

TAX EVASION IN ROMANIA - THE INFLUENCE OF THE VAT GAP ON THE DEGREE OF TAX REVENUE COLLECTION

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Abstract

Currently, tax evasion is the most important component of the mechanism of economic-financial crime, and the EU space is faced with an impressive dynamic of the export and import of economic crime, combating this phenomenon becoming the primary goal of specialized bodies, since in essence, evasion fiscal refers to the action of avoiding or evading the payment of taxes and duties to the state. Certain case studies and recent researches at the international level have highlighted the fact that Romania, compared to other EU states, has a gap to recover in terms of tax collection, especially the VAT GAP, which indicates a low degree of compliance with the payment of this tax. In the context of the accentuation of the budget deficit caused to a large extent by the degree of collection of fees and taxes owed by taxpayers, we consider the current topic, the purpose of this paper is to explore whether the increase in the degree of collection of fees and taxes can be influenced by certain factors such as the level of economic development, the existence of a correct compliance environment, the perceived trust in the tax authorities compared to the corruption perception index registered by Romania.

Keywords: tax evasion, corruption, fiscal pressure

JEL Classification: H21, H26, H30

1. Introduction and context of the study

There are a multitude of factors that influence the level of tax evasion, and the level of taxes and duties is only one of these factors, usually an increase in the level of duties and taxes can cause some people or economic agents to avoid or evade their payment, because the subjects will want to reduce their tax burden and maximize their profits. However, the level of tax evasion is also influenced by other factors, such as the efficiency of the tax system, the degree of tax control and supervision, corruption, poverty and the level of awareness and respect for the law in a society. Therefore, the relationship between tax evasion and the level of taxes is complex and cannot be simplified only to this aspect.

A correct, transparent, fair and well-administered tax system together with effective tax control and supervision measures play an important role in reducing tax evasion.

Regarding the factors that influence tax evasion, there are a number of factors that influence tax evasion that have been highlighted in the literature, such as:

- The complexity of the fiscal system

The more complex and difficult to understand the tax system, the greater the tendency for tax evasion, the lack of clarity and transparency can open doors for illegal practices and tax evasion.

- Degree of supervision and control

If the tax system does not have an adequate level of supervision and control by the tax authorities, it is very likely that tax evasion will be widespread, strict and regulated supervision can deter these practices.

- Corruption

It can promote tax evasion, as individuals/economic agents can pay bribes or influence public officials to avoid paying taxes.

- The degree of awareness and respect for the tax law

If people are not sufficiently aware of their tax obligations or do not give due importance to them, they may engage in tax evasion practices. It is important to note that not all taxpayers try to avoid taxes and duties, many people pay correctly and on time, however to reduce tax evasion clear tax legislation, proper supervision and tax education of taxpayers are needed.

It begs the question: why is tax compliance important in the private sector?

Compliance is extremely important for several reasons:

- Financing of public services

The payment of taxes by the private sector contributes to the provision and support of public services and infrastructure such as education, health, road infrastructure, security and more. These services are essential for the proper functioning of a society and for improving the quality and life of citizens.

- Reducing inequality and promoting social equity.

Tax compliance ensures a better and fairer distribution of resources and reduces inequality, as taxes can be used to finance welfare programs and public policies designed to support the most vulnerable members of society.

- The functioning of the rule of law.

Tax compliance contributes to the strengthening of the rule of law, implying compliance with tax laws and ethical norms, this supports the economic development and financial sustainability of the country.

- Promoting fair competition.

The company that avoids paying taxes can benefit from a competitive advantage in relation to the competition that pays taxes correctly, therefore tax compliance ensures the maintenance of fair competition and the creation of a healthy business environment.

- Building trust and legitimacy of government institutions.

The approach to tax evasion must also be reanalyzed from the perspective of human behavior, as studies have shown that this phenomenon, which derives from the individual's mode of action, is not devoid of rationality, and with the rapid increase in taxes, a considerable increase in this phenomenon is recorded.

