
WHAT INSTITUTIONS HAVE RESPONSABILITIES IN THE FIELD OF TAXATION IN ROMANIA?

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Abstract:

In everyday language, to refer to a state institution dealing with the establishment, collection and tracking contributions to state tax authorities use the term tax authorities. Under this "dome" called FISC sits all public institutions, which in their activity, directly or indirectly perceive and seek public financial resources consist of taxes and contributions. Through this article, we try to find answer to the question of title, exceeding the fields created by Ministry of Public Finance and presenting public institutions under the jurisdiction of other ministries, but with the powers in tax matters.

Keywords: tax authorities, tax administration, responsibilities, taxpayers, state

1. Introduction

Formation of public funds is based primarily on the establishment of public money through compulsory levies on individuals and businesses. For this reason, all aspects of taxation required to wear a name, respectively TAX, making it an essential component of social and economic life of any nation.

Central and local authorities have the right to establish compulsory levies on the basis of legal provisions. Thus, taxation is a system of laws, regulations and provisions regarding the establishment of the settlement and collection of taxes and duties that make up the revenue of the state (Dictionary of Political Economy, 1974) Political Publishing House, Bucharest, 1974, p. 317

If the term the taxation has the same meaning in any nation, particularities in taxation is find through the tax system and tax policy.

While the tax system is a set of concepts, principles, methods and processes for the design, regulation, settlement and collection of tax liabilities, to ensure public financial income (Corduneanu C., 1998), fiscal policy means all regulations on the establishment and collection of taxes and fees, options characterizing the state fiscal obligations (Condor I., 1996).

Administration of taxes, contributions and other amounts due to the public budget shall be according to the provisions of the Fiscal Procedure Code, Tax Code and other regulations in the field of taxation.

The existence, nature and characteristics of debt and tax liability causes of rights and obligations for the parties of the legal relationship tax (OG 92/2003 regarding the Fiscal Procedure Code), as follows:

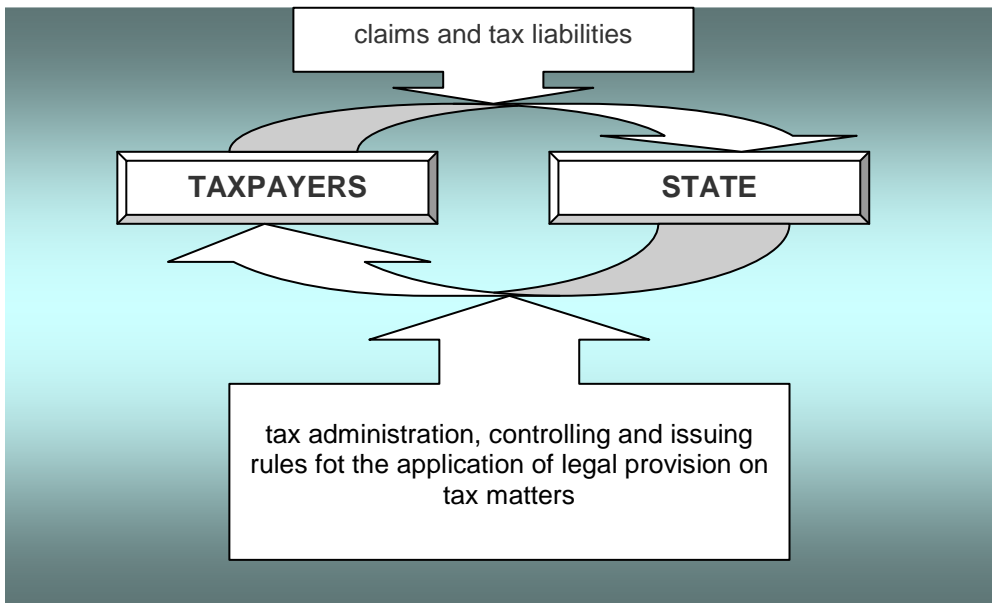


Figure 1. The subjects of the legal relationship tax

(Source: processing author, according to OG 92/2003 regarding the Fiscal Procedure Code)

Partnership "taxpayer - state" leads us to look at institutions with fiscal responsibilities, not only through the central body, respectively the Ministry of Public Finance and its subordinated institutions, but also through the other institutions which, directly or indirectly related to claims and fiscal obligations

Lately, the importance of taxation has increased significantly due to economic and social change. While in developed economies, the role of fiscal policy is to maintain employment, in developing countries, fiscal policy is likely to create an environment for rapid economic growth.

