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## Sealing of the VAT Tax System in Poland in 2016-2021 and the Implementation of Tax Rules

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**Abstract:**

**Purpose:** Within the framework of this article the authors analyze and assesses the impact of changes sealing of the tax system in the area of calculating and collecting tax on goods and services in Poland on the degree of implementation of basic tax principles (equality, certainty, convenience, cheapness).

**Design/methodology/approach:** In the theoretical part, a critical analysis of the literature in the field of research on classification and definition of tax rules has been made. The legal acts concerning changes in the Polish tax system concerning sealing measures in the field of VAT were reviewed. In the analytical part, the impact of solutions sealing VAT settlements introduced in the Polish legal system on the implementation of tax rules have been assessed. In order to measure the impact of the introduced solutions on individual tax rules, numerous measures based on the obtained empirical data have been proposed.

**Findings:** The results of the analysis indicate that the sealing measures carried out in 2016-2021 did not significantly affect the implementation of individual tax rules. Nevertheless, a significant increase in tax costs on the part of the taxpayer is noticeable, which allows to conclude that the changes introduced took place at the expense of the taxpayer.

**Practical implications:** The increase in tax costs on the part of taxpayer (the number of hours devoted by the taxpayer to tax issues) allows for a conclusion that the introduced changes took place at the expense of the taxpayer. This should be a guideline for other countries to build friendly and effective tax systems.

**Originality/Value:** Within the years 2015-2021, Poland introduced many changes to the tax system regarding VAT, therefore the conclusions may be inspiring to other countries when rebuilding their tax systems. The considerations focused on identifying potential restrictions in the implementation of tax rules in the process of introducing measures to tighten the tax system, taking into account the properties of a given tax. The impact of tax changes in the scope of measures to tighten VAT settlements on the application of tax rules is one of the poorly recognized issues.

**Keywords:** Tax rules, measures to tighten the tax system, value added tax, tax gap.

**JEL codes:** A1, G28, E62, H20, H26, H60, K34.

**Type of paper:** Case study.

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## **1. Introduction**

The condition for the efficient operations of the tax system is to base it on assumptions, concepts, i.e. rules which, when introduced into normative acts, make them obligatory. Application of tax principles in the form of universal rules motivates the legislator to build a rational tax system. Issues related to significance of factors determining efficiency of the tax system are not widely recognized in the scientific literature.

The article attempts to evaluate introduced sealing solutions on the degree of implementation of tax rules, i.e., the principle of equality, certainty, convenience and cheapness. Main goal of the article is to analyze and assess the impact of sealing changes on the degree of implementation of individual tax rules, based on the example of tax on goods and services in Poland in 2016-2021.

The thesis of this study is the statement that sealing measures introduced in Poland in the field of VAT did not significantly affect implementation of tax rules. Assessment of the degree of implementation of tax rules within this selected tax will take into account its properties. Taking into account the framework nature of the study, assessment of the impact of sealing regulations will be limited to relation between individual tax rules and properties of the tax.

The first part of the article reviews the literature on perception and classification of tax rules in a historical perspective. Achievements of the literature on characteristics of properties of VAT and directions of changes in measures to tighten this tax in 2016-2021 have been discussed as well. To measure the impact of implemented solutions, the following were proposed: the size of tax gap in VAT (with regard to the principle of equality), the number of individual interpretations issued (with regard to certainty principle), the timeliness rate for submitting tax returns in VAT and the number of tax verification activities carried out by tax offices, the number of conversations in individual tax titles, the number of replies via e-mail (e-mail information) regarding individual taxes (with regard to the convenience principle).

Also, the number of tax inspections carried out by the Tax Office regarding taxes constituting state budget revenues, number of inspections of tax settlements concerning taxes constituting income of the state budget carried out by the Tax and Customs Office/Tax Control Office (TCO), the number of hours devoted to tax issues in the scope of selected tax (with regard to the cheapness principle).

Descriptive statistics methods (structure and dynamics indicators) will be used in the empirical part. The article will also use studies in which the size of tax gap or tax costs on the side of taxpayers was estimated. The source of data will be information obtained from the Ministry of Finance on the basis of an application for disclosure of public information and the data of the Central Statistical Office.

## **2. Literature Review**

The overriding goal of taxes within the tax system is to efficiently secure tax revenues, and the secondary goal is to cooperate in establishing economic policy through implementation of non-fiscal tax rules (redistribution, simulation, allocation). Literature on the subject indicates that condition for ensuring fiscal efficiency is efficient public administration and implementation of tax rules (Raczkowski, 2016). The criterion of administrative efficiency of the tax system should be considered accomplished if the tax system is simple and transparent, while costs of its operation and management are low (Stiglitz, 2004).

Tax principles commonly known and well described in the literature are: the principle of equality, certainty, convenience and cheapness (Gomułowicz, 2001; Gomułowicz and Małecki, 2002; Marusik, 2018; Szymański, 2021). These principles were formulated by A. Smith in the 18th century on the basis of liberal economic thought, also represented by D. Ricardo, J.B. Say and J.S. Milla (Smith, 1954). In line with this trend, the most convenient tax solutions are those that do not impose too high collection costs.

J.B. Say (1960) wrote: "the best of all financial plans is to limit expenditure, and the best of all taxes is the lowest tax." In the literature on the subject, some of them are referred to as the principles of tax technique - they refer to the principle of certainty, convenience and cheapness of taxation.

As a result of intensive economic development in Europe in the second half of the 19th century, a new direction of tax thought emerged, the main representatives of which were A. Wagner and L. von Stein (Weralski, 1985). The doctrine of this trend pointed to the social and economic importance of taxes, which was associated with attributing to taxes a non-fiscal function.

The consequence of the new tax thought, which was fundamentally different from the liberal trend in economics, was the modification of the existing tax rules by A. Wagner (1887) who classified them into four groups of principles: fiscal, economic, justice and technical. The essence of fiscal rules is to guarantee appropriately high tax revenues to the budget. Implementation of economic principles was to guarantee the neutrality and protection of tax sources.

As part of the principle of tax justice, Wagner postulated the need for universal taxation, while eliminating excessive wealth differentiation in society. According to economic principles, taxes were to be not only a tool for achieving budgetary goals, but also a tool for implementing social policy aimed at reducing social differences, in particular poverty and destitution.

On the other hand, the essence of technical rules is to ensure such tax structures that calculation and collection of the tax would not be burdensome for the taxpayer and

would not cause unnecessary tax costs. In this approach, technical principles of A. Wagner are similar to those formulated by A. Smith, while the scope of principle of cheapness, convenience and certainty covered not only the taxpayer, but also fiscal apparatus.

Analysis of phenomena characteristic of financial and economic relations in the second half of the 20th century by representatives of the German school of F. Neumark (others: F.K. Mann, W. Gerloff, G. Schmölders) made it possible to modify existing tax rules, adapting them to present day. Newly formulated catalogue of tax rules divides them into: fiscal and budgetary rules, ethical and social rules, economic rules and rules of tax technique (Neumark, 1970).

Assessment of the degree of implementation of individual tax rules in a given tax system should be made taking into account properties of a given tax. Value-added tax, which is an indirect tax, is characterized by properties widely described in the literature (Kuzińska, 2008; Grycuk, 2010; Guziejewska, 2011; Olchowicz *et al.*, 2015; Sosnowski, 2016). The key ones include:

- budget revenues are directly dependent on the current economic situation and the macroeconomic situation,
- is regressive in nature,
- has high fiscal efficiency,
- there is a limited possibility of performing non-fiscal functions,
- has a greater degree of transfer of the tax burden than in the case of direct taxes,
- generates high tax costs for entities conducting business activity
- established the effect of a fiscal illusion.

In recent years, activities aimed at sealing the system of calculating and collecting tax on goods and services in Poland concerned, *inter alia*, general VAT abuse clause, fuel package, extension of the reverse charge mechanism, restriction of taxpayers' rights to faster VAT refund, introduction of the STIR system (IT System of the Clearing House), introduction of the split payment mechanism, online cash registers or the central base of VAT taxpayers.

Beginning of activities related to tightening the system of calculating and collecting tax on goods and services was represented by the introduction of a clause against tax avoidance that would organize tax law system and setting the limits of acceptable tax optimization into the Polish legal system (Tax Ordinance, 2021). The main purpose of introducing General Anti-Avoidance Rule is to combat artificial legal structures aimed at obtaining tax advantages.

Sealing measures also include introduction of solutions counteracting fraudulent tax on goods and services in fuel trade in connection with their intra-community acquisition under the procedure of suspended excise duty collection and sale in the

country without paying VAT (the so-called fuel package) (Act, 2016). The main purpose of the introduced changes was to prevent circumvention of the securing function of the concession in fuel trading abroad and to tighten VAT collection in the scope of trading and licensing liquid fuels.

In order to ensure effectiveness of sealing measures in the field of the system of calculating and collecting tax on goods and services, legislative changes have also included other acts, in particular the energy law in the area related to increasing safety of fuel trade (articles 33, 35, 37, 41, 45, 56, Energy Law, 2021) and excise tax (articles 48, 59, 78, 78a, 138a, 138c, Act, 2022).

In order to improve the collection of VAT and increase the stability of revenues, the so-called “package of sealing solutions” - subsequent sealing solutions, and the scope of existing solutions in this area have been extended (Act, 2016)<sup>3</sup>. The scope of introduced changes included not only the act on income tax on goods and services, but also the Polish Treasury Penal Code (Act, 2021) and the Tax Ordinance (Act, 2021).

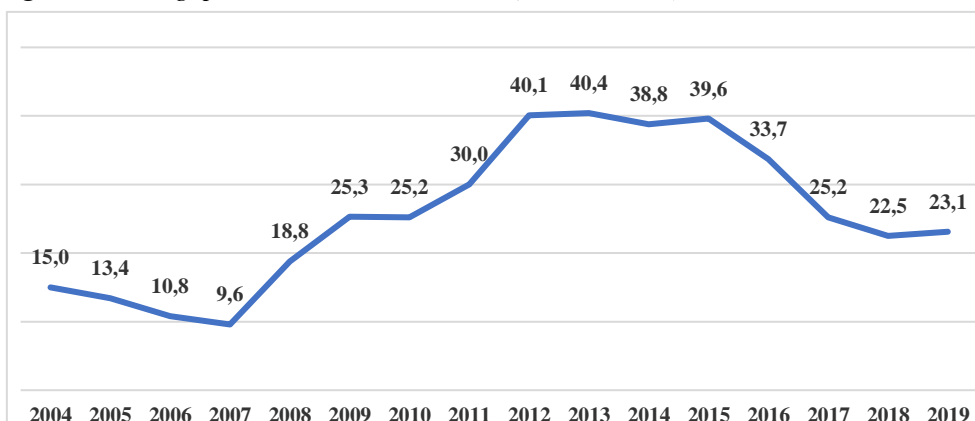
### **3. Examination of the Impact of VAT Sealing Regulations on the Degree of Implementation of Tax Rules**

Activities related to the implementation of the principle of equality include those which are aimed at equalizing rules of market competition, including ensuring equality of entities in relation to economic law, and thus also to tax law. The aim of such activities will be to eliminate a situation in which a given entity, while conducting business activity, bears the actual tax burden, and another competing entity, by taking actions related to tax optimization or operating on the border of shadow economy, obtains additional measurable tax benefits. Examples of regulations eliminating aforementioned differences are these, which are used to close or reduce the tax gap.

Analysis of Figure 1 enables to conclude that the introduced regulations contributed to the reduction of VAT gap, especially in 2015-2017. Therefore, the impact of introduced sealing solutions on the degree of implementation of the principle of equality, i.e., equalizing the rules of market competition, should be assessed positively. In the case of the certainty principle, an exemplary measure reflecting the impact of introduced sealing solutions on the degree of its implementation may be the number of issued individual interpretations of tax law. It should be noted that the increase in the number of interpretations will mean negative effects of introduced tax regulations, e.g., it may indicate an increasing erosion of tax law (frequency of introduced tax changes) or its low quality (undefined regulated areas).

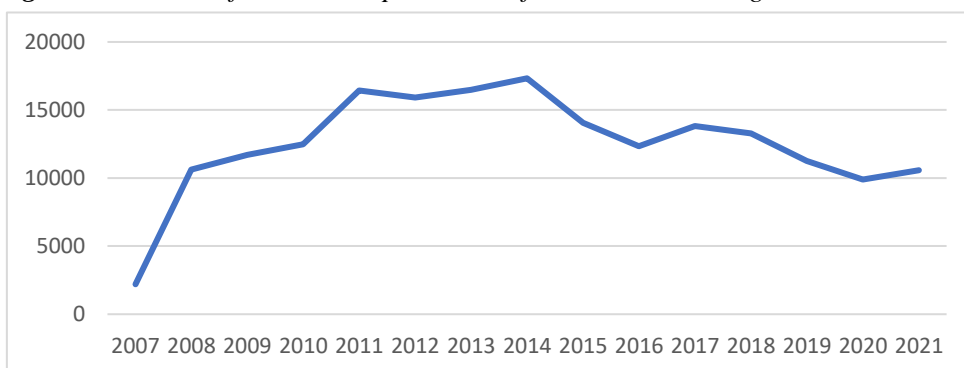
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<sup>3</sup>The actions introduced by this act were supplemented and extended by the act of 9 August 2019 amending the act on tax on goods and services and some other acts (Journal of Laws, item 1751).

**Figure 1.** VAT gap in Poland in 2004-2019 (PLN billions)

**Source:** Ministry of Finance, 2019, Report on the size of the VAT gap in Poland in 2004-2017, Ministry of Finance Studies and Analyzes No. 3, Department of Macroeconomic Policy, Department of Value Added Tax and VAT Gap in the EU, Report 2021, September 2021, CASE - Center for Social and Economic Research (Project leader).

Applied measure allows for the conclusion (Figure 2) that the sealing solutions introduced did not reduce the degree of implementation of the principle of certainty of tax law in the field of VAT. In the period 2014-2016 and 2018-2020, there was a clear decrease in the number of issued individual tax rulings in the field of VAT. To summarize, the introduced sealing changes should be positively assessed in terms of their impact on the degree of implementation of the principle of certainty of tax law.

**Figure 2.** Number of issued interpretations of individual VAT regulations

**Source:** <https://sip.mf.gov.pl/> [access: 31.03.2022]

In order to determine the impact of sealing regulations on the degree of implementation of the convenience principle, several measures described below have been proposed (Table 1). The first is the timeliness of submitting VAT returns. It allows to determine whether and to what extent the introduced tax changes resulted in an increase in the burden on a taxpayer in terms of tax settlements by

increasing degree of formalization of tax settlements. In 2015-2018, it remains relatively constant. Another measure is the share of the number of electronically filed tax declarations in the number of declarations that can be submitted in this way.

The use of this measure allows to determine whether introduced changes have reduced the burden of tax settlements by digitizing the tax system. Based on the data in Table 1, it can be concluded that the mentioned share is systematically increasing up to over 85% in 2018, which should be assessed positively.

**Table 1.** *Convenience principle assessment indicators in 2015-2018*

<b>Convenience principle measures</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Indicator of the timeliness of submitting VAT returns	97,3%	96,8%	97,1%	97,1%
The share of the number of electronically filed tax declarations in the number of declarations that can be submitted in this way	67,6%	73,2%	80,5%	86,6%
Number of checking activities related to taxes constituting state budget revenues, carried out by tax offices (in thousands)	2 220	2 245	2 383	2 620

*Source: Supreme Audit Office, Information on audit results. Effectiveness and efficiency of tax administration in tax collection. Budget and Finance Department. KBF.430.003.2020, Reg.no.36/2020/P/19/011/KBF*

The number of checking activities concerning taxes constituting the state budget income, carried out by tax offices, may be another measure in assessing implementation of the convenience principle. The use of this measure allows to determine whether introduced sealing changes have reduced the hardship of tax inspections carried out at the taxpayer's headquarters.

On its basis, it is possible to determine how the introduced solutions concerning sealing the system of calculating and collecting tax on goods and services influenced implementation of the convenience principle. The data in Table 1 prove that the number of checks performed by the tax authorities is systematically growing, reaching 2,572 inspections in 2019.

Another proposed measure in this respect is the number of telephone calls among individual tax titles. It allows to determine the degree of support provided to taxpayers by fiscal authorities in the field of tax settlements. Thus, it allows to determine the degree of implementation of the convenience principle - it should be noted that the essence of this principle is also to make it easier for taxpayers to obtain information enabling tax settlement. The data presented in Table 2 prove that the share of the number of telephone calls (consultations) regarding VAT in the years 2014-2021 has been systematically decreasing. Introduced legislative changes in the field of VAT sealing did not increase demand for additional consultations and clarifications necessary for taxpayers.

The last proposed measure in assessing the implementation of the convenience principle is the number of responses provided via e-mail (e-mail information) in the scope of individual taxes. It allows to determine the scale of support provided to taxpayers by employees of the tax administration in the field of tax settlements. It is an additional communication channel, apart from the possibility of telephone conversations with representatives of the tax administration.

Therefore, its application allows to determine the degree of implementation of the convenience principle by determining the scale of the support that can be obtained by the taxpayer. The content of Table 3 indicates that from 2019 there has been a dynamic increase in correspondence with the use of electronic messages (an increase by 73% in 2019-2021), and the share of correspondence regarding VAT does not exceed 27% in the total number in 2021.

When assessing the introduced sealing solutions in terms of their impact on the implementation of the convenience principle, based on such measures as the indicator of timely submission of declarations, the number of interviews in individual tax titles, it should be noted that they did not significantly affect the degree of its implementation. In addition, when using such measures as the share of the number of electronically filed tax declarations in the number of declarations that can be submitted in this way, or the number of checking activities regarding taxes constituting the state budget income carried out by tax offices, it should be indicated that the sealing solutions introduced, positively influenced the implementation of this principle.

The essence of the cheapness principle is, *inter alia*, minimizing costs of tax collection, which should be considered in two aspects. On the one hand, these are costs related to the calculation and collection of tax on the part of the taxpayer, and on the other hand, costs related to tax collection on the part of the tax administration.

An example of a cost related to tax collection are costs related to carrying out tax audits, e.g. remuneration of tax auditors, costs related to equipping control staff, which can be described as variable costs. This means that along with a reduction in the number of tax audits carried out, the value of tax costs will decrease. When analyzing the impact of sealing regulations on tax collection costs in the part concerning fiscal administration, one should take into account their impact on the number of tax inspections carried out within a given tax.

Data in Table 4 show that in the analyzed period, i.e. the period of the sealing regulations introduced, there was a clear decrease in the number of tax inspections carried out by Tax Offices in relation to taxes constituting the state budget income. In the entire 2015-2019 period, the decrease amounted to 41%, which should translate into a reduction in the costs related to conducted inspections. Similar conclusions can be drawn from the analysis of the number of tax settlements audits performed by the Tax Control Offices. The above data confirm that the sealing



regulations contributed to the reduction of the number of tax inspections, and thus the costs related to tax collection. Therefore, the introduced sealing changes should also be assessed positively in terms of their impact on the degree of implementation of the cheapness principle.

The measure allowing to determine how the introduced sealing regulations influenced implementation of the cheapness principle is also the number of replies provided via e-mail (e-mail information) regarding individual taxes (Table 3) and the number of conversations in individual tax titles (Table 2). An analysis of the data contained in these tables shows that there was an overall increase in the number of responses provided via e-mail in the period under consideration.

**Table 2.** *Share of the number of calls in individual taxes in the total number of calls*

Type of a tax in telephone consultation	2014	2015	2016	2017	2018	2019	2020	2021
Share of the number of telephone calls made by taxpayers regarding VAT in total calls	44%	44%	43%	40%	36%	37%	33%	35%
Share of the number of telephone calls made by taxpayers regarding CIT in total calls	6%	6%	6%	6%	6%	6%	6%	6%
Share of the number of telephone calls made by taxpayers regarding PIT in total calls	31%	28%	28%	28%	27%	27%	24%	25%
Share of the number of telephone calls made by taxpayers regarding other taxes in total calls	19%	23%	23%	27%	31%	30%	37%	34%

**Source:** *Information on the activities of the National Tax Information for 2014-2021* <https://www.kis.gov.pl/dzialalnosc/raporty-z-dzialalnosci> (as of March 31, 2022).

**Table 3.** *Number of responses provided via e-mail (e-mail information) for individual taxes*

Type of tax	2014	2015	2016	2017	2018	2019	2020	2021
VAT	134	150	160	3 545	6 239	10 928	17 744	18 923
VAT share	27%	25%	23%	22%	22%	24%	23%	27%
PIT	250	300	361	3502	7038	17 976	31 427	28 161
PIT share	50%	50%	52%	22%	25%	40%	41%	40%
CIT	11	4	10	334	923	2 261	3746	4 397
CIT share	2%	1%	1%	2%	3%	5%	5%	6%
Excise	10	10	11	371	611	673	982	1 154
Other taxes and tax matters	92	137	146	8341	13 873	13 289	23319	18 324

**Source:** *Information on the activities of the National Tax Information for 2014-2021* <https://www.kis.gov.pl/dzialalnosc/raporty-z-dzialalnosci> (as of 03/31/2022).

**Table 4.** Number of tax audits and tax settlements concerning taxes constituting state budget revenue

Number of audits	2015	2016	2017	2018	2019
carried out by the Tax Office concerning taxes constituting state budget revenues	49 837	38 421	27 226	23 036	20 374
tax settlements conducted by Tax and Customs Office/Tax Control Office concerning taxes constituting the income of the state budget	5 956	5 775	4 271	3 066	2 621

**Source:** Supreme Audit Office, *Information on audit results. Effectiveness and efficiency of tax administration in tax collection. Budget and Finance Department. KBF.430.003.2020, Reg.no.36/2020/P/19/011/KBF*

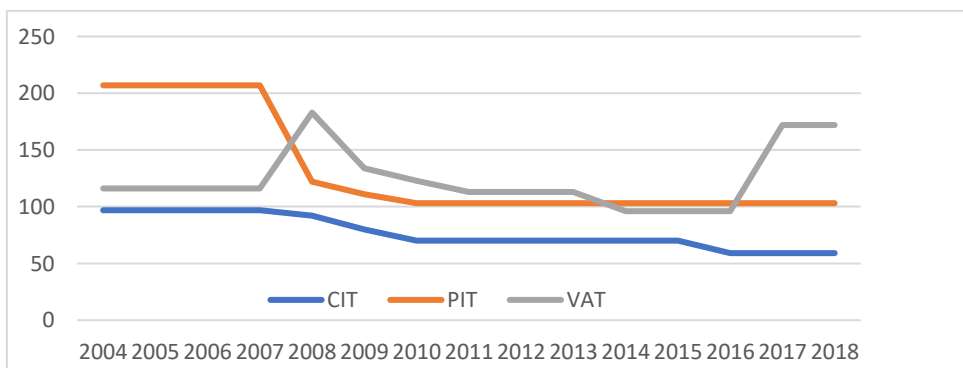
Taking into account the share of number of responses provided in this communication channel, in the scope of a given tax in relation to the total number of responses provided, it should be noted, that with regard to VAT, this relation was at a similar level. With regard to personal income tax, high volatility was recorded, while in the case of corporate income tax - a systematic increase. Based on the presented data, it should be stated that the sealing solutions introduced in the field of VAT were neutral for the principle of cheapness, and in some areas their impact was even positive.

In order to fully assess the impact of sealing regulations in the field of VAT on the principle of cheapness, one should also take into account tax costs incurred by the taxpayer in connection with tax settlements. An example of a measure in this respect is the number of hours allocated by him to tax issues related to a given tax.

Bearing in mind that the sealing changes have been introduced successively since 2015, the first period of their assessment should be the year following their introduction (Figure 3). It should therefore be noted that at the turn of 2016 and 2017, there was a clear jump in the number of hours allocated by the taxpayer in connection with VAT settlements (from 96 hours to 172 hours). This proves that sealing regulations were neutral in terms of their impact on the principle of cheapness only for the tax administration.

On the taxpayer's side, they were associated with an increase in the working time that he devotes to making tax settlements in the field of VAT. In addition, it should be noted that the increase in the time spent by the taxpayer on making a tax settlement in this respect was disproportionately higher than the shortening of this time in terms of income tax, which resulted in an increase in the time-consuming nature of the Polish tax system. Therefore, the impact of sealing changes in terms of the implementation of the principle of cheapness on the part of the taxpayer in the discussed scope should be assessed negatively.

**Figure 3.** Number of hours spent annually on tax issues related to selected taxes in 2004 – 2018



**Source:** <https://www.pwc.com/gx/en/services/tax/publications/tax/publications/paying-taxes-2020/explorer-tool.html>

#### 4. Discussion

When assessing the impact of the sealing measures taken on the degree of implementation of tax rules, one should take into account conditions influencing the feasibility of their implementation, e.g. social structure, differentiation in terms of the size of economic entities, taxpayers' propensity to pay taxes, prevailing political doctrine, effectiveness of the public finance system, effectiveness and functionality of a given tax, tightness and structure of a tax base, properties of this tax. It can be noticed that some of the above factors influencing the degree of implementation of tax rules are immeasurable - they concern, inter alia: propensity of taxpayers to bear the tax burden, or interpretation of tax law.

However, the immeasurable nature of these factors does not mean that they have no impact on the implementation of tax principles. Therefore, undertaking legislative actions requires the legislator to carry out a series of *ex ante* analyzes enabling the determination of their impact on tax rules. This is a necessary condition to ensure rationality of the tax system.

Violation of tax rules has a negative impact on the productivity of factors of production and the entirety of economic processes, which leads to: a decrease in tax revenues to the budget, a reduction in the activity of enterprises, emergence of negative competition, i.e. based on the use of differences in taxation of economic events or assets with similar economic effects, but giving rise to various tax consequences, lowering consumption, increasing social inequalities.

One consequence of tax breaches is excessive fiscalism, which discourages taxpayers from paying taxes by escaping into the shadow economy or deliberately undercutting the tax base, and sometimes from relocating business to other tax

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jurisdictions. From the market perspective, the violation of tax rules leads to unequal treatment of reliable taxpayers, i.e., timely and correct fulfillment of their tax obligations, and taxpayers taking steps to optimize taxation.

Therefore, sealing measures should be aimed at combating irregularities related to tax settlements, which should contribute to the improvement of economic position of reliable entrepreneurs operating in specific areas. This is particularly important for micro, small and medium-sized enterprises, as they are particularly vulnerable to dysfunctional market mechanisms. In a broader sense, the effect of sealing measures is not only to increase the fiscal efficiency of the tax system, but also to improve the functioning of market mechanisms by combating negative market competition.

The social effect of violating tax rules may be, *inter alia*, emergence of social inequalities. They lead to asymmetry of the tax base, which in turn leads to a decrease in its fiscal efficiency. Failure to comply with the principle of equality in social terms may also result in a lack of the taxpayers' sense of ties with the state and the lack of identification with it, which increases the reluctance of taxpayers to pay taxes.

As a consequence of the breach of convenience principle, it is possible to indicate the emergence of unclear and complicated tax structures and negative relations between taxpayers and tax offices, which is also a prerequisite for taking actions related to tax avoidance or optimization. A negative effect of violating tax rules may also reduce citizens' confidence in public authorities, e.g. violating the principle of tax law certainty. On the other hand, the consequence of violating this principle is a decrease in the effectiveness of the tax system resulting from the erosion of tax law.

