"Dimitrie Cantemir" Christian University
Knowledge Horizons - Economics
Volume 10, No. 1, pp. 9 - 11
P-ISSN: 2069-0932, E-ISSN: 2066-1061

www.orizonturi.ucdc.ro

POLICY AND FISCAL NORM, CONDITION FOR OPTIMIZATION OF THE FISCAL SYSTEM

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Abstract *At the national level, fiscal policy targets different goals revealed in actions of economic, social, cultural, investment nature, etc. Fiscal policy is implemented by national public authorities and empowers the state, on the one hand, to establish on the basis of specific rules on the payment obligations materialized in taxes, fees, social contributions through the competent tax authorities, and on the other hand , to require individuals and legal persons subject to such obligations to pay, in accordance with legal terms, the tax obligations which fall within their charge.*

Key words:
fiscal policy, fiscal norm, fiscal system, fiscal obligations, taxpayers, individuals, legal persons
JEL Codes:
M41

1. SPECIALIZED LITERATURE ON THE CONCEPT OF FISCAL POLICY

Fiscal policy, whether being implemented at the national level by local public authorities or at the union level by the union's executive bodies, encompasses both legal elements and economic elements[1].

"Fiscal policy starts from the criterion of fiscal efficiency, its high efficiency in order to ensure the highest revenues in the state budget, encouraging the economic activity, investments, while promoting equity in the contribution of each to the formation of income and the provision of social protection. The activity of creation of public financial resources is followed by a redistribution process"[2].

Fiscal policy can aim at achieving different goals, whether economic or social, related to public infrastructure, etc.

Fiscal policy can be an integral part of the general economic actions of the state, interfering with sectoral, budgetary, monetary policies, as well as with sectoral or national development strategies. The interdependence of these policies in order to ensure macroeconomic equilibrium is called the *economic mix*.

Therefore, fiscal policy can contribute to acting in such a way as to protect or encourage certain economic branches, and from this point of view, fiscal interventionism targets different objectives, such as:

1. stimulating the economic agents to invest in certain areas, increasing the quality and competitiveness of the products; export stimulation;
2. encouraging small producers;
3. protect the environment by preventing the development of activities that would harm the environment;
4. stimulating agriculture and its sub-sectors;
5. ensuring a balanced economic development across the country by reducing regional disparities;
6. stimulating investors in the development of economic and social activities in rural areas.

The fundamental objective of financial policy (with its two components: fiscal policy and budgetary policy) is to ensure a balance between total demand and total supply of public resources and utilities.

In achieving these objectives, financial policy interacts or should continuously interact with monetary policy[3].

The objectives of fiscal policy follow:

- ✓ economic stabilization;
- ✓ conjuncture regulation;

[1] Radu, D.I.&Şaguna, D.D.(2016), *„Drept fiscal"*, Ed. C.H. Beck, Bucureşti, pag.22-23
[2]Vel, I.& colaboratorii (2008), *„ Finanţe publice"*, Ed. Didactică şi Pedagogică Bucureşti, pag.645
[3]Georgescu, F.(2000), *„ Despre politica monetară"*, Ed. Expert, pag.113

- ✓ economic recovery;
- ✓ economic growth;
- ✓ upgrade of the own body.

In the specialized literature, it was mentioned that the correct setting of the tax burden requires the achievement of a distinction in the face of taxes and the equality through tax.

Thus, equality in front of taxes implies that taxation is done in the same way for all individuals and legal persons, irrespective of where they reside or have their registered office, in the sense that there are no differences of tax treatment from one area of the country to another.

Equality through taxation involves differentiating the tax burden from one person to another, depending on a number of economic and social criteria, which means different treatment for identical situations[4].

The corollary of taxation in Romania is represented by the Fiscal Code and its Implementing Rules.

2. THE FISCAL NORM, A TECHNICAL INSTRUMENT FOR THE FISCAL POLICY OPERATION

A norm is direct when it affects the targeted economic variable (meaning that, practically, there is no channel to transmit the impulse of that norm), and a norm is imperative when its application is mandatory.

A norm is indirect when the targeted economic variable is affected by the direct impact of another economic variable and is non-imperative when its application is not mandatory and its application is not controlled. In this context, there may be an imperative norm that is indirect and, mutually, a direct norm that is non-imperative.

Features of the tax norm are:

A. The tax norm is imperative and can be:

1. obligation norm,
2. prohibition norm.

B. The tax norm is considered to be a form of indirect state intervention in the economy; a certain degree of relative imperative must be accepted (for example, in relation to the monetary norm, which for the most part is a recommendation norm) [5]:

- the fiscal norm has as objectives objects of the real economy;
- the fiscal norm pursues the internal macroeconomic balance;
- the fiscal norm is relatively rigid, both its generation and its modification (as we have shown, the modification of a norm is logically equivalent to its generation) being slow and difficult (to take into account even the slowness of the parliamentary legislative process, not to mention the time needed to test through impact studies);
- the fiscal norm has a relatively high effectiveness (this effectiveness is ensured also by its imperative character); this feature is directly related to the concept of fiscal impulse;
- the lag of the fiscal rule (the lag of the impact of the fiscal impulse on the fiscal target) is expected to be relatively small (also as a result of the imperative character of the tax norm).

As a result, the fiscal strategy of an economic system emits tax norms that are, in the terminology of the present paper, tax signals.

Tax norms are the bearers of tax messages"[5].

3. NORMS FOR TAXATION. THE CURRENCY OF PAYMENT AND CALCULATION OF TAXES, DUTIES AND SOCIAL CONTRIBUTIONS

With regard to the correct, fair application of legal regulations on the calculation and payment of taxes and duties, the Fiscal Code provides in Article 5:

Paragraph (1), that the Ministry of Public Finance has the task of developing the necessary norms for the unitary application of the present fiscal code.

Paragraph (2) of Article 5 of the Fiscal Code defines the content of the concepts of norms, methodological norms and instructions.

By norms, there are meant methodological norms, instructions and orders. The methodological norms are approved by the Government through a decision and are published in the Official Gazette of Romania, Part I.

Orders and instructions for the unitary application of this Code are issued by the Minister of Public Finance and published in the Official Gazette of Romania, Part I.

Orders and instructions regarding the procedures for administering the taxes and duties covered by this Code owed to the general consolidated budget, except for the local budgets, are issued by the President of the National Agency for Fiscal Administration, hereinafter referred to as NAFA, and published in the Official Gazette of Romania, Part I. Orders and instructions regarding the procedures for administering the local taxes and duties regulated by this Code are approved by joint order of the Minister of Public Finance and the Minister of Regional

[4]Radu, D.,I.&Şaguna, D.D. (2008), „*Drept fiscal*", Ed. C.H. Beck, Bucureşti, pag. 22-23.

[5]Dinga, E. (2009), "Studii de economie", Ed. Economică, pag. 359-360

Development and Public Administration.

Paragraph (5) states that, under the sanction of absolute nullity, public institutions subordinated to the Government, others than the Ministry of Public Finance, can not elaborate and issue norms related to the provisions of this Code, except those stipulated in this Code.

Paragraph (6) provides that the Ministry of Public Finance annually collects and systematises all the norms in force related to the provisions of this Code and publishes this official collection.

The currency of payment and the calculation of taxes and duties is regulated by Article 9, paragraph (1). Taxes, duties and mandatory social contributions are paid in Romania's national currency.

Amounts included on a fiscal declaration are expressed in the national currency of Romania.

Amounts expressed in a foreign currency are converted into Romanian national currency as follows:

a) in the case of a person who carries out an activity in a foreign state and accounts for this activity in the currency of the foreign state, the taxable profits or the net income from independent activities and the tax paid to the foreign state are converted into the national currency of Romania by using an average of foreign exchange rates for the period which it is related to the taxable profit or net income;

b) in any other case, the amounts are converted into the national currency of Romania at the date on which the respective amounts are received or paid or on another date expressly provided in this Code.

In the meaning of the provisions of paragraph (3), the foreign exchange rate used to convert in Romanian currency amounts expressed in foreign currency, is the exchange rate communicated by the National Bank of Romania, valid for those data, except in the cases expressly provided in this code.

CONCLUSIONS

Implementation of fiscal policy implies the existence of specific and clear rules that highlight and optimize the configuration of taxes, fees and social contributions. However, the practice has proven that in the process of generating and implementing tax norms in Romania, fiscal impact studies are not always and not sufficiently used and there are insufficient scenarios for testing the effects of future applicable tax norms. The information generated by the normative framework has different effects, related to the axiological behaviour of taxpayers.

We concretise some of the optimization issues that arise with regard to the fiscal information resulting from the fiscal norm in:

1. What are the fiscal obligations of individuals and legal entities taxpayers?
2. What are the types of determining factors for the size of the fiscal liability?
3. What are the determining factors for the size of the fiscal liability for legal entities?
4. What are the determining factors for the size of the fiscal liability for individuals?
5. What is the behaviour of taxpayers on their action line?
6. Can the effect of determining factors be determined?
7. Can they be applied in scenarios by target groups in order to see the effect of taxpayers' behaviour and action?
8. Can the behaviour of the determining factors and the reaction of the taxpayers from the target groups be assessed?
9. Can these factors be managed theoretically and methodologically?
10. Can the actions of the determinant factors be predicted?
11. Can the determinant factors be managed in practical terms?
12. Can the results of the scenarios be put into practice?
13. Can the disturbance factors be identified in a timely manner?
14. Can determinant factors be adapted to concrete conditions?
15. Can there be situations that lead to large economic and financial imbalances?
16. Are these factors harmonized with the economic reality?
17. Do the determinant factors present adaptation, elasticity and flexibility to changes in taxpayers' economic behaviour?
18. Are the forecasts responding to the requirements of the consolidated single budget of the state?

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