

POLISH TAX CODE

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1. From 1934 Tax Ordinance to 1997 Tax Ordinance

In Poland, general tax law was for the first time organized and unified in the form of a single legal act in 1934. On 15th March, 1934 Tax Ordinance Law was passed, which partially codified tax law². It was one of the first legal acts of such type in Europe³. A specific name of this act is worth emphasizing here, i.e. “ordinance”, which, according to the principles of legislative technique, is equivalent to a code. As a rule, it embraces all regulations concerning the operation of a tax system (general tax law) excluding provisions regulating individual taxes. It is an example of partial codification of tax law which, in principle, excludes Acts on the structures of individual taxes composing a tax system. Tax Ordinance of 1934 regulated the most important institutions of general tax law in 212 Articles. It was composed of five parts: general provisions, tax assessment procedure, mandatory provisions, criminal law provisions, and transitional and final provisions. For the first time, this act regulated the following institutions that are still in force: tax obligation and liability, limitation, excess tax, tax assessment, reliefs to repay tax obligations, and many more. Moreover, the Ordinance contained a part on the issues concerning tax criminal law, which is currently regulated in the Fiscal Penal Code. A high legislative level of this Ordinance is worth emphasizing, which can be easily seen in its content.

Nevertheless, this modern legal act did not survive for long due to the complete change of the social and economic system in Poland

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 - 2 Journal of Laws of 1934, No. 39, item 346 as amended.
 - 3 Such acts were adopted earlier in Germany (1919) and Czechoslovakia (1927).

after the World War II. 1934 Tax Ordinance did not fit a new reality of socialist economy and expired in 1946. Since then, we can talk about a progressive process of general tax law de-codification. It started with the implementation of three Government Decrees of: 16th May, 1946 on Tax Obligations⁴, 16th May, 1946 on Tax Procedure⁵, and 11th April, 1947 on Fiscal Penal Law⁶. The Tax Obligations Decree was replaced by the Decree of 27th October, 1950 of the same name⁷, which was in force until the implementation of the Act of 19th December, 1980 on Tax Obligations⁸. The Tax Procedure Decree expired in 1980, when tax procedure was encompassed by the amended Code of Administrative Procedure. The Decree on Fiscal Penal Law was replaced with the Act of 13th April, 1960 – Fiscal Penal Law and then, after numerous changes, this subject matter was codified in the Act of 10th September, 1999 – Fiscal Penal Code⁹. The Act on Tax Obligations of 1980 composed of 55 Articles had been a basic legal act regulating general tax law until the currently binding Tax Ordinance was introduced. The 1980 Act regulated general rules of tax obligations' arising, performing and expiring. Tax procedure, tax enforcement and audit were not included in this Act. By no means could this Act fulfill the function of an act that was comprehensively regulating general tax law. And this was mainly the reason for undertaking works in autumn 1993 on organizing and unifying tax law provisions in the form similar to 1934 Tax Ordinance¹⁰. It was emphasized that due to numerous amendments, the Act on Tax Obligations became unclear and unfit for new solutions resulting from the tax system's reforms launched at the beginning of the 1990s¹¹. The provisions regulating tax proceedings encompassed in the Code of Administrative Procedure were also negatively assessed. It was argued that these provisions were adapted to constitutive decisions whereas most tax obligations arise under the

4 Journal of Laws of 1946, No. 27, item 173.

5 Journal of Laws of 1963, No. 27, item 174.

6 Journal of Laws of 1947, No. 32, item 140.

7 Journal of Laws of 1950, No. 49, item 452.

8 Journal of Laws of 1980, No. 27, item 111.

9 Journal of Laws of 1999, No. 83, item 930.

10 See: Tax Ordinance. Government's reasoning, Bielsko-Biała 1998.

11 Ibidem, p. 117.

law. The Code of Administrative Procedure lacked solutions including the course of tax collection without issuing a decision¹².

The ground for undertaking works on drafting a new Tax Ordinance was Polish Parliament's Resolution of 5th March, 1994 on Increasing State Revenue¹³. Study works on general tax law codification were carried out by the Committee for Tax System Reform appointed in the Ministry of Finance and presided over by Prof. Witold Modzelewski. The first draft of the Law was presented to Sejm in 1995 and was vigorously discussed until it was passed, which occurred on 29th August, 1997. Starting from 1st January, 1998, general tax law in Poland has been codified again in the form of the Act called Tax Ordinance, which has been in force until now.

