

Problematic aspects of corporate tax risk empirical analysis

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Abstract

© 2015, Asian Social Science. All rights reserved. Theoretically corporate tax risk is defined as the probability of deviations of the tax burden from the planned values. From the standpoint of tax law there are much more taxation risk factors. The revenue authorities considered as a risk factor not only the amount of the tax burden, but also its fluctuation relative to the average industry value. Besides these, taxation risk factors are: low level of the average wage in a corporation, losses in the company's several tax periods, increase of costs, compared with revenues exceeding the growth rate of tax deductions for VAT, the inconsistency of profitability indicators to average industry values, etc. So, the following question arises: whether the selection of these factors in terms of their relationship to the cost management is justified? Do the taxes and taxation risk in the value of a corporation is essentially? This article is devoted to research these problematical issues.

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Keywords

Corporate risks, Risk of tax control, Risks, Tax burden, Tax risks, Value based management