

INFORMAL ECONOMY AND VAT

Abstract. The aim of this paper is to discuss the interconnections between informal economy and Value Added Tax (VAT), as well as measures applied in the European Union (EU) Member States and other countries to counter VAT evasion and VAT fraud related to informal economy. It is shown in the article, that VAT and informal economy are strongly interconnected. VAT may be the cause for growth of the informal economy. But on the other hand, some VAT-related measures may be introduced to reduce or at least stop further growth of informal economy. Examples of such measures conclude the findings.

Keywords: VAT fraud, VAT evasion, informal economy, shadow economy, grey economy, anti-fraud measures, anti-evasion measures; unregistered business activities

1. AIMS AND SCOPE

The aim of this paper is to discuss the interconnections between informal economy and Value Added Tax (VAT), as well as measures applied in the European Union (EU) Member States (MS) and other countries to counter VAT evasion and VAT fraud related to informal economy.

2. INFORMAL ECONOMY AND TAXATION

Informal economy (grey economy) includes supplies of goods and services which are legal themselves, but produced and supplied outside the framework of registered business. Informal economy must be clearly

* Doctor of Law, Adjunct Professor, Tax Law Department, Faculty of Law and Administration, Specialist, Centre of Tax Documentation and Studies, University of Lodz (Poland).

distinguished from criminal economy (black economy), which supplies illegal goods and services (e.g. drugs, weapons). Informal economy includes professional activities performed for profit, but not registered, not taxed and not subject to official monitoring. Sometimes entrepreneurs are registered, but they hide part of their activities, by non-reporting a part of their sales or unregistering part of their employees. Informal economy also includes so called „moonlighting”, when people formally employed, additionally perform work outside the formal economy.¹

It must be emphasized that informal economy is not only about non-compliance with tax laws. It is also connected with unwillingness to comply with social security, environmental protection or health and safety regulations. Sometimes it is about infringement of intellectual property rights or employees' rights. Some people stay in the shadow to maintain certain government benefits (e.g. unemployment benefits, subsidized healthcare, subsidized housing). There are also psychological motivations, above all, social acceptance of informal economy. If the quality of government institutions and benefits is poor, social acceptance for informal economy grows. If people consider the tax system unfair, the tax burden too high, the government tax and spending policy wrong, they tend to turn to informal economy.²

As regards the relation between informal economy and the tax concepts of evasion and avoidance, informal economy is rather tax evasion than tax avoidance. Tax evasion is generally understood as intentional illegal taxpayer behavior, involving a direct violation of tax law, in order to escape

¹ For various definitions of informal economy see S. Pedersen, E. Dalgaard and G.V. Mogensen, *The Shadow Economy in Western Europe: Measurement and Results for Selected Countries*, Copenhagen 1998; F. Schneider, D. Enste, *Shadow Economies Around the World – Size, Causes, and Consequences*, IMF Working Paper, WP/00/26, IMF, Washington 2000; S. Djankov, I. Lieberman, J. Mukherjee, T. Nenova, *Going Informal: Benefits and Costs*, World Bank, 2002; B. Belev, *The Informal Economy in the EU Accession Countries: Size, Scope, Trends and Challenges in the Process of EU Enlargement*, CSD, 2003; K. Flodman Becker, *The Informal Economy: Fact Finding Study*, The Swedish International Development Cooperation Agency (SIDA) Department for Infrastructure and Economic Cooperation, 2004; F. Schneider, *The Shadow Economy in Europe 2013*, Linz 2013; N. Benjamin, K. Beegle, F. Recanatini, M. Santini, *Informal Economy and the World Bank*, Policy Research Working Paper 6888, The World Bank, Washington 2014.

² For a broader analysis of the reasons behind the growth of informal economy and the problems caused by informal economy (not only in a tax context) see: F. Schneider, D. Enste, *op. cit.*; S. Djankov, I. Lieberman, J. Mukherjee, T. Nenova, *op. cit.*; B. Belev, *op. cit.*; K. Flodman Becker, *op. cit.*; F. Schneider, *op. cit.*

payment of tax, either by hiding tax liability or its part from tax authorities or simply failing to pay tax. Examples of evasion are: failure to register with tax authorities, deliberate non-reporting or underreporting of taxable income or sales, claiming deductions for expenses not incurred, overstating expenses. Tax evasion also includes tax fraud, which is conducted with the use of sham transactions, false statements, fake documents, etc. On the other hand, tax avoidance is taxpayer behavior aimed at reducing tax liability, but not being tax evasion and not being illegal. Tax avoidance is acting within the letter of the law, but against the spirit or intent of the law. It involves artificiality (e.g. adoption of an artificial legal form) or more generally – choices motivated by tax savings and not commercial reasons. Examples of tax avoidance include: conversion of one type of income to other type which is non- or lower-taxed, shifting of income to other tax jurisdictions with lower tax rates or other (affiliated) taxpayers with a lower marginal tax rate, treaty shopping, splitting of business activities to avoid VAT registration, lease and lease-back arrangements to take advantage of early input tax deduction.³

Informal economy and VAT are strongly interconnected. Businesses remaining in the grey zone and not charging VAT on their supplies benefit from an unfair competitive advantage over white zone businesses, being able to offer lower prices to their customers, especially consumers and other grey zone businesses. However, it is worth noting that in most VAT systems, including the EU common system of VAT,⁴ a formal registration of a business is not a condition for its supplies being VAT taxable.⁵

³ J. Rogers-Glabush (ed.), *IBFD International Tax Glossary*, 7th ed., Amsterdam 2015, pp. 30–31, 172–173, 195–196. See also OECD Centre for Tax Policy and Administration, *Glossary of Tax Terms*, <http://www.oecd.org/ctp/glossaryoftaxterms.htm#A> [access: 11.05.2016]. According to the OECD's *Glossary*, "Evasion" is "generally used to mean illegal arrangements where liability to tax is hidden or ignored, i.e. the taxpayer pays less tax than he is legally obligated to pay by hiding income or information from the tax authorities", "fraud" is "a form of deliberate evasion of tax which is generally punishable under criminal law. The term includes situations in which deliberately false statements are submitted, fake documents are produced, etc.", while "avoidance" is "generally used to describe the arrangement of a taxpayer's affairs that is intended to reduce his tax liability and that although the arrangement could be strictly legal it is usually in contradiction with the intent of the law it purports to follow".

⁴ See Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (the EU VAT Directive), OJ L 347, 11.12.2006, p.1.

⁵ The concepts of "taxable person" and "economic activity" as defined by Art. 9(1) of the EU VAT Directive are objective. "Taxable person" is "any person who, independently,

Thus, non-registered businesses, if discovered, should be liable to pay VAT on heretofore supplies, although they did not collect the amounts corresponding to output VAT from their customers.

3. VAT-RELATED MOTIVES FOR INFORMAL ECONOMY

The mere introduction of VAT, as well as any significant increase in VAT rates, may induce the escape of formal business into the grey zone or prevent informal business from entering the white zone. As studies show, suppliers are not always able to fully shift the burden of VAT to customers without worsening their market position.⁶ When VAT is introduced or rates

carries out in any place any economic activity, whatever the purpose or results of that activity". "Economic activity" is "any activity of producers, traders or persons supplying services, including mining and agricultural activities and activities of the professions". No mention is made in the EU VAT Directive about VAT registration (identification) or business registration as preconditions for supplies being taxable. Moreover, according to the Court of Justice of the European Union (CJEU), even supply of contraband alcohol is taxable, because "the principle of fiscal neutrality prevents any general distinction between lawful and unlawful transactions, apart from such cases where any competition between a lawful economic sector and an unlawful sector is precluded. Ethyl alcohol imported as contraband from a non-member country is not a product whose marketing is prohibited by its very nature or because of its special characteristics. Nor may ethyl alcohol be regarded as a product which is outside economic channels, since competition is possible between the contraband product and that traded in lawful economic channels, in that there is a lawful market in alcohol which is precisely the target of contraband products" (see CJEU, judgment of 29 June 2000, case C-455/98 *Tullihallitus v Kaupo Salumets and others*, EU:C:2000:352). Unregistered businesses are in competition with registered businesses. Consequently, supplies made by unregistered businesses are evidently taxable.

⁶ In reality the full shifting of VAT burden to the customer is not always possible (J. English, *VAT/GST and Direct Taxes: Different Purposes*, [in:] M. Lang, P. Melz, E. Kristoffersson (eds.), *Value Added Tax and Direct Tax. Similarities and Differences*, Amsterdam, 2009, p. 1). In reality VAT burden is born partially by the consumers and partially by the suppliers, as the net price and the size of sales after tax are usually lower than before tax; besides the taxation of one good or service increases the demand for substitution goods or services (S. James, *Taxation Research*, [in:] M. Lamb, A. Lymer, J. Freedman, S. James (eds.), *Taxation. An Interdisciplinary Approach to Research*, Oxford 2005, p. 40). Suppliers in order to maintain their competitive position and attractiveness of their offer to customers, usually decide to partially bear the burden of the tax; the effective distribution of VAT burden therefore depends also on market conditions, the flexibility of consumer demand and competition between suppliers (L. Ebrill, M. Keen, J.P. Bodin, V. Summers, *The Modern VAT*, Washington 2001, p. 15).

are increased, suppliers may face lower sales if they decide to fully shift the new or increased burden to customers or lower profitability if they decide to bear part of the new or increased burden themselves. If these results are unacceptable to them, they may decide to join informal economy.

Also the businesses which are partly or wholly input taxed, so not allowed to deduct input VAT or its part, may prefer to stay in the grey zone and also to buy from other informal suppliers. Not only do they remain themselves unregistered, but also they buy from other unregistered businesses. Similarly, work intensive businesses, which do not incur high amounts of input VAT on their purchases, as workforce is their most important cost factor and not goods or services bought from other suppliers, may prefer the grey zone (e.g. housekeeping, child-minding, gardening, beauty care, basic medical advice).

Another reasons for remaining on the informal side is burdensome VAT compliance. If its costly and/or time-consuming to register for VAT, to comply with documentation and reporting obligations, businesses will tend to operate informally.⁷ If VAT compliance requires hardware and software investments (e.g. cash registers, computers, printers, invoicing software), it may be too costly for a new business to become a VAT taxpayer.

If VAT regulation is too excessive, if it is difficult to understand and apply VAT provisions, if administrative practice is diverse and changing, informal economy will grow. Certainty in taxation is a very important compliance-enhancing factor. Already Adam Smith wrote that certainty is more important than equality, because uncertain taxes may induce non-compliance of otherwise honest and law-abiding taxpayers.⁸ If it is difficult to understand and apply VAT provisions, if administrative practice is inconsistent, uncertainty and tax risk on the part of registered business are inevitably growing. Low detection probability and ineffective enforcement are other evident factors for the growth of informal economy. If there are too harsh penalties for unintended errors or if tax inspections are focused mainly or solely on registered businesses, while informal businesses remain undetected, businesses will be inclined to stay in the grey zone. In other words, if the risks and consequences of being a formal, generally complying

⁷ Compliance costs are regressive and they are especially burdensome for small and medium sized businesses and above all – new businesses (J. Pope, *Tax Compliance Costs*, [in:] M. Lamb, A. Lymer, J. Freedman, S. James (eds.), *op. cit.*, p. 210).

⁸ A. Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, London 1904 (first publ. 1776).

taxpayer punished for an unintended mistake are similar to the risks and consequences of being an unregistered business detected and punished for the failure to register and report tax liability, the chances that businesses will remain unregistered are growing.

4. INFORMAL ECONOMY-RELATED FORMS OF VAT EVASION AND FRAUD

The most obvious form of VAT evasion by informal economy is when goods and services are supplied by unregistered business. In such a case the totality of supplies remains without VAT.

But in terms of VAT, informal economy may also take the form of off-books sales by registered business, i.e. underreporting of VAT taxable supplies, when only some supplies are made without VAT, while others are reported.

Informal economy may also constitute a part of more complex VAT fraud schemes. For example, goods of informal origin may be introduced to the formal market accompanied by false invoices (issued by sham businesses⁹ or with the use of hijacked data¹⁰). Such invoices give rise to deductions of input VAT, while output VAT is never settled with tax authorities. If a business buys goods informally, upon selling these goods full output VAT must be paid to tax authorities (there is no input VAT to deduct). A solution is to fake a purchase invoice, to pretend that VAT on previous stages was already settled with tax authorities.

Informal economy also adds to VAT fraud by consuming and distributing goods which were “taken out of the system”, i.e. sold without VAT under false pretenses of an intra-EU, thus zero-rated, supply of goods. The fraud begins when the supplier deducts input VAT, but does not charge output VAT, selling the goods with zero VAT. Zero rate applies to intra-EU supplies, because such supplies should be taxed in the MS of destination and the customer should pay VAT to the tax authorities of the MS of destination. If the supplier and/or the customer pretend that the supply is an intra-EU supply, zero rated in the MS of origin, while the

⁹ A sham business is a business registered under the name of a person who is not really involved in the business activity, usually being troubled, unemployed, homeless or terminally ill, without any property to enforce taxes.

¹⁰ Hijacking of data refers to the use of the data of a real business, which is not involved in and not aware of the transaction.

tax in the MS of destination is never paid and the goods never leave the MS of origin, they may be resold cheaper in the grey market, without any VAT inherent in their price.

5. VAT-RELATED MEASURES AGAINST INFORMAL ECONOMY

Some VAT-related measures may be introduced to reduce or at least stop further growth of informal economy.

First of all, VAT exemptions for small business or certain grey-zone prone sectors may be introduced, applicable only upon prior notification by a formally registered business. So if a business registers, it may benefit from the exemption. If a business does not register and is detected by tax authorities, the business must pay VAT on all heretofore supplies. Also helpful may be relatively low VAT rates on the most grey-zone prone goods and services. The grey-zone prone sectors or goods and services include for example: household services (cleaning, babysitting, house maintenance), private teaching, beauty care, taxis, car repair, retail supply of food, restaurant services, fast food, construction services.¹¹

It is very important to simplify VAT compliance: registration, invoicing and reporting obligations. Electronic means of communication should be used more extensively, to minimize the need for visits in tax offices. Taxpayers should also be given comprehensive assistance in VAT compliance: from guidance to refunds on the purchase of necessary hardware and software. At least guidance in the form of brochures and public and private rulings should be available. A very useful institution is a taxpayer assistant, i.e. a tax inspector designated with the task of assisting taxpayers of a given branch of economy with their compliance and being aware of the problems and specifics of the branch. The government should participate in the costs of hardware and software necessary for VAT compliance (e.g. cash registers, invoicing software), by granting refunds on the purchase of the equipment and software.

Tax administration should be client-oriented, but also effective in auditing. Tax audits should be better targeted, preceded by risk analysis and not only focused on formal business. If registered businesses get the

¹¹ For examples of goods and services (sectors of economy) which are likely to be included in grey economy see: F. Schneider, *The Shadow Economy in Europe 2013*, Linz 2013, pp. 11–13; S. Pedersen, E. Dalgaard, G.V. Mogensen, *The Shadow Economy in Western Europe: Measurement and Results for Selected Countries*, Copenhagen 1998, pp. 46, 85–86.

impression that only they are controlled and punished even for unintended errors, they will be more prone to escape to the grey zone.

Because informal economy is sometimes a matter of tradition or is considered an act of opposition towards government policy, the level of social acceptance of informal economy may be high. Then, something should be done to change social attitude towards informal economy. People should understand the role of taxes in financing public services. They should be informed about the problems caused by informal economy. School education, publicity campaigns and brochures might be helpful in this respect. A popular measure against informal economy involves offering lottery prizes based on cash register receipts or VAT invoices (e.g. in Argentina, Brazil, Malta, Poland, Portugal, Puerto Rico, Romania, Slovakia and Taiwan).¹²

Moreover, an obligation to use cash registers in business to consumer (B2C) transactions may be an efficient tool against informal economy, if this obligation is accompanied by: administrative or criminal sanctions for suppliers for not issuing receipts and/or for customers for not possessing a receipt, non-enforceability of consumer rights without a receipt and – as already mentioned – national lotteries for receipts holders. In case of business to business (B2B) transactions, an obligation to issue and deliver invoices via an online central invoice data-base could be useful, if accompanied by: criminal sanctions for suppliers for not issuing invoices within the system and/or business customers for not possessing a valid invoice delivered via the system, non-enforceability of commercial contracts not documented by invoices issued within the system, the prohibition of transporting goods not accompanied by a valid invoice issued within the system.¹³ The most

¹² For more information about VAT lotteries see J. Stanley-Smith, *VAT Lotteries – Driving up Compliance from the Consumer's End*, "International Tax Review" 2015, 5.02., <http://www.internationaltaxreview.com/Article/3424923/VAT-lotteries-driving-up-compliance-from-the-consumers-end.html> [access: 11.05.2016]; L. Mattes, *VAT Lotteries – The Ultimate Road Towards Tax Compliance and Social Awareness?*, IBD White Papers, 30 March 2015, Amsterdam 2015; DG Taxation and Customs Union (TAXUD), Joint Research Centre (JRC), *Improving VAT Compliance – Random Awards for Tax Compliance*, Report, Fiscalis Workshop, 6 May 2014, Office for Official Publications of the European Communities, Luxembourg 2015; M. Fabbri, S. Hemels, "Do You Want a Receipt?" *Combating VAT and RST Evasion with Lottery Tickets*, "Intertax" 2013, no. 8, vol. 41, pp. 430–443.

¹³ For a description of the Brazilian system involving non-enforceability of commercial contracts not documented by invoices issued within the system and the prohibition of transporting goods not accompanied by a valid invoice issued within the system see R.T. Ainsworth, *VAT – East African Community: The Tradable Services Problem World-Class Solution*, "Boston University School of Law Working Paper" no. 13–38, 15.08.2013, pp. 25–28.

drastic measure (the last resort measure) could be the seizure of equipment and goods possessed without a valid invoice or receipt.

An interesting alternative to the central invoice data-base could be an enhanced reporting obligation, whereby taxpayers regularly (e.g. monthly) electronically submit all B2B transactions data, including value of each purchase or supply transaction, its date and invoice number, as well as a VAT identification number of the supplier or the business customer. Such a solution has been gradually introduced in Poland, starting from larger taxpayers and as of 1 January 2018 covering all active VAT taxpayers¹⁴.

Another promising measure involves limits on cash payments, accompanied by mandatory reporting of credit card transaction data by banks (e.g. Portugal), cross checking of VAT returns with data on credit card transactions from the banks (e.g. Turkey), reduced VAT rates in case of non-cash payments (e.g. Argentina, Colombia), subsidized use of electronic payment terminals at small shops (e.g. Mexico).¹⁵

A measure widely used against some forms of VAT fraud, which are partly related to informal economy, is reverse charge mechanism (RCM). Under RCM tax is settled (paid) by the business customer instead of the supplier. Hence, the supplier cannot embezzle VAT (the supplier receives VAT exclusive price only) and the customer cannot deduct input VAT if output VAT was not settled by him with tax authorities. Examples of transactions to which RCM may be applied in the EU include: construction works, supplies of used material and industrial and non-industrial waste, recyclable waste, supplies of raw and semi-finished metals, including precious metals, supplies of cereals and industrial crops including oil seeds and sugar beet, supplies of mobile telephones, microprocessors and central processing units, game consoles, tablet PC's and laptops, telecommunication services.¹⁶

The price incentive inherent in buying goods and services from informal business or underreporting business, may be countered by joint and several liability of the purchaser for output VAT not settled with tax

¹⁴ This solution is called the Unified Control File (*Jednolity Plik Kontrolny*) and has been regulated in Art. 82(1b) of the Polish General Tax Act of 29 August 1997, Journal of Laws of 2017, item 201, amended with reference to Art. 109(3) the Polish Vat Act and the Polish Act of 11 March 2004 on Tax on Goods and Services (the Polish VAT Act), Journal of Laws of 2017, item 1221, amended.

¹⁵ For details see F. Schneider, *op. cit.*, pp. 14–20.

¹⁶ See Arts. 199–199b of the EU VAT Directive, as a legal basis for introducing reverse charge mechanism.

authorities by the seller.¹⁷ This liability is applicable if the circumstances and conditions of the transaction were non-standard, e.g. the price was lower than market price without a valid commercial reason, the transaction was carried outside business premises or business hours. In Poland joint and several liability is applicable to business buyers of: selected steel products, fuels, selected forms of gold, digital cameras.¹⁸

The last measure to be presented in this paper is the split payment model whereby the customer pays net price to the supplier and VAT to the tax authorities. The customer receives from the supplier an invoice which includes net price and the amount of VAT. The customer splits the payment in two: he pays consideration (net price) to the supplier and the amount of VAT to the tax authorities or to a blocked VAT bank account of the supplier, which is under supervision of the tax authorities and can only be used by the supplier for paying VAT to the tax authorities or paying VAT to his suppliers to their blocked VAT bank accounts. If the whole payment is made to the supplier, the customer risk losing the right to deduct input VAT or can be held liable for the output VAT not paid to tax authorities by the supplier.¹⁹ Alternatively, the gross amount may be split by financial institutions (financial intermediaries) into net price transferred to the supplier's bank account and VAT transferred to the special VAT account of the customer. Such an option is being considered in Poland.²⁰

¹⁷ See Art. 205 of the EU VAT Directive, as a legal basis for introducing joint and several liability for payment of VAT.

¹⁸ See Art. 105a and Annex 13 to the Polish VAT Act.

¹⁹ For a more detailed description of split payment model see European Commission, *Commission Staff Working Document, Accompanying Document to the GREEN PAPER on the Future of VAT Towards a Simpler, more Robust and Efficient VAT System* {COM(2010) 695 final}, SEC(2010) 1455 final, Brussel 1.12.2010, pp. 102–104; PwC, *Study on the Feasibility of Alternative Methods for Improving and Simplifying the Collection of VAT through the Means of Modern Technologies and/or Financial Intermediaries* (final report TAXUD/2009/AO-05, 20 September 2010), http://ec.europa.eu/taxation_customs/resources/documents/common/consultations/tax/future_vat/vat-study_en.pdf [access: 10.05.2013], pp. 11–13, 37–50.

²⁰ See the Act of 9 November 2017 Amending the Act on Tax on Goods and Services and Certain Other Acts, submitted for consideration to the Senate of the Republic of Poland and the President.

6. CONCLUSIONS

As has been shown, VAT and informal economy are strongly interconnected. VAT may be the cause for growth of the informal economy. But on the other hand, some VAT-related measures may be introduced to reduce or at least stop further growth of informal economy. To sum up, these measure may include *inter alia*:

- exemptions for small business or certain grey-zone prone sectors, applicable only upon prior notification by a formally registered business;
- relatively low VAT rates on the most grey-zone prone goods and services;
- simplification of VAT compliance and assistance in VAT compliance (guidance and refunds on the purchase of necessary hardware and software);
- better targeted tax audits, not only focused on formal business;
- national lotteries for holders of cash register receipts or VAT invoices;
- an obligation to use cash registers, accompanied by: administrative or criminal sanctions for suppliers for not issuing receipts and/or for customers for not possessing a receipt, as well non-enforceability of consumer rights without a receipt;
- an obligation to issue and deliver invoices via an online central invoice data-base, accompanied by: criminal sanctions for suppliers for not issuing invoices within the system and/or business customers for not possessing a valid invoice delivered via the system, as well as non-enforceability of commercial contracts without an invoice issued within the system;
- seizure of equipment and goods possessed without a valid invoice or receipt;
- an obligation to regularly electronically submit all B2B purchase and supply transaction data;
- limits on cash payments and reduced VAT rates in case of non-cash payments, accompanied by mandatory reporting of credit card transaction data by banks;
- reverse charge mechanism whereby tax is settled (paid) by the business customer instead of the supplier, hence he supplier cannot embezzle VAT (the supplier receives VAT exclusive price only) and the customer cannot deduct input VAT if output VAT was not settled with tax authorities;

- joint and several liability of the purchaser for output VAT, especially if the circumstances and conditions of the transaction where non-standard (e.g. price lower than market price without a valid commercial reason);
- split payment whereby the customer pays net price to the supplier and VAT to the tax authorities or the gross amount is split by financial institutions.

REFERENCES

- Ainsworth R.T., *VAT – East African Community: The Tradable Services Problem World-Class Solution*, “Boston University School of Law Working Paper” no. 13–38, 15.08.2013.
- Belev B., *The Informal Economy in the EU Accession Countries: Size, Scope, Trends and Challenges in the Process of EU Enlargement*, CSD, 2003.
- Benjamin N., Beegle K., Recanatini F., Santini M., *Informal Economy and the World Bank*, “Policy Research Working Paper” 6888, The World Bank, Washington 2014.
- Commission Staff Working Document, Accompanying Document to the GREEN PAPER on the Future of VAT Towards a Simpler, more Robust and Efficient VAT system {COM(2010) 695 final}, SEC(2010) 1455 final*, Brussel 1.12.2010.
- DG Taxation and Customs Union (TAXUD), Joint Research Centre (JRC), *Improving VAT Compliance – Random Awards for Tax Compliance*, Report, Fiscalis Workshop, 6 May 2014, Office for Official Publications of the European Communities, Luxembourg 2015.
- Djankov S., Lieberman I., Mukherjee J., Nenova T., *Going Informal: Benefits and Costs*, World Bank, 2002.
- Ebrill L., Keen M., Bodin J.P., Summers V., *The Modern VAT*, Washington 2001.
- English J., *VAT/GST and Direct Taxes: Different Purposes*, [in:] M. Lang, P. Melz, E. Kristoffersson (eds.), *Value Added Tax and Direct Tax. Similarities and Differences*, Amsterdam 2009.
- Fabrizi M., Hemels S., “Do You Want a Receipt?” *Combating VAT and RST Evasion with Lottery Tickets*, “Intertax” 2013, no. 8, vol. 41.
- Flodman Becker K., *The Informal Economy: Fact Finding Study*, The Swedish International Development Cooperation Agency (SIDA) Department for Infrastructure and Economic Cooperation, 2004.
- James S., *Taxation Research*, [in:] M. Lamb, A. Lymer, J. Freedman, S. James (eds.), *Taxation. An Interdisciplinary Approach to Research*, Oxford 2005.
- Mattes L., *VAT Lotteries – The Ultimate Road towards Tax Compliance and Social Awareness?*, IBFD White Papers, 30 March 2015, Amsterdam 2015.
- OECD Centre for Tax Policy and Administration, *Glossary of Tax Terms*, <http://www.oecd.org/ctp/glossaryoftaxterms.htm#A> [access: 11.05.2016].
- Pedersen S., Dalgaard E. and Mogensen G.V., *The Shadow Economy in Western Europe: Measurement and Results for Selected Countries*, Copenhagen 1998.

- Pope J., *Tax Compliance Costs*, [in:] M. Lamb, A. Lymer, J. Freedman, S. James (eds.), *Taxation. An Interdisciplinary Approach to Research*, Oxford 2005.
- PwC, *Study on the Feasibility of Alternative Methods for Improving and Simplifying the Collection of VAT through the Means of Modern Technologies and/or Financial Intermediaries* (final report TAXUD/2009/AO-05, 20 September 2010), http://ec.europa.eu/taxation_customs/resources/documents/common/consultations/tax/future_vat/vat-study_en.pdf [access: 10.05.2013]
- Rogers-Glabush J. (ed.), *IBFD International Tax Glossary*, 7th ed., Amsterdam 2015.
- Schneider F., Enste D., *Shadow Economies Around the World – Size, Causes, and Consequences*, IMF Working Paper, WP/00/26, Washington 2000.
- Schneider F., *The Shadow Economy in Europe 2013*, Linz 2013.
- Smith A., *An Inquiry into the Nature and Causes of the Wealth of Nations*, London 1904 (first publ. 1776).
- Stanley-Smith J., *VAT Lotteries – Driving up Compliance from the Consumer’s End*, *International Tax Review*, 5 February 2015, <http://www.internationaltaxreview.com/Article/3424923/VAT-lotteries-driving-up-compliance-from-the-consumers-end.html> [access: 11.05.2016].

Streszczenie. Celem artykułu jest omówienie wzajemnych relacji między szarą strefą gospodarki a podatkiem od wartości dodanej (VAT), a także środków stosowanych w państwach członkowskich Unii Europejskiej (UE) i innych państwach w celu przeciwdziałania uchylaniu się od opodatkowania i oszustwom VAT związanym z szarą strefą gospodarki. W artykule wykazano, że wzajemne zależności między szarą strefą a VAT są silne. VAT może być przyczyną rozwoju szarej strefy. Z drugiej strony, pewne rozwiązania z zakresu VAT mogą zostać wprowadzone, aby zmniejszyć lub przynajmniej zatrzymać rozwój szarej strefy. Przykłady takich środków zamykają konkluzje.

Słowa kluczowe: oszustwa VAT, uchylanie się od opodatkowania VAT, szara strefa, gospodarka nieformalna, środki zwalczania oszustw, środki zwalczania uchylania się od opodatkowania; niezarejestrowana działalność gospodarcza