2. The structure of the binding Tax Ordinance of 1997

The Act of 29th August, 1997 – Tax Ordinance, came into force at the beginning of 1998¹⁴. It results from Art. 1 thereof that this Act shall regulate in 344 Articles: tax obligations, tax information, tax proceedings, tax inspection and investigation activities, and fiscal secrecy. Actually, the scope of the Act is larger, which clearly results from the titles of individual sections. The Ordinance is composed of 11 sections, i.e.: I – General Provisions (Art. 1-12); II – Tax Authorities and Their Competence (Art. 13-20); IIa – Agreements for Setting the Transaction Prices (Art. 20a-20r); III – Tax Obligations (Art. 21-119); IV – Tax Proceedings (Art. 120-271); V – Inspection Activities (Art. 272- 280); VI – Tax Audit (Art. 281-292); VII – Fiscal Secrecy (Art. 293-305); VIIa – Exchange of Tax Information with Other States (Art. 305a-305o); VIII – Criminal Provisions (Art. 306); VIIIa – Certificates (Art. 306a-306n), and Section IX – Amendments to the Provisions in Force, Transitional Provisions and Final Provisions (Art. 307-344).

Section I – General Provisions, which is not too excessive, regulates such issues as: the scope of application of the Ordinance provisions, the

12 *Ibidem*, p. 118.

13 M.P. No. 18, item 134.

14 *Journal of Laws of 1997 r. No. 137, item 926.*

principle of resolving doubts in taxpayers' favor, definitions of basic terms used in the Act in the form of a statutory glossary (tax acts, tax law provisions, tax books, declarations, tax reliefs), the principles of submitting declarations in an electronic form, system definitions (tax obligation, tax liability, taxpayer, tax remitter, tax collector, fiscal year) and principles of determining tax deadlines.

Section II – Tax Authorities and Their Competence, whose title does not match its scope, contains three chapters: 1 – Tax Authorities, 1a – Interpretations of Tax Law Provisions, 2 – Competence of Tax Authorities. The most extensive is chapter 2, whose location is not too fortunate there, which regulates principles of issuing official interpretations of tax law provisions by Minister of Finance and self-government tax authorities. It goes without saying that such subject matter should be included in general provisions in the form of a separate chapter.

Section IIa – Agreements for Setting the Transaction Prices, is mainly implementation of the EU law tax provisions regulating prices applied between affiliated entities.

As far as the content of tax law general provisions is concerned, Section III – Tax Obligations, is the most significant. It contains 17 chapters whose titles reflect their content quite accurately. Chapter 1 is titled Arising of a Tax Obligation, 2 – The Liability of the Taxpayer, Tax Remitter and Tax Collector, 3 – Securing the Performance of Tax Obligations, 4 – Payment Deadlines, 5 – Tax Arrears, 6 – Default Interest and Extension Fee, 7 – Expiry of Tax Obligations, 7a – Tax Payment Reliefs, 8 – Limitation, 9 – Overpayment, 9a – Signing a Tax Return, 10 – Tax Return Adjustment, 11 – Tax Information, 12 – Bills, 13 – Joint and Several Liability, 14 – Rights and Obligations of Legal Successors and Transformed Entities, 15 – Tax Liability of Third Parties.

Section IV – Tax Proceedings, is very extensive. It encompasses the following chapters: 1 – General Rules, 2 – Exclusion of the Employee of the Tax Authority and the Tax Authority, 3 – A Party to the Tax Proceedings, 3a – A Power of Attorney, 4 – Settling Cases, 5 – Deliveries, 6 – Summons, 7 – Restoration of Deadlines, 8 – Initiating Proceedings, 9 – Data Sheets, Minutes and Annotations, 10 – Making Files Available, 11 – Evidence, 11a – Hearing, 12 – Suspension of the Proceedings,

13 – Decisions, 14 – Rulings, 15 – Appeals, 16 – Complaints, 16a – Implementation of Decisions, 17 – Resumption of Proceedings, 18 – Ascertaining the Invalidity of a Decision, 19 – Reversal or Amendment of a Final Decision, 20 – Expiry of a Decision, 21 – Liability for Damages, 22 – Penalties for a Breach of Order, 23 – The Costs of Proceedings.

Section V – Inspection Activities, regulates issues concerning verification of the correctness of settlements made by taxpayers without launching a tax audit or tax proceedings. Within this scope, tax authorities may, among others, check the correctness and promptness of submitted declarations and verify documents submitted by taxpayers during tax registration.

Section VI – Tax Audit, embraces provisions regulating the process of tax inspection pursued by tax authorities auditing the fulfillment of taxpayers’ duties resulting from tax law provisions. Under these provisions, tax audit may also be carried out by fiscal audit offices as part of their inspection activities. Fiscal audit offices operate on the basis of the Act on Fiscal Inspection, which refers to the Tax Ordinance in matters not regulated therein yet connected with the pursuit of inspection proceedings and tax audit. The principles of entrepreneurs’ inspection are regulated in the Act on Freedom of Business Activity, which contains, among others, restrictions regarding total time of inspection within a year and a ban on pursuing several audits of a taxpayer simultaneously.