2. The role and functions of the major institutions which responsibilities in the tax area

Specialized institution of central public administration, with legal personality, subordinated to the Government, applying strategy and program of governance in public finance is the **Ministry of Public Finance**.

As part of synthesis, Ministry of Public Finance contribute to the development and implementation of public finances, to exercise the general administration of public finances, by exercising the following functions (H.G. 34/22.01.2009 regarding the organization and functioning of the Ministry of Public Finance): strategy function; regulatory and synthesis function; representation function; forecasting function; function of budgetary and fiscal; management function of state revenues; resource management function performed by the State Treasury; public debt management function; function of implementing the provisions of the Treaty of Romania Accession to the EU for financial and tax areas; coordination function of financial assistance allocated to Romania by the EU and its Member States and the Member States of the European Free Trade Association; financial management function for PHARE, ISPA and SAPARD funds, including financial aid granted by Member States of the European Free Trade Association; function governing the relations with the EU budget and contracts with community structures, in terms of administrative; position of authority for coordination of structural instruments; position of management authority for the Operational Programme "Technical Assistance"; public internal financial control function; organizational and performance function of internal audit in public entities; recording function for property that constitutes the public domain; function to combat tax evasion; control function of the uniform application and compliance regulations in public finance, also control function of functioning of subordinate institutions or authority; position of authority with expertise in customs policy and legislation, coordination, guidance and control in this area; verification function of procedural aspects related to the contract award process covered by legislation on the award of public procurement, the public works concession contracts and public services concession contracts; support function, respectively human resource management, financial, material and information resources management.

To achieve its functions, duties of the Ministry of Public Finance is based on "keywords" such as:

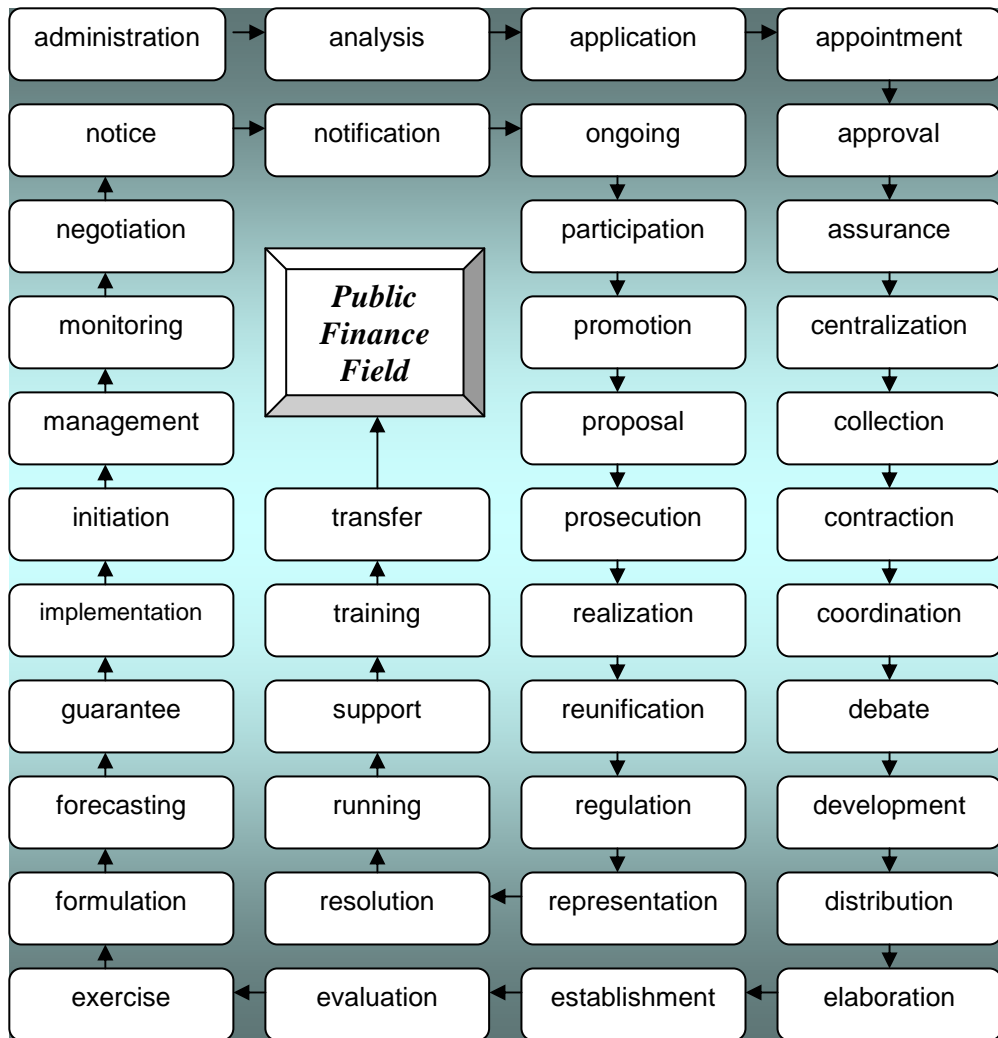


Figure 2. "Keywords" for tasks of the Ministry of Public Finance

(Source: processing author, according to the organization and functioning of the Ministry of Public Finance)

Strictly for the fiscal area, the main tasks of the Ministry of Public Finance are (according to art. 29 – art. 36 of HG 34/22.01.2009 regarding the organization and functioning of the Ministry of Public Finance):

- proposed fiscal strategy on medium and long term;
- develop proposals on fiscal policy, respectively amending and completing the Fiscal Code base on economic development, on dialogue with other bodies and institutions and in line with EU regulations.
- prepare draft for detailed rules necessary for the uniform application of the Tax Code, in collaboration and consultation with the National Tax Administration Agency;

- develop primary legislation in the field of taxes, contribution and other general government revenues, including their management, in collaboration with other institutions involved in this process;
- formulates and supports Romania's position on proposals regulations aimed community customs policy and legislation to the agencies of the European Union and other international organizations;
- negotiate, prepare initialling, signing and ratifying negotiated agreements for double taxation and double taxation based on OECD framework model;
- develop strategies, comparative studies, priorities and draft laws on Romania's fiscal policy in double taxation agreements;
- is concerned with the consistent application of tax law by developing guidelines approved by the Minister, the Central Fiscal Committed and National Tax Administration Agency.

Under the current structure of the Ministry of Public Finance from Romania, subordinated units with direct implication for fiscal activity are: National Tax Administration Agency; Financial Guard; National Customs Authority; County General Directions of Public Finance and General Direction of Public Finance of Bucharest.

Also, module 2 of the organizational structure, contains directions mainly oriented fiscal side, namely: General Directorate of Tax Code Legislation (Directorate for direct tax legislation; Directorate for VAT legislation; Directorate for excise legislation); Directorate of Tax Procedure Code Legislation; Directorate of Customs non-fiscal Policy and Legislation; Division of Legislation and Accounting Regulations; Directorate for Relation with Parliament, Unions and Employers; General Directorate of Legislation and Regulatory in State Assets field.

National Tax Administration Agency is a specialized institution of central public administration, with legal personality, subordinated of the Ministry of Public Finance, with powers to carry out the tax administration (HG 109/2009 regarding the organization and functioning of the National Tax Administration Agency).

Objectives, functions and duties of the National Tax Administration Agency are in accordance with Romanian state's fiscal problems, taking into account the local, national and international dimensions of taxation.

The mission of National Tax Administration Agency is to provide public financial resources needed to cover public needs, in this respect, concern is to the collection, but also for their administration.

Based on two fundamental principles (equity for taxpayers and efficiency in budget revenue collection) priority guidelines for the mission of National Tax Administration Agency are voluntary compliance, combat fraud and efficiency and effectiveness in tax collection (see web-side <http://www.anaf.ro>).

According to the organizational structure, within the National Tax Administration Agency is organized and functions: Financial Guard; National Customs Authority; County General Directions of Public Finance and General Direction of Public Finance of Bucharest.

Financial Guard is a public institution with legal personality, subordinated National Tax Administration Agency, with functions in operational and unannounced control for preventing and combating all acts which have the effect of fraud and tax evasion (HG 1324/2009 regarding the organization and functioning the Financial Guard). According to his duties, the Financial Guard realizes operational and unannounced controls for: verifying the compliance of trade; verifying the production, storage, movement and use of the property; detection and removal operations and illicit activities.

National Customs Authority is a public institution with legal personality, subordinated the Ministry of Public Finance, providing application of customs and excise policy (HG 110/2009 regarding the organization and functioning the National Customs Authority).

According to his duties, the National Customs Authority dealing with: customs policy (customs procedures; duty; tariff classification; border protection; the import and export goods and values; clearance of goods; so.) and excise (conducting operations with excisable products; records of the operations with excise; warehouse activity; so.)

