

THE COMPREHENSIVE NATURE OF TAXATION RELATIONS

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Abstract. Tax legal relations constitute a specific and highly structured category of social relations, characterised by the fact that they can only emerge in legal form. The complex social, economic, technological and geopolitical circumstances that influence modern taxation processes in Ukraine necessitate a thorough examination of their legal nature. This article explores the essence, structure and composition of the subjects of tax legal relations, focusing on the mechanisms through which taxes acquire their legal status. A tax obligation arises only once a tax has been legislatively established and properly introduced. This creates a clear distinction between the establishment of a tax (its definition within the Tax Code of Ukraine) and its introduction (when the taxpayer becomes legally bound to fulfil the corresponding obligations). The study emphasises that contemporary tax relations cannot be adequately understood without considering three key factors: the impact of the war with Russia on both taxpayers and the subjects of taxation; the rapid digitalisation of public administration, which increases transparency significantly and reduces the risk of corruption; and Ukraine's steady progress towards European integration, which is shaping the modernisation of tax legislation. This text focuses on the structural components of tax legal relations, namely their object, subjects, and content. The article demonstrates the necessity of distinguishing between the object of taxation and the object of the legal relation, as well as between subjects of tax law (potential participants) and subjects of tax legal relations (actual participants). The inherent inequality between authoritative and obligated subjects is shown to be an objective feature of public-law relations. The research under discussion highlights the dynamic character of tax legal relations and the growing importance of their coherent legal regulation in ensuring the financial stability and institutional capacity of the Ukrainian state.

Keywords: tax, imposition of taxes and levies, types of taxes, income as an object of taxation, tax relations, taxpayers, the state as a party to tax relations.

JEL Classification: H20, H21, K34

1. Introduction

Tax relations are a complex and dynamic phenomenon, shaped by economic, social and political factors. The regulation of taxes is inextricably linked to their legal formalisation, since taxes can only exist within a legally defined framework. Therefore, it is essential to identify the nature, structure and participants of tax legal relations in order to understand how the tax system functions. Tax legal relations arise in the process of imposing, administering and collecting taxes and fees. Their significance is determined not only by the fiscal role of taxation, but also by the fact that these relations ensure the financial capacity and sovereignty of the state. The character and functioning

of these relations are substantially influenced by Ukraine's contemporary development, particularly wartime challenges, the rapid digitalisation of public administration, and ongoing changes in national legislation.

Although a considerable body of Ukrainian scholarship has examined the legal nature and structure of tax relations, modern conditions necessitate a more comprehensive and updated analysis. Despite the existing doctrinal foundation, a **research gap** remains regarding the distinction between the *establishment* of taxes (their legislative definition) and their *introduction* (the moment the taxpayer's duty actually arises), as well as the correlation between the internal structure

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of tax legal relations and the contemporary factors affecting their subjects and objects. It is essential to address these issues in order to understand the dynamics of tax obligations and develop effective tax regulation tools.

2. Literature Review

Both Ukrainian and international scholars have conducted research into the nature and structure of tax legal relations. Significant contributions to Ukrainian legal doctrine have been made by N. P. Kucheriavenko (2004; 2013), who has examined the legal structure of tax obligations, the mechanism of establishing and introducing taxes, and the classification of subjects of tax legal relations. O. Orlyuk (2003) explores the broader financial-legal context within which tax relations operate, emphasising the state's authoritative role as a participant. P. M. Rabinovych (2001) and L. A. Luts (2007) provided the general theoretical basis for understanding legal relations as a form of social interaction regulated by legal norms, helping to conceptualise the legal nature and internal structure of tax relations. A specialised analysis of tax subjects, including their typology and legal status, was developed by Ya. O. Bernaziuk (2004), who distinguishes between several categories of individuals involved in tax law.

Alongside national scholarship, modern research relies heavily on international studies and policy frameworks. The Organisation for Economic Co-operation and Development (OECD) has produced several influential reports, including *Tax Administration 2023* (2023), *Addressing the Tax Challenges of the Digital Economy* (2015), and *Co-operative Compliance: A Framework* (2013), which provide comparative insights into global trends in tax administration, digitalisation, and compliance models. These materials provide a vital basis for analysing the impact of contemporary socioeconomic developments on tax legal relations.

