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## THEORETICAL AND PRACTICAL ASPECTS OF ORGANIZING BUDGET SETTLEMENTS AT THE ENTERPRISE

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The article examines the theoretical and practical aspects of organizing accounting for budget settlements at enterprises in the context of the transformation of public finances and the intensification of electronic tax administration in Ukraine. The purpose of the study is to identify the key methodological and practical problems of accounting for tax liabilities and to develop recommendations for improving their reflection in the accounting system under modern digital conditions. The research analyzes the types of tax obligations, the procedure for their recognition in financial and tax accounting, and identifies typical errors and discrepancies that cause distortion of financial indicators and increase the risk of penalties. Methodologically, the study is based on systemic and comparative analysis, generalization of accounting automation practices (ERP/BAS, M.E. Doc), and reconciliation results obtained from the Electronic Taxpayer Cabinet. Using the example of the small enterprise LLC “LAWYER AND ACCOUNTANT,” the negative effects of insufficient analytical detailing and lack of reserves for tax payments are demonstrated, including decreased liquidity, risk of untimely settlements, and growth of administrative costs. The scientific novelty lies in the development of a comprehensive approach to harmonizing financial and tax accounting through the introduction of account 98 “Enterprise Tax Payments” with detailed analytical subaccounts and in formulating recommendations for automating control over tax liabilities. The practical value of the study is the development of methodological proposals, algorithms for reserving funds, and internal control tools that contribute to minimizing tax risks, improving the quality of financial reporting, and increasing the efficiency of interaction between enterprises and regulatory authorities.

**Keywords:** tax liabilities, budget settlements, financial accounting, tax accounting, electronic tax administration, accounting automation, financial transparency.

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### *Introduction and formulation of the problem*

In the current context of the transformation of public finances and the dynamic changes in tax legislation, the issue of accounting for budget settlements has gained particular importance. The rapid expansion of electronic tax administration, the implementation of digital taxpayer services, and the growing role of transparency and accountability impose new requirements on the reliability of a company’s

financial and tax information. Conversely, incorrect or incomplete recording of tax liabilities or budget payments can lead to penalties, negatively affect the financial condition, and damage the taxpayer’s reputation.

The theoretical problem lies in discrepancies between financial accounting and tax accounting regarding budget settlements, which generates errors in financial reporting. The practical significance is

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that enterprises often face a lack of regulated accounting policies, insufficient detail in analytical accounting, and delays or errors in applying electronic tax administration norms. Therefore, the core issue is ensuring the harmonization of financial and tax accounting, particularly in the context of new regulations and state control tools (electronic taxpayer cabinet, reconciliation systems, and recent legislative changes), to guarantee the reliability of financial reporting and avoid financial and legal risks.

#### ***Analysis and research of publications***

The issues of digitalization of tax administration and the improvement of tax accounting systems are the subject of active scientific research both in Ukraine and abroad. Scholars emphasize the impact of digital technologies on the efficiency of tax processes, transparency of control, integration of financial and tax accounting, and the financial stability of enterprises.

Lagodiienko N., Pozhydaieva M., and Krylov D., in their work “Digitalization of Tax Administration in Ukraine: Risks and Opportunities,” analyze the risks and advantages of digitalizing tax administration, highlighting the importance of creating a unified information environment for integrating financial and tax data, which reduces errors and double reporting of tax liabilities [1]. Marchenko L. compares Ukraine’s experience with that of developed countries and emphasizes that the digitalization of tax processes contributes to increased efficiency of administration, accounting automation, and operational control over the fulfillment of tax obligations [2].

Boiko S. and co-authors investigate the impact of digital innovations on the tax stability of enterprises, particularly in the agricultural sector, showing that automation of tax accounting and data integration enhances companies’ financial stability and reduces the risk of non-compliance with tax obligations [3]. Golubeva O., in her literature review, provides an overview of methodological approaches to the transformation of financial accounting in the context of digitalization and highlights trends in the integration of financial and tax accounting at the international level [4].

Special attention is given to the issue of digital transformation by Pantieliieva N., who studies the comprehensive impact of digital technologies on the organization of tax administration, particularly in improving the accuracy of calculations, automating control, and creating a transparent information environment for managerial decision-making [5]. The author emphasizes that the implementation of integrated tax accounting systems is a key factor in enhancing the efficiency of state control and reducing tax risks.

Despite the significant body of research, the scientific literature still lacks well-developed methodological approaches for constructing analytical subaccounts for each type of tax, integrating financial and tax accounting in the context of digitalization, automating control over tax liabilities, and assessing the impact of innovations on enterprises’ financial stability. Therefore, further research should focus on developing practical methods and recommendations for implementing digital solutions in tax administration at the enterprise level.

#### ***Purpose of the article***

The aim of the study is to substantiate the theoretical foundations and develop practical recommendations for improving the accounting and control of budget settlements as a tool to ensure the financial stability of an enterprise. The work analyzes the features of recording tax liabilities in financial and tax accounting, identifies the main issues in their reconciliation and impact on the reliability of financial reporting, and proposes an approach to enhancing analytical accounting through the implementation of account 98 “Enterprise Tax Payments” and an internal control system aimed at increasing the transparency of financial information.

#### ***Presentation of the main material***

The organization of accounting for settlements with the budget occupies an important place in the enterprise’s accounting system, being one of the key elements of accounting policy. Its relevance does not diminish under the conditions of constant changes in tax legislation and the increasing fiscal burden on business entities.

An important conceptual aspect in this context is the category of liability, which arises as a result of certain legal or economic events. Liabilities related to settlements with the budget are characterized by complexity, combining two key components: first, the fact of the existence of the liability itself, and second, the identification of the entity to whom it is owed — namely, the state represented by supervisory authorities.

Accounting for settlements with the budget in the context of the transformation of the public finance system and the development of electronic tax administration faces a number of challenges, the key ones being the instability of legislation, the complexity of reflecting tax differences, and the technical risks of electronic services. This leads to increased workload for accountants, the occurrence of reporting errors, and conflicts with supervisory authorities.

The issues of accounting for settlements with the budget in the context of the transformation of the public finance system and the development of electronic tax administration are presented in Table 1.

Table 1

**Problems, Consequences, and Directions for Improving Accounting of Settlements with the Budget**

Problem	Causes	Consequences	Solutions
Instability of tax legislation	Frequent changes in rates, rules, and reporting forms	Errors in accounting, increased time and resource costs	Unification of legislation, stability of norms, official clarifications
Complexity of reflecting tax differences	Discrepancies between financial accounting and tax accounting	Distortion of financial statements, risk of penalties	Harmonization of standards, automation of calculations in software
Differences between financial and tax results	Different approaches to the recognition of income and expenses	Double work of accounting department, complications in analysis	Maximum convergence of financial and tax accounting rules
Risks of electronic administration	Technical failures, imperfections of IT systems, cyber threats	Blocking of invoices, inability to submit reports, data loss	Improvement of IT platform, cybersecurity, backup services
High workload on accountants	Constant changes in reporting forms, control requirements	Fatigue, increased risk of errors	Automation of processes, staff training, outsourcing
Lack of transparency and trust	Double interpretation of norms, excessive control	Conflicts with tax authorities, corruption risks	Transparent procedures, independent audit, development of open data
Challenges of public finance transformation	Transition to e-services, new accounting requirements	Need to restructure document flow and internal control	Integration of accounting systems with e-cabinet, implementation of electronic document management

Source: composed by the authors

At the same time, the digitalization of tax administration creates new opportunities for the automation of accounting, greater transparency, and the reduction of administrative costs. The resolution of existing problems is possible through the stabilization of tax legislation, the harmonization of financial and tax accounting rules, the improvement of IT systems, and the enhancement of personnel qualifications. In the long term, this will contribute to strengthening trust between the state and businesses and improving the overall efficiency of the budget system.

In addition, in the process of organizing financial accounting at enterprises, problems often arise related to the absence of a properly issued accounting policy order or the inclusion of outdated and irrelevant provisions in it. Such a situation leads to violations of unified approaches to accounting and complicates the control of its results.

The methodological foundations of organizing accounting for settlements with the budget are largely determined by the taxation system applied by the business entity. In Ukraine, two models are widespread

– the general system and the simplified system – each of which provides its own approaches to determining the tax base, structuring accounting policy, and documenting business transactions.

Methodological approaches to the organization of budget settlements accounting include the financial accounting system, which encompasses documentation, inventory, valuation, cost calculation, the chart of accounts, and double-entry bookkeeping for recording business transactions (Table 2). In addition, both the accrual method and the cash method are applied depending on the type of operation, such as tax accruals or debt payments to the state budget. Equally important is tax accounting, which ensures the proper calculation and payment of taxes as well as timely reporting.

Accounting for settlements with the budget covers a wide range of tax payments, including value-added tax, corporate income tax, labor-related taxes and charges (personal income tax, the unified social contribution, and other mandatory deductions), excise tax, and other payments prescribed by legislation.

Table 2

**Methodological approaches to the organization of accounting for settlements with the budget at the enterprise**

Method of Accounting	Essence	Example of Application
Documentation	Primary documents confirm the fact of tax operations	Tax invoice when accruing VAT; payroll statement for PIT accrual
Inventory	Verification of the actual state of settlements with the budget, identification of discrepancies	Reconciliation of enterprise data with the information of the State Tax Service regarding corporate income tax
Valuation	Monetary measurement of the tax base and tax liabilities	Determination of financial result before taxation for calculating corporate income tax
Calculation	Determination of the cost of production/services and its impact on the tax base	Calculation of production cost to determine the financial result
Chart of accounts	Use of special accounts to summarize information	Account 64 “Settlements for taxes and payments”, Account 98 “Income tax”
Double entry	Interrelated reflection of tax operations in debit and credit of accounts	Accrual of corporate income tax: Dt 98 – Ct 641; Payment: Dt 641 – Ct 311

Source: generalized by the author according to [6]

In financial accounting, all enterprise settlements with the budget regarding the payment of taxes and fees are recorded in Account 64 of the Chart of Accounts, “Settlements for Taxes and Payments.” The credit side of this account summarizes the amounts of tax liabilities to be transferred to the budget, while the debit side reflects tax credits that reduce tax liabilities, as well as payments already made or subject to reimbursement from the budget.

Depending on the nature of business activity, an enterprise may be required to calculate and pay not only nationwide taxes (corporate income tax, value-added tax, personal income tax, military levy, etc.) but also specific taxes and fees – both national and local – determined by the characteristics of its operations.

In the case of transactions involving the sale or purchase of excise goods, the enterprise incurs excise tax liabilities. Conducting foreign economic activities entails the payment of customs duties, while the use of natural resources requires rent payments: for subsoil use for mineral extraction, for non-extractive purposes, for the use of Ukraine’s radio frequency resources, special use of water and forest resources, as well as for the transportation of oil, petroleum products, and ammonia through main pipelines. Thus, the tax burden on a business entity can be substantial. This necessitates the rational organization of accounting, including the use of analytical sub-accounts within the synthetic account used to record settlements for taxes and fees. For each specific tax, it is advisable to

open an analytical account to ensure complete information for management purposes and to track cash flows related to each type of tax liability.

The main sources of information for analysis and control of budget settlements include accounting statements, tax declarations for individual types of payments, bank statements with supporting documents for fund transfers (payment orders), accounting entries in Account 64, registers of analytical and synthetic accounting, the balance sheet, and other forms of financial reporting.

The key provisions and problematic aspects of organizing accounting for budget settlements can be illustrated using a practical example. Consider LLC “Lawyer and Accountant”, which specializes in accounting and legal services. Analysis of the enterprise’s organizational and economic characteristics, as well as the specifics of accounting and controlling tax settlements, allows for a deeper understanding of the application of theoretical principles in practice.

The main activities of the company include:

- accounting support for small and medium-sized businesses, financial statement auditing;
- tax consulting and optimization of the tax burden;
- legal support and representation in courts;
- registration and corporate services.

In 2022–2024, the company had an average staff of 6–7 specialists, providing over 1,200 services annually. During this period, revenue increased from UAH 892.5 thousand in 2022 to over UAH 1 million

in 2024, while the number of clients rose from 1,242 to 1,447.

Despite this positive trend, the company remained unprofitable: net loss decreased from UAH 96.7 thousand in 2022 to UAH 66.2 thousand in 2024. A problematic issue remains the low absolute liquidity ratio (0.018 in 2024, versus the normative 0.2–0.3), indicating a shortage of cash for immediate debt repayment.

LLC “Lawyer and Accountant” operates under the simplified tax system (3rd group, 5% of income) and performs the duties of a tax agent for payroll. The main tax burden consists of labor-related contributions (USC, PIT, military levy), which account for over 85% of total tax payments.

The company’s accounting is organized using 1C:Enterprise 7.7, which automates business transactions and report generation. For tax settlements, the following accounts are used:

- account 64 “Settlements for Taxes and Payments” (single tax, military levy);
- account 65 “Insurance Settlements” (USC).

Revenue is recognized using the cash method: income is recorded at the moment of actual receipt. This simplifies control but creates risks in assessing the enterprise’s real financial condition.

The enterprise regularly prepares tax declarations and uses the Electronic Taxpayer Cabinet for reconciliation with the State Tax Service. However, practice reveals several issues:

- dependence on the timeliness of data updates in tax authority systems; technical failures or delays in reflecting payments create temporary discrepancies that require additional clarification;
- low level of detail in internal analytical sub-accounts; although 1C provides basic automation, the lack of extended analytics complicates management reporting by type of tax payment;
- liquidity problems, limited cash reserves make timely tax payments dependent on client payments, creating a risk of penalties;
- absence of tax reserves; the company does not form internal reserves for tax liabilities, reducing financial flexibility;
- difficulty in forecasting the tax burden; legislative changes (e.g., introduction of an additional 1% military levy from 2025) require rapid adjustments to accounting policies.

The analysis of the organization of accounting for budget settlements at LLC “Lawyer and Accountant” has revealed certain shortcomings in the current system. In particular, the existing practice of reflecting tax payments in Accounts 64 “Settlements for taxes and payments” and 65 “Settlements for

insurance contributions” lacks sufficient analytical detail. As a result, it becomes more difficult to exercise effective control over the timeliness and accuracy of payments for specific taxes and mandatory fees. This issue is especially critical given that the main tax burden for the enterprise is concentrated in such obligatory payments as the unified social contribution (USC), the personal income tax (PIT), and the military levy, which together form the core of fiscal obligations to the state.

To address the identified problem, it is suggested to improve the accounting system by introducing a separate synthetic Account 98 “Enterprise Tax Payments.” This account should include corresponding analytical sub-accounts for each type of tax and mandatory payment. The use of such a structure will allow for a more transparent and systematized representation of tax obligations, prevent duplication of data across additional auxiliary registers such as Excel spreadsheets, and at the same time optimize the workflow of accountants by reducing manual operations. Furthermore, the introduction of this account will enhance the transparency of financial information, ensure prompt monitoring of settlements with the budget, and contribute to strengthening internal control mechanisms.

In practical terms, the proposed system provides for the application of typical accounting correspondences using the sub-accounts of Account 98 “Enterprise Tax Payments.” These correspondences clearly demonstrate the procedure for recording accruals and payments of specific taxes, which allows not only to structure financial information but also to facilitate its analysis by both internal management and external control authorities [8]. The proposed approach can therefore be considered as an effective instrument for improving the reliability and analytical value of accounting data regarding the enterprise’s settlements with the state budget.

The use of account 98 “Enterprise Tax Payments” in the operations of LLC “LAWYER AND ACCOUNTANT” will significantly simplify the control over tax liabilities and allow for a clearer distribution of responsibilities among accounting staff. In addition, this system will provide separate recording of the Unified Social Contribution (USC), preventing its impact on the cost of services and enhancing the analytical quality of data for managerial decision-making.

To confirm the effectiveness of the proposed approach, a comparative characterization of the traditional and updated systems of budget settlement accounting has been prepared (Table 3).

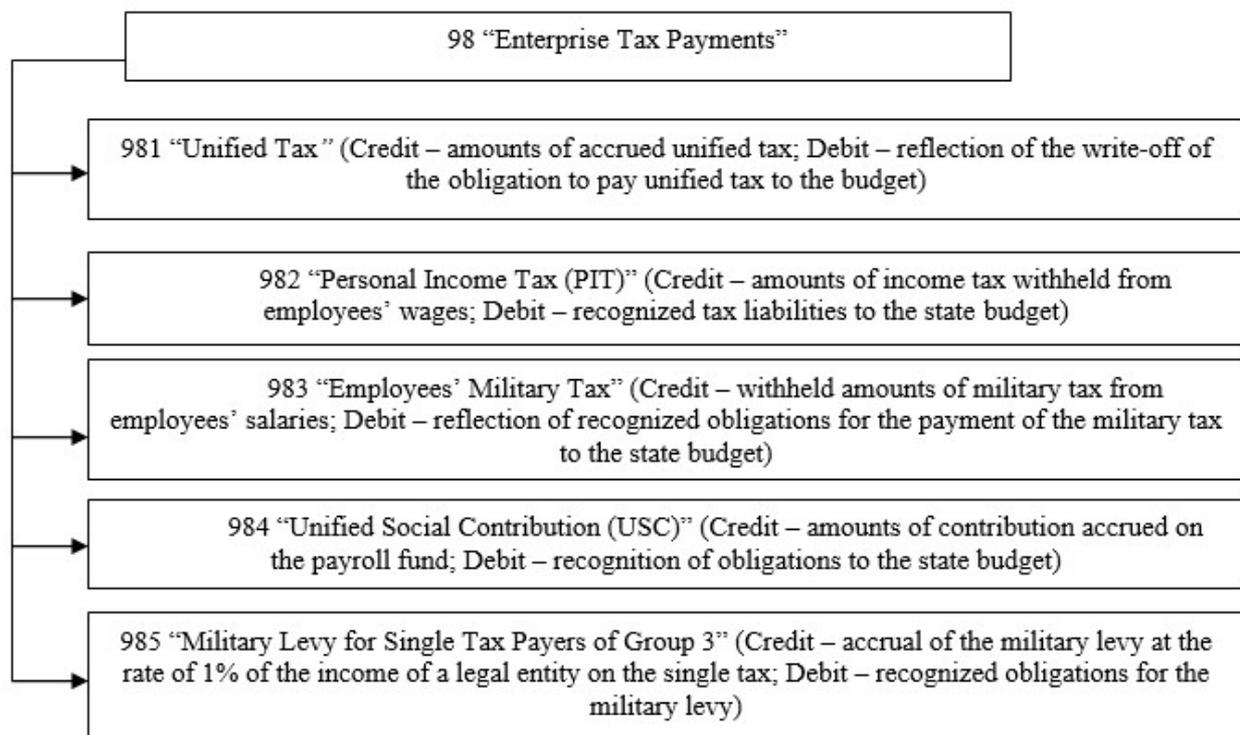


Fig. Proposed scheme of organizing tax payments accounting on Account 98 at LLC "Lawyer and Accountant"

Source: composed by the authors

Table 3

**Comparative Characteristics of the Traditional and Proposed Systems for Budget Settlement Accounting**

Accounting Method	Traditional System	Proposed System with Account 98	Expected Effect
Recording of Tax Liabilities	Fragmented across accounts 64, 65	Consolidated in account 98 with analytical subaccounts	Increased transparency and detail
Control over Settlements	Mostly manual, via Excel	Automated control within the accounting system	Reduced verification time
Reconciliation of Financial and Tax Accounting	Partial, with discrepancies	Full reconciliation through a unified transaction register	Minimization of tax differences
Level of Analytical Detail	Limited (summary totals)	Extended (by each tax type)	Improved quality of managerial decisions
Risk of Penalties	High due to errors and delays	Reduced due to systematic information management	Strengthened financial stability

Source: composed by the authors

As shown in the table, the improvement of the budget settlement accounting system at LLC "LAWYER AND ACCOUNTANT" involves not only technical changes in account structure but also the development of a unified methodology for recording tax payments. The implementation of account 98 with analytical subaccounts enhances the control of tax liabilities, reduces the risk of untimely payments, and prevents financial penalties.

The scientific novelty of the results lies in the development of a concept for integrated accounting of tax payments using a single account 98, which allows for full reconciliation of financial and tax accounting data, increases the transparency of information flows, and strengthens the financial stability of the enterprise.

Furthermore, the proposed system provides the enterprise's management with more accurate and detailed information for decision-making in tax policy

and financial planning. A promising direction for further research is the integration of analytical accounting with modern software products (BAS ERP, M.E.Doc, Liga:REPORT), which will enable automation of control functions, enhance the transparency of accounting, and increase the enterprise's competitiveness in the accounting and legal services market.

Thus, improving the system of organizing accounting for budget settlements at LLC “Lawyer and Accountant” involves not only technical changes in the use of accounts but also the development of a unified methodology for recording tax payments. The implementation of Account 98 with analytical sub-accounts will increase the controllability of tax liabilities, reduce the risks of late payments, and help avoid financial penalties. Moreover, such a system will provide the enterprise's management with more accurate and detailed information for making informed decisions in the areas of tax policy and financial planning.

A promising direction for further research is the integration of analytical accounting with modern software products (e.g., BAS ERP, M.E.Doc, Liga:REPORT), which will enable the automation of control functions, enhance the transparency of accounting, and strengthen the enterprise's competitiveness in the accounting and legal services market.

### Conclusions

The organization of accounting for budget settlements is a key element of an enterprise's financial accounting system, directly affecting its financial stability and tax compliance. In the context of digitalization and frequent changes in tax legislation, the harmonization of financial and tax accounting has become particularly relevant.

The conducted study revealed that the main problems remain insufficient detail in tax calculations, lack of funds reservation for tax payments, technical risks associated with electronic tax administration, and the absence of internal control mechanisms. The proposed implementation of account 98 “Enterprise Tax Payments” with analytical subaccounts is expected to enhance transparency, ensure timely tax payments, and reduce the risk of financial penalties.

The practical significance of the results lies in the development of a comprehensive methodology for organizing the accounting of tax liabilities, which can be adapted to different forms of business operations. The implementation of the proposed approaches will improve the quality of financial reporting, the efficiency of tax management, and trust between business and government. A promising direction for further research

is the integration of accounting solutions with modern ERP systems and automated tax administration platforms.

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## ОБЛІК І КОНТРОЛЬ РОЗРАХУНКІВ З БЮДЖЕТОМ ЯК ІНСТРУМЕНТ ПІДВИЩЕННЯ ФІНАНСОВОЇ СТІЙКОСТІ ПІДПРИЄМСТВА

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У статті досліджено теоретичні та практичні аспекти організації обліку розрахунків з бюджетом на підприємстві в умовах трансформації державних фінансів та інтенсифікації електронного адміністрування податків. Проведено аналіз видів податкових зобов'язань, порядку відображення їх у фінансовому і податковому обліку, а також виявлено типові помилки і розбіжності, що призводять до викривлення фінансових показників та підвищення ризику застосування штрафних санкцій. Методологічно дослідження базується на системному та порівняльному аналізі, узагальненні практики автоматизації обліку (ERP/BAS, М.Е. Doc) та результатах звірки даних з Електронного кабінету платника податків. На прикладі малого підприємства ТОВ «ЮРИСТ І БУХГАЛТЕР» показано наслідки недостатньої деталізації аналітичних субрахунків і відсутності резервування податкових платежів: пониження ліквідності, ризик несвоєчасних платежів і збільшення адміністративних витрат. Наукова новизна полягає у розробці комплексного підходу до узгодження бухгалтерського і податкового обліку через впровадження рахунку 98 «Податкові платежі підприємства» з деталізованими аналітичними субрахунками, а також у формуванні практичних рекомендацій з автоматизації контролю за податковими зобов'язаннями. Практична цінність полягає в методичних пропозиціях щодо побудови аналітики, алгоритмів резервування коштів і впровадження процедур внутрішнього контролю для мінімізації податкових ризиків та підвищення якості фінансової звітності. Рекомендовано інтегрувати запропоновану модель з сучасними прозорими продуктами для підвищення оперативності звірок з контролюючими органами та зниження адміністративних витрат.

**Ключові слова:** облік податкових зобов'язань, розрахунки з бюджетом, бухгалтерський облік, податковий облік, електронне адміністрування, автоматизація обліку, фінансова прозорість.

## ACCOUNTING AND CONTROL OF BUDGET SETTLEMENTS AS A TOOL TO ENHANCE THE FINANCIAL STABILITY OF AN ENTERPRISE

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The article examines the theoretical and practical aspects of organizing accounting for budget settlements at enterprises in the context of the transformation of public finances and the intensification of electronic tax administration. The study analyzes the types of tax liabilities, the procedure for their reflection in financial and tax accounting, and identifies typical errors and discrepancies that lead to distortion of financial indicators and an increased risk of penalties. Methodologically, the research is based on a systemic and comparative analysis, a summary of accounting automation practices (ERP/BAS, М.Е. Doc), and the results of data reconciliation with the Electronic Taxpayer Cabinet. Using the example of the small enterprise LLC “LAWYER AND ACCOUNTANT,” the consequences of insufficient detail in

analytical subaccounts and the lack of tax payment reserves are demonstrated: reduced liquidity, risk of untimely payments, and increased administrative costs. The scientific novelty lies in the development of a comprehensive approach to harmonizing financial and tax accounting through the implementation of account 98 “Enterprise Tax Payments” with detailed analytical subaccounts, as well as in the formulation of practical recommendations for automating control over tax liabilities. The practical value of the study consists of methodological proposals for building analytics, algorithms for reserving funds, and implementing internal control procedures to minimize tax risks and improve the quality of financial reporting. It is recommended to integrate the proposed model with modern software products to increase the efficiency of reconciliations with regulatory authorities and reduce administrative costs.

**Keywords:** Tax liabilities, budget settlements, financial accounting, tax accounting, electronic tax administration, accounting automation, financial transparency.

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