2. Aspects from the specialized literature in the field of tax evasion

Certain studies (Amarîța A. 2017) have highlighted several causes underlying tax evasion, thus it was considered that the excessiveness of tax burdens and the insufficiency of citizens' education determine the extent of tax evasion. Cummings and co-authors (2009) came to the conclusion that the design effective policies to reduce tax evasion is conditioned by understanding the behavioral aspects of the tax compliance decision. While, Feld & Frey, (2002) argue that a psychological taxation contract assumes that the tax authority and taxpayers treat each other as partners, i.e. with mutual respect and honesty.

If tax administrations instead treat taxpayers as inferior in a hierarchical relationship, the psychological tax contract is violated and citizens have good reason not to keep their side of the contract and tax evasion. The study by Smith and Keen (2007), shows that the loss of revenues to the state budget and the formation of the VAT gap are influenced by the degree of fiscal non-compliance that determines fraud and tax evasion, it should be noted that the study carried out is a limited one, because it covers selectively the EU member states and does not efficiently analyze the instruments that have been implemented in the strongest economies in the EU in order to reduce this indicator.

Other authors Zidkova(2014), following the research carried out concluded that this VAT collection deficit is not only determined by tax evasion and that a number of factors must be taken into account such as tax planning allowed by legislation, the insolvency of tax payers, the inefficiency of public authorities in collecting taxes and fees, or the inefficiency of tax policies.

While other studies in the specialized literature have shown that the determining factor of taxpayers' behavior is represented by the "fiscal pressure", calculated as the ratio between tax revenues

and fees obtained in a certain period of time and the gross product of the same period, therefore, it can represent a cause that influences the growth of tax evasion. Fiscal pressure is felt to the full by tax and tax payers, so an honest, honest taxpayer voluntarily agrees to pay tax obligations, but the problem arises when the level of taxes and fees reaches the limit of bearability, which causes that taxpayer to changes its behavior, being "forced" to withstand the competitive economic environment, to look for different methods of evading the payment of taxes and fees.

This behavior was best captured by the economist Arthur Laffer, who in 1980, starting from an idea experimented by the famous Adam Smith, graphically transposed the so-called "Laffer curve", according to which tax rates that are too high destroy the basis on which taxation acts, respectively, the income resulting from taxation increases more sharply at low levels of taxation. While Sudharshan C. et al., (2012) in the study carried out on the Romanian economy came to the conclusion that the main reason why the income/GDP ratio is relatively low in Romania is tax compliance, in addition, the tax base is both narrow and there are numerous tax exemptions, so that the receipts represent only a small part of the theoretical maximum collection considering the legal tax.

The gross domestic product is the performance indicator of a state's economy, in this sense at the level of the European Union, Mutașcu et al., (2007) researched the impact of direct and indirect taxes on the gross domestic product for the period between 1995 and 2005 and reached the conclusion that " with a 1% increase in direct taxes, the GDP per capita will increase by 1.61%, and in the case of indirect taxes, a 1% increase will cause the GDP per capita to decrease by 0.83%, suggesting the idea that the process of tax harmonization would be more appropriate instead of tax competition.

The general conclusion of most studies was that if the role of these taxes in the smooth running of a society was understood, then surely the degree of compliance would also increase voluntary payment of tax obligations by taxpayers, which would primarily lead to an increase in the level of collection and reduction of the budget deficit.

Another factor that influences the level of tax collection is corruption. Corruption is harmful to society, in fact it is a threat to security because it enables and drives organized crime, terrorism and other forms of crime, including money laundering or drug trafficking. Corruption affects taxpayers' trust in public institutions, also representing a threat to the rule of law, fundamental rights and democracy. Corruption has a negative impact on economic growth by creating uncertainty in business, lowering the level of investment, preventing fair competition and reducing public finances, it also negatively affects government objectives that focus on improving income disparity and protecting the environment.

Although the European Union is one of the least corrupt regions in the world, none of the EU countries is completely exempt from corruption. The European Union estimates that the phenomenon of corruption affects its GDP by approx. 180-200 billion euros per year (6%) According to the Corruption Eurobarometer Survey (2023), 70% of European citizens consider the phenomenon of corruption widespread in their countries, which represents an increase of 2 percentage points compared to 2022, with the topic: Business attitudes towards corruption, 35% of EU businesses consider corruption a problem in doing business, respectively 59% of EU businesses agree with the statement that bribery and the use of connections is often the easiest way to obtain certain public services.