Individual international scholars such as J. Owens and R. Parry (2019) have discussed the evolving role of tax administrations in supporting tax policy, emphasising the importance of balancing enforcement with voluntary compliance. Meanwhile, Rita de la Feria (2016) provides an in-depth analysis of EU tax law and its modern transformation, and Arthur Cockfield (2019) examines the impact of global digital commerce on tax policy and legal structures. Ben Terra and Peter Wattel's (2018) work provides a comprehensive doctrinal foundation for understanding European tax law and its methodological principles.

Additionally, analytical reports of the European Commission, particularly *Taxation Trends in the European Union* (2022), provide valuable statistical

and regulatory insights into tax systems across EU Member States, supporting the comparative dimension of this research.

Taken together, these sources demonstrate that studying tax legal relations requires integrating doctrinal, comparative and policy-oriented perspectives. Although Ukrainian scholars have established a robust theoretical framework, international research emphasises broader structural changes, such as digitalisation, global tax coordination, and evolving compliance models, that are having an ever-greater impact on national tax legal systems.

3. Methodology

The research's methodological framework is based on formal-legal, system-structural and doctrinal methods. These methods allow the internal architecture of tax legal relations to be examined and relevant norms of the Tax Code of Ukraine to be interpreted. The formal-legal method clarifies the content of tax obligations, the structure of the rights and duties of participants, and the statutory mechanisms for establishing and introducing taxes. The system-structural method allows us to analyse the composition and content of tax legal relations as interconnected elements of a unified legal construct. Additionally, comparative analysis is employed to evaluate the impact of contemporary social, technological, and wartime factors on the evolution of tax legal relations.

4. Legal Nature of Tax Relations and Contemporary Factors Influencing Them

In the contemporary era, tax relations are a multifaceted and evolving phenomenon, influenced by a multitude of social, economic and political factors. In this regard, it is important to distinguish between social relations as such and those social relations that acquire a specific legal character within a given field of legal science. Tax relations, as a distinct type of social relations, are characterised by their comprehensive nature, which attracts the attention of various scholarly disciplines. The imposition and collection of taxes and fees are of equal relevance to economics, sociology and political science.

Meanwhile, one of the most crucial aspects of understanding tax relations is identifying and consolidating them in the correct legal form. This is important because taxes cannot exist without legal formalisation. It is only through observing a specific legal procedure and determining the proper legal form that a tax acquires its legal nature. Indeed, a specific procedure must be followed for the introduction of a national or local tax or fee, one that is clearly defined by legislative provisions. For a payment to be considered a tax, it must be included in the exhaustive

list contained in Articles 9–10 of the Tax Code of Ukraine. Furthermore, for a payment to be considered a tax or fee, its mechanism and structure must be defined in relation to the exhaustive set of tax mechanism elements (e.g., taxpayer, object of taxation, rate).

These substantive provisions are complemented by the corresponding legislative procedures. The introduction of a national tax or fee can only be enacted through the exercise of powers by the Verkhovna Rada of Ukraine. In contrast, the introduction of a local tax or fee depends on the exercise of powers by a local council. It is important to emphasise the distinction between the concepts of "establishing taxes and fees" and "introducing taxes and fees" within the legal regulatory regime. This distinction highlights the specific challenges involved in coordinating the substantive and procedural aspects of a taxpayer's obligation, as well as the creation of the corresponding tax payment. The Verkhovna Rada of Ukraine has exclusive competence over the establishment of all taxes and fees (both national and local). The Tax Code of Ukraine determines the following: (a) an exhaustive list of national and local taxes and fees; (b) an exhaustive list of elements of the tax mechanism on which the structure of any tax or fee is based; (c) a body of legislative provisions that secure the legal mechanism of both national and local taxes and fees. Together, these constitute the establishment and consolidation of a tax or fee. However, introducing a tax or fee also means that taxpayers have a duty to comply with all related obligations.

In this regard, the introduction of a tax or fee assumes a differentiated form. The obligation to pay national taxes and fees arises from the moment they are defined in the Tax Code of Ukraine, that is, from the exercise of powers by the Verkhovna Rada of Ukraine. Concurrently, the obligation to pay a local tax or fee arises from the moment a decision is adopted by a local council. The decision to impose such a tax or fee is determined by the structure of the local tax or fee, as outlined in the Tax Code of Ukraine (2011). However, the mere presence of these provisions in the codified act does not automatically establish a duty to pay. Such a duty only arises upon the local council adopting a decision to implement the relevant provisions of the Tax Code of Ukraine. Thus, the introduction of a tax or fee and the emergence of a tax obligation for a particular tax payment occurs: (a) national taxes or fees – from the moment the tax mechanism is enshrined in the Tax Code of Ukraine; and (b) local taxes or fees – from the moment the tax mechanism is enshrined in a decision by the local council.

