

**ASPECTS ON ESTABLISHMENT AND ENDING
OF TAX RECEIVABLE
(Part I)**

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The field of taxation is a complex scientific field of great importance, constantly changing and transforming with a high degree of theoretical and practical difficulty. The aim of the work is to know and manage taxes, duties and social contributions to the single consolidated state budget in order to determine the tax base that is the basis for calculating the correct tax receivable. Tax receivable generates a tax legal relationship between individual taxpayers and legal entities taxpayers, on the one hand, and the state, on the other hand, as a result of a tax enactment on the levying of taxes and duties. The right of public authorities to levy taxes, duties and contributions to the state budget, local budgets, and social security budget implies the existence of the tax liability and the tax receivable. Obligation of taxes, as a defining feature of taxes, is closely linked to the tax sovereignty of state, legality and legitimacy of taxes. Tax sovereignty of the state gives it the right to institute taxes by law and to require taxpayers to honour their fiscal obligations [8]. The research used methods are concretized in: A. Methods of strategic analysis: Internal analysis method, Pest method, Scenario method; B. The method of assessing taxable items in order to establish tax bases and tax receivables; C. Observation; D. Comparison; E. Study of the specialized literature; F. Expertise and practice in the liberal professions of accountant expert and liquidator. The main results of the first part of the present study consist of: defining and clarifying the theoretical concepts regarding the tax receivable and the tax liability according to the specialized literature and the norms in force, legal issues related to the relationships that generate the tax receivables and the methods of ending the tax receivables.

Keywords: economic environment, receivable, tax receivable, tax liability, tax burden, tax planning, tax administration.

Domeniul fiscalității este un domeniu științific complex de mare actualitate în continuă modificare și transformare cu un înalt grad de dificultate teoretică și practică. Scopul lucrării constă în cunoașterea și gestionarea impozitelor, taxelor și a contribuțiilor sociale la bugetul unic consolidat al statului pentru a determina baza impozabilă care reprezintă temelia de calcul pentru stabilirea corectă a creanței fiscale. Creanța fiscală generează un raport juridic fiscal între contribuabilii persoane fizice și contribuabilii persoane juridice, pe de o parte, și statul, pe de altă parte, ca urmare a legiferării fiscale de a percepe impozite și taxe. Dreptul autorităților publice de a percepe impozite, taxe și contribuții la bugetul de stat, la bugetele locale și la bugetul asigurărilor sociale presupune existența obligației fiscale și a creanței fiscale. Obligativitatea impozitelor, „ca trăsătură definitorie a impozitelor, este strâns legată de suveranitatea fiscală a statului, de legalitatea și legitimitatea impozitelor. Suveranitatea fiscală a statului dă dreptul acestuia să instituie impozite prin lege și să pretindă contribuabililor să-și onoreze la termenele legale obligațiile lor fiscale [8]. Metodele de cercetare utilizate se concretizează în: A. Metode de analiză strategică: Metoda analizei interne, Metoda Pestel, Metoda scenariilor; B. Metode de evaluare a materiei impozabile în vederea determinării bazelor impozabile și stabilirea creanțelor fiscale; C. Observația; D. Comparația; E. Studiul literaturii de specialitate; F. Expertiza și practica în profesiile liberale de expert contabil și lichidator. Rezultatele principale ale primei părți a acestui studiu se concretizează în: definirea și clarificarea conceptelor teoretice cu privire la creanța fiscală și obligația fiscală potrivit literaturii de specialitate și a normativelor în vigoare, aspecte legate de raporturile pe care le generează nașterea creanței fiscale și la modalitățile de stingere a creanțelor fiscale.

Cuvinte-cheie: mediu economic, creanță, creanță fiscală, obligație fiscală, sarcină fiscală, planificare fiscală, gestiune fiscală.

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Область налогообложения представляет собой сложную научную область, которая является актуальной, постоянно меняется и трансформируется и обладает высокой степенью сложности, как в теоретическом, так и в практическом плане. Целью данной работы является понимание и управление налогами, пошлинами и социальными взносами в консолидированный единый бюджет государства для определения налоговой базы, которая является основой для установления корректных налоговых обязательств.

Налоговые обязательства генерируют налоговые правовые отношения между частными лицами и налогоплательщиками, с одной стороны, и государством, с другой стороны, и в результате налогового законодательства – взимаются налоги и сборы. Право государственных органов взимать налоги, пошлины и взносы в государственный бюджет, местные бюджеты и бюджет социального обеспечения подразумевает наличие налогового обязательства и налогового требования. Налоговые обязательства, "как определяющая черта налогов, тесно связана с фискальным суверенитетом государства, законностью и легитимностью налогов. Фискальный суверенитет государства дает ему право вводить налоги согласно закону и требовать от налогоплательщиков своевременно соблюдать свои налоговые обязательства [8].

Используемые методы исследования: А. Методы стратегического анализа: метод внутреннего анализа, метод Пестеля, метод сценариев; В. Методы оценки налогооблагаемых статей с целью определения налогооблагаемых баз и установления налоговой дебиторской задолженности; С. Наблюдение; D. Сравнение; E. Изучение специализированной литературы; F. Экспертиза и практика в области либеральных профессий эксперта-бухгалтера и ликвидатора.

Основными результатами первой части исследования являются: определение и разъяснение теоретических концепций относительно налоговой задолженности и налогового обязательства в соответствии со специальной литературой и действующими нормами, аспектов, связанных с отношениями, которые генерируют введение налоговой задолженности и способов ее погашения.

Ключевые слова: экономическая среда, задолженность, налоговая задолженность, налоговое обязательство, налоговое время, налоговое планирование, налоговое администрирование.

JEL Classification: E60, E69, O23.

UDC: 336.3:336.2

Introduction. The paper is a theoretical and applicative study on tax receivables. The main objective is to approach the tax receivable from a dual perspective: 1. from the legal perspective regarding the legal framework in force, which concerns the fiscal legal relation of individuals and legal persons, as well as the settlement of the economic aspects; and 2. from the economic perspective, where we refer to the ways of collecting the budgetary receivables, namely payment in cash or by bank transfer of budgetary liabilities, penalties, late payments, extinguishment of budgetary liabilities through compensation, reduction of tax liabilities in the situation of insolvency, ending prescription liabilities, making tax receivables through forced execution.

Companies operate in a changing market environment, which requires continuous and profound knowledge of connections and interconnections with this environment that acts by various factors over them. Any action of the environmental elements may lead to changes in the company, its evolution, its maintenance and its development, with a direct or indirect impact on the economic and financial results achieved by them.

The economic environment is acting at the microeconomic level through:

1. elements of a financial nature, which concern the structure of financial resources;
2. elements of macroeconomic nature, materialized in inflation rate, interest rate, unemployment rate, distribution, exchange, production and services, exchange rate of the national currency, budget deficit, fiscal policy;
3. elements concerning technologies, technical aspects and the transfer of technologies, inventions, innovations, technical and technological creativity, technical endowment, practice and technical training of specialists;
4. elements of a demographic nature, materialized in: labour legislation, population number, population structure by age and sex, level of schooling, birth rate, share of active population, territorial distribution;
5. elements of commercial potential, which are determined by the size and structure of the internal and external market;
6. elements of political nature, embodied in the relationship between government and economic agents;
7. legal elements, embodied in general laws and specific laws, decrees, state power decisions and executive power decisions in fiscal, monetary, budgetary and currency policies;
8. educational element, determined by the educational aspects and their levels;

9. attitude towards the work and the business sphere;
10. ecological environmental element, seen through the knowledge of natural resources, etc.;
11. attitude-behavioural elements of economic agents, economic culture and their reactions to various situations;
12. elements of harmonization to the European economic, technical and legal culture.

Therefore, taxation, through fiscal policy, is an important element in the economic life of enterprises. Enterprises from a financial perspective "are obligations established by the authorities of the state without special purpose, which have a pecuniary and definitive nature in the form of taxes and duties, intended to finance a part of the public expenditure in various proportions. It follows that tax deductions are made through taxes and duties. These constitute the oldest and most traditional financial means available to the state for the fulfilment of its functions and tasks, in constant evolution" [10].

Degree of scientific approach of the topic and its presentation in the scientific literature

The issue of taxation and tax receivables is discussed in the literature as a result of the fact that taxation has become a very current and very controversial field of science. The field of taxation is a scientific field with a high degree of theoretical and practical scientific difficulty. Taxation is a complex scientific field, constantly changing and transforming as a result of the economic realities, of the complex current problems, conditioned by the emergence of unexpected situations, the free market which sometimes condenses the law and precedes it by the fact that the economic and financial aspects register very rapid changes, generated by the current national context, by the effects of globalization, but also by the effects of the existence of the European Community market, the harmonization with the requirements of Community law and the Community regulations both economically and legally. We are talking about a constantly changing dynamic environment in which the enterprise operates and where it has to find solutions and an optimal relationship with the proposed objectives, its resources and its response to the influences of external environmental factors.

The research methods used in this study are:

A. Methods of strategic analysis:

1. *The internal analysis method from the perspective of the enterprise's financial structure*, the company's solvency, the indebtedness and profitability degree of the enterprise.

2. *The Pest method* results in the establishment of the strategic diagnosis in order to achieve the correct assessment of the internal environment from the perspective of knowing the influences of the external environment factors in which the enterprise operates in order to identify new internal resources and competences capable of determining development and synchronization at potential opportunities offered by the external environment that refer to economic factors, political factors, social and cultural factors, technological factors of production and investment, environmental and ecological factors, legal factors.

The PEST analysis examines the "external business environment and is a strategic tool for understanding the "overall image" of the environment in which the enterprise operates, which makes it possible to take advantage of opportunities and minimize the threats that its activities face. When the strategic planning is done fairly, it provides a solid foundation for future development. The finality of the PEST analysis is reflected in long-term forecasts" [20]. Further, we outline the factors from the external environment that act on the enterprise:

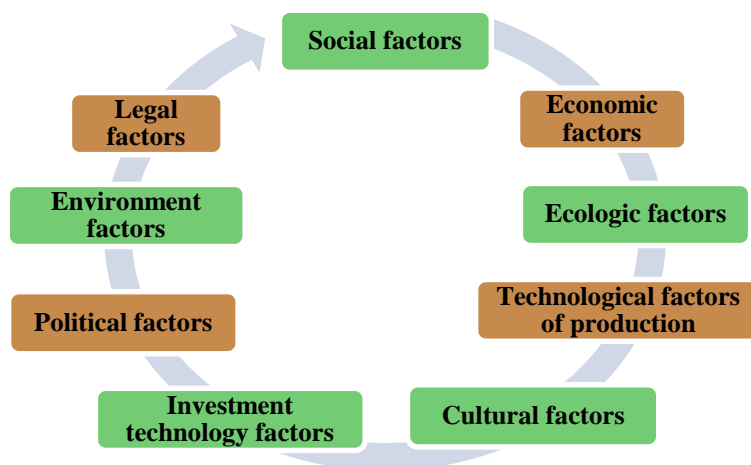


Figure 1. Model: Pest analysis

Source: Developed by authors.

3. *Scenario method*, which involves obtaining several variants of future environmental representations by following the steps: knowledge and analysis of the current situation of the company, identifying external environmental factors that may influence the company, factors with preponderant influence on business activity, assigning values to these factors, calculating and obtaining some variants, combining variants with different influences of external factors, obtaining of the possible to apply optimistic variant, analysis and examination of each factor's influences, examining variants obtained and determination of the impact on the company.

