

TAX SYSTEM STRATEGIES, THEIR ANALYSIS AND WAYS OF IMPROVEMENT IN REPUBLIC OF ARMENIA

Mher FRANGULYAN

Ph.D. in Economics, European University in Armenia, lecturer

Key words: strategy, improvement, analysis, tax system, function

Introduction. Management is the act of transforming a disorganized crowd into an organized, productive, and purposeful group. This is how modern theorist Peter Drucker defined management, who in his book "The Effective Executive" presents management as mental work, the effectiveness of which, unlike physical work, can be assessed from the point of view of how well the set goals have been achieved. To substantiate this, he presents a number of examples in his book, in one of which he describes a painting depicting a soap factory. Two men stand in front of one of the factory's many doors, looking in through the open door, where Mr. Smith sits with a mysterious face, a pipe in his mouth and his feet on a table. One of the two men standing in front of Mr. Smith's door asks the other. "Is Mr. Smith thinking of soap at this moment?" And indeed, how much Mr. Smith thinks about soap is not visible, it cannot be measured by material or quantitative indicators, and can only be appreciated in the actions and decisions that are aimed at the realization of the goals of the soap factory. In other words, whether or not Mr. Smith's performance as a manager is effective can be assessed by analyzing how well his decisions have contributed to the achievement of defined measurable goals [Drucker, 2017].

Considering the imperative to form an effective tax system in the above context, it becomes clear that in the process of forming such a system, both the strategies of the authorized tax authority in RA, and the reports on the implementation of these strategies, which will be able to record the tax system's set for certain periods, are of great importance. achievement of goals. This is the main reason why it is necessary to analyze and research all the strategies of the RA tax system, using the available scientific and methodological tools and the results of scientific research already known to science.

Considering strategy development and implementation as one of the most important directions of management, planning, and implementation of the function, tax system strategies were analyzed from the point of view of implementation of the planning function of tax system management. Therefore, taking into account that the implementation of the planning function is aimed at predicting the desired results that the whole system should strive for through the formation of a bridge between the present and the future, the analysis of strategic goals was chosen as an important scientific-methodical direction from the point of view of researching the strategies of the tax system. Priority was given to the compliance of the goals defined in all the strategies developed by the RA tax authority with the requirements presented to the goals known in management science. For the

purpose of analysis, a special role in the research was assigned to the measurability of the goals defined by the strategies, because only in the case of measurable goals would it be possible to give a clear, objective and fair assessment of the operation of the tax system, calculating both the effectiveness of the implementation of the structures provided by the strategies and the effectiveness of the entire tax system.

Methodology. The theoretical, informative and methodological basis for the scientific article were the reforms taking place in the RA tax system, the laws regulating tax relations, the studies carried out in the field of tax system management and reforms, legislative acts and decisions of the RA government, also the officially published reports of the RA SRC. In this regard, using the methods of analysis, comparisons, combinations, the scientific article has studied how much this or that structure developed for tax reforms and regulation of tax relations contributes to the efficiency of tax system management. Based on this, there were analyzed the strategies of the tax system, the methods and principles used for their development.

Literature review. It is a fact that there were covered many theoretical, practical and methodological issues in the direction of tax reforms and the formation of an effective tax system in RA. Such researches were done and they are continuing to be done by the both Armenian and foreign authors. From the point of view of researching the problems of the tax system, the mentioned authors mainly studied the development of the strategy of the tax authority, the improvement of tax administration, the implementation of reforms in the RA tax system, increasing the effectiveness of tax policy and other similar issues. In this case, there are few researches regarding to the management of tax system and how effective acts the tax system to achieve its purpose.

Scientific novelty:

✓ In order to improve the strategies of the tax system, it is necessary to periodically analyze them, comparing the obtained results with the defined measurable goals.

✓ In order to create an effective tax system, it is important to define measurable, realistic and achievable goals in tax policies and to create a system for evaluating the functions of the tax system for defining these goals.