The legal regulation of a homogeneous group of social relations must accurately reflect the current state of those relations in legal terms, while also taking into account contemporary societal development

trends and challenges. Three major trends can be identified when assessing the current state of Ukraine's development. It is impossible to design adequate legal instruments for regulating tax relations without considering these trends. Firstly, there is the war with Russia. Clearly, this affects all areas of state and societal functioning. The destructive consequences that influence the circle of obligated persons cannot be ignored either. A significant proportion of taxpayers either decrease in number (due to death, migration, etc.) or undergo a fundamental transformation in status (for example, tax residents becoming non-residents). In addition, irreversible changes affect the subject of taxation. Property, the basis for property taxation, is either destroyed or remains in occupied territories. Incomes, which form the basis for liability for income tax, are significantly reduced. Secondly, the contemporary trend of digitalisation is fundamentally transforming the traditional forms and procedures of tax administration. It is now difficult to imagine tax relations without the active application of digital technologies, which minimise the arbitrariness of public authorities and reduce the scope for corruption in tax relations. Thirdly, Ukraine's irreversible course towards European integration is driving fundamental changes in social processes, including reforming tax legislation, improving the functioning of tax legal relations and creating effective legal regulatory mechanisms. The growing interest in the legal nature of tax relations is driven by the crucial role that taxes and fees play in forming state and local budgets. These budgets ensure the functioning of the state, determine the standard of living of the population and stimulate the development of Ukraine's economy.

When assessing the importance of tax relations and the feasibility of establishing an appropriate legal framework for tax and fee collection, it is crucial to recognise their significance for the state. It is evident that the pivotal consideration in this matter is the role of tax relations in ensuring state sovereignty. The emergence of states is associated with a particular type of human organisation intended to protect property, life and health. This association presupposed the establishment of appropriate safeguards, such as the army and law enforcement bodies, to ensure this protection. A key issue in this respect was finding financial instruments to maintain these institutions. Taxes and fees thus became the main source of funding for the state. It was precisely these that gave the state the capacity to exist as a protected entity.

As previously emphasised, tax relations can exist exclusively in the form of legal relations. It is only upon the establishment of appropriate legal provisions that a tax becomes subject to the requirement of payment. It is therefore vital to analyse the tax legal relationship, with subsequent clarification of the subjects involved. According to P. M. Rabinovych (2001, p. 81),

a legal relationship is an ideologically grounded social relationship that is predetermined by a legal norm and expressed through the mutual legal rights and duties of legal subjects. According to L.A. Luts (2007, p. 178), legal relations are defined as the connections between legal subjects that are established through the exercise of their rights and duties, as prescribed by legal norms. Proceeding from the general principles of understanding the nature of legal relations in general, it becomes logically possible to specify their individual characteristics by defining the features specific to tax legal relations (2004, pp. 253–255): (1) tax legal relations establish special connections between persons on the basis of tax law norms; (2) by granting legal form to homogeneous social relations, tax legal relations operate through the consolidation of subjective tax rights and obligations; (3) this type of legal relation relies on a special system of state guarantees and coercion (means of ensuring the fulfillment of tax obligations, penalties, etc.); (4) general prescriptions of tax law norms, when implemented within tax legal relations, acquire an individualised character; (5) tax legal relations possess a volitional nature.

Some studies highlight the fact that tax legislation does not define tax legal relations. In our view, such a definition would be superfluous, as it would create an artificial construct: legal relations, being social relations regulated by law, would be subject to further legal regulation – akin to “watery water”. The fundamental principles for clarifying the nature of tax legal relations are set out in Article 1 of the Tax Code of Ukraine (2011, Art. 112), which defines the scope of application of this Act. In essence, this concerns the subject matter of the regulation, i.e., the scope of relations to which it applies. The primary function of the legislation is to regulate relations arising in the sphere of taxation and fees. This includes the exhaustive list of taxes and fees levied in Ukraine and the procedure of their administration; taxpayers and fee payers, their rights and duties; the competence of controlling authorities, as well as the powers and duties of their officials during the exercise of tax control; and liability for violations of tax legislation.

The term “tax legal relationship” refers to the form acquired by an actual relationship when it is subject to the influence of tax law norms. The term “tax legal relations” is understood to encompass all relations that are connected with the levying of taxes and fees. It is imperative to acknowledge that the inherent nature of legal regulation invariably influences the behaviour of the participants in such relations. It is proposed that the scope of regulation to which legal influence is directed (tax relations) be defined through tax legal relations. Furthermore, the participants of such relations and other substantive aspects of legal regulation are to be defined. A tax legal relationship is predicated on a certain connection between its

participants, grounded in their relation to the object of regulation.

5. Structure of Tax Legal Relations

The structure of any legal relation, including tax legal relations, comprises three main elements. Traditionally, the structure of a tax legal relation includes:

The object of the legal relation is defined as the rights and obligations of the parties to which it pertains. The purpose of a tax legal relation is to regulate relations concerning activities, items, and means that generate and determine the implementation of the tax obligation. It is imperative to acknowledge that this does not entail a unilateral generation of rights and obligations for the taxpayer. The relationship between the subject and the object of the legal relation (ownership, possession, etc.) gives rise to rights and obligations for both the authoritative subject and the obligated subject (Kucheriavenko, 2004, p. 292). In this particular context, it is imperative to draw a distinction between the object of a tax legal relation and the object of taxation, despite the tendency to conflate these concepts. The fundamental purpose of a tax legal relation is to delineate the behaviour of participants with respect to the elements that give rise to the tax obligation. The object of legal relations cannot be things, property, etc. Instead, it is constituted by relations between subjects regarding rights and obligations towards other persons, which arise from relations to property, income, activities, and so forth. In contrast, the concept of taxation encompasses those phenomena (e.g., property, income, activity) that engender a tax obligation. The existence of this obligation gives rise to the taxpayer's duty concerning accounting, payment, and reporting in tax relations.

At the same time, it is necessary to clarify that the object of taxation cannot be confused with the legal fact that gives rise to the tax obligation. A legal fact constitutes the basis for the emergence, modification and termination of a tax obligation. In this instance, however, the focus is on a complex construction – a factual composition – that objectively unites several elements, including the registration of the obligated person, the existence of the taxable asset, and the passage of a specified period of time (the tax period). It is only when these components are combined in the form of a complex legal fact that the tax obligation arises.

The subject of tax legal relations may be any person whose behaviour is regulated by tax law and who, consequently, has subjective rights and obligations and can participate in tax legal relations. Clearly, only individuals whose activities are connected with tax relations in some way may become subjects of tax legal relations. Without analysing the nature and characteristics of tax legal capacity in detail, it

is important to distinguish between two groups of subjects of tax legal relations: direct and indirect.

The direct subjects of tax law are individuals or entities whose rights and obligations are directly related to the collection of taxes and fees. This category evidently includes tax authorities, which have special legal capacity covering the full range of competences related to tax control. Taxpayers also belong to this group, as their tax legal capacity covers all aspects of fulfilling their tax obligations.

Indirect subjects of tax law include participants whose tax rights and obligations arise as an additional element or as a variant of tax law when implementing their main competences, functions or rights and obligations. An example of this is the involvement of customs authorities in tax relations. Although related, their primary competences concerning customs relations are not identical to taxation. At the same time, they become subjects of tax law when they participate in the collection of customs duties, value-added tax or excise tax when crossing the customs border. Similarly, a notary's legal status generally does not allow them to participate in tax relations. However, in certain cases, a notary acts as a tax agent when collecting taxes or fees from a taxpayer during the execution of a notarially certified transaction.

3. The nature of tax legal relations is revealed through the objective combination of legal and material elements. First and foremost, this refers to the set of competencies, rights and obligations that constitute the legal status of those involved in tax legal relations. However, this set is differentiated into legal and material content. The legal content of a tax legal relationship consists of the specification of the rights and obligations that determine and express the potential participation of the subject in tax relations. On the other hand, the material content of a tax legal relationship concerns the specific actions or omissions that characterise the actual behaviour of the participants. In this sense, it relates to the practical implementation of the rights and obligations of the parties involved. As emphasised, "while the material content of a tax legal relation closely connects it with actual tax relations, the legal content serves as the juridical mechanism ensuring the existence and development of those factual relations and shaping their material content" (Kucheriavenko, 2004, p. 431).