B. *The method of assessing taxable items in order to establish tax bases*. The establishment of taxable items for the determination of taxable bases, valuation methods and techniques is carried out at the design phase by the Ministry of Finance, and then becomes an attribute of the legislative factor in the decision-making phase.

C. *Observation*.

D. *Comparison*.

E. *Study of the specialized literature*.

F. *Expertise and practice in the liberal professions of accountant expert and liquidator*.

Theoretically, the study aims at the correct definition and delimitation of the concept of tax receivable and the concepts related to it, which is why we made an incurs in the specialized technical literature and in the tax legislation regarding the chosen theme.

This fact is supported by the relevance of correct identification of the taxable amount for every type of tax, social contribution and duty, which takes the concrete form of income subject to taxation and calculation of the levy tax which, once declared, turns into an obligation to pay for individual taxpayers and legal entities in the tax legal relationship, which is born on the one hand and which, on the other hand, becomes a tax receivable for the state.

Conceptual theoretical aspects of tax receivables

According to the legal dictionary [7], the concepts of receivable, right of receivable, tax receivables, chirographic receivable and the privileged receivable are defined as follows:

1. receivable, a relative subjective patrimony that expresses the creditor's entitlement to claim to the debtor the fulfilment of the correlative obligation to give, to do or not to do something [synonymous: right of receivable].

Another wording to the concept of receivable consists in the right of one of the persons who is subject in a legal relationship of obligation, called the creditor to claim to the other party, called the debtor, the fulfilment of its obligation. For the recovery of receivables, they must meet the requirements of the law: to be established without any doubt, not to be the subject of litigation (certain receivables), their amount to be precisely determined (liquid receivables), as are receivables that have amounts of money as object; to be matured, and may be immediately enforced, possibly by force (payable receivable). For example, in order to make legal compensation for two receivables, they must be certain, liquid and payable.

2. right of receivable, the right of one of the persons participating in a legal (creditor) relationship to ask the other party (the debtor) to fulfil the obligation to give, do or not do something, which the latter assumed it. Unlike the real right, the right of receivable is a relative right, being opposed only to a particular person, as a subject of a legal relationship with a determined content. It is an active element of the creditor's patrimony.

3. tax receivables represent "property rights arising from the relations of material tax law: (a) the right to collect taxes, duties, contributions and other amounts constituting budget revenue, the right to repayment of value added tax, the right to repayment of taxes, duties etc., called the main tax receivables; b) the right to levy late payments, referred to as ancillary tax receivables [6].

4. right of receivable, *ius ad rem* is that subjective patrimonial right under which the active subject, the so-called creditor, may require the passive subject, called the debtor, to give, do or not do something. As in its first part of the art. 2324 par. (1) NCC, the debtor obliges "personally" against his creditor; therefore, rights of receivables are sometimes referred to as "personal" rights.

5. chirographic receivable, a receivable whose realization is not secured by a personal (eg. fiduciary) or real (eg. pledge, mortgage) guarantee.

6. privileged receivable, a receivable which is given priority over other receivables related to the same debtor. For example, the seller has a privilege over the real estate sold for the payment receivable of the price in regard to the rights of the other creditors [7].

Taxes represent "pecuniary obligations claimed according to the law by the public authority from natural and legal persons in relation to their contributory capacity, enforced to the budget forcefully and without immediate counter performance, and used as a resource to cover public expenditure and as instruments to influence the behaviour of payers, so that their interests are in harmony with the public interest [5]. When the tax

is calculated and declared, it becomes a payable liability to the taxpayer. The receivable registered at the tax authority becomes a tax receivable.

The specialized literature presents the specific features of the tax liability, as follows:

The tax obligation consists in the indebtedness of natural or legal persons to pay for the public budget the taxes, duties and other budgetary revenues regulated by law, which are characterized by specific features, namely:

- is a legal obligation because it gives rise to legal relations between the subject of the tax (the payer) and the state;

- is a legal obligation, because it derives from normative acts, and its fulfilment is guaranteed by state constraint;

- it is an obligation that takes the monetary form, unless the law provides otherwise.

The change of the tax liability takes place based on precise causes, regulated by the law and which refers to the modification of the elements in relation to which the tax liability was determined and individualized: modification of the payment terms; changing the legal status of payers; amending the normative acts regulating taxes, duties and other budgetary revenues.

Tax receivable is the right of the state to collect, through the fiscal bodies, taxes, duties and other revenues on the state budget account from natural or legal persons, based on normative acts.

The title of tax receivable is the legal act that characterizes the tax burden on payers. It can also be defined by the legal act by which "the monetary obligation of each payer of income" is determined and individualized [3].

We note the fact that the tax liability is distinguished by the title of tax receivable. This category includes: the explicit receivable titles, which, according to the legal regulations, are concretized in the following documents:

1. *Minutes of taxation;*
2. *Tax declarations;*
3. *Minutes of control process and finding payment differences;*
4. *Customs declaration;*
5. *Minutes of finding a contravention;*
6. *The prosecutor's order;*
7. *Judgment of the court.*

In order to facilitate the collection of tax revenues, the legal regulations refer to the implicit receivable titles materialized in: receipts for stamp duties; salary payment states, court decisions, balance sheet, notarial acts and taxable services.

Taxation has also a contextual side, in the sense that it, together with monetary policy, contributes considerably to the achievement of economic policy. Fiscal policy, whether implemented at national level by local public authorities or at union level by the union's executive organs, includes both legal elements and economic elements.

For example, we present a situation of the effects of non-payment of tax receivables, tax breaks in which an enterprise has become insolvent due to the fact that it has become unable to honour its obligations to its creditors.

The payment obligations amount to 98691.00 lei, obligations that are materialized in:

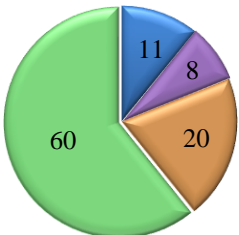
1. Tax on wages
2. Mortgage loan
3. Credit for personal needs without guarantees

An analytical presentation of the obligations can be found in table 1.

Table 1

Situation of owed receivables of SC EQE J.S.C., LEI

| 0 | TYPE OF PAYMENT OBLIGATION | PAYMENT OBLIGATION |
|----|--|--------------------|
| 1 | VAT for payment | 10,691.00 |
| 2. | Tax on wages | 8,000.00 |
| 2 | Mortgage loan | 20,000.00 |
| 3 | Credit for personal needs without guarantees | 60,000.00 |
| 4 | TOTAL FOR PAYMENT | 98,691.00 |



Source: Developed by author.

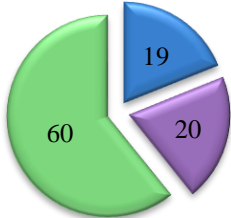
Therefore, we note that in the fiscal legal report, made between SC EQE J.S.C and state institutions, have generated:

1. On the one hand, the obligations for SC EQE J.S.C (table 1)
2. On the other hand:
 - budget receivables for the state and its right of collection (table 2).
 - chirographic receivables for banks and their right of collection (table 2).

Table 2

Situation of owed receivables of SC EQE J.S.C.

| 0 | RECEIVABLE TYPE | PAYMENT AMOUNT |
|---|--|------------------|
| 1 | Budgetary receivables to the state budget | 18,691.00 |
| 2 | Guaranteed receivables to the social security budget | 20,000.00 |
| 3 | Chirographic receivables to bank institutions | 60,000.00 |
| 4 | TOTAL FOR PAYMENT | 98,691.00 |



Source: Developed by author.

When the insolvency proceedings are opened, the appointed liquidator has the obligation to identify all receivables based on the specific procedures, to prepare and publish the provisional table of receivables which, if not challenged or modified in the legal term, will constitute the final table of receivables.

Conceptual theoretical knowledge about the company's obligations helps us and finds itself in direct practice:

1. During the period of activity of SC EQE J.S.C for the knowledge of its obligations and to honour them by payment to:
 - state institutions;
 - banking institutions;
 - credit institutions;
 - suppliers;
 - etc.
2. In cases of judicial reorganization
3. Upon termination of business in dissolution and bankruptcy situations, knowledge of receivables

is important for:

- Creditors;
- Company;
- Liquidator; in order to recover them.

For example, we present a preliminary table of receivables (table 3) for SC EQE J.S.C., related to the payment obligations according to the data listed in table 1. We note that this table contains the following items:

1. Name of the debtor (the company entered into insolvency);
2. Single registration code at the National Trade Register Office;
3. Registration code for tax purposes;
4. Headquarters:
 - Location;
 - Street;
 - Number,
 - Block,
 - Scale;
 - Floor,
 - Apartment;
 - County.
5. File number;
6. Closing of the appointment of the liquidator;
7. The court to which it belongs;

8. The name of the liquidator;
9. The names of the creditors;
10. Address of the creditors;
11. Unique creditors identification code;
12. Type of receivable;
13. Requested amount, LEI;
14. Accepted amount, LEI;
15. % of the requested amount;
16. % of total amounts;
17. Priority and status of each receivable;
18. TOTAL admissible receivables, LEI;
19. Title from which the guarantee originates;
20. Warranty range.

In a synthetic presentation, the receivables of SC EQE J.S.C. are as follows:

Table 3

Preliminary table of receivables for SC EQE J.S.C.

Debtor name:

File number: AAA

Social address

Conclusion/Sent.: BBB

ORC: J99/XX/YYYY

CUILLL:

Address: SSS

Syndic judge: XXX

Judicial liquidator: ZZ

| No. Crt. | CREDITOR | Address of the creditor | Unique registration code of the firm or institution (URC) | Requested amount, LEI | Accepted amount, LEI | % of the amount requested | % of the total sum | Priority and situation of each receivable | TOTAL admitted receivables LEI | TITLE from which the guarantee originates | RA NK |
|--|----------------------------|-------------------------|---|-----------------------|----------------------|---------------------------|--------------------|---|--------------------------------|---|-------|
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| A. Budgetary receivables art. 123 pct. 4 | | | | | | | | | | | |
| 1 | Public institution X | x | yyyy | 18,688.00 | 18,688.00 | 100.00% | 18,30 | art. 123, pct. 4 | 18,688.00 | | |
| 2 | Public institution Y | y | xxxx | 3.00 | 3.00 | 100.00% | 0,0003 | art. 123, pct. 4 | 3.00 | | |
| | Total A | | | 18,691.00 | 18,691.00 | | | | 18,691.00 | | |
| B. Guaranteed receivables. art. 121, alin. 1 | | | | | | | | | | | |
| | Public institution Z | Z | vvvvv | 20,000.00 | 20,000.00 | 100.00% | 20,26 | | 20,000.00 | | 1 |
| | Total B | | | 20,000.00 | 20,000.00 | | | | 20,000.00 | | |
| C. Chirographical receivables art. 123 pct. 8 | | | | | | | | | | | |
| | SC Q | M | | 30,000.00 | 30,000.00 | 100.00% | 30,72 | | 30,000.00 | | |
| | SC K | N | | 30,000.00 | 30,000.00 | 100.00% | 30,72 | | 30,000.00 | | |
| | Total C | | | 0.00 | 0.00 | | | | 0.00 | | |
| | TOTAL GENERAL A+B+C | | | 98,691.00 | 98,691.00 | | 100 | | 98,691.00 | | |

Source: Developed by author.

Amounts identified as receivables by the liquidator are not always covered by:

1. fixed assets of nature:
 - Construction;
 - Land;
 - Means of transport.
2. current assets of nature:
 - Stocks;
 - Home;
 - Bank.

The distribution of recoveries may be made within the limit of the amounts collected from:

1. the debtor's customers,
2. of sales of fixed assets as a result of public auctions,
3. of sales of current assets as a result of public auctions,
4. assignment of receivables.

In addition to the example above, we present a variant of distribution to the creditors of SC EQE J.S.C from the capitalization of a debt assignment contract.

Table 4

Distribution of amounts to the creditors of SC EQE J.S.C

Table of distribution of amounts obtained from the recovery of the assignment of the receivable

| No. Crt. | CREDITOR | Address of the creditor | Unique registration code of the firm or institution (URC) | Requested amount, LEI | Paid amount, LEI | % of the amount requested | % of the total sum | Priority of receivable | TOTAL admitted receivables LEI | DISTRIBUTED AMOUNT |
|----------|---|-------------------------|---|-----------------------|------------------|---------------------------|--------------------|------------------------|--------------------------------|--------------------|
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| A. | Budgetary receivables art. 123 pct. 4 | | | 7112 | 7112 | 100,00 | 10,37 | | 7112 | 7,112 |
| | Public institution X | X | yyyy | | | | | | | |
| 1 | Public institution Y | Y | xxxx | | | | | | | |
| | Total A | | | 7112 | 7112 | 100,00 | 10,37 | | 7112 | 7,112 |
| B. | Guaranteed receivables. art. 121, alin. 1 | Z | | | | | | | | |
| | Public institution Z | N | vvvvv | | | | | | | |
| | Total B | | | | | | | | | |
| C. | Chirographical receivables art. 123 pct | M | | | | | | | | |
| 1 | SC Q | Q | XXX | 55.854,20 | 55.854,20 | 100,00 | 81,45 | art. 123 pct. 8 | 55.854,20 | 29.811,20 |
| 2 | SC K | S | YYY | 5.607,39 | 5.607,39 | 100,00 | 8,18 | art. 123 pct. 8 | 5.607,39 | 2.655,80 |
| | Total C | | | 61.461,59 | 61.461,59 | | 100,00 | | 61.461,59 | 32,467 |
| | TOTAL GENERAL A+B+C | | | 68,573,59 | 68,573,59 | | 100,00 | | 68,573,59 | 39.579,00 |

Source: Developed by author.

The weight of the reception of receivables from the recovery of the debt assignment contract in the total receivables is about 40.10%, and the difference is to try to be collected by using the fixed assets. Synthetically, we present the situation in table 5.

Table 5

Situation of receipts from receivables from the realization of the assignment of receivables contract

| 0 | Receivable type | Total receivable | Received receivable | % of the realization of receivable |
|---|---|------------------|---------------------|------------------------------------|
| 1 | Budgetary receivables to the state budget | 18,691.00 | 7,112.00 | 7,21 |
| 2 | Budgetary receivables to the social security budget | 20,000.00 | - | - |
| 3 | Chirographic receivables to banking institutions | 60,000.00 | 32,467.00 | 32,89 |
| 4 | Total for payment | 98,691.00 | 39.579,00 | 40,10 |

Source: Developed by author.

From this practical example, it is important to know the significance and content of the concepts of debt: tax receivable, chirographic receivable, budgetary receivable, which has led us to present further the meanings of definitions in the sense of the Fiscal Procedure Code which are updated and used in 2018.

Within the meaning of the Fiscal Procedure Code under Title I, entitled General Provisions, Article 1 Definitions, the following expressions have the following meanings:

1. *fiscal-administrative act* – the act issued by the fiscal body in the exercise of the duties of administering taxes, social security contributions and duties, in order to establish an individual situation and to bring legal effects to the person to whom it is addressed.

2. *administration of tax receivables* – any of the activities carried out by tax authorities in connection with:

- a) tax registration of taxpayers / payers and other subjects of tax legal relationships;
- b) declaring, establishing, controlling and collecting tax receivables;
- c) solving complaints against tax administrative acts;
- d) assistance or guidance to taxpayers / payers, on request or ex officio;
- e) application of sanctions under the law.

3. *risk analysis* – activity carried out by the fiscal body to identify the risks of non-compliance with the taxpayer's / payer's compliance with the obligations under the tax legislation, to evaluate them, to manage them, and to use them for the purpose of carrying out the management activities tax.

4. *tax payer* – any natural or legal person or any other entity without legal personality that owes, according to the law, taxes, social contributions and duties.

5. *social contribution* – compulsory levy, based on the law, which aims at protecting the individuals obliged to insure themselves against certain social risks, in exchange for these persons benefiting from the rights covered by that levy.

6. *tax control* – all the activities carried out by the tax authorities to verify the compliance of the taxpayer / payer with the obligations under the fiscal and accounting legislation.

7. *budgetary receivable* – the right to receive any sum due to the general consolidated budget, representing the main budgetary receivable and the ancillary budgetary receivable.

8. *main budgetary receivable* – the right to receive any sum due to the general consolidated budget, other than ancillary budget receivables.

9. *ancillary budgetary receivables* – the right to collect interest, penalties or other such amounts, under the law, related to main budgetary receivables;

10. *tax receivable* – the right to collect any amount due to the general consolidated budget, representing the main tax receivable and the ancillary tax receivable.

11. *main tax receivable* – the right to collect taxes, duties and social contributions, as well as the taxpayer's right to repay sums paid and to reimbursement of the due amounts, in the circumstances and conditions provided by the law.

12. *ancillary tax receivable* – the right to collect interest, penalties or increases related to main tax receivables, as well as the taxpayer's right to receive interest, according to the law.

13. *tax creditor* – the holder of the tax receivable right.

14. *budgetary creditor* – the holder of the budgetary receivable right.

15. *tax debtor* – the holder of a payment obligation correlative to a tax receivable.

16. *budgetary debtor* – the holder of a payment obligation correlative to a budgetary receivable.

17. *tax declaration* – act drafted by the taxpayer / payer, under the conditions and in the situations stipulated by the law, representing the tax declaration and the informative statement.

18. *tax return* – the act compiled by the taxpayer / payer referring to:

a) taxes, duties and social contributions due if, according to the law, the taxpayer / payer is required to calculate them;

b) taxes, duties and social contributions collected if the payer is required to calculate, withhold and pay or, as the case may be, collect and pay taxes, duties and social contributions;

c) taxable goods and income, as well as other elements of the tax base, if the law provides for their declaration.

19. *informative declaration* – the act compiled by the taxpayer / payer on any information relating to taxes, duties and social contributions, taxable goods and income, if the law provides for their disclosure, other than those specified in paragraph 18.

20. *interest rate* – an adjoining tax liability representing the equivalent of the damage created to the holder of the main tax receivable due to the failure of the debtor to pay the principal tax obligations to maturity.

21. *customs rights* – import rights and export rights, as defined by Law no. 86/2006 on the Customs Code of Romania, as subsequently amended and supplemented.

22. *tax executor* – the person within the executing body responsible for executing forced execution

23. *tax* – compulsory collection, irrespective of the name, made by law, without consideration, in order to meet the needs of general interest.

24. *tax legislation* – all the norms stipulated in the normative acts regarding the taxes, duties, social

contributions, as well as the procedures for their administration.

25. *accounting legislation* – all the norms stipulated in the normative acts regarding the organization and management of the accounting.

26. *delay increase* – an ancillary tax liability representing the equivalent of the loss suffered by the holder of the main tax receivable, as well as the sanction as a result of the debtor's failure to pay main tax liabilities.

27. *tax liability* – the obligation to pay any amount due to the general consolidated budget, representing the main tax liability and the ancillary tax liability.

28. *main tax liability* – the obligation to pay taxes, duties and social contributions, as well as the obligation of the fiscal body to repay the sums received without being due and to reimburse the due amounts in the conditions and situations stipulated by the law.

29. *ancillary tax liability* – the obligation to pay or to repay interest, penalties or increases related to the main tax obligations.

30. *fiscal body* – the central fiscal body, the local fiscal body, as well as other public institutions that manage tax receivables.

31. *central fiscal body* – The National Agency for Fiscal Administration, hereinafter referred to as NAFA, through the specialized structures responsible for the administration of the tax receivables, including the units subordinated to NAFA

32. *local fiscal body* – the specialized structures within the local public administration authorities responsible for the administration of tax receivables.

33. *penalty for delay* – the ancillary tax liability representing the sanction for non-payment by the debtor of the main tax liabilities.

34. *non-declaration penalty* – the ancillary tax liability representing the sanction for non-declaration or improper declaration, in tax returns, of taxes, duties and social contributions.

35. *payer* – the person who, in the name of the taxpayer, is required by law to pay or to withhold and pay or to collect and pay, as appropriate, taxes, social contributions and duties. It is also payable for the secondary establishment, according to the law, to register as a payer of wages and salary income.

36. *tax* – compulsory deduction, irrespective of denomination, made under the law, in the case of the provision of services by public institutions or authorities, without the equivalent of the amount of the tax and the value of the service.

37. *tax receivable title* – the act by which, according to the law, the tax receivable is established and individualized.

38. *budgetary receivable title* – the act by which, according to the law, the budget claim is established and individualized.

39. *fiscal vector* – all types of tax obligations for which there are permanent declaration obligations.

40. *identification data* – name and first name in the case of natural persons or denomination for legal entities and entities without legal personality, fiscal domicile and fiscal identification code [11].

In addition to conceptual theoretical knowledge, the correct settlement of tax liabilities also implies the knowledge and correct application of the general principles of taxation:

1. The principle of individuality;
2. The principle of non-discrimination;
3. The Principle of impersonality;
4. The principle of neutrality;
5. Non-arbitrariness principle.

It is relevant to achieve a distinction between equality in front of tax and equality through tax. Thus, equality in front of tax implies that taxation is done in the same way for all natural 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 [2].

Equality through tax implies differentiating the tax burden from one person to another, according to a number of economic and social criteria, which means different treatment for identical situations [2].

Aspects regarding the administration of tax receivables and tax legal report

According to the Fiscal Procedure Code, the tax receivable is governed by this Code in terms of rights and obligations arising from tax legal relationships of taxpayers, individuals and legal entities to the state budget, the social security budget and local budgets.

The administration of the tax receivables due to the state budget, the social security budget and the local budgets, respectively the general consolidated budget of the state, regardless of the authority that administers them, falls under the responsibility of the fiscal body, unless otherwise provided by law.

The application domain of the Fiscal Procedure Code, except as otherwise provided by special law, applies in accordance with Article 2 (2) of Chapter I of the Fiscal Procedure Code and for:

(a) administration of customs duties;

b) administration of the mining royalties, oil royalties and royalties resulting from the concession, lease and other contracts for efficient exploitation of agricultural land, concluded by the Agency of State Domains;

c) other budgetary receivables that, according to the law, are assimilated to tax receivables.

(3) for the purposes of paragraph (2), customs duties and royalties are assimilated to tax receivables.

(4) This Code does not apply to the management of budgetary receivables resulting from contractual legal relations, except those stipulated in paragraph (2) let. b).

(5) The activities for the administration of the fiscal receivables carried out by public institutions which have the status of fiscal bodies, other than the central fiscal bodies and the local fiscal bodies defined according to art. 1 point 31 and 32 shall be carried out as follows:

a) according to the rules laid down in this Code for central fiscal bodies, where the institution is part of the central public administration structure;

b) according to the rules provided by the present code for the local tax authorities, in case the institution is part of the local public administration structure.

(6) At the level of the administrative-territorial units it may be decided to conclude cooperation agreements, according to the provisions of art. 24 of the Law no. 273/2006 on local public finances, as subsequently amended and supplemented, for jointly conducting local tax receivables management activities. The conclusion of cooperation agreements is decided by decisions of the local councils concerned. The provisions of paragraph (5) lit. b) shall be applied accordingly" [11].

The tax receivables and the corresponding liabilities of the taxpayers – natural persons and legal persons – are those provided by the law, by the Fiscal Code and are made in:

The procedure for administering the tax receivables falls to the fiscal body, which is obliged to apply unitary provisions of the tax legislation and carry out its activity in accordance with the provisions of the normative acts in force.

The fiscal body has the obligation to ensure the observance of the legal provisions regarding the accomplishment of both the rights and the obligations of taxpayers, natural persons and legal persons or other persons involved in the procedure, for the purpose of establishing tax receivables correctly. According to Article 5 of the Fiscal Procedure Code, the uniform application of tax legislation on the territory of Romania and, at the same time, the correct establishment of tax receivables, belongs to the fiscal body which is coordinated by the Ministry of Public Finance, acting as a specialized body of the central public administration and uniform application of tax legislation.

The drafting of decisions aimed at the unitary application of the Fiscal Code, the Fiscal Procedure Code, their subsequent legislation, as well as the legislation whose application falls within the scope of the Central Taxation Commission that is approved in terms of its composition, functions and is organized by the Minister's of Public Finance Order, which is published in the Official Gazette of Romania, Part I. The coordination of the Central Tax Commission is carried out by the State Secretary responsible for fiscal policy and legislation of the Ministry of Public Finance, which is responsible for fiscal policy and legislation. For the cases in which the Central Taxation Commission is entrusted with resolving the issues related to the obligations of the Tax Code to the local budgets, namely the local taxes and duties, the Tax Commission shall be filled in with:

1. two representatives of the Ministry of Regional Development and Public Administration;

2. with one representative of each associative structure of the local public administration authorities.

According to the Fiscal Procedure code, the fiscal body is entitled to assess, within the limits of its powers and competences, established by law, the relevance of tax facts by using the evidence provided by law and to adopt the solution based on the legal provisions, to guide the taxpayer / payer in the application of the tax legislation, as well as full findings of all the edifying circumstances in question at the time of the decision.

The rules of conduct for the fiscal body and its active role regarding the conduct of a procedure for the administration of the tax receivables materialize in the fact that the tax body notifies the taxpayer

individual or legal person about the rights and obligations regulated by the law and the rules in the course of the procedure.

The fiscal body decides on the type and volume of the examinations, depending on the circumstances of each case and the limits provided by the law.

The official language in the tax administration is Romanian. For documents in other languages, the fiscal body requests translations in Romanian certified by translators authorized only by the Ministry of Justice, according to the law.

The legal regulation containing provisions on the tax legal relationship is found in Title II, Chapter I, Article 16, entitled Content of the Tax Legal Relationship, which implies the establishment of the type of tax legal relationship and the subjects of the fiscal legal relationship:

(1). The tax legal report includes the tax law report and the tax procedural law report.

(2). The tax material report comprises all the rights and obligations that arise in relation to tax receivables.

(3). The tax procedural law report includes all the rights and obligations that arise in connection with the administration of tax receivables [11].

Article 17 of the Code of Fiscal Procedure sets out the subjects of the tax legal report as follows:

(1) The subjects of the tax legal relationship are the state, administrative-territorial units or, as the case may be, administrative-territorial subdivisions of the municipalities, taxpayer / payer, as well as other persons acquiring rights and obligations in this report.

(2) The State is represented by the Ministry of Public Finance through NAFA and units subordinated to it, unless the law establishes another authority to that effect.

(3) The administrative-territorial units or, as the case may be, the administrative-territorial subdivisions of the municipalities, are represented by the local public administration authorities, as well as their specialized departments, within the limits of the delegated powers of the respective authorities [11].

Empowerment – under the law, in the relations with the tax body, the taxpayer / payer can be represented by an empowered person. If there is no empowered person under Art. 18 par. (1)-(4) the fiscal body shall request the competent court to appoint a tax inspector.

The legal representatives of natural and legal persons are obliged to fulfil the obligations under the tax legislation to the persons or entities represented. These representatives meet the tax obligations of the individuals or entities represented by those means they manage.

(2) if, for any reason, the tax obligations of associations without legal personality are not paid in accordance with paragraph (1), the associations are jointly liable for their fulfilment.

The occurrence of tax receivables and liabilities and ways of extinguishing them

According to Article 21 of the Fiscal Procedure Code, the occurrence of tax claims and liabilities implies:

(1). Unless the law provides otherwise, the right to a tax receivable and the related tax liability are born when, under the law, the tax base generates them or when the taxpayer / payer is entitled, according to the law, to demand restitution.

(2). According to par. (1), the right of the fiscal body to establish and determine the tax liability due or the right of the taxpayer / payer to request restitution is established.

With regard to the settlement of tax receivables and liabilities, tax theory and practice highlights the following ways of extinguishing the tax receivable:

1. Effective payment of the tax receivable by cash or by bank transfer.

2. Compensation by extinguishing tax liabilities to the same taxpayer, a natural or legal person, having both obligations to pay to the budget and amounts to be received from the budget.

Compensation of tax receivables implies:

- extinguishing the obligations up to the minimum amount;

- reduction of the due amounts at a later maturity.

3. Decrease in taxpayer's debit in case of insolvency or disappearance of the debtor.

4. Cancellation by normative acts or through decisions of the competent financial bodies with the right to approve the cancellation of the tax receivable.

5. The prescription occurs as a result of the passage of a period of time since the establishment of the tax receivable title.

6. Enforced execution is an extraordinary procedure for the realization of budgetary receivables,

which apply to economic agents and individuals, but which apply only if the following conditions are cumulatively fulfilled:

- The existence of the title of the budgetary receivable that would result in the taxpayer's obligation to pay; the budget receivable is due without the amount being paid;
- The payer should be notified of the amount due and the payment term.

Results of own research and discussions

The partial transfer of financial resources, i.e. state levy, from the private sector to the state public sector, is mainly done through the tax system. In this way, financial resources are levied definitively and without direct compensation. This levy is also binding for all taxpayers in the economy. On the other hand, this is done through direct taxation, which diminishes the resources available in the private sector and, implicitly, the derived demand. This mode of transfer of resources is usually preferred to any financing of inflationary nature, because in this case the taxpayers are directly informed about the size of their contribution to the functioning of the public sector. On the other hand, the same levy is also levied through indirect taxation, such as consumption taxes [11].

This transfer of resources from the private sector to the state sector is based on tax legal relationships based on tax receivables. So, we notice that this levying as size is the size of the tax receivables. The magnitude of tax receivables makes dependent the volume of public expenditure that is "composed of two main categories corresponding to the activities of the State" [12], on the one hand, for goods and services and transfers, on the other hand, and their effectiveness regarding its characteristics specified in effectiveness, efficiency and economy.

The Fiscal Procedure Code represents the common law procedure for the administration of the receivables provided for relationships between the public authorities and the taxpayers, natural persons and legal persons, stating that, where the Fiscal Procedure Code does not have the provisions, the provisions of the Civil Procedure Code are applied, republished, in which they can be applied to relationships between public authorities and taxpayers, individuals and legal entities.

In administering tax receivables, according to the article. 4 of the Fiscal Procedure Code, the Principle of legality stays according to which:

(1) The tax receivables and the corresponding obligations of the taxpayer/payer are those provided by the law.

(2) The procedure for administering the tax receivables shall be carried out in accordance with the provisions of the law. The tax body has the duty to ensure compliance with the legal provisions regarding the realization of the rights and obligations of the taxpayer/payer or other persons involved in the procedure [11].

The defining technical elements of taxes, duties and contributions to the state budget, local budgets and the social insurance budget are represented by:

1. *Basis of calculation or taxable matter;*
2. *The subject;*
3. *The unit amount or quota;*
4. *Payment terms;*
5. *Facilities granted in Romania;*
6. *The rights of taxpayers.*

The specialized literature defines the basis of calculation or the taxable matter as the concrete element on which the calculation of the tax is based, namely the income on which the unit amount or quota is applied.

The part to be made available to the State shall be determined by applying the unit amount or quota to the basis of calculation (of the taxable matter). The resulting amount is:

1. Obligation to pay for the taxable person or legal entity;
2. Levying at the disposal of the State.

The unit amount or quota is the amount due for the taxable base unit or taxable amount or the percentage of the tax due to the State. The quota is established as a proportion of the total revenue and the part due, which is available to the State.

From the point of view of the mode of calculation, the tax rates are classified into:

1. Proportional, progressive or regressive percentage rates.
2. Fixed amounts.

Percentage rates can be categorized into:

1. Proportional rates;

2. Progressive rates;

3. Regressive rates.

In terms of progressivity, progressive quotas take two forms:

1. Direct progressivity;

2. Progressivity on revenue tranches.

Direct progress implies the application of variable rates to the entire volume of the taxable mass. Progress on revenue tranches is typical for wage tax. The amounts retained following the application of the amount or quota represent payment obligations for taxpayers, individuals and legal entities, and are consecutively levied as state levies. Once these amounts are declared, they are the tax receivables and the state has the right to collect them.

Conclusions

We note that the market economy is associated with a changing environment, which is characteristic of the current stage of economic development, which is also in constant change of the development strategy, which determines the necessity of its continuous knowledge. Taxation is also a factor of great influence on the enterprise.

Fiscal liabilities consist of: direct taxes, indirect taxes, mandatory contributions, other taxes [14].

Taxes, duties and social security contributions are, on the one hand, state levers and, on the other hand, state sources of income.

The tax liability reflects the taxpayer's obligation to pay taxes, social security taxes and contributions.

Tax receivable is the right of the state to collect from individual and legal persons taxpayers taxes and duties.

Tax law is presented as „the basis of legal and fair regulation of tax relations in a society that tends to harmonize with the European standards in tax matters” [9].

If taxes and duties are expenses for taxpayers, then these taxes, duties and social contributions represent revenue for the state budget. From the moment of declaring these taxes, duties and contributions, they become tax receivables.

Extinction of the tax receivable can be accomplished by: the effective payment of the tax receivable, the compensation by extinguishing tax liabilities to the same taxpayer, the decrease of the taxpayer's debit in case of insolvency or disappearance of the debtor, the cancellation by normative acts or by decisions, the prescription of forced execution. The tax liability is extinguished when the legal relationship between payers and the state disappears.

The practice highlights the significance of the conceptual knowledge of the specific terminology of the tax receivables and their typology folded on the specificity of each type of tax and duty owed from the moment of its creation to its extinction.

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