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EUROPEAN PRACTICE OF HUMAN DEVELOPMENT PROMOTION: TAX ASPECT

In the article the peculiarities of personal income tax levying in the EU member states are investigated in the aspect of human potential development promotion. The personal income tax is proved to have a great impact on human development since the income at the person's disposal after taxation depends on the mechanisms of personal income tax levying. The system of income tax levying in the EU member states provides mostly tax decrease taking into account the income tax benefits determined and the assignments permitted. The tax free personal allowance in Ukraine belongs to such assignments. In Ukraine the sum of 17 UAH is applied according to the Tax Code, while in the EU member states the personal allowance corresponds to the real living wage for human's living and proper nutrition. The personal allowance rate may vary depending on the prices level and the economic development of each country, but there is a common

principle, according to which the incomes that do not exceed the living wage rate cannot be a subject to income tax. Moreover, in most EU member states the family taxation is successfully used allowing to levy the income tax more rationally and fairly taking into account the peculiarities of household activity –number of children, their age, number of breadwinners and costs influencing all family members life. Besides, the family discounts, discounts for children and dependents, contributions to social and insurance funds make an influence on personal income tax payments. In the EU member states the income tax payment can be made by the spouses as a whole as well as by the each family member separately. In these countries the system of tax benefits is operating, and it is an important part of life for families having the low incomes level and only one breadwinner that maintains the possibilities for human development.