6. Subjects of Tax Legal Relations

In analysing the nature and position of persons involved in tax legal relations, a wide range of concepts is employed, such as "party to a legal relation", "subject of a legal relation", and "participant in a legal relation". In some cases, these terms are equated with the notion of a "subject of tax law". In the field of scholarly literature, the term "participant in a legal relation" is frequently favoured over "subject of a legal relation".

This is because it underscores the active involvement of a legal entity in legal relations, thereby circumventing terminological redundancy. It is imperative to elucidate certain ambiguities in this context.

Tax legal relations, as a classical construct of public legal relations, presuppose their analysis in the form of a certain opposition of subjects, which may be grouped into two sides of the legal relation. In the context of the tax legal relation, the authoritative party is represented by public authorities, including the state, territorial communities, and controlling agencies. These entities are charged with the responsibility of upholding the public interest. Conversely, the subjects of tax legal relations, who are primarily bound by a series of obligations concerning accounting, payment, and reporting in the collection of taxes and fees, are known as taxpayers and tax representatives.

It is acknowledged that each party to a tax legal relation (authoritative and obligated) may be represented by several subjects, as previously identified above. These subjects may be described in two different ways: either as "participants in tax legal relations" or as "subjects of tax legal relations". In general usage, these terms are considered synonymous. However, it is the contention of the present study that the distinction between "subject of tax law" and "subject of tax legal relations" carries a somewhat different meaning. The term "subject of tax law" is employed to denote an individual who possesses the complete array of subjective tax rights and obligations, and who may potentially become involved in tax legal relations. In contrast, a subject of tax legal relations is a subject of tax law who actually exercises those rights and obligations that define their tax-legal status. Consequently, the status of a subject of tax law is characterised by a certain static nature, whereas the status of a subject of tax legal relations is inherently dynamic. This distinction is predicated on the inherent nature of legal relations, which are defined as homogeneous social relations regulated by law, as opposed to those which are merely envisaged to be regulated by law in the future.

M.P. Kucheriavenko (2013, p. 95) notes that the subject of tax law may be any person whose conduct is governed by the norms of tax law, and who may act as a participant in tax legal relations by holding subjective rights and obligations. This view is also supported by O. P. Orliuk (2003, p. 54). It is therefore evident that a subject of tax legal relations is a subject of tax law who exercises their legal capacity within the framework of concrete legal relations. It is challenging to conceptualise a subject as possessing tax rights in the absence of their exercise, with the exception of cases involving unlawful conduct. From a pragmatic standpoint, the categories of "subject of law" and "subject of legal relations" can be regarded as homogeneous. This underscores their functional equivalence in the context of the exercise of tax rights and obligations.

In the classification of subjects of tax legal relations, a range of perspectives may be employed. Thus, three groups of subjects of tax law are distinguished: the state (represented by the legislative bodies that adopt tax legislation), the tax authorities and the taxpayers (a position supported by O. P. Orliuk, 2003, p. 528). However, this position does require further elucidation. Firstly, the notion of the state as a subject of tax legal relations, "represented by legislative bodies adopting normative legal acts in the field of taxation", appears to be problematic. It is questionable whether this constitutes a single subject. Firstly, it is necessary to isolate one of the central representatives of the authoritative side of the tax legal relation – the holder of revenues derived from the payment of taxes and fees. Given that national and local taxes and fees are directed towards the formation of the state and local budgets, it is objectively necessary to include territorial communities as well, as they are the owners of local budget funds. Secondly, it is challenging to concur that the state is present in these relations exclusively through representative bodies that adopt normative legal acts in the domain of taxation. The state itself has its own interests in taxation, which may not coincide with those of representative bodies. Furthermore, it is problematic to assert that representative bodies merely adopt normative legal acts in taxation, as they also organise their implementation. Finally, the role of executive bodies in representing the interests of the state in tax relations cannot be overlooked.