Fiscal Secrecy is the title of Section VII. It contains provisions aiming at the protection of individual data contained in declarations and other documents submitted by taxpayers, tax remitters or tax collectors.

Section VIIa – Exchange of Tax Information with Other States, is divided into three chapters: 1 – General Principles for the Exchange of Tax Information, 2 – Detailed Principles for the Exchange of Tax Information with the European Union Member States, and 3 – Detailed Principles for the Exchange of Information about Revenue (Income) from Saving.

Section VIII – Criminal Provisions, contains one Article envisaging penalties for disclosing fiscal secrets. Provisions regulating liability for

fiscal offences and crimes are comprehensively regulated in the Fiscal Penal Code.

Section VIIIa – Certificates, regulates proceedings connected with the issue of certificates by tax authorities at the request of a taxpayer.

The last Section IX – Amendments to the Provisions in Force, Transitional Provisions and Final Provisions, regulates issues connected with the entry into force of the Tax Ordinance as of 1st January, 1997.

The above presented structure of Polish Tax Ordinance indicates that it is merely partial codification of tax law. Above all, it lacks provisions regulating individual taxes, which has already been mentioned before. This is the assumption of Ordinance as an act codifying only general tax law. However, it can be pointed out that the currently binding Ordinance also lacks regulations traditionally classified as a general part of tax law.

Discussing the shape of Tax Ordinance, the need to regulate the procedure of tax enforcement therein has been indicated. It is undeniably the matter which is frequently the subject of tax codes. In Poland, this issue is regulated in the Act of 17th June, 1966 on Administrative Enforcement Proceedings¹⁵. It contains provisions regulating enforcement of all public debt including taxes. Thus, there is no sense in dividing enforcement proceedings into two parts, i.e. tax enforcement (Ordinance) and provisions regulating enforcement of other pecuniary claims and intangible obligations.

1934 Tax Ordinance regulated the issue of liability for committed offences and crimes connected with the violation of tax law provisions. At present, this matter is comprehensively regulated in the Act of 10th September, 1999 – Fiscal Penal Code¹⁶. It is not reasonable to transfer it to the Tax Ordinance and this way de-codify fiscal criminal liability.

In my opinion, postulates to regulate the principles of operation and competence of fiscal inspection bodies in Tax Ordinance are not satisfactorily justified. Fiscal inspection bodies operate under the Act of 28th September, 1991 on Fiscal Inspection¹⁷. They are appointed not only

15 Uniform text: Journal of Laws of 2014, item 1619, as amended.

16 Uniform text: Journal of Laws of 2013, item 186, as amended.

17 Journal of Laws of 2011, No. 41, item 214, as amended.

to inspect tax obligations but also several other matters within the scope of public finance. They are not tax authorities even though they may carry out inspection proceedings finishing with the issue of a decision determining tax obligation. At the moment, works on a profound system reform of fiscal bodies, including both tax and customs authorities as well as fiscal inspection office, are carried out in Poland. This issue, however, will be regulated in a separate Act, not in Tax Ordinance. This solution should be approved of because Tax Ordinance should not contain provisions regulating the system of fiscal administration.

The currently binding Tax Ordinance lacks the institution of Taxpayers' Ombudsman, which characterizes other codes. It results from the fact that in Poland the Polish Ombudsman (Commissioner for Human Rights) operates as a constitutional body and his/her competence encompasses taxpayers too. The appointment of Taxpayers' Ombudsman would lead to the duplication of the tasks of these two bodies.

What is more, Polish Tax Ordinance lacks the institution of a "reliable taxpayer", which more and more often occurs in other codes. One can reasonably doubt whether the introduction of this institution to Tax Ordinance would not entail granting special privileges to a specific group of taxpayers, which may lead to the violation of the constitutional principle of equality and, in effect, evoke the division of taxpayers into "reliable" and other, i.e. "unreliable".

As one can see, the content related scope of Polish Tax Ordinance departs from the traditionally regulated scope of such acts. The lack of provisions regulating tax enforcement, criminal liability for the violation of tax law provisions or those stipulating the system and competence of tax authorities, i.e. the issues considered as general tax law, is a result of historical development of the system of law. I believe that because of just this circumstance, we still do not have and will not have universal models of tax codes for a long time¹⁸. The content of such acts must

18 There are attempts at creating such universal models of tax codes – see: Code of the Republic of Taxastan. A Hypothetical Tax Law. Prepared by the IMF Legal Department, September 29, 2000 and CIAT Model Tax Code (Centro Interamericano de Administraciones Tributarias) (<http://www.ciat.org/index.php/en/products-and-services/ciatdata/tax-rates/145.html?task=view>).

correspond to other areas of the legal system being in force in a given country. Due to this, it can be stated that each tax code is specific and there cannot be two the same codes.