Analysis. The tax authority of Armenia, called State Revenue Committee of Republic of Armenia (RA SRC), was established in 1999, despite the fact that the formation of the independent tax system in RA began in 1992 [Tamazyan, 2003]. Since the creation, the tax system has gone through several stages of development. In the most recent change in 2018 The RA SRC was reorganized since April of the same year. In general, the activities of the RA SRC are aimed at the formation of an effective tax system and the continuous improvement of it. For this purpose, during its activities, the RA SRC has developed and implemented a number of strategies, of which three were most important: 2008-2011, 2012-2014 and 2020-2024 strategies. Aiming to analyze them individually,

we study and analyze them from the point of view of the effectiveness of the tax system management. For the first time of its history in 2008 by the decision of the Government of the Republic of Armenia, for 2008-2011 it was approved and adopted the strategic plan, which is called the Strategy of the State Revenue (Tax and Customs) Administration of the Republic of Armenia. This strategic plan included 7 main objectives of tax administration and 7 main principles of customs administration strategy. At the same time, the above-mentioned strategy was the basis for the development of the customs administration strategy in 2008-2012 [Order No. 187-A], 2009-2011 five-year strategic plan, and also IT sector development strategy of the tax authority in 2009-2011. This strategic plan should become a basis for the implementation of the RA SRC electronic management system in 2009-2011 [Order No. 2737-A], as well.

The mission of the mentioned strategy was to provide stable state revenues with the priority of the principle "facing the taxpayer". In order to achieve this mission, the State Revenue Administration Strategy envisaged the implementation of a number of objectives and the introduction of a number of systems [Decision N 941]. In particular:

In terms of tax administration, the most important goals have been defined.

- ensuring correct, complete and timely taxation of large businesses,
- definition of an effective tax burden for small businesses using "soft" tax administration,
- Overcoming tax authority corruption,
- full implementation of the principle of voluntary payment of tax obligations (self-assessment),
- new tax audit policy,
- implementation of an effective tax authority management system.

• ensuring effective management of tax administration information flows.

In terms of customs administration, the most important goals have been defined.

- increase in customs revenues,
- Ensuring the fair distribution of customs and tax burdens among business entities,
- ensuring the fight against smuggling and reducing the number of cases of violation of customs rules,
- providing high-quality services to business entities and shortening their terms,
- Ensuring the transparency of the customs system and creating honest behavior.

In terms of tax payers service, the most important goals have been defined.

- simplifying tax administration procedures and ensuring uniform application of legislation,
- strengthening the principles of voluntary tax payment (self-assessment),
- improving the organization of tax administration,
- increasing the level of tax discipline and the effectiveness of the fight against tax

evaders,

- increasing the level of accountability,
- provision of two-way feedback "taxpayer-tax authority",
- providing taxpayers with high-quality service and raising the level of taxpayer awareness,
- development of new technologies and means of communication.

The most important goals for the development of the IT sector have been defined.

- Integration with the electronic management system developed in RA,
- reconstruction, replenishment and completion of the information base of the tax authority,
- implementation and application of the assessment and management system of risk sectors and taxpayers,
- implementation and improvement of the system for submitting reports to tax authorities electronically,
- Improving the management and communication of interactive flows.

In 2008-2011 for the implementation of the above objectives, the RA authorized tax authority developed 100 or more measures, as a result of which a number of taxpayer service and management systems were implemented in the RA tax system. In particular, within the framework of the implementation of the strategy, there were introduced the system of submitting electronic reports by taxpayers, a number of customs control systems, the system of assessment and management of risky taxpayers, etc. Every year, the RA SRC published an annual report on the performed works, which summarized the performed measures and the next year's priority issues and development directions. And despite the implementation of various measures and the implementation of various systems, the annual reports of the RA SRC did not evaluate the effectiveness of the implemented measures and systems. In this regard, it was not reflected in the RA SRC reports.

- how much was the cost part of the implementation of this or that system,
- how effective was the implementation of the concrete system,
- to what extent the introduction of this or that system contributed to the growth of tax revenues
- to what extent the introduction of this or that system contributed to the reduction of the shadow economy.

Even more, analyzing the RA SRC 2009-2012 annual reports, it turns out that, despite the fact that the amount of taxes in 2007 instead of 505.5 billion drams, it was 749.3 billion drams in 2012, however, the tax/GDP ratio changed slightly by 2.72% (from 16.1% to 18.82%) (see table 1). The data in Table 1 document that the increase in taxes was mainly due to the growth of the GDP and did not contribute to the reduction of the shadow economy. It is clear from Table 1 that the increase/decrease in taxes from year to

year was accompanied by the increase/decrease in GDP, and the 2.72% increase in the tax/GDP ratio over 5 years (assumed to be the result of GDP growth) was also significantly influenced by Legislative changes in 2009, when the withholding tax was replaced by VAT.

Table 1. 2007-2012 taxes, tax growth rate, GDP, GDP growth rate, tax/GDP ratio in %

Indicator	2007	2008	2009	2010	2011	2012
Taxes, billion Dram	505.5	621.1	522.4	594.1	654.0	749.3
Tax growth rate, %	31.3	22.8	-15.9	13.7	10	14.6
GDP, billion Dram	3149.3	3646.1	3165.5	3460.2	3776.4	3981.5
GDP growth rate, %	18.2	15.8	-13.2	9.3	9.1	5.4
taxes/GDP, %	16.1	17.0	16.5	17.1	17.3	18.8

Analyzing RA SRC 2008-2011 strategy from the point of view of tax system management, it can be concluded that the latter did not have the goal of tax system management, including increasing the efficiency of management and, as a result, forming an effective tax system. Although the strategy has set goals for the implementation of some structures for the separate subsystems of the tax system, however, there is no record of any indicators for the defined goals at the time of strategy development, which would allow making the goals measurable and more realistic. This is the reason that RA SRC 2008-2011 in the reports, there is no assessment of the extent to which the set goals have been achieved or whether this or that structure has increased the efficiency of the tax system management and contributed to the effective implementation of the tax collection process.

By the decision of the RA government in 2012 was adopted and approved the strategy by the Tax Administration of the RA SRC for 2012-2014. In this strategy were identified 4 objectives of tax administration improvement [Decision N 195-N].

- increasing the quality of service for taxpayers,
- reorganization of the main business processes of the tax authority,
- introduction of modern tax control mechanisms,
- effective management of human resources, improvement of internal control mechanisms

At the same time, the vision of the tax authority defined by the given strategy was laid as the basis for the definition of the above-mentioned goals, to ensure the collection of tax revenues at the expense of improving the administration. In other words, one of the key issues of the above strategy is to improve administration. And since in the improvement of the administration, the people who carry out the administration, the tax and customs officers, play an important role, it can be argued that the effective management of human resources is also one of the most important issues of the strategy.

It is noteworthy that the RA SRC 2011-2013 served as a benchmark for the development of the above-mentioned strategy and the implementation of goals. Moreover, by RA SRC president's decree defines 51 measures with deadlines for their implementation, which need to be implemented in 2011-2013. The results of the strategic plan also are summarized in the RA SRC annual reports. However, as we have already mentioned for RA SRC 2008-2012 strategy, the annual reports did not evaluate the effectiveness of the implemented measures, there is no clear quantitative assessment of how much they contributed to the growth of tax revenues and the reduction of the shadow economy. In other words, the previous the results of the 2008-2011 strategy are not quantitatively and qualitatively measurable, there is no clear assessment of the implemented systems, therefore they could not be the basis for the new 2012-2014 strategy in defining strategy objectives.

And despite the fact that in 2012-2014 the goals of the strategy are not substantiated, because they do not have an indicator basis, however, let's try to analyze the results of the implementation of these goals, taking as a basis the RA SRC 2012-2014 annual reports and published reports on inspections and studies conducted by the RA SRC by year. According to the RA SRC reports, in 2012-2014 in the structure of the inspections and studies carried out by the RA SRC, the inspections of the accuracy of the use of control cash registers, and then the inspections aimed at the detection of unregistered hired workers, have a significant weight. However, it is important to pay attention to the fact that the total number of inspections and studies in 2012-2014 has a decreasing trend and has not undergone significant changes (see table 2). In particular, the number of inspections decreased by 12.05% in 2013 compared to 2012, and by 4.2% in 2014 compared to 2013.

Table 2. Inspections carried out by RA SRC by types in 2012-2014

Inspection type	Implemented inspections quantity		
	2012	2013	2014
Checking the accuracy of the relationship with the budget	1410	1470	1581
Inspection of control cash registers	7621	6972	5647
Check for detection of non-converted employees	3591	2194	2905
Other inspections	782	1152	1157
Total	13404	11788	11290

According to table 2, the total number of inspections in 2012-2014 ranged from 11,000–1,300. Keeping almost the same number of inspections allows us to assume that the implementation of inspections was of a planned project nature and was repeated almost every year with almost the same number. The basis for such an assumption is the analysis of the indicators of inspections with the annual reports of the RA SRC. In particular, the annual reports present only the quantitative indicators of inspections and their

increase or decrease, but it is not addressed to what extent the implementation of such a number of inspections contributed to the reduction of the shadow economy and the improvement of administration. In the reports, it is not specified and justified how the implementation of such a number of inspections is justified, how effective is the implementation of the given function of the tax authority and why fewer or more inspections were not carried out. Analyzing the results of inspections and studies carried out by the RA SRC in 2012-2014 reports, we can also assume that the inspections were carried out without evaluating the effectiveness of the given function and did not contribute to the improvement of administration (see table 3).

From the analysis carried out according to Table 3, it becomes clear that:

- Regarding the inspections and studies carried out in 2012, 34.3% of taxpayers had the inspections and studies repeated in 2013, and 31.15% in 2014.
- Regarding inspections and studies carried out in 2013, inspections and studies were repeated in 2014 for 38.9% of taxpayers.

At the same time, analyzing the checks on the use of control cash registers (cash register checks), which have the largest share in the number of total checks, it turns out that the amount of the fine per check in terms of cash register checks has not changed significantly.

Table 3. 2012-2014 repeated audits of the same taxpayers by year by taxpayer

Indicator	2012	2013	2014
Number of audited taxpayers	17717	12328	12741
The number of taxpayers re-verified compared to the previous year	-	6087	4797
Proportion of re-verified taxpayers compared to previous year, %	-	34.3	38.9
In 2012 compared to the number of re-verified taxpayers	-	6087	5519
In 2012 relative to the proportion of re-verified taxpayers, %	-	34.3	31.15

In particular, in 2012 the amount of the fine for the cash register inspection was 137,846 drams, in 2013 it was 158,188 drams, and in 2014 it was 156,146 drams. Taking into account the fact that the fine for committing the same violation again within a year is 300,000 drams, it can be assumed that re-inspecting 1/3 of taxpayers every year does not aim to improve inspections. In other words, the re-inspection of taxpayers was not aimed at changing their behavior by fining them again, but it is assumed that it had a formal nature and was the result of the implementation of the planning project.

In order to improve the administration, in 2012-2014 one of the measures implemented by the strategy is the effective management of human resources. For this purpose, the

"Educational Center" SNOC began to carry out intensive activities, one of the most important tasks of which is the training of tax and customs officials. Despite the fact that the above-mentioned SNOC was established in 2008 by the decision of the Government of the Republic of Armenia, still the SNOC started to carry out vigorous activities in 2012. According to the annual reports of the RA SRC, as a result of the activities of the SNOC, for the first time in 2014, 1455 out of 1913 tax employees were trained, 141 were certified, 534 out of 791 customs employees were trained, and 12 were certified. Then in 2014 then every year 81-85% of tax officers and 71-75% of customs officers were trained. Annual mandatory trainings were accompanied by changes in tax laws, which gives reason to assume that the trainings were related to changes in the tax code and laws. It is assumed that this is the reason that the annual reports of the RA SRC, apart from the quantitative indicators of the tax officials who participated in the competition, won the competition, were held responsible, encouraged and trained, other data are missing. In particular, there is no assessment of the effectiveness of the activities of the "Learning Center" SNOC. The reports do not include data on the costs of maintaining the activities of the SNOC, the costs for the training of tax and customs officials, and it is not presented to what extent the training of tax and customs officials contributed to the increase in taxes and the reduction of the shadow economy.

In general, no matter how much 2012-2014 the systems introduced by the strategy contributed to the development of the RA tax authority, however, as in 2008-2011, during the strategy, after the implementation of the systems, there is no assessment of the effectiveness of the implementation of these systems. In the same way, the goals defined by this strategy are also not measurable and less realistic, which does not give an opportunity to clearly and objectively assess the effectiveness of the tax system management, justifying the expediency, urgency and necessity of the costs incurred for the implementation of these structures.

Unlike previous years, 2015-2018 no strategy has been developed for the RA SRC. In these years, the activities of the RA SRC were mainly aimed at the implementation of reforms in the administration of state revenues. During the implementation of the latter, the State Revenue Committee of the Republic of Armenia was guided by the program of the Government of the Republic of Armenia for the given year, the perspective development of the Republic of Armenia for 2014-2025 according to the administrative directions fixed by the strategic plan and separate programs approved by the RA government's decisions of the given year. In other words, 2015-2018 RA SRC strategic goals were not defined, and the annual reports of RA SRC summarized the tax and customs inspections carried out each year according to individual types. As in the previous reports, as well as in the 2015-2018 RA SRC annual reports, there is no information regarding the reduction of the shadow economy and the measures implemented in that direction. Grounds for

developing a new strategy emerged only in 2019, with point 2 of the annex approved by the RA Government's decision N667-L of 08.06.2018, by which state administration bodies are obliged to develop strategies and activity plans.

By the decision of the RA government in 2019 RA SRC 2020-2024 was approved the strategic plan for the development and improvement of agriculture, according to which the RA SRC is assigned to review the strategic plan every year, until July 1 of the given year, and present a new strategic plan for the next 5 years every year. In this case, we try to analyze the problems and goals defined by the strategy 2020-2024 which is later changed in 2021. In contrast to the previous strategies of the SRC, the mission of the RA SRC was defined by the above-mentioned strategy [Decision N 1830-L].

- *regarding the tax service:* to provide targeted and effective tax administration through professional tax preparers, providing quality services and using electronic management systems, the implementation of which will ensure reduction of the tax shadow and sustainable growth of tax revenues, contributing to the formation of a new culture of willingness to pay taxes and among taxpayers increasing the level of law enforcement.

- *regarding the customs service:* to support the sustainable development of the RA economy through the provision of quality services through professional customs contractors, through the promotion of foreign trade, the facilitation of customs administration and the security of the domestic market. Based on these missions, with the above-mentioned strategy, the RA SRC 2020-2024 goals have been set.

- Improving the quality of services provided to taxpayers by improving management systems, the sub-goals of which are the introduction and development of electronic and digital tools, as well as the restructuring and optimization of SRC functions and procedures.

- Increasing the efficiency of the administration, increasing revenues, reducing the shadow, the sub-goals of which are the prevention of tax and customs offenses and encouraging voluntary discipline, increasing the effectiveness of the fight against tax evaders and reducing the level of tax shadow.

- Modernization of infrastructures, construction, the sub-goals of which are modernization of existing infrastructures and expansion of cooperation, modernization of customs subsystems and technical saturation.

- Increasing the level of dialogue with the public, the sub-goal of which is the expansion of dynamic feedback opportunities with the public.

- Implementation (improvement) of the modern human resources management system, the sub-goals of which are the formation of personnel policy and work culture, the modernization of the professional education, training and qualification system.

In other words, according to the 2020-2024 strategy, the RA SRC mission is aimed at reducing the shadow economy, but the strategy does not define how much the shadow of

the RA economy is and how much the shadow is planned to be reduced by this strategy. From this point of view, the mission and objectives of the given strategy are not measurable and do not meet the requirements presented to the objectives of the management system. In particular, in the theory of management, it is accepted that the mission is the main goal of the organization, is above all its goals and should describe the activity of the organization in the present and in the future [Davletov, 2015]. And since the above-mentioned strategy not only does not describe the current state of the shadow economy, but also the strategy records that the tax authority in RA does not have an effective system and mechanism for systematic evaluation of the shadow, then the RA SRC 2020-2024 strategic mission becomes a dream. Moreover, with the strategy of 2020-2024 the shadow economy indicator is missing among the macroeconomic indicators predicted for (see table 4). This is when the mission of the above strategy is to reduce the shadow, and the mission for any organization is the basis of its existence. In fact, there are no predictions made about the basis of the strategy's existence.

Table 4. RA SRC 2020-2024 macroeconomic indicators predicted by the administration's development strategy, billion drams

Indicators	2019	2020	2021	2022	2023	2024
GPD	6,630	6,975	7,615	8,320	9,152	10,067
Tax revenues and government duty	1,463	1,562	1,736	1,922	2,160	2,416
Taxes / GPD %	22.1%	22.4%	22.8%	23.1%	23.6%	24.0%
Efficiency factor	1.49%	1.93%	1.71%	1.56%	1.26%	1.12%

At the same time, it should be noted that in the predicted indicators of the strategy, a decrease is predicted in terms of the efficiency index, even compared to the period before the strategy. Although a strategy with the mission of reducing the shadow economy was expected to have a high efficiency ratio at the expense of reducing the shadow economy. According to the table, it is quite clear that the overarching goal of the strategy is the increase in tax revenue that is projected for each of the years of the strategy. However, if there is no quantitative reduction of the shadow economy in the economy, then the growth of tax revenues and GDP is not economically justified [Bostanjyan et al., 2017].

We believe this is the reason why the strategy of RA SRC 2020-2024 was changed in December 2020 and the mission of RA SRC was changed. With the change made, the mission of the RA SRC in terms of tax service was defined as ensuring the revenues controlled by the tax authority of the RA state budget by providing digitized and high-quality services, improving tax discipline with targeted and "invisible" administration. Since the objectives of the strategy derive from the mission, it is clear that the above objectives defined by the strategy do not meet some of the requirements for the objectives

[Udalov et al., 2013]. In particular, the following requirements are presented to goals in management theory. The goals should be:

- clearly and quantitatively measurable,
- feasible
- flexible and capable of adjustments,
- understandable
- controllable, if necessary, allow to evaluate the degree of their implementation,
- coherent in time and space,
- beneficial to the organization and its environment.

For all objectives defined in the above strategy, there is a description, necessary measures, expected results and measurable indicators. However, not all measurable results defined for goals and sub-goals are quantifiable. Some goals are not controllable because they do not have a baseline at the time the strategy is created. For example, for the sub-goal "increasing the efficiency of customs control", measurable indicators have been defined by the strategy. Amendments have been made to relevant normative legal acts and international agreements,

- the electronic payment system works,
- the information systems necessary for preliminary declaration have been launched,
- an evaluation system of conscientious businessmen is introduced,
- the results and analyzes obtained as a result of the implementation of the Time Release Study tool are applied.

The indicators are evaluated as follows:

- ✓ target indicator: "done"
- ✓ Baseline: "not done".

Of course, systemic changes, the introduction of new tax systems and the modernization of old systems are important for the functioning of the system, but the implementation of these systems is not justified if there are no quantifiable indicators. In particular, in this case, there is no quantitatively evaluated indicator, to increase or decrease of which the implementation of the above activities should be aimed. The lack of causal relationships between quantitative indicators and implemented systems does not allow us to clearly justify that the implementation of these systems will contribute to the achievement of military goals. In another example, for the sub-goal "Communication System of Taxpayer Service Centers of RA SRC", a measurable indicator was set to increase the internal satisfaction of taxpayers by 35 percent. Of course, in the measurable indicators, it is planned to assess the satisfaction before and after the implementation of the system, but at the time of strategy formulation, there is no measurable indicator. Maybe after evaluation it turns out that satisfaction needs to be increased by 10 or maybe 50 percent. Also, it is not specified with which period of time the satisfaction index will be compared.

From the point of view of management, not only the implementation of the system is important, but its continuity and perspective.

Conclusions. To summarize: thus, analyzing the strategies of the RA SRC, one can come to a conclusion.

1. The strategies of the RA SRC were drawn up without a comprehensive and objective assessment of the functions of the tax authority. As a result, despite the fact that new systems have been regularly introduced in the RA tax system and are continuously being introduced, their effectiveness and necessity are not substantiated in any way. From this point of view, it is necessary to evaluate the functions of the tax authority in order to understand how well the functions of the RA SRC are defined, how much each of them contributes to the growth of tax revenues and the reduction of the shadow economy.

2. It is necessary to form a regularly improved system for evaluating the functions of the tax authority, which should provide an opportunity to measure the effectiveness of the operation of each function and the implemented systems, by carrying out a factor analysis of how much this or that function of the tax authority contributes to the implementation of the mission of the tax authority and the effectiveness of tax collection activities implementation.

3. When developing the strategies of the tax system, their goals should be defined based on the results of an objective and fair assessment of the tax system's activity. In this regard, the strategic goals should become measurable and achievable, taking into account the indicators of the assessment of the functions of the tax system. Because if precise and measurable strategic goals are defined, it will be possible to understand how much the functions of the tax system have contributed to the realization of these goals and as a result form an effective tax system.

References:

1. Tamazyan A. Basics of tax legislation, Yer. Tigran Mets, 2003.
2. Davletov, I.I. Strategic management. / I.I. Davletov, T.M. Svechnikova, V.P. Cherdantsev, S.A. Chernikova. - RF, Perm, Permskaya GSXA, 2015. – 96p. - 50 copies
3. Bostanjyan V., Minasyan G., Ways to increase the effectiveness of tax policy in RA, Alternative. 2017.
4. Udalov F.E., Alyokhina O.F., Gaponova O.S. Basic Management: Teaching manual. - Nizhny Novgorod. Nizhny Novgorod State University, 2013.
5. Drucker P., The Effective Executive: The Definitive Guide to Getting the Right Things Done · January 24, 2017, 240 pages.
6. Decision N 941, "State revenue (tax and customs) administration strategy of the Republic of Armenia 2008-2011. on approving the program" dated 07.08.2008.
7. Order No. 187-A, "2008-2012 Customs Administration Strategy of the Republic of Armenia program", of the President of the RA SRC on 10.12.2008.
8. Order No. 2737-A , "Regarding the organization of works for the implementation of the electronic management system" of the RA SRC dated 14.10.2009..
9. Decision N 195-N, "On approving the tax administration strategy of the State Revenue Committee under the Government of the Republic of Armenia for 2012-2014" of the Government

of the Republic of Armenia dated 23.02.2012.

10. Decision N 1830-L, "2020-2024 of the State Revenue Committee of the Republic of Armenia on approving the strategic plan for improvement of development and administration" of the Government of the Republic of Armenia dated 19.12.2019.

11. RA SRC annual reports, 2009-2021.

Mher FRANGULYAN

Tax system Strategies, their analysis and ways of improvement in Republic of Armenia

Key words. strategy, improvement, analysis, tax system, function

Tax system strategies generally indicate the set of mechanisms needed to create an efficient tax system. In this context, the analysis of the strategies of the tax system is aimed at the discussion of the correct definition of strategic goals and the possibilities of their implementation. By analyzing the strategies of the RA tax system, the omissions and errors are revealed, which should be taken into account in the process of developing tax system strategies. It is necessary to improve the strategies of the tax system, because as a result it will be possible to develop such goals. In turn, the implementation of the strategy may contribute to the formation of an effective tax system. In this regard, the performed analyzes and studies show that one of the directions for improving the strategies of the tax system is the objective and fair evaluation of the functions of the tax system. The formation of an objective and effective evaluation system of the functions of the tax system will allow to understanding to what extent the performed functions contribute to the realization of the goals of the tax system by implementing such functions, as a result of which the efficiency of the tax system will increase.