County General Directions of Public Finance (DGFP) are territorial institutions, with legal personality, to implements unitary the strategy and Government program in the field of public finance and apply state fiscal policy, in the territory (OPANAF 375/2009 regarding the regulation of organization of the County General Directions of Public Finance). Activities of DGFP in each county and in Bucharest is carried out through: methodology and management activities of state revenues; treasury and public accounting activities; tax audit activity; independent services for medium taxpayers; public finance administration from municipalities, towns and villages. In Romania, at 2009, fiscal activity in territory be held in 414 units, respectively: Public Finance Administration for Municipalities (A.F.P.M.); Public Finance Administration for Towns (A.F.P.O.); Public Finance Administration for Village (A.F.P.C.); Public Finance Administration for Medium Taxpayers (A.F.P.C.M.); General Direction for Administration Large Taxpayers (D.G.M.C.); Public Finance Administration for Sectors of Bucharest (A.F.P.S.).

Their structure is shown in the figure below.

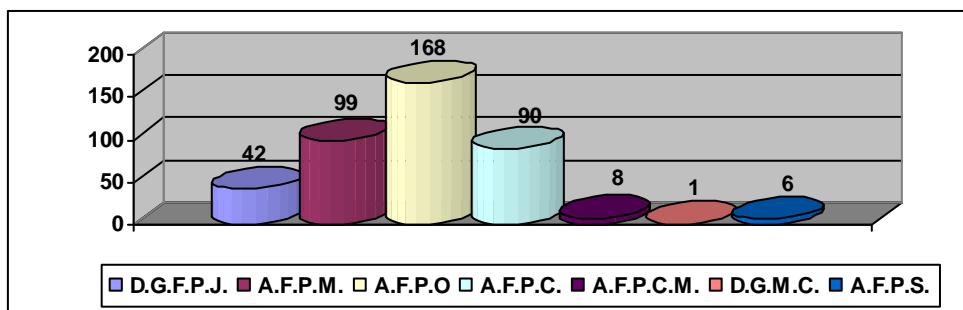


Figure 3. The numbers of territorial tax units, in Romania, in 2009

(Source: author processing according to data published on the official site of National Tax Administration Agency, in december 2009)

Reorganization of the tax activity in territory, according to the Order 2180/201, led to a reduction of tax units by 141, respectively: 3 Public Finance Administration for Municipalities; 72 Public Finance Administration for Towns; 72 Public Finance Administration for Village. In each county, working General Directions of Public Finance and Public Finance Administration for Medium Taxpayers. Thus, the structure of tax units in Romania, in the year 2011 is as follows:

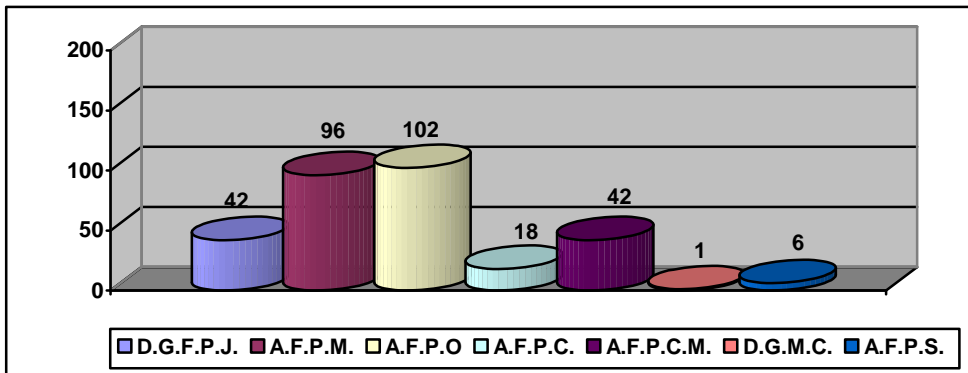


Figure 4. The numbers of territorial tax units, in Romania, in 2011

(Source: author processing according to data published on the official site of National Tax Administration Agency, in October 2009)

The National House of Pensions and Other Social Insurance Rights (C.N.P.A.S.) is an autonomous public institution of national interest, with legal personality, manages the public pension system and other social insurance rights (Law 19/2000 on public pension and other social insurance rights).

We believe that C.N.P.A.S. is an institution with powers to taxation, relying on its powers in social security contributions of employers, employees and other people insured.

Employers participating, under the law, at the public pension system, have fiscal obligations, namely: calculating, withholding and payment of social security contributions of individual employees, calculation and payment of social security contributions by the employer; records of the insured and payment obligations to the state social insurance budget.

