

ТЕОРІЯ І ПРАКТИКА ЕКОНОМІКИ ТА УПРАВЛІННЯ ПРОМИСЛОВИМИ ПІДПРИЄМСТВАМИ

THEORY AND PRACTICAL ASPECTS OF ECONOMICS AND INDUSTRIAL ENTERPRISES MANAGEMENT

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TO THE QUESTION OF THE EVOLUTION THE AMORTIZATION POLICY OF ENTERPRISES

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Філіппова С.В., Сааджан В.А. До питання еволюції амортизаційної політики підприємств.

Розглянутий досвід розвинутих держав та досліджені еволюційні процеси становлення формування амортизаційної політики підприємств в Україні, під час яких виявлені: елементи механізму амортизаційної політики; відповідності та розбіжності у амортизаційної політики фінансового та податкового обліку.

Ключові слова: еволюція, законодавча база, амортизація, елементи механізму, фінансовий облік, податковий облік

Філіппова С.В., Сааджан В.А. К вопросу эволюции амортизационной политики предприятий.

Рассмотрен опыт развитых стран и исследованы эволюционные процессы становления формирования амортизационной политики предприятий в Украине, в ходе которых выявлены: элементы механизма амортизационной политики; соответствия и отличия в амортизационной политике финансового и налогового учета.

Ключевые слова: эволюция, законодательная база, амортизация, элементы механизм, финансовый учет, налоговый учет

Filyppova S.V., Saadzhan V.A. To the question of the evolution the amortization policy of the enterprises.

The experience of developed countries and investigated the evolutionary processes of becoming of the formation of the amortization policy of enterprises in Ukraine, during which revealed: the elements of the mechanism of amortization policy; compliance and differences in the amortization policy of financial and tax accounting.

Keywords: evolution, the legislative framework, amortization, element of the mechanism, financial accounting, tax accounting

The formation and implementation of innovative-investment projects of enterprises aimed at improving their competitiveness, depends on financial security [1]. In modern conditions of development economy the main sources of financing of this process are its sources – depreciation and profit. If the profit as a source of financing is influenced by various macro- and microeconomic factors (production costs, taxation, political and economic conditions, dividend payments, bonuses and other incentive payments to employees, etc.), then depreciation is a special source of funding related to cost of production, exempt from tax, and performing the function of reproduction of fixed assets, and with the possible accumulation of financial resources more than a simple upgrade, is a source of investment programs.

In economically developed countries have long paid attention to the formation of the depreciation policy as an effective instrument for the implementation of investment activities. This contributed to the acceleration of development of economy of the USA, Germany, UK, Japan, France, Italy. Thus, the rate of growth of accumulation of depreciation in fixed assets in the US accounted for 31,6 % (9339 billion\$ in 2000 to 12291 billion\$ in 2008), the share of depreciation in total domestic investment amounted to nearly 77 %, while the share of depreciation in total structure of investment in fixed assets amounting to 38,5% [2]. Proper attention to depreciation policies in activity of domestic enterprises is paid to the adoption:

- The law of Ukraine "On taxation profits of enterprises" in 1997;
- The law of Ukraine "On accounting and financial reporting in Ukraine" in 1999;

- The provisions of accounting Standards №7 in 1999;
- The law of Ukraine "On taxation profits of enterprises" with changes and additions made 24.12.2002;
- "The tax code of Ukraine" in 2011.

At the present stage of development of approaches to the formation of the depreciation policy of Ukraine has undergone some positive changes. However, there are still a number of differences in financial and tax accounting, as well as modern political and economic destabilizations requires research in the field of formation of depreciation policy for further settlement problems and stimulate economic activity at the expense of depreciation.

Analysis of recent researches and publications

The study of the theoretical aspects and methodical approaches to the formation and planning of the depreciation policy of enterprises devoted a considerable number of works domestic and foreign scientists. These issues studied such scholars as: Batishchev F., Welsh Glen A., Golova S.F., Gubachev O., Orlov P., Chumachenko N., Short D. and others. The problems of state regulation amortization policy in Ukraine is carried Bondarenko I.M., Gubachev O., Ivanov Y.B., Kovalchuk E.V., Kovalchuk E.V., Panchenko M.V., Khomin P., Schwab K. Despite the considerable and significant work in the area of depreciation policy of enterprises and its regulation by the state under the tax raises a number of questions and issues related to the settlement of the amortization process in financial and tax accounting, as well as the possibility of accumulation of amortization and its use as an effective source for the implementation of the investment policy of an enterprise.

The aim of the article is a study of the evolution depreciation policy of the enterprises, the allocation elements of the mechanism depreciation policy, analysis and identification of compliance and differences between financial and tax accounting according to SSAP (Statement of Standard Accounting Practice), State Administration of Taxation 2004, the Tax Code of Ukraine (TCU).

The main part

Investment activity of the enterprise is called to create favorable conditions for the introduction of new technological processes, technological development, modernization, enhance the quality of manufactured products conforms to international level, creating new products, improving the competitiveness of producers and the possibilities of access to international markets.

To stimulate investment activity of the enterprises in economically developed countries use various methods and tools – accelerated depreciation, appropriate tax policy, rational system of banking crediting and leasing. In Ukraine gradually adopted European and American experience in the use of such tools.

Part of the investment policy of the company is depreciation policy promoting the introduction of

scientific and technological achievements into production and thereby increase the pace of its development. "Depreciation" is the allocation of costs related to capital investments in basic funds received through cash receipts – income.

In operation fixed assets eventually wear out and arise natural issues:

- how to determine a reasonable period within which the cost of fixed assets will be gradually charged to costs;
- which method of depreciation is most appropriate for use;
- how to determine scrap value, or the amount that can be obtained at the end of their useful life.

Depreciation included in production expenses and accumulated in the balance sheet item "Depreciation", which reduces the initial cost of fixed assets. Thus, over time, the initial value of fixed assets shown in the balance sheet, reduced as a result of periodical write-offs with them for current expenses. For performance evaluation, it is important, where it receives the depreciation deductions and therefore the impact of depreciation on the value of the items in the statement of profit and loss.

From the point of view of funds management and cash flow, a special role is played by the impact of depreciation on taxes. In world practice, depreciation deductions are exempt from the tax, despite the fact that they are only receiving accounting costs distribution in time. So natural is the desire of economic entities to use the method of calculation of depreciation in which depreciation is highest, and permitted by law to minimize cash outflow for the payment of taxes for the current period, only if profits from production activity is enough to reap all the benefits of existing tax incentives stipulated by the legislation of these countries.

Thus, in U.S. practice the choice of depreciation method is facilitated by tax laws that allow you to use one method for maintaining internal accounting and reporting, and the other is for calculation of income tax. Thus, businesses can use the advantages of both methods: a slower rate of depreciation to show higher profits in the report, and the accelerated rate of depreciation in order to reduce the amount of payable taxes. U.S. law also stipulates that the difference between the actually paid taxes and the amount that would have been paid if the tax had to be paid with the amount of balance profit, adjusted for depreciation and amortization, accumulated in the balance sheet item "tax liabilities". This value can consistently be increased, if an economic entity is constantly increasing non-current assets that are depreciated, and uses a shorter depreciation period for tax declarations. If an entity stops the growth value of non-current assets or change its policy on depreciation, actual tax payments will increase in the future and the difference will reduce the amount of deferred taxes [3].

One of the progressive methods of calculation depreciation is accelerated depreciation. Accelerated depreciation has been introduced in many developed countries: the Federal Republic of Germany in 1978, France in 1960. It allowed businesses to recover the

major part of industrial investment in the first years of operation fixed assets [4].

The accumulation of accrued depreciation with this method promotes faster recovery, renewal and modernization of fixed assets used. Given their cost of production, they greatly understate the taxable income. The implementation of such depreciation policies of fixed capital, allows you to wear equipment to exempt from tax the portion of profits up to the time of actual wear of the means of production. Thus, in the world granted the right to economic entities to reimburse advances for investment amounts until full economic depreciation of means production.

In countries such as USA, UK, Sweden, Switzerland and others, the possibility of a discrepancy between tax and economic depreciation legalized. In the calculations with the tax authorities, the entities have the right to specify the timing of write-offs and depreciation, quite different from those that appear in their balance sheet. Write-offs methods can also be different. The tax exemption is approaching time to invest.

In 1966, the countries of Western Europe was set free depreciation of equipment, that is, in the first year of use of the equipment was allowed to depreciate up to 100% of its value. Regulatory setting the deadline for amortization had been steadily declining. For example, in the U.S. in 1942 the average life of equipment in manufacturing was 19 years old, in 1962, he was reduced to 13 years, in 1972 to 10 years. By the end of 80-ies, the period of depreciation for fixed assets in the USA amounted to: buildings – up to 10 years; equipment – 5 years; vehicles – 3 years.

In the late 80-ies of the concessional depreciation write off of fixed assets allowed to reduce taxable income in Italy to 16%; in Germany and France by 10 to 11%; in Japan, the UK, Switzerland, USA – 5,5 – 8% [4].

Italian law provides accelerated depreciation of new equipment, which in the first three years of operation is deducted 75% of the cost of fixed assets. In Japan, for cleaning equipment, environmentally friendly equipment, equipment for recycling, regulatory defined accelerated depreciation in the first year is deducted from 33,3 to 50% of the cost of various types of this equipment [2].

The former Soviet Union, enterprises were given the right to apply a method of accelerated depreciation of fixed assets used for: increasing the production of computer equipment; new progressive kinds of materials, instruments and equipment; expansion of exports only since 1990. (in accordance with the "regulations on the procedure for accrual of depreciation on fixed assets" dated December 29, 1990, № VG-21-D/144/17-24/4-73 (P. 29)). Provided in the case of a mass replacement of worn and obsolete equipment new, more productive, when negotiating this issue with the Gosplan USSR or Gosplana (ministries) of the Union republics. Article 30 this Provision were instructed to apply a proportional (linear) method of depreciation accelerated depreciation. When it is approved in a

prescribed manner (via the appropriate inventory object or group) norm of annual depreciation charges for complete recovery was increased, but not more than twice. Small businesses, in accordance with article 34 of the same Provision, could along with the use of accelerated depreciation method for stimulating the renewal of machinery and equipment in the first year of operation to deduct as depreciation up to 20% of the original value of fixed assets with a service life of more than 3 years.

Thus, accelerated depreciation on the post-Soviet space has found application only in 90-ies. Its mechanism consisted in the possibility of applying linear up to two times accelerated depreciation rates on the basis of the permitting procedure, whereas in world practice, a shortcut method was used since the middle of last century. Using it was preferable for businesses.

In Ukraine up to 1997 was largely the order of depreciation, providing:

- the division of fixed assets in a large number of groups, subgroups and species;
- individual depreciation rates (about 2,000), depending on groups, subgroups and type of asset;
- using the straight-line method of calculating depreciation.

In the period of command-administrative system of management, is individually developed standards for the reproduction of fixed assets reflect the requirements of the state to the minimum lifetime, during which their cost had to be transported evenly on the cost of production.

The collapse of the USSR and transition to new economic relations, severance of economic ties, inflation, lack of reasonable state support – all this impeded the accumulation of cash funds of economic entities for technical development. With the transition to market methods of management, economic depreciation, which represents the true costs of business entities for reimbursement of advances of capital, became a state to a lesser extent, and more attracted the attention of tax depreciation, i.e. the amount of depreciation, as components of the cost of production, affect the size of taxable profits. On the basis of this approach to depreciation, and the adoption of the Law "On taxation of profits of enterprises", the state pays considerable attention to depreciation by the tax legislation [10].

With the adoption of Laws of Ukraine "On taxation of enterprise profits" (1997), "On accounting and financial reporting in Ukraine" (to execute the Program of reforming of system of accounting in accordance with international standards (1999)) introduced two different from other types of accounting, namely: tax accounting and accounting (financial) accounting. All economic entities were required to comply with the principles of tax accounting, according to which the object of taxation was a profit. This profit is determined by reducing the adjusted gross income of the reporting period in the amount of adjusted gross expenses of the taxpayer and on the amount of depreciation accrued according to the tax account (section 8 of the Act). In turn,

businesses have the opportunity to define a user policy, choose a form of accounting as the General system of accounting registers, procedure, method of registration and summarizing of information; adopting rules of document circulation and technology of processing accounting information, set borders and forms of accounting for internal management needs, including the introduction of a separate system of accounts and registers of accounting of incomes, costs, assets and obligations necessary for the economic entity, the aspects of detail and regulation (management accounting).

Accounting and tax accounting prior to the adoption of the Tax Code of Ukraine (2010) had significant differences in the definition and the mechanism of depreciation.

Thus, according to GAAP 7 "fixed assets", depreciation is the systematic allocation of the cost of fixed assets, which is amortized over the term of their useful use (exploitation) [7].

The useful life is the expected period of time during which the non-current assets will be used by the company, or their use will be produced (achieved) expected by the enterprise volume of production (works, services).

When determining useful lives include the following factors:

- the intended use of the object of the enterprise based on the expected value or performance;
- expected physical and moral wear;
- legal or similar limits on the use of the assets (the lease has expired, etc.) [7].

In tax accounting considered the depreciation as the gradual allocation of costs related to the acquisition of fixed assets and intangible assets, the production or improvement, to a reduction of adjusted income of a taxpayer within the norms of depreciation specified in the tax records.

According to the Law of Ukraine "On taxation of profits of enterprises" the basic production assets are divided into 3 groups prior to 2002 and 4 groups after you purchase them after 2004. Businesses were given the opportunity of calculation of depreciation of fixed assets by three methods:

1) for I, II, III, IV groups of the basic production assets – tax method of calculation (quarterly, balance method or the so-called declining balance) establishing for each group of the corresponding quarterly depreciation rates;

2) until 2002, for group III, there was not provided a shortcut method for according to certain rules: 1st year – 15%; 2nd year – 30%; 3rd year – 20%; 4th year – 15%; 5th year – 10%; 6th year – 5%; 7th year – 5%.

3) for intangible assets was provided only the linear method, providing for depreciation in equal installments, based on the original cost and within the period determined by the taxpayer independently on the basis of useful life but not more than ten years of

continuous operation and achieve a residual value of zero value.

In tax accounting cost allocation related to the improvement of existing assets, between increasing their carrying amounts and direct write-off on production costs regardless of the type of work performed (routine or capital repair, reconstruction, etc.) that do not have objective boundaries of differentiation, and is conducted according to a clear criterion value. If such costs amounted to 2004 less than 5%, since 2004, less than 10% of the total cost of groups of fixed assets at the beginning of the reporting period, they are treated to gross costs, the excess amount, respectively, increased book value and are subsequently subject to depreciation.

Despite the significant changes that occurred in 2004 in the tax records (the increase of the rate of depreciation from 5% to 10 % of write-off of expenses on the improvement of existing assets at the expense of the company), it has not made a significant convergence of accounting and tax accounting. Not solved challenges for enterprises, for the development of the depreciation policy of the enterprise concerning: determining the optimal life of fixed assets; the method of calculation depreciation.

With the adoption in 2010 of the Tax code depreciation policy in tax accounting has undergone significant changes.

The study of policy formation depreciation of fixed assets were highlighted the main elements of the mechanism depreciation policy. The elements of the mechanism depreciation policy, in our opinion, are:

- the concept of depreciation;
- the object of depreciation;
- classification of fixed assets according to the method of use and purpose;
- asset accounting;
- monetary valuation of fixed assets;
- elements original cost of fixed assets;
- enrollment to the balance of fixed assets;
- the determination of the depreciable value of fixed assets;
- the possibility of indexation of balance cost of fixed assets;
- the period of depreciation of fixed assets;
- to what dimensions is depreciation of fixed assets;
- the use methods of calculating depreciation;
- the possibility of freedom choice of method depreciation;
- the rules for establishing depreciation rates
- the method of calculation depreciation rates
- accounting and the possibility of defining capital repairs, modernization, reconstruction, etc.;
- accounting for the realization of unwanted, unneeded fixed assets.

Comparison elements of the mechanism depreciation policy in accordance with GAAP, SAT of Ukraine, TC of Ukraine presented in table 1.

Table 1. The elements of the mechanism according to the depreciation policy GAAP, SAT of Ukraine, TC of Ukraine [6-9]

| № | Element | Definition according to: | | |
|---|---|--|---|--|
| | | GAAP №7 | SAT of Ukraine (1.01.2004) | TC of Ukraine (1.01.2011,2015) |
| 1 | 2 | 3 | 4 | 5 |
| 1 | The definition of fixed assets | Fixed assets | Fixed assets - Tangible assets intended by the taxpayer for use in economic activities during the period exceeding 365 days from the date of commissioning, value of 1 000 UAH, and gradually decreases due to physical or moral depreciation | Fixed assets are tangible assets held by the taxpayer for use in economic activities, the cost of which exceeds UAH 2500, and gradually decreases with physical or moral depreciation useful life operation for more than 1 year from the date of application |
| 2 | The concept of amortization | Systematic allocation of the cost fixed assets, which is amortized throughout their useful life | Gradual allocation of costs for the purchase, manufacture or improvement of fixed assets, reduction of corrected profit of the taxpayer within the rules of depreciation provided for in the tax records | Systematic allocation of the cost of fixed assets and intangible assets over their estimated useful lives (exploitation) |
| 3 | The object of amortization | All fixed assets (production and non-production), except land | Fixed assets and intangible assets for own use (industrial purpose) | Fixed assets for production purposes, the cost of the acquisition, independent production, repair, reconstruction, modernization, revaluation of cost of fixed assets for production use, the cost of gratuitously received energy facilities, gas and heat supply, water supply of sewerage networks |
| 4 | Accounting | Object for each material value Accounting of the object is conducted from the month after entry Taking into account all production and non-production fixed assets | Group 1 – object and on the whole as the sum of the carrying amounts of the group objects 2,3,4 groups – accounting for the aggregate carrying amount of the relevant group, regardless of the time of commissioning Records are maintained with the quarter after the introduction | Object for each material value Records of the object is conducted from the month after entry |
| 5 | Classification of fixed assets according to the method of use and purpose | Land Capital costs for improving the land Buildings and structures Transfer devices Machinery and equipment Vehicle Tools, devices Equipment, furniture Working and productive livestock Perennial plants Other fixed assets | Group 1 - Buildings, constructions, transfer devices, the Cost of capital improvement of land Group 2 - Road transport, spare parts, furniture, household electronic, optical, electromechanical devices and instruments Group 3 - Machinery and equipment Group 4 – Electronic computers, computer software, telephones, etc. | 1. Land 2. Capital costs for improving the land 3. Buildings and structures Transfer devices 4. Machinery and equipment 5. Vehicle 6. Tools, devices Equipment, furniture 7. Working and productive livestock 8. Perennial plants 9. Other fixed assets 12. Temporary structures 13. Natural resources 14. Inventory packaging 15. Items rental 16. Long-term biological assets |
| 6 | Monetary valuation | Original Initially carrying Residual Recovery Liquidation | Carrying | Original Initially carrying Residual Recovery Liquidation |
| 7 | Composite original cost | Cost: Acquisition; Construction and installation works; Registration fee; Stamp duty; The amount of imported duties The amounts of indirect taxes – pension tax The costs of insurance of delivery; The cost of transportation, installation, assembling, adjustment; Finance costs | Cost: Acquisition; Construction and installation works; The cost of transportation, installation, assembling, adjustment; | Cost: Acquisition; Construction and installation works; Registration fee; Stamp duty; The amount of imported duties The amounts of indirect taxes – pension tax The costs of insurance of delivery; The cost of transportation, installation, assembling, adjustment; Finance costs |

Continuation of table 1

| 1 | 2 | 3 | 4 | 5 |
|----|---|---|---|---|
| 8 | Admission to the balance | On the balance sheet take into account the cost exclusive of VAT | On the balance sheet take into account the cost exclusive of VAT | On the balance sheet take into account the cost exclusive of VAT |
| 9 | The amortized cost | The carrying value reduced by the residual value (salvage value is set by the enterprise or is equal to zero) | $B(a) = B(a-1) + \Pi(a-1) - B(A-1) - AO(a-1)$ Where: $B(a-1)$ – the carrying amount at the beginning of the quarter preceding the reporting; $\Pi(a-1)$ – the amount of costs incurred (for acquisition, major repairs, reconstruction, etc.) $AO(a-1)$ – the amount of depreciation accrued in the period preceding the reporting | The carrying value reduced by the residual value (salvage value is set by the enterprise or is equal to zero) |
| 10 | Indexing of the carrying value | - | Provides for annual indexation, if annual inflation rate exceeds 10%. The indexation coefficient is determined by: $K_{и} = (И(a-1) - 10) : 100$, Where: $И(a-1)$ – the inflation index of the year, the results of which indexing is carried out | Provides for annual indexation, if annual inflation rate exceeds 10%. The indexation coefficient is determined by: $K_{и} = (И(a-1) - 10) : 100$, Where: $И(a-1)$ – the inflation index of the year, the results of which indexing is carried out |
| 11 | The period of accrual amortization | Established by the company during the enrollment object on the balance sheet in accordance with term of useful use (exploitation) | To 1.01.2004. (years) for: 1 gr. – 46 2 gr. – 9-16 3 gr. – 9-16 Then 1.01.2004 (years) for: 1 gr. – 55; 2 gr. – 9; 3 gr. – 10; 4 gr. – 4 | The accrual period may be shorter paragraph 145 of the national Code of Ukraine, years: 2 gr. – 15 ; 3 gr.: buildings – 20; facilities – 15; transfer devices – 10; Gr. 4: machinery and equipment - 5 computers, etc.- 2; Gr. .5 – 5; Gr. .6 – 4; Gr. .7 – 6; Gr. .8 – 10; Gr. .9 – 12; Gr. 12 – 5; Gr. .14 – 6; Gr. .15 – 5; Gr. .16 – 7. |
| 12 | Accrual amortization | Being within the period specified by company, and shall be suspended for the period of its reconstruction, modernization, completion, retrofit or conservation for each object | Conducted by: 1 gr. to achieve the carrying amount of each object one hundred non-taxable minimum incomes of citizens; 2,3.4 gr. to achieve the carrying amount of the relevant group null values | Being within the period specified by company but not less than that specified Tax code of Ukraine for each object, and is suspended for the period of its reconstruction, modernization, completion, retrofit or conservation for each object. Carried up to the residual value equal to the liquidation |
| 13 | Methods of calculating amortization | Straight Reduce the residual value Accelerated reduction of residual value Cumulative Production | Tax reduction net book value (quarterly balance sheet) Straight-line for intangible assets | Straight Reduce the residual value Accelerated reduction of residual value Cumulative Production |
| 14 | Freedom of choice methods of amortization | Amortization method for each object is selected and set by the company taking into account the expected economic benefits from its use. The possibility of transition from one method to another in case of production-financial need | Method prescribed by regulation | Amortization method for each object is selected and set by the company taking into account the expected economic benefits from its use. The possibility of transition from one method to another in case of production-financial need |
| 15 | The establishment of amortization rates | Are set depending on the useful life of the object and the selected method of depreciation calculation | In accordance with the legislation sets the maximum depreciation rates per quarter: Group 1 – 2 %; 2 group – 10 %; 3 group – 6 %; 4 group – 15 %. It is possible to reduce the norms of the company with the notice of the State tax administration of Ukraine before the beginning of the tax year | Are set depending on the useful life of the object and the selected method of depreciation calculation |

Continuation of table 1

| 1 | 2 | 3 | 4 | 5 |
|----|--|---|---|---|
| 16 | Overhaul, modernization, reconstruction | The account for repair of fixed assets is not provided. The initial cost is increased by the amount of expenses related to the improvement of fixed assets | Any costs associated with the improvement of fixed assets can be attributed to gross expenses, but not more than 10 % of the value of fixed assets in the reporting year 1,01. The amount exceeding 10% is allocated to the carrying amount of the relevant group to the corresponding period | The initial cost of fixed assets increases by the amount of the cost associated with improving facility modernization, modification, reconstruction, etc. which promotes the growth of future economic benefits, which exceed 10 % of the value of the asset at the beginning of the reporting year. Expenditure to 10 % of the value of fixed assets may be included in the expenses |
| 17 | The realization of unwanted, unneeded fixed assets | Balance is deducted from the residual value of the object and calculated the financial result $FR = Rd - VAT - Rv$, Where: FR – financial result; Rd – derived revenue; VAT – value added tax; Rv – residual value | Decreases the carrying amount of the relevant group, the relevant reporting period | Balance is deducted from the residual value of the object and calculated the financial result $FR = Rd - VAT - Rv$, Where: FR – financial result; Rd – derived revenue; VAT – value added tax; Rv – residual value |

Dramatic changes are observed in the formation of the depreciation policy in tax accounting according to tax code of Ukraine (2011 and changes and additions 2015) in comparison with earlier acting the Law on taxation on profits (adopted in 1997 and amended in 2004, paragraph 8) [9]. Comparison and analysis of selected elements of the mechanism and corresponding rules according to the depreciation policy GAAP and the adopted Tax Code of Ukraine in 2011, the introduction of new rules of taxation of profits and approaches to the procedure of calculation of depreciation of fixed assets and intangible assets had a positive effect on tax accounting and close for accounting (see table).

There was convergence of most of the elements of the mechanism depreciation policy in accounting and Tax code:

- in the Tax Code of Ukraine, as well as in accounting is depreciation (the State tax administration of Ukraine in accordance with the Law on taxation of profits is defined as "fixed assets"), in the Tax Code of Ukraine give a clear definition what should be included in the fixed assets they are tangible assets held by the taxpayer for use in economic activities, the cost of which exceeds UAH 2500, and gradually decreases with physical or moral depreciation the useful life of operation more than 1 year from the date of the asset;
- same as the concept of depreciation, which refers to the systematic allocation of the cost of fixed assets over their useful life (exploitation) in Accounting and with greater specificity to the Tax Code of Ukraine – the cost of fixed assets and intangible assets over their useful life (exploitation);
- according to the Tax Code of Ukraine and Accounting match accounting for fixed assets – on each object of material value from the month after entry that did not match in 1997-2011 when in State tax administration of Ukraine, the

accounting was conducted by groups with the quarter after the introduction of fixed assets;

- monetary valuation is completely the same – and to the Tax Code of Ukraine and Accounting valuation of fixed assets carried at cost: initial; original balance; residual; rehabilitation; liquidation. The STA was provided particularly defined by way of only carrying amount;
- commissioning of fixed assets is carried out without value added tax;
- according to the Tax code of Ukraine and Accounting at the initial cost of fixed assets include the same costs: the cost of an acquisition; construction work; registration fees; legal costs; the amount of imported duty; amount of indirect taxes – pension fee; the costs of insurance of delivery; the cost of transportation, installation, assembling, adjustment; the financial costs;
- in the Tax code of Ukraine and Accounting, the amortized cost is the carrying amount of the asset, reduced by the salvage value (the salvage value is set by the business). While in accordance with the STA on a quarterly basis was made, the recalculation of the carrying value, which depended on the carrying value of the relevant group of fixed assets at the beginning of the quarter preceding the reporting period, and the amount of costs incurred (for acquisition, major repairs, reconstruction, etc.) and the amount of depreciation accrued in the period preceding the reporting;
- progressive is the Tax Code of Ukraine as well as in Accounting provides the following methods for calculating depreciation: straight-line, reducing the residual value, rooted in the reduction of residual value cumulative manufacturing, whereas in the Tax Code of Ukraine according to the Law on taxation on profits have been provided: tax reduction net book value (quarterly balance sheet); straight-line for intangible assets;
- as for freedom of choice in the Tax Code of Ukraine and Accounting depreciation method for

each object is selected and set by the company taking into account the expected economic benefits from its use. The possibility of transition from one method to another in case of production-financial need;

- depreciation rates are set depending on the selected method and the deadline (the Tax Code minimum is strictly regulated, in Accounting there are no such limitations).

Along with a significant connection in the formation of the depreciation policy in the Tax Code of Ukraine and Accounting it is necessary to note the differences, namely:

- as the object of depreciation in Accounting provided all fixed assets (production and non-production), except land, and the costs associated with the improvement of fixed assets increase their initial value, whereas the Tax Code of Ukraine the object of depreciation fixed assets are only for production purposes, as well as the costs of the acquisition, independent production, repair, reconstruction, modernization if they give rise to future economic benefits, at the same time allowed the amount of expenses for these purposes not to exceed 10% of the value of all fixed assets at the beginning of the reporting period to include in the expenses (thereby reducing the tax base in the reporting period), while the amount exceeding 10% increases the initial cost with the aim of further transfer parts of the cost of these types of operations through the amortization;
- the Tax code of Ukraine clearly establishes the minimum periods of depreciation for each group of fixed assets in Accounting period depreciation is set by the company during the enrollment object on the balance sheet in accordance with term of useful use (exploitation). In this position it should be noted that the company for Accounting can apply the same periods of depreciation provided the Tax code of Ukraine in this case, they will be the same.

To reflect the process reproduction of fixed assets with the adoption of the Tax Code of Ukraine:

- changed grouping items of fixed assets subject to amortization;
- used extended classification of items of fixed assets, instead creating 4 groups (existing since 2004) 16 groups;
- to create a flexible system able to choose the method of calculation of depreciation (out of five as envisaged in accounting) for each object individually with the least possible differentiation of terms of useful use depending on the nature and characteristics of operation, timing, physical and moral wear and tear.

Such regulation by the state creates progressive conditions of formation of uniform depreciation

policy for the company. Leveled problems associated with calculation of depreciation separately for accounting and tax accounting in determining taxable profits of an object and the formation of the cost.

Conclusions

Thus, studies of the evolution of the depreciation policy of the enterprises, allowed to identify the elements of the mechanism depreciation policy to which was referred: concept of depreciation; the depreciation; the classification of fixed assets according to the method of use and destination; asset accounting; monetary valuation of fixed assets; the constituent elements original cost of fixed assets; balance Deposit fixed assets; the determination of the depreciable value of fixed assets; the possibility of indexation of balance cost of basic funds; the period of depreciation of fixed assets; the limit amount up to which accrued depreciation; methods of depreciation calculation; the possibility of freedom of choice of method of depreciation; rules for setting of depreciation rates; the method of calculation of depreciation rates; accounting and the possibility of defining capital repairs, modernization, reconstruction; accounting for sales of surplus, redundant fixed assets.

The analysis identified compliance and differences in depreciation policy financial and tax accounting according to GAAP, SAT of Ukraine, 2004, TC of Ukraine identified positive developments in the convergence of the possibility of a single depreciation policy in financial and tax accounting of enterprises.

The obtained results can be used in the formation of the depreciation policy of the enterprises, and also in the learning process in such disciplines as "Economics and Finance companies". "Accounting", "Taxation" for students of specialties "Management of organizations", "Accounting and Audit", "Economy and Entrepreneurship".

Despite a certain exhaustion problems encountered in the formation of depreciation policy at the enterprise level and its regulation by the state in terms of tax, only certain aspects for each single enterprise, such as:

- establishing a useful period of use (setting the term under the Tax code of Ukraine or on their own, given the various factors that influence the useful life of property, plant and equipment, reducing or increasing the prescribed period in tax accounting);
- the choice of method of depreciation calculation, from the list of legally permitted in Ukraine (straight, reducing the residual value accelerated reduction of residual value cumulative manufacturing) in the Tax code of Ukraine and Accounting for specific assets. These aspects require further research.

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