On a European level, on May 3, 2023, the Commission adopted the anti-corruption package, which includes a proposal for a new directive on combating corruption through criminal law, through which it sets as its objective the updating and harmonization EU rules on definitions and sanctions for corruption offenses to ensure high standards against the full range of corruption offences. Regarding the prevention of corruption, this measure is considered to help support a culture of integrity, where corruption and impunity are not tolerated.

The low level of tax revenues in Romania, approximately 26% of GDP in recent years, compared to an average in the EU of over 40%, represents an important vulnerability of the public

budget that leads to an underfunding of the main basic public areas: education, health , infrastructure, etc.

3. Research methodology and results

In this stage, the collection of the data necessary to fulfill the research objectives is considered, thus the procurement of the necessary data covers two main categories of data sources, namely the sites of international institutions such as the European Commission, for quantitative macroeconomic variables, respectively the sites of the Ministry of Finance, ANAF, The National Institute of Statistics for the variables regarding the evolution of the level of taxes and fees, respectively, Transparency International in the case of the corruption perception index.

Regarding the relationship between the level of tax evasion and compliance with the payment of fees and taxes on the part of the private sector, it can be said that in general there are several influencing factors that can influence the level of tax evasion and compliance with payment on the part of the private sector. In the research, various studies that considered the analysis of the impact that a high level of taxation can have on the phenomenon of tax evasion, starting from the question of whether the change in tax rates would lead to an increase in the phenomenon of evasion fiscal, often contradictory results were obtained. In fact, these results demonstrate that in essence, the relationship between the degree of collection/the proportion of tax revenues as a percentage of GDP and the level of tax evasion is much more complex and requires an analysis of the main factors that determines the decrease of this negative phenomenon and the increase of the collection rate.

From my own experience (over 25 years of financial/fiscal control), I found that taxpayers' non-compliance with paying taxes is greatly influenced by the probability of being controlled by the competent institutions. Thus, empirical studies have highlighted that the determining institutional factors the most important are: trust in the authorities, corruption and the level of compliance with the payment of fees and taxes on the part of the private sector. We must also take into account the low degree of financial education of Romanian taxpayers, largely influenced by the low involvement of the decision-making factors for to take measures to improve the awareness of entrepreneurs when paying taxes.

In what follows, we will present an analysis of the fiscal regime in Romania in relation to 27 other EU states, through the lens of the structure of fiscal revenues as a percentage of GDP in the period 2013-2022, followed by an analysis of the VAT GAP, in which we will study the impact of some determining factors (social, economic) on the size of the VAT gap in the EU member states. The VAT gap represents the value added tax collection deficit, respectively the difference between the amount of VAT that should be transferred to the budget and the actual one collected by the state, motivated by the fact that Romania continues to occupy the last position among the EU states in collecting this tax.

The results of the research can be analyzed from the perspective of relevance for decision-makers in our country to understand the reaction of taxpayers when measures are taken to increase the degree of tax compliance. The structure of budget revenues in Romania is predominantly oriented towards indirect taxes and revenues from social contributions (together they represent 82.6% of tax revenues, the highest value in the EU), while, at the European level, there is a tendency to balance the share of taxes direct, indirect and social security contributions (respectively, an EU average of 32.3%, 33% and 34.7%).

Table no.1- Structure by type of tax% as of GDP in Romania

Type of tax	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Ranking UE 2022
Indirect taxes	12,9	12,8	13,4	11,6	10,5	10,4	10,6	10,4	10,8	10,7	25
Direct taxes	6	6,2	6,6	6,5	6,1	4,9	4,8	4,7	5,1	6,1	27
Social contributions	8,7	8,5	8,1	8,1	8,5	10,5	10,5	11	10,5	10	19

Source: author's works-Eurostat

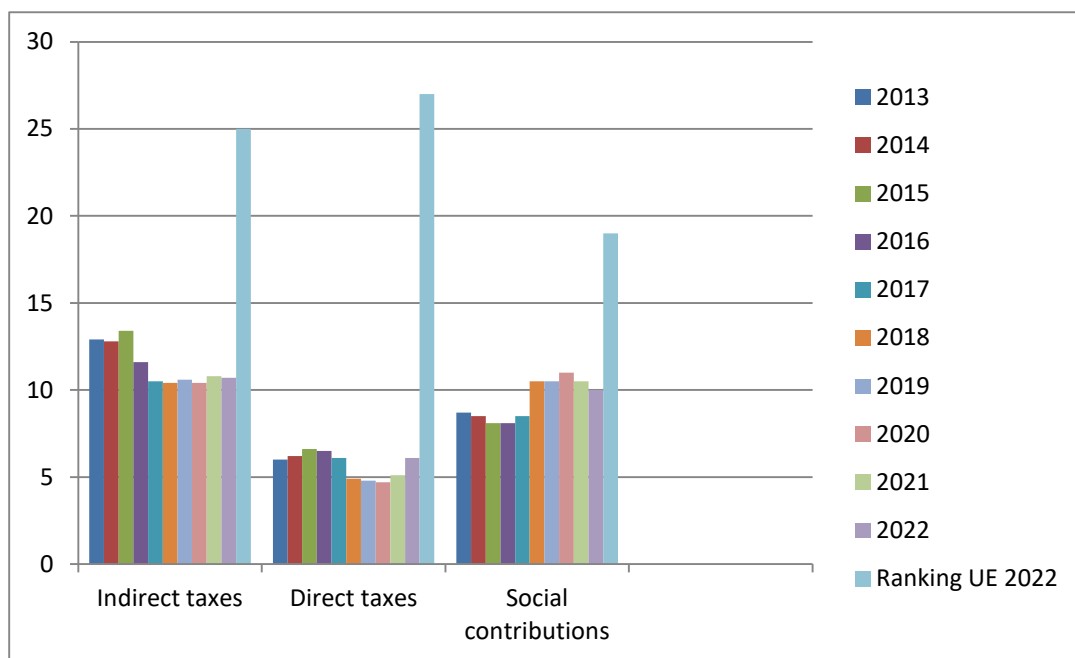


Figure no 1- Structure by type of tax% as of GDP in Romania

Source: author's works

From the data presented in Table no.1, respectively the image provided by Figure no.1, it can be easily observed that the level of indirect taxes (percentage of GDP) has registered a significant decrease, so if in 2013 they represented a percentage of 12.9% of GDP, in 2022 they recorded a percentage of 10.7% of GDP, which places Romania in 27th place (penultimate position) among the EU states.

Table no.2- Tax Revenue-total as % of GDP

Countries	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Austria	42,7	42,8	43,2	41,8	41,9	42,3	42,7	42,2	43,4	43,2
Belgium	46	45,7	45	44,2	44,7	44,8	43,5	43,4	43,2	43,3
Bulgaria	28,1	28,4	28,9	29,2	29,8	29,7	30,4	30,5	30,8	31,1
Czechia	34,9	34,1	34,3	35,1	35,4	36	35,9	35,9	35,9	35,3
Cyprus	31,7	33,6	33,1	32,2	32,8	33,1	34,2	33,7	34,8	36,5

Croatia	37,1	37,4	37,7	38	37,9	38,4	38,4	37,7	36,7	37
Denmark	46,3	48,9	46,4	45,7	45,7	44,4	47,1	47,4	47,6	41,9
Estonia	31,7	32,1	33,3	33,5	32,8	32,9	33,3	33,3	33,8	32,9
Finland	43,4	43,5	43,5	43,7	42,9	42,4	42,3	41,8	43,2	43,1
France	45,5	45,7	45,7	45,7	46,4	46,3	45,3	45,4	45,1	46,2
Germany	38,5	38,3	38,8	39,2	39,3	39,9	40,1	39,6	40,9	40,8
Greece	36,3	36,7	36,9	39,2	39,7	40,3	39,5	39,5	40	41,2
Ireland	28,8	28,8	23,2	23,7	22,5	22,3	21,9	19,8	20,7	20,9
Italy	43,2	42,9	42,8	42,1	41,8	41,6	42,2	42,5	42,5	42,7
Latvia	29,4	29,7	29,8	30,7	31,1	31	30,7	31	30,7	30,3
Lithuania	26,9	27,5	28,9	29,7	29,4	30	30,2	31,2	31,9	31,6
Luxembourg	36,3	36,2	34,9	35,5	36,8	39,5	39,6	38,3	38,3	38,4
Malta	31,4	31,5	29,6	30,6	30,2	30,3	29,5	29	29,3	28,6
Poland	32,4	32,3	32,5	33,6	34,2	35,1	35,2	35,6	36,7	34,5
Portugal	34	34,2	34,4	34,1	34,1	34,7	34,5	35,2	35,2	36
Romania	27,5	27,5	28	26,3	25,1	25,8	25,9	26,1	26,4	26,9
Slovakia	30,8	31,7	32,4	32,9	33,8	33,9	34,4	34,6	35,2	34,8
Slovenia	37,5	37,4	37,6	37,6	37,3	37,4	37,7	37,8	38,4	37,5
Spain	33,1	33,9	33,9	33,7	33,9	34,7	34,8	37	37,9	37,7
Sweden	42,5	42,2	42,6	44,1	44,1	43,8	42,8	42,4	42,6	41,8
Netherlands	36,1	37	36,9	38,4	38,7	38,8	39,3	39,9	39,2	38,5
Hungary	38,5	38,4	38,7	39,1	37,9	36,9	36,3	36	33,9	35,1

Source: European Commission-extract data, February 2024

From the data presented in Table no. 2, it can be seen that in the period 2013-2022, the weight of tax revenues as a percentage of GDP Romania registers the last position among the EU states. If we continue with an analysis of the level of VAT collection in Romania (the main source of fiscal budget revenues), in nominal terms, we can say that in 2021 our country collected 15.511 billion euros from the VAT budget in 2021, against expected revenues of 24 .5 billion euros, resulting in a deficit of 8.996 billion euros, thus our country recorded the third largest VAT compliance gap in the EU, after Italy (-14.6 billion euros) and France (-9.5 billion euros).

In Figure no.2, we presented the evolution of the VAT Gap in the 27 member states of the European Union.

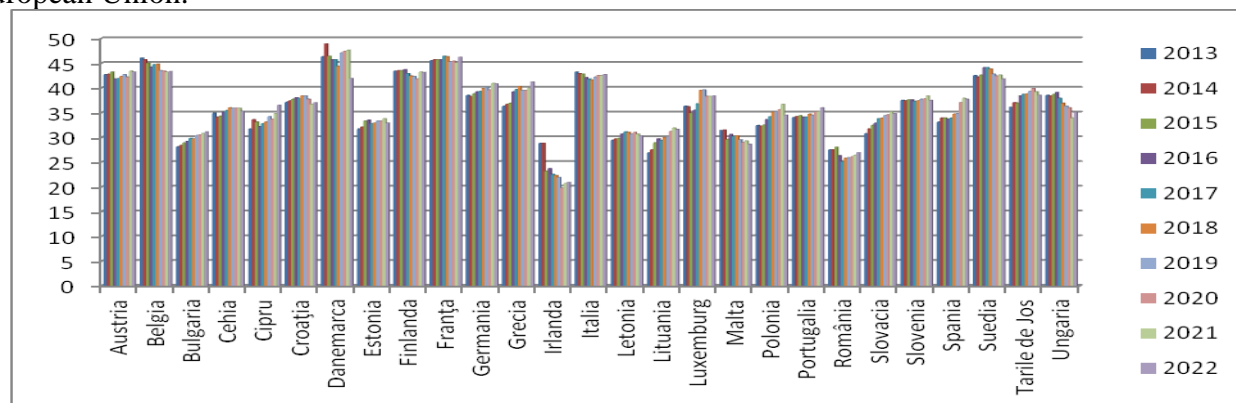


Figure no.2, the evolution of the VAT Gap

Source: author's works

As we know, the Fiscal Gap represents the difference between the taxes and fees actually collected and those that would be collected if all taxpayers fulfilled their fiscal obligations. VAT evasion is still the most common practice among taxpayers in 2024 from Romania, according to the data reported by ANAF, in the first semester of 2024, following fiscal verification actions, the structures with fiscal control attributions found, related to VAT, the following deficiencies in the activity of taxpayers:

-non-preparation and non-use of accounting supporting documents for the operations performed;

-the erroneous completion of the VAT statement, by the erroneous declaration of the amount of the deductible tax for which the right of deduction arose in the reporting fiscal period and, as the case may be, the amount of the tax for which the right of deduction was exercised, under the conditions provided by law, respectively, the erroneous declaration of the amount of the tax collected, the chargeability of which arose during the fiscal reporting period;

-non-declaration to the competent fiscal body and non-payment of fiscal obligations to the state budget a revenues received as a result of cryptocurrency transactions;

-non-registration of VAT collected at the rate of 19%, related to revenues from video transmissions electronics, according to legal provisions;

-failure to meet the requirements imposed by the legal provisions, regarding the granting of commercial discounts/reductions to the main customers depending on the volume of transactions, these cannot be classified as commercial rebates;

-non-registration of the collected VAT related to a tax base consisting of the consideration works executed and not settled until the date of completion of the works;

-failure to register for VAT purposes after exceeding the exemption ceiling;

-VAT not allowed for deduction for invoiced services, without having documents to justify their acquisition for the benefit of the taxable operations of the audited company;

-Adjusted deductible VAT, related to the expenses resulting from the decrease in the management of the goods;

-degraded for which the destruction condition was not met;

-VAT not allowed for deduction related to transactions concluded with inactive partners;

-Adjusted VAT related to technological losses/rejects/waste above the legal limits;

-Additional collected VAT, representing the collected VAT related to "triangular" deliveries for which the exemption of deliveries made by the verified company was not justified;

-Additional collected VAT related to intra-community deliveries for which the company verified did not prove the validity of the customer's VAT code;

-VAT not allowed for deduction related to purchases of services from a registered supplier.

In what follows, we will present a case study that has as its theme: the analysis of the level of tax collection in Romania compared to other EU states, such as Bulgaria and Hungary.

Table 3-Collection of fees and taxes in Romania vs.Bulgaria vs. Hungary

	% of GDP,2022			Tax rates,%2022		
	Romania	Bulgaria	Hungary	Romania	Bulgaria	Hungary
Tax revenues	26,9	31,1	35,1			
VAT	6,8	9,1	10,1	19	20	27
Excise duties	3	5,7	6,2			
Personal income tax	2,5	3,1	5,3			
Corporate profit tax	3,1	2,9	1,3	10	10	9
Social security contributions	10	8,3	9,8	39,96	32,7	18,5

Non-tax revenues	1,5	2	2,4			
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Source: Eurostat, European Commission, author's calculations

In Table no. 3, we can see that although in Romania and Bulgaria, the tax rates are almost similar, there is a difference of approximately 4.2 percentage points between the tax revenues collected by Bulgaria compared to Romania.

Table no. 4 VAT not collected at the state Romania vs. Bulgaria vs. Hungary

2022	Uncollected VAT to the budget % of the total VAT payment obligation		
	Romania	Bulgaria	Hungary
	35,7%	4,9%	4,4%

Source: author's calculations

Table no. 4 shows the percentage of uncollected state VAT from the perspective of the following EU states: Romania, Bulgaria and Hungary. If the level of VAT collection in Romania would be at the level recorded by countries such as Bulgaria and Hungary, tax revenues as a percentage of GDP would increase by approximately 3 percentage points, respectively 45 billion lei or 9 billion euros. The research paper continues with the analysis of the data that we will use in descriptive statistics and regression analysis. The resulting calculations were made with the help of SPSS software.

In the analysis carried out, we used the VAT GAP as a dependent variable, respectively, export, import, unemployment rate, GINI index, Corruption Perception Index (CPI), GDP per capita as independent variables, the final results that were presented following the application of various statistical tests, here following the application of various statistical tests the following final results were recorded:

Table 5. Summary of variables used in the model

Variable	Symbol	Unit of measure	Source
The dependent variable			
The VAT GAP	GAP	Percentage of VTTL	Eurostat,INS, INTRASTAT,Publication Office of the European Union
The independent variable			
CPI corruption perception index	IPC	From 0 (very corrupt) to 100 (not corrupt)	Transparency International
Exports of goods and services	EXP	(% of GDP)	Eurostat, INS
Imports of goods and services	IMP	(% of GDP)	Eurostat, INS
Economic growth	GDP	GDP per capita (growth rate%)	Eurostat

GINI index	Ind.GINI	From 0 (perfect equality) to 100 (perfect inequality)	Eurostat,INS, Intrastat
Unemployment Rate	Unemployment	%	Eurostat, INS

Source: own processing according to specialized literature

Table 6. Descriptive analysis

Variable	Mean	Std. Deviation	N
GAP TVA	7,393	8,1764	27
IMP	49,256	21,7373	27
EXP	46,111	24,9204	27
GINI INDEX	29,426	4,2412	27
UNEMPLOYMENT	5,837	2,6649	27
IPC	63,44	14,859	27
GDP	14,707	3,5020	27

Descriptive Statistics

	N Statistic	Range Statistic	Minimum Statistic	Maximum Statistic	Mean		Std. Deviation Statistic	Variance Statistic	Skewness		Kurtosis	
					Std. Error	Statistic			Std. Error	Statistic	Std. Error	
GAP TVA	27	36,5	,2	36,7	7,467	1,5620	8,1166	65,880	2,385	,448	6,284	,872
Valid N (listwise)	27											

Source: own calculations

According to the data presented in table no. 6, we can see that in the member states of the European Union, the average value of the VAT GAP is 7.393%, and the IMP is 49.256%. In addition, it note that the largest standard deviation is recorded by the EXP variable, which demonstrates that GAP is affected by export volume. A rapid intensification of economic growth leads to an increase in the VAT deficit. At the opposite pole, the lowest standard deviation is registered by the unemployment rate (2.664%). We know that the "Lambda" indicator is a measure of the percentage variation of the dependent variables that is not explained by the differences in the levels of the independent variable.

A value of zero means that there is no variation that is not explained by the independent variable, so the closer the statistic is to zero, the more the variable in question contributes to the model.

Table no. 7-Multivariate Tests

		Multivariate Tests ^a								
Effect		Value	F	Hypot hesis df	Error df	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power ^c	
Intercept	Pillai's Trace	,996	773,288 _b	7,000	20,000	<,001	,996	5413,013	1,000	
	Wilks' Lambda	,004	773,288 _b	7,000	20,000	<,001	,996	5413,013	1,000	
	Hotelling's Trace	270,65 ₁	773,288 _b	7,000	20,000	<,001	,996	5413,013	1,000	

Roy's Largest Root	270,65 1	773,288 b	7,000	20,000	<,001	,996	5413,013	1,000
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- a. Design: Intercept
b. Exact statistic
c. Computed using alpha = ,05

Table no. 8
Bartlett's Test of Sphericity^a

Likelihood Ratio	,000
Approx. Chi-Square	270,584
df	27
Sig.	<,001

Tests the null hypothesis that the residual covariance matrix is proportional to an identity matrix.

- a. Design: Intercept
Sursa: own calculations

Table 8 presented the present KMO and Bartlett's Test, where the Bartlett's Test of Sphericity is significant at less than 0.05. Test of Sphericity,(270.584, Sig=<0.001) is small enough to reject the hypothesis that selected variables are uncorrelated, therefore we can conclude that there is a close relationship between the extracted data. common, which motivates the application of a factorial reduction procedure, represented by the ACP method.

Table no. 9-Model Summary

Model Summary ^b										
Change Statistics										
R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson	
,604 ^a	,364	,174	7,4331	,364	1,910	6	20	,129	2,043	

- a. Predictors: (Constant), GDP, EXP, IPC, SOMAJ, INDICE GINI, IMP
b. Dependent Variable: GAP TVA
Sursa: own calculations

If we analyze the value of R-squared, from Table no. 9, we find that 36.4% of the variation of the dependent variable is explained by the variations of the independent variables. We can also see that the Adjusted R-squared is equal to 17.4% and R 60.4%, we find that the independent variables analyzed in this paper have a significant impact on the VAT GAP. Durbin Watson d=2.043 which is between the two critical values of $1.5 < d < 2.5$, therefore we can assume that there is no first-order linear autocorrelation in our multiple linear regression data.

In conclusion, as a result of the analysis performed, where we used GAP VAT as dependent variable, respectively export, import, unemployment rate, GINI index, Corruption Perception Index (CPI), GDP per capita as independent variables, results. final result following the application of various statistical tests demonstrates that the variables we analyzed have a significant impact on the variation of GAP-TVA values.

4. Conclusions

Tax fraud and tax evasion in the serious and complex problem area require a coordinated approach at national, European and international level. The economic and financial crisis has generated many viable problems for most European governments, which have tried to adopt measures to ensure or collect more efficient budget revenues and can reduce tax evasion and fraud, in such a way that growth can be achieved. economically sustainable.

Following the study undertaken, we can appreciate that although Romania compared to other states (Bulgaria), the tax rates are almost similar, there is a significant difference between the revenues collected, if the tax value could be reduced substantially, it would have an impact on growth. of tax revenues (approximately 9 billion euros). Of course, the tax regime in Romania provided, until recently, a lot of exceptions and exemptions that reduce the base taxable, preferential taxation regimes in certain sectors of activity or categories of taxpayers and last but not least the existence in some cases of very low tax rates compared to those of the EU states.

But, at least at the level of Romania, a high level of taxation would have the effect of increasing the fiscal pressure on taxpayers and will determine an increase in the level of tax evasion, therefore the decision-makers are forced to adopt effective measures that could lead to an increase in the degree collection of fees and taxes and implicitly compliance with their payment on the part of Romanian taxpayers, maintaining a fair and last but not least bearable taxation system.

In Romania, ANAF has the central role in the administration of the collection of taxes and fees and holds all the levers to reduce the "motivation" of taxpayers to avoid paying tax obligations in order to increase the degree of voluntary compliance with the payment of taxes and fees. thanks to the state budget, we believe that a reform of this institution is required.

The increase in tax revenues as a percentage of GDP could be achieved through an effective administration of taxes and fees, a reduction of the VAT gap by increasing the degree of voluntary compliance on the part of taxpayers to pay this tax, starting from the improvement of taxpayer assistance and collection activities, the efficiency of tax inspection activities by reducing their duration, which in Romania registers an average of 28-29 days, while in the advanced administrations within the EU such of inspections last 2-3 days, which allows an unblocking of control human resources.

It should be mentioned that the ANAF reform through digitalization provided for in the PNRR, started with the implementation of several IT systems:.

- The One Stop Shop (OSS) IT system - special VAT regime, aims to implement the VAT package regarding electronic commerce, operational starting from July 1, 2021;

- The national system regarding the electronic invoice RO e-Factura - operational system starting from November 2021.

Respectively, 2 projects that will become operational:

- The VIES_RO project (Value Added Tax Information Exchange System) which aims to create an efficient mechanism to increase tax revenues by combating tax evasion generated by commercial companies registered for VAT purposes, the system ensures the exchange of information regarding intra-community deliveries;

- The Automatic Exchange of Informatics (AEOI) project, which ensures the automatic exchange of information between the tax administrations of EU member states, was launched in December 2021.

In conclusion, the achievement of fiscal objectives can be achieved through the implementation of integrated digital solutions that ensure a level of collection with an upward trend, followed by increasing the degree of awareness of taxpayers regarding the degree of voluntary compliance with the payment of fees and taxes, respectively, reducing the phenomenon of corruption among civil servants, can contribute to reducing the phenomenon of tax evasion.

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