Recording and providing evidence taxpayers, completion the social insurance contracts and registration of statements insurance, ensure the collection and disclosure of social security contributions, verify the setting, turning and collecting social security contributions, activity of finding and recovering budgetary claims, etc. are a part of C.N.P.A.S. activity in taxation area.

The National Health Insurance Agency (C.N.A.S.) is an autonomous public institution of national interest, with legal personality, whose main activity is to ensure consistent and coordinated functioning health insurance system in Romania.

We include C.N.A.S. on the list of institutions responsible for taxation based on the content of art. 256 of Law 95/2006 regarding social health insurance, which

provides that a part of the National Unique Health Fund form of health insurance contributions of individual and legal persons.

National Agency for Employment (A.N.O.F.M.) is a public institution with legal personality, subordinated to the Ministry of Labour, Social Solidarity and Family, applying policies and strategies on employment and training of persons seeking employment (Law 202/2006 on the organization and functioning of the National Agency for Employment).

A.N.O.F.M. together with the 41 County Agencies, with the Agency Bucharest, with the 88 Local Agencies and 156 outlets, performs the duties of a fiscal nature, taken into account in this regard, contributions from employees and employers to unemployment insurance budget.

Labour Inspection is the specialized institution of central public administration, with legal personality, under the Ministry of Labour, Social Solidarity and Family, with responsibilities in labor relations and occupational health and safety (Law 108/16.06.1999 - republished for the establishment and organization of Labour Inspection).

Subordinated The Labour Inspection is Labor Inspectorates, organized in each county and in Bucharest, which he carries on the following tasks: general attributions; specific tasks in the establishment and control of labor relations; specific duties in security and health at work; specific tasks in social services; specific duties on social inclusion (HG 1377/2009 approving the Regulation on organization and operation of the Labour Inspectorate and the establishment of organizational measures).

Without analyzing all these tasks, Labor Inspectorates are institutions in the field of taxation, because their work refers to: monitoring of the implementation of legal regulations concerning the conclusion, execution, amendment, suspension and termination of individual employment contracts; a control on the setting and granting rights to the employees resulting from the law, collective agreement and individual employment contracts; a control of the undeclared work by employers to the public authorities; management of database organized at national level with general registers for recording employees in electronic format; a restriction on carrying out activities.

3. Conclusions

For the IRS to become, in the true sense of the word, the taxpayer partner there is a need to inform.

În noianul de prevederi legale ce stipulează, pe de o parte, organizarea și funcționarea instituțiilor cu atribuții în domeniul fiscal, iar pe de altă parte, obligațiile și drepturile persoanelor fizice și juridice în raport cu acestea, contribuabilul nu se descurcă foarte ușor.

In the barrage of legal provisions which stipulate, on the one hand, organization and functioning of institutions responsible for tax matters, and on the other

hand, obligations and rights of individuals and businesses in relation to this, the taxpayer does not handle very easily.

If it is difficult to displacement from an institution with responsibilities in the field of taxation, if not know very much about the mission and the competence of the institution, if they are unclear some provisions of legislation in field of taxation, if not known the services offered by the institution, if you have solved a problem of order tax, any taxpayer is advised to view the websites and portals for national and regional institutions, so, a series of questions on tax issues can find an answer.

Registration and identification of taxpayers and taxes is one of the basic functions of tax administration. For the successful completion of this function, a role is declarative system.

Taxpayers know that a correct and timely information is what keeps them from errors, delays, penalties and fines, and therefore, a significant percentage of those seeking tax advice, raises issues of financial or fiscal forms accounting.

If, on the one hand, we want security and perfection in drafting tax documents, on the other hand, we want to take their preparation very least. Do these desires can be fulfilled, in a dense system of statements? Salvation is found on the website of the National Tax Administration Agency, which offers information on tax forms in place.

In order to continue improvements to the tax declaration system, the Ministry of Public Finance is always concerned about information technology. As currently defined, the Information System of Ministry of Public Finance creates tools for decision support system, centralizing and processing information on each organizational level and provides information about the quality of the processes within the ministry.

The purpose and role of taxation is understood only in so far as it provides a real partnership between the state and taxpayers. In relation to corporate taxpayers, must be provided the link between governance, taxation and investment climate, based on three directions (Phillips M.S., Sandall R., 2008):good governance provides a good tax system; an optimal tax system generates good governance; governance and tax system formed.investment climate.

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