

Section II
**FINANCIAL AND ACCOUNTING POLICIES AND CORPORATE
GOVERNANCE**

STUDYING TAXATION - NECESSITY AND OPPORTUNITY

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Abstract:

Taxation - a set of laws, regulations and methods of establishing taxes - is, was and will always be present in the life of every individual and every company because of the existence of the State with the tasks and functions, through its influence on the economic and social. Most persons understand the necessity of taxation, but how many people can provide relevant answer to questions such as: What is taxation and which are its characteristics? What is the significance of taxation? What are the tax effects at the micro level? How important is the ratio between direct taxation and indirect taxation? What are the principles of taxation? How are taxes determined? What are the rights and obligations of taxpayers? How taxation can become a stimulating factor? Through this article we will try to emphasize the necessity of studying taxation, in order to be a real partnership between the taxpayer and the state, with appropriate action. Without claiming an exhaustive approach we believe that the aspects presented can be points of reflection for each individual, so that it to be open at any time to study taxation, realizing the importance of skills and abilities that can be acquired.

Keywords: *taxation, studying taxation, fiscal education, importance, necessity, opportunity*

JEL Classification: H2, I21

1. Introduction

In the life of any nation, coverage of public needs heavily depends on taxes because they have the highest share in public funds in most states, with a considerable impact on the areas of financial economic and social. For this reason, many experts have conducted studies and research in the field of taxation, identifying: the link between taxation and development (Burgess and Stern, 1993); the services that must be provided in return for payment of taxes (Cordes, Ebel and Gravelle, 2005); the action of taxes as economic and financial levers (Cope, 1988); the efficiency and the effectiveness of the tax system in correlation with public expenditure (Mankiw, 2011); the fundamental principles of taxation (Jain and Kaur, 2009); the typology of taxes (James and Nobes, 1988); the functions performed by each tax (Leroy, 2008).

Are these issues known by all taxpayers? Is really understood the role of taxation? Here are two questions that led us to approach in this article the necessity and opportunity to study taxation. Through its structure and content, the article is intended to be a point of reflection for each individual which realizes the importance of skills and abilities that can be acquired by studying taxation for the activity carried every day.

2. Why it is necessary to study taxation?

Recently, the importance of taxation increased significantly, due to economic and social mutations. If in developed economies the role of fiscal policy is to maintain employment, for emerging countries, fiscal policy is that can create an environment for rapid economic growth (Comaniciu, 2011).

Competences and skills acquired by studying taxation will allow each individual to know:

- The relations of dependence and interdependence between taxation and the other sciences and disciplines, namely microeconomics, macroeconomics, public finance,

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law, political science, management, statistics, economic analysis, computer science, accounting, mathematics, sociology, ethics, marketing, total quality management. Since taxation is a key element for global development, mobilization of financial resources and good governance (OECD, 2014), fiscal analysis can not be performed isolated, so the methods of analysis must always be adapted to progress made in all areas.

- The classification of taxpayers to easily identify the impact of taxation on each type of taxpayer. Fiscal policy decisions can affect the behavior of taxpayers, not just by economic factors, but also by aspects of fiscal discipline (Niesiobedzka, 2014).

- The institutions with attributions in the tax field, because the quality of fiscal institutions activities has a significant impact on fiscal policy volatility (Albuquerque, 2011). Thus, all actions taken by fiscal institutions must considered in view of an appropriate balance between fiscal consolidation and sustainable economic recovery, between economic aspects and social aspects, between the formation of public tax revenues and the use of public funds.

- The typology of taxes and their characteristics, as a taxpayer, in order to be identified the incidence of each tax. Knowledge of tax system is necessary because its construction provides resources to achieve collective goals, namely economic prosperity, internal and international security, protection and social security, cultural prosperity (Wenzel, 2002).

- The elements for declarative system and their correct application, namely: tax forms; how to fill and deadline; software used to generate tax forms (Comanicu, 2011).

- The types of income which are taxable in terms of personal income tax and other tax liabilities related to these revenues.

- Business Taxation, without ignoring the main alternatives to maximize profits, namely: conduct good management; maximizing revenue; goal setting and analysis market influence on the activity; long-term survival of the company's objectives; analyze personal goals of the manager; establishing social responsibilities; growth and diversification objectives; the modalities of market penetration in different situations (Thompson, 1989).

- The specificity of value added tax as the main indirect tax and its repercussions on the final consumer.

- The excise goods and the impact of excise duty on the final consumer.

- The fiscal facilities as part of economic and social policy measures.

- The methods to avoid international double taxation applied both in the residence state and outside of the residence, by taking into account the harmfulness of phenomenon of double taxation. Knowledge of aspects related to international double taxation is required due to amplification of international economic and financial relations and the free movement of goods, capital and people.

- The stages followed in the exercise of fiscal inspection, the forms of fiscal control, the rights and obligations of those involved in fiscal inspection -taxpayer and fiscal inspector.

- The acts and deeds sanctioned by taxation, so that fiscal discipline and voluntary compliance to be part of the behavior of each taxpayer. The behavior of fiscal institutions to the taxpayer based on trust, transparency and respect causes an increase voluntary compliance and thus a reduction in the tax evasion phenomenon (Torgler, 2002).

3. Where taxation can be studied?

In undergraduate and postgraduate education are found several academic programs for fiscal domain, addressing either future or current experts in this field, or interested persons to acquire the knowledge necessary to apply taxes on their activities. With a well-

defined mission, with a well outlined curriculum, with teachers and specialists highly valuable, with a solid link between theory and pragmatism, universities can help increase fiscal education, strengthening the role of taxation in the life of every individual and society as a whole, strengthening the partnership between the state and the taxpayer.

Since our article economy does not allow us to present all universities that provides degree programs for the field of taxation, we will refer only to European universities, where these programs are found for all three levels of education, respectively bachelor, master and PhD.

In the European countries are organized bachelor programs for the study of taxation in Denmark, Germany, Ireland, the Netherlands and Portugal, most being found in Germany and the Netherlands, as shown in Table no. 1 (Study in Europe, 2014).

Tab. no. 1 Bachelor's degree programs for studying taxation in European countries

| Country | Program | Institution |
|--|--------------------------------------|--|
| Denmark | Economics and Business with Tax | Aarhus University |
| Germany | Accounting, Business, Law and Taxes | Art Academy of Stuttgart |
| | Business Administration - Tax | Adam Ries University of Applied Sciences, Düsseldorf |
| | Tax and Audit Consulting | International University of Applied Sciences Bad Honnef - Bonn |
| | Taxation | University of Duisburg-Essen |
| | Taxation and Auditing | Berlin School of Economics and Law |
| | | SRH Fachhochschule Calw |
| Taxation and Tax Management in Cooperative Study | Worms University of Applied Sciences | |
| Ireland | Law and Taxation | Limerick Institute of Technology |
| Netherlands | Fiscal Economics | Erasmus University Rotterdam |
| | Fiscal Economics | Maastricht University |
| | Fiscal Economics | Tilburg University |
| | Fiscal Economics | University of Amsterdam |
| | Tax Law | Erasmus University Rotterdam |
| | | Leiden University |
| | | Maastricht University |
| | | Tilburg University |
| | | University of Amsterdam |
| | Tax Law and Economics | HAN University of Applied Sciences, Arnhem |
| Hanze University of Applied Sciences, Groningen | | |
| Rotterdam University of Applied Sciences | | |
| Portugal | Accounting and Taxation | Instituto Politécnico de Santarém |
| | | Instituto Politécnico de Viana do Castelo |
| | | Polytechnic Institute of Tomar |
| | Accounting, Taxation and Auditing | Lusophone University of Humanities and Technologies, Lisbon |

(Source: processing author based on data published on the website <http://www.studyineurope.eu>)

Without an analysis of the curriculum for study programs listed above, from their names is observed the interdisciplinary character of taxation, respectively taxation dependencies and interdependencies with other sciences and disciplines, such as economics, finance, accounting, auditing, law, management.

If the number of undergraduate programs for the study of taxation is relatively low in Europe, the education offer at the master level is generous. In this respect, it is found master programs where the emphasis is on: the analysis of the national, European and international taxation; the link between taxation and accounting; tax law, fiscal management, as shown in Table no. 2 (Study in Europe, 2014).

Table no. 2 Master's degree programs for studying taxation in European countries

| European countries | Number of Masters Degree | Skills and competences for: | | | |
|--------------------|--------------------------|---|-------------------------|------------------|-------------------------|
| | | Taxation – national and international aspects | Taxation and accounting | Taxation and law | Taxation and management |
| Austria | 3 | | x | x | |
| France | 5 | x | | x | x |
| Germany | 18 | x | x | | x |
| Iceland | 2 | | x | | |
| Ireland | 1 | x | | | |
| Italy | 4 | x | | x | |
| Netherlands | 7 | x | | x | |
| Portugal | 9 | x | x | x | x |
| Spain | 6 | x | | x | |
| Sweden | 6 | x | | x | |

(Source: processing author based on data published on the website <http://www.studyineurope.eu>)

The attractiveness of master's degree programs for studying taxation arising from their denomination. Thus, there are:

- master programs with simple names (for example: “Taxation”– Rhine Fachhochschule of Cologne, Germany; Worms University of Applied Sciences, Germany; University of Aalen - Engineering and Business, Germany; University of Applied Sciences Mainz, Germany; University of Osnabrück, Germany; University of Limerick, Ireland);
- master programs with complex names (for example: “Accounting, Auditing and Taxation” - University of Innsbruck, Austria; “Commercial, Tax and Labour Law” - University of Seville, Spain; “International and European Tax Law” - Maastricht University, Netherlands; “International Business Management - Finance, Accounting, Control, Taxation” - Aachen University of Applied Sciences, Germany; “Taxation and International Community” - University of Santiago de Compostela, Spain; “Fiscal Management” - ISG, School of Management, Lisbon, Portugal; “Tax Management” - Munich University of Applied Sciences, Germany).

The doctorate, as the upper cycle of academic studies, whose purpose is the development of knowledge through original research could not miss from the field of taxation. Consequently, the preparation and completion of a doctoral thesis from the fiscal area can be accomplished in Austria, Germany, Italy and Spain, as shown in Table no. 3 (Study in Europe, 2014).

Table no. 3 PhD programs for studying taxation in European countries

| Country | Program | Institution |
|---------|--------------------------------------|--|
| Austria | International Business Taxation | Vienna University of Economics and Business Administration |
| Germany | Finance and Management | Frankfurt School of Finance and Management |
| Italy | European Tax Law | University of Bologna |
| Italy | Public and Taxation Law in Europe | University of Bergamo |
| Spain | International Taxation and Community | University of Castilla-La Mancha, Madrid |
| Spain | Taxation and International Community | University of Santiago de Compostela |

(Source: processing author based on data published on the website <http://www.studyineurope.eu>)

In Romania, the study of taxation is found in the academic environment, especially at the level of the Faculty of economics field. Regarding the study of taxation in Bachelor programs, the current legislation (RQAAHE, 2014) provides:

- In the list of basic fundamental disciplines that can not be absent from the formation of an economist, there is Finance discipline, whose structure and content refers to public finance respectively tax revenue as a basic component in the formation of public funds, being presented general aspects.

- Bachelor programs from the fundamental field of economic sciences are organized in Romania for the specializations: Economics; Business administration; Finance; Accounting; Cybernetics, statistics and economic informatics; Economics and international affairs; Management; Marketing. Taxation, regarded as the domain discipline or the specialized discipline is found only at the Bachelor programs Business administration, Finance and Accounting. Other fiscal elements can be studied to the specialization of Finance during the course Budget and public treasury and to the specialization of Accounting during the course Expertise discipline accounting and tax advice.

These provisions determine that the study of taxation can be found only in master programs. Thus, the educational offer of the Romanian universities for academic year 2014-2015 in taxation includes a number of eight master's degree programs, as shown in the table no. 4.

Similarities and differences for these eight programs of study can be seen from the analysis of curricula. Thus, all programs include disciplines where are debated aspects regarding: the tax law; the fiscal system; the tax procedure; direct taxation; indirect taxation; business taxation; personal income taxation; fiscal control; international double taxation; tax havens.

The interdisciplinary character of taxation and its interdependence with other sciences and disciplines can be found in some master's programs, where is studied issues relating to: applied statistics in taxation; ethics and professional deontology; taxation of insurances; accounting and fiscal reporting; financial and fiscal management; financial and fiscal informatics systems; financial audit and fiscal control.

The mission of these masters programs is training highly qualified specialists in the analysis and application of tax regulations.

Tab. no. 4 Masters programs for the study of taxation in Romania, academic year 2014-2015

| Institution | | Master program |
|---|---|--|
| University | Faculty | |
| Academy of Economic Studies, Bucharest | Finance, Insurance, Banking and Stock Exchange | Taxation |
| Academy of Economic Studies, Bucharest | Accounting and Management Information Systems | Accounting and taxation of economic entities |
| West University of Timisoara | Economics and Business Administration | Taxation and tax advice |
| Romanian-American University, Bucharest | Domestic and International Business, Banking and Finance | Tax policies and tax practices |
| "Babes-Bolyai" University, Cluj-Napoca | Economics and Business Administration | Taxation |
| "Titu Maiorescu" University, Bucharest | Finance - Banking, Accounting and Business Administration | Taxation and financial policies |
| "Nicolae Titulescu" University, Bucharest | Economic Sciences | Public finance and fiscal policies of national and Community |
| "Spiru Haret" University, Bucharest | Financial and Accounting Management | Accounting and fiscal management of the company |

(Source: processing author, based on the educational offer published on the official websites of Romanian universities)

In the current period, regardless of the university where taxation is studied, are debated the international aspects, since the structure of any fiscal system and fiscal policy impact are always carefully by the local, regional, national and international dimensions of taxation (Gordon and Hines, 2002).

4. What are the opportunities offered by studying taxation?

Often, the presentation of educational offer for a program of study from the field of taxation begins by responding to the question Why should study taxation at our university? The quality and relevance of the information provided, competencies and skills acquired and the opportunities to develop a career are key elements for choosing a study program in the field of taxation.

In this sense, may be offered the following examples:

- Since taxation is seen as a business cost, tax knowledge is particularly important for all persons engaged in any business (The University of Auckland. Business School, 2014).
- In order to cope in a complex commercial and real life and find the best fiscal solutions, career from the field of taxation is dynamic and placed in the center of the corporate world (Irish Tax Institute, 2014).
- Understanding the complexity of the tax system, applying knowledge from the tax area for appropriate business decisions, and the acquisition of skills to become a tax adviser for public and private sector can only be achieved by studying taxation (The UNSW Australia Business School, 2014).
- Completion of the master program "Law and Taxation" it possible to reinforce the relationship between the law profession and the world of business, and the acquired knowledge ensure success in the legal, taxation and business fields (Limerick Institute of Technology, 2014).
- The existence of some protocols with professional organizations and business representatives working in the tax area confers attractiveness to a master's program for the study of taxation, being always founded on the requirements of the real economy (Academy of Economic Studies, 2014).

From the examples described above, we can conclude that not only economists should study taxation, but any individual who understands that taxation can be a stimulating factor in any business done.

Study of some aspects of fiscal area can be realized through taxation seminars organized by professional organizations or consulting companies. Most of the times, these seminars is addressed to professionals and business representatives. For example:

- Starting from the slogan "Learn from the experts!" two companies with a global recognition (BDO Romania and Wolters Kluwer Romania) have provided for practitioners from Romania, through a tax seminar organized on April 11, 2013, the best fiscal information regarding the novelties for income taxes, withholding tax, income tax and value added tax (Wolters Kluwer Romania, 2013).
- Tax advisors and business representatives had the opportunity to discuss the changes in Tax Code and Fiscal Procedure Code in a taxation seminar, organized by the Chamber of Tax Consultants in collaboration with the Ministry of Finance on 10 August 2013. By attending this seminar, tax advisors have benefited from finding solutions to facilitate the practical application of fiscal amendments, but also the registration of five hours of professional training (Chamber of Tax Consultants from Romania, 2013).
- Tax exemption on profits reinvested, building taxation, adjustments for capital goods, tax implications of transactions with taxpayers with a canceled code and practical aspects of taxation for nonresidents are some of the topics that will be discussed at a seminar of taxation and accounting, organized by Rentrop & Straton (the best known

company from Romania specialized information market) in November 4, 2014 addressed to persons from the financial-accounting department, accounting officers, economic or financial directors, people from economic and legal environment, but also from management and shareholders of the company (Rentrop & Straton, 2014).

5. Conclusions

Without claiming an exhaustive approach, through this article we wanted bring to the reader useful information concerning the ways in which taxation can be studied. By graduating Bachelor, Master or PhD programs in the tax area or by attending seminars or workshops on issues of taxation, we believe that everyone discovers taxation as a science, art and mindset, discovers taxes as economic instrument and observes taxation as stimulating factor.

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