When considering the budgetary consequences of violating tax rules, it should be pointed out that along with the increase in the complexity of the tax system, the tax costs (costs related to tax collection) increase. Therefore, in order to maintain the neutrality of sealing measures, it is necessary that their introduction does not cause additional tasks for the tax administration, e.g., additional control and recording obligations. Thus, the consequence of violating the principle of cheapness in budgetary terms is a decrease in the effectiveness of the tax system.

Bearing in mind the core meaning of the principle of equality, sealing measures should be considered justified in ensuring equal opportunities and possibilities in the field of market competition, i.e. eliminating a situation in which two competing entities are subject to different tax burdens. In the light of the principle of equality, those activities which resulted in reducing the tax gap should be assessed positively. Based on the collected data, it should be stated that in 2015-2018 there was a significant decrease in the tax gap in the field of value added tax (in 2015 - PLN 39.6 billion, while in 2018 the size of the tax gap was PLN 22,5 billion).

Taking into account the synthetic nature of this measure, it should be noted that it applies to all taxpayers. For this reason, sealing measures should be considered as having a positive effect on the degree of implementation of the principle of equality. The number of issued individual interpretations of tax law was adopted to assess the impact of sealing measures on the principle of certainty.

The data collected for the years 2007-2021 indicate that in the period 2015-2020 there was a significant decrease in the number of individual tax rulings issued in the field of value added tax compared to the years 2007-2014. As a conclusion it can be stated that implemented in the area of value added tax not only do not violate the principle of certainty, but also increase the degree of its realization.

The impact of sealing changes on the convenience principle should also be assessed positively. Using presented measures, it should be stated that their introduction remained neutral for the degree of its implementation, and in some cases even contributed to an increase in the degree of its implementation, e.g. a decrease in the number of checking activities regarding taxes constituting state budget revenues carried out by tax offices.

The impact of sealing solutions in VAT in relation to the principle of cheapness was assessed both in terms of their impact on tax administration costs and on tax costs incurred by the taxpayer. Using the results of the analysis of numerous measures in the empirical part, it should be stated that the introduced sealing changes remained, in principle, neutral for the cheapness principle. Moreover, with regard to certain areas, e.g. the number of tax audits, it should be stated that the sealing changes had a positive impact on the degree of its implementation.

Assessment of the impact of sealing measures on the taxpayer's tax costs proves that at the turn of 2016/2017, the effect of sealing changes was an increase in tax costs incurred by the taxpayer, which may be important for its profitability in future periods. When assessing the impact of sealing changes on the degree of implementation of the cheapness principle, it should be noted that they negatively affected tax costs in part borne by the taxpayer, while remaining neutral, and sometimes even beneficial for the tax administration.

## **5. Summary**

When making a fundamental assessment of the impact of sealing measures in the field of tax on goods and services on tax rules, it should be noted that their scope covered not only tax laws (i.e., corporate income tax, personal income tax or the tax ordinance), but also also other sectoral acts, i.e., acts regulating the principles of conducting certain types of activity, e.g., banking law, transport law.

In conclusion, it is necessary to emphasize the comprehensive nature of sealing activities in recent years. It is worth pointing out at this point that it would be also

reasonable to analyze their impact on productivity of production factors and the entirety of economic processes, as well as their impact on the rules of market competition. Taking into account the scope of the changes made, it should be noted that due to their horizontal nature, they did not affect violation of the principle of tax equality.

Concluding the considerations regarding the impact of sealing changes on the implementation of tax rules, it should be noted that they had a positive impact on the implementation of such principles as equality, convenience and certainty. Conducted analysis shows that these activities also had a positive impact on the implementation of the principle of cheapness, but only in relation to the tax administration - reduction of costs related to tax control and its service, e.g., providing information to taxpayers.

The analysis of presented topic clearly shows that introduced sealing solutions negatively affected implementation of the principle of cheapness on the part of the taxpayer, resulting in an increase in tax costs - an increase in the number of hours that the taxpayer devotes to reading and settling this tax.

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