3. The assessment of the binding Tax Ordinance's operation

The doctrine almost commonly indicates the need of a profound reform of Tax Ordinance. It has been in force for already 18 years and during this time it has been amended over 80 times. In 2016 a subsequent extensive amendment thereof came into force and next ones are already in progress¹⁹. The constantly amended Ordinance has lost its original structure, which was not free of defects too. In result, the current system arises even more reservations or objections than the original one. A constant addition of new provisions could not have improved its structure. In some parts this Act has become unclear, that is difficult to understand and apply. This, in turn, results in further changes which are difficult to impose on the “original” text.

What causes permanent amendments of the binding Tax Ordinance? I think a decisive reason thereof is the fact that tax law is developing very dynamically. Different kinds of phenomena and processes that are regulated by it are constantly evolving. Tax Ordinance must keep pace with them. Otherwise, it may lead to negative consequences, most of all to the budget. The best example thereof are incessantly introduced new legal instruments in economic transactions not always used to improve them. Sometimes, they are created only for the purpose of not paying tax (aggressive tax optimization). Until recently, such understood tax optimization has not been applied as commonly as today. It must be reflected in a new ordinance in the form of regulations which may be applied in order to counteract this negative phenomenon.

What is more, the Ordinance undergoes changes due to the impact of court case-law. This and Constitutional Tribunal's rulings in particular

19 Drafted changes concern the introduction of a tax avoidance clause and a changed model of tax audit within works on a new structure of State fiscal administration.

impose a new normative shape on individual legal institutions. Persistent court disagreements about understanding of individual provisions of Tax Ordinance may be finally settled only in effect of their change. Moreover, courts continue to indicate new legislative defects that cannot be eliminated by interpretation. In this context, an attention should be drawn to numerous judgments of the Constitutional Tribunal with regard to the compliance of Tax Ordinance provisions with the Polish Constitution²⁰. There were quite many of them and some of them indicated considerable defects of the Ordinance provisions.

Moreover, the Ordinance requires changes due to the lack of institutions typical of codified parts of general tax law. Among them, the most important is the need to organize and systemize general rules of tax law in the Ordinance. They are partially formulated but in a wrong place, i.e. in Section IV – Tax Proceedings. They were included there because they were rewritten from the Code of Administrative Procedure, which until 1998 had regulated tax procedure as well. They (or at least some of them) must be transferred to general provisions because the principles of legality, trust and provision of information or persuasion cannot be binding merely within the scope of tax procedures, which is implied by their very placement. The observance of these rules is also necessary in all relations occurring between taxpayers and tax authorities, not only within the scope of pursued proceedings. This postulate is best justified by the works on the introduction of the principle of resolving doubts in taxpayer's favor into the Ordinance. As it could not be included in the section on tax proceedings, it was placed at the beginning of the Ordinance, in Art. 2a, as the only rule of general tax law. In result, some principles of general tax law are regulated in Art. 120- 120 whereas one of them – in Art. 2a. By all means, it is not a system-oriented manner of expressing general rules of tax law.

The Ordinance lacks a catalogue of taxpayers' rights, which is indicated by organizations representing taxpayers. It may be done in the

20 The Constitutional Tribunal has indicated the compliance of the analyzed provision of Tax Ordinance with the Polish Constitution 19 times and 18 times adjudicated its inconsistency thereto.

form of a Charter of Taxpayers' Rights²¹ or by expressing these rights in the Ordinance. It is indicated that exposing taxpayers' rights in one place (the Charter or Act) serves the improvement of relations between taxpayers and tax authorities. In Poland, on 18th May, 2011 Taxpayers' Rights Declaration was enacted but its impact on the improvement of relations between these entities is not great²². Due to this, the new Ordinance should specify taxpayers' rights that are the most important and already well-established in the literature and case-law.

What is more, the currently binding Tax Ordinance lacks other institutions which occur in most modern acts of this kind. Apart from the general rules of tax law mentioned earlier and taxpayers' rights and duties, we can list here the following as an example thereof: forms of tax authorities' activities not exercising their powers (consultations, negotiations, mediation), modern means of electronic communication, anti-avoidance tax clause, an order imposed on a taxpayer to cooperate with a tax authority, and simplified tax proceedings.

It is apparent that after 18 years Tax Ordinance has "grown old". Some solutions introduced at that time require profound reconstruction because they do not adjust to contemporary conditions. Good examples thereof are regulations concerning the use of electronic communication to contact a taxