

**Khomoviy S.M.**

*Candidate of Economic Sciences,  
Associate Professor of Accounting and Taxation  
Bila Tserkva National Agrarian University  
Bila Tserkva, Ukraine*

**Tomilova N.O.**

*Candidate of Economic Sciences,  
Associate Professor of Accounting and Taxation  
Bila Tserkva National Agrarian University  
Bila Tserkva, Ukraine*

**Bilyk O.V.**

*Candidate of Economic Sciences,  
Assistant Professor of the Department of Public Administration,  
Management and International Economics  
Bila Tserkva National Agrarian University  
Bila Tserkva, Ukraine*

## **ACCOUNTING AND TAX ASPECTS OF GUARANTEE LIABILITY OF FOODSTUFF CONSUMERS IN UKRAINE**

No matter how trying businesses (individuals and legal entities) to comply responsibly with their obligations to buyers and suppliers, the practice of “reverse” operations is still very common in practice. In this case, like many others, the legal nature of the return of goods plays a decisive role for accounting and tax accounting.

Immediately, we note that the return or exchange of purchased goods is necessary only after certain actions are taken, the list of which is approved in the Resolution of the Cabinet of Ministers of Ukraine No. 172 of 19 March 1994 “On the implementation of certain provisions of the Law of Ukraine” On Protection of Consumer Rights “in his current edition [1]. Binding of which is 1) to ascertain whether or not the goods in the list of goods that are not subject to Exchange or return; 2) have available evidence of the purchase of specific goods in specific seller (commodity checks, invoices, etc.); 3) realize what claims exist (or missing) to goods, and whether these claims the signs specified by the law the concept of “product of poor quality”.

The most controversial of the limited items serving the first position, because it is in itself a reference to the fact that are not subject to groceries.

However, today's leading Ukrainian lawyers claim [2] that the legislator does not identifies the concept of 'food product and food product', and in the case of acquisition of unfit for use by the food product establishes the duty of the seller to replace it or return to the consumer paid him money.

In this case, for food products, consumer qualities which over time can deteriorate, the expiration date, which is indicated on the labels, packages, or other documents. This expiration date is considered a warranty term.

On this basis, the calculation of the consumers in this case are as follows: in case of increase of prices of goods are carried out based on its value at the time of submission

of the relevant requirements, and if the price is based on the value of the goods at the time of purchase. The money paid for the goods are returned to the customer on the day of the purchase of goods, and in case of impossibility to return the money in another time by agreement of the parties, but not later than within seven days.

Consider the accounting consequences of refunds the seller (the payer of income tax and VAT), which return the goods as final consumers and other businesses.

In the Tax code of Ukraine there are several provisions, which to a certain extent referred to the return of goods [3].

So, the main point, in our view, is the article 'features of the definition of the tax base in some cases (the procedure for adjustment of tax liabilities and tax credit). With its name implies that it set out the rules of VAT adjustments arising as a result of any changes to the amount of compensation for goods (works, services), among which are considered the 'view prices, recount in case of return of goods/ services to the person who gave them, or when returning the supplier the amount of pre-payment of goods/services.

In the 'tax the lucrative' section of the TAX CODE is only one paragraph of article 140, which uses a similar formulation. In this paragraph also talks about the conversion, namely that in the case of return of goods (when other changes the amount of the compensation cost of goods) the taxpayers spend recalculation of income and expenses.

Special 'guaranteed' rate is in the PIT-the section of the code. This article 165, which is established absence of taxable income of individuals in the case of the replacement of goods or as a result of them getting them the money as a result of the return of the goods.

The accounting guidance on this issue is almost absent. So in Provisions (standards) of accounting Income 15 'and 16' Costs 'of recommendations in this regard are not covered. For recalculation of income in Instruction No. 291 of accounts 'on the application of the accounting of assets, capital, liabilities and business operations of enterprises and organizations' uses sub-account 704 'Deduction from income (table 1).

Table 1

**Reflection in the accounting of food return operations**

№	Contents of the economic operation	Correspondence of accounts	
		Debit	Credit
1	2	3	4
1	Displays the product realization through the CASH REGISTERS	301	702
2	Tax liabilities with VAT are charged	702	641
3	The cost of products is written off	902	28
4	Charged the buyer's claim	704	361
5	Carried out recalculation of tax liability with the VAT (the method of "the Red reversal")	704	641
6	Purchased goods of inadequate quality	28	902
7	Cash withdrawal was issued	361	301

But there was no special account for the recalculation of costs, so the 'return' of the cost of goods (works, services) is carried out by the method of 'red reverse' Dt-90, Kt-26, 28 ... reflecting the existing amount with a 'minus'.

The highlighted transactions allow us to demonstrate the principle of accounting effects. As in accounting and tax accounting, the transaction to secure the seller's accounting records obliges him to reduce his income and tax liabilities with VAT, to make a low-quality asset and reduce costs.

### **References:**

1. On realization of separate provisions of the Law of Ukraine “On Protection of Consumer Rights” (1994), Resolutions of the Cabinet of Ministers of Ukraine, № 172, available at: <http://zakon5.rada.gov.ua/laws/show/172-94-p>
2. Ananiev Yevhen (2017). Return and exchange of goods, available at: <http://blog.liga.net/user/eananev/article/28157.aspx>.
3. Tax Code of Ukraine, available at: <http://zakon5.rada.gov.ua/laws/show/2755-17>