necessary element of reform considering the European environment, the need to align our systems to this environment on one hand, but also to allow the achievement of its main goal of being a precise financial information supplier, on the other hand. The accrual accounting implementation generates various benefits, such as the clear and accurate picture of assets, liabilities, capitals, incomes and expenses, public services costs measuring, programs and activities costs appraisal and the assurance of using the same measurement unit in order to quantify the tax information.
The budget receivables section of the public accounting is meant to take from the database belonging to A.N.A.F.'s structures the amount of the budget receivables for the five components of the general consolidated budget (state budget, social security state budget, local budgets, the health security budget, the unemployment security budget), along with the analytical structure within each budget, based on the public finance indicators' classification and on each tax payer.
The budget receivables accounting is organized in such manner that it emphasize the budget claims of all five budgets, through budget claims accounts (A) and accomplished incomes (P), and within each budget on tax payers, on one hand, and the accounting reveals the settlement approach for these receivables on each tax payer, on the other hand.
While the recognition in third parties accounts of the amount of the budget receivables is done on the general consolidated budget components and on each tax payer on the basis of the information provided by the fiscal management within each operative department of fiscal administrations, the information regarding the settlement approach of these budget receivables is provided by the state treasury accounting, which runs another section of public accounting.
Based on the software developed for state treasury accounting, that emphasizes the budgetary receivables collection approach on the five budgets (state budget, social security state budget, local budgets, the health security budget, the unemployment security budget) and within them both on the public finance indicators classification and considering each tax payer, it is possible to settle the receivable on each budget and also on each tax payer; the software takes into account the public finance indicators classification.
The budgetary receivables accounting is organized as a separate department within the public authorities accounting and it uses information obtained through statements, control reports issued by fiscal control authorities, taxation reports for individuals. It uses specific accounts such as 46 "Sundry debtors and creditors, budgets debtors and creditors", 73 "Fiscal revenues", 74 "Social security contributions revenues" and 75 "Non fiscal revenues" and the others created in order to settle the budget receivables.
Based on this information, the budgetary debts accounting departments of the public finance administrations emphasize the state's rights for the state budget, the exclusive health national fund budget and the unemployment budget, being sent to the territorial structures of the National House of Pensions and Other Social Insurance Rights, the National House of Health Social Insurance and the National Labor Office in order to organize the double-entry book-keeping of the state social security budgetary receivables with respect to the following:

- the management of the recordings of public receivables from taxes, contributions and associated items, i.e. interest and delay penalties, other income to consolidated general budget, based on the public finances indicators' structure and the four budgets;

- Regular information processing (daily / monthly / quarterly) by the specialized departments of territorial offices of public finances, in order to prepare summary statements on income categories according to the budgetary classification regarding budgetary receivables.

4. CONCLUSIONS

Regarding the legislator's approach on the informational-accounting interface for organizing the fiscal management using financial and public accounting accounts, we emphasize the following:

We consider that the financial accounting expenditure and third parties accounts' structure must have been harmonized with that of the five public budgets, the state budget, the social security budget, the local administration budgets, the Exclusive Health National Fund budget and the unemployment budget, in the same way as the budgetary receivables accounting is structured and organized in the public accounting. We sustain the similarity of accounts structure for the public accounting's five budgets with regard to fiscal debts with the accounts structure for the five public accounting's budgets, as described above, in order to continuously compare the balances of the two accounting systems, to improve the communication between the two fiscal players, because in the current system the comparison process is difficult, being one of the unsettled issues of the accounting interface.

We consider appropriate to have an identity between the expenditure accounts' structure on taxes and the third parties accounts' structure, such as the case of dividend tax. It means that custom duty taxes expenditure accounts must have corresponding third parties accounts.

We consider that the legislator has identified an inadequate solution for recording the income tax obligation in an expenditure account because its recording and payment is actually not an expense for the tax payer. It is a tax on the newly created value, substracted from the income, and in consequence it must be recorded in the account 129 „Profit Appropriation", keeping the credited account, accounting behavior applied to dividend tax, whose source is also the profit, the newly created value.

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