Ya.O. Bernaziuk (2004, p. 149) distinguishes four groups of subjects of tax relations: (a) state and non-state entities vested with authoritative powers in the field of tax law; (b) taxpayers; (c) persons who facilitate the payment of mandatory tax-related charges (taxes and fees); and (d) tax agents. It is the present authors' opinion that this approach lacks definitive clarity. The author's use of the term "non-state entities vested with authoritative powers" is ambiguous and requires further elucidation. In such cases, reference must be made to public entities, which may include institutions embodying local self-government. If this is indeed the case, such a claim may be considered to a certain extent acceptable. However, the scope of their authoritative powers remains unclear. Furthermore, it is challenging to concur with the characterisation of taxes and fees as "mandatory tax-related charges". The legal regulation of tax relations in Ukraine does not employ such a construct, not even approximately. Firstly, it is important to note that all taxes are considered mandatory; that is to say, there are no "non-mandatory" taxes or fees. Such an error in definition may stem from the category of "state-wide taxes and fees", but this has no relation to "mandatory" character. Secondly, the prevailing tax legislation of Ukraine contains no category of "tax-related charges". Although

such constructions emerge sporadically in academic discourse as theoretical abstractions or generalized concepts, they are not employed at the normative level. It has been demonstrated that even legislative provisions which define the Ukrainian tax system give rise to certain disputes and inconsistencies. This is due to the fact that, in essence, they concern the tax system itself, yet define it through the category of "tax revenues" when detailing budgetary income in Ukraine (Art. 9) (The Budget Code of Ukraine, 2011). Finally, it is important to elucidate the correlation between the categories "persons who facilitate the payment of mandatory tax-related charges (taxes and fees)" and "tax agents" within this approach. It is imperative to acknowledge that tax agents themselves function as facilitators in the process of tax payment and fee collection.

A particular attribute of subjects in tax legal relations is their inequality. This discrepancy is particularly evident when comparing the legal statuses of the subjects representing the authoritative side of a tax legal relation with those representing the obligated side. This inequality is evident in the non-equivalence of powers, subjective rights, and obligations of the participants in tax legal relations. It is the position of the present authors that this inequality has an entirely objective basis. The state and territorial communities (hromadas) are the authoritative participants in tax legal relations, as the owner of revenues from the payment of taxes and fees and as the organiser of such relations (through its law-making functions and powers). They acquire rights relating to the control and supervision of the timeliness and accuracy of the obligations performed by obligated persons. The formation of the legal status of obligated persons is based on a constitutional imperative provision: "Everyone is obliged to pay taxes and fees in the manner and amounts established by law. All citizens shall annually submit to tax inspectorates at their place of residence declarations of their property status and income for the previous year in the manner prescribed by law" (Art. 67) (The Constitution of Ukraine, 1996). This imperative establishes that the legal status of taxpayers is primarily determined by their obligations, with the prerogative to oversee their fulfilment residing with the representatives of the authoritative side of tax legal relations. This, in turn, gives rise to an objective imbalance between the rights and obligations of the authoritative and obligated parties in the regulation of tax relations.

7. Discussion

The differentiation between the establishment and introduction of taxes is crucial for understanding tax obligations. The analysis demonstrates that, despite the multiplicity of entities involved in tax relations, their

roles are not equivalent. Public authorities are endowed with extensive rights related to control and supervision, while the legal status of taxpayers is dominated by obligations.

The wartime context and economic transformation have had a significant impact on the landscape of tax relations, requiring constant adaptation of tax law mechanisms. Furthermore, doctrinal positions have been shown to exhibit inconsistencies in the classification of tax subjects and terminological issues, including the erroneous utilisation of the term "mandatory tax-related charges".

The dynamic nature of tax legal relations, when understood in this way, serves to elucidate the distinction between a "subject of tax law" (potentially subject to participation) and a "subject of tax legal relations" (subject to actual participation), a distinction which is frequently overlooked.

8. Conclusions

Tax legal relations are a complex legal construct, reflecting the interaction between taxpayers and public authorities. The effective functioning of these mechanisms is contingent upon the establishment of clear legislative definitions for tax mechanisms, accompanied by precise differentiation between the establishment and introduction of taxes. Contemporary challenges, including war, digital transformation, and European integration, exert a substantial influence on the formation, content, and implementation of tax relations.

It is acknowledged that tax legal relations are inherently dynamic, and that the clarification of the roles of the subjects involved is conducive to the establishment of a more effective system of tax administration. Such a system is considered to be essential for the assurance of state sovereignty and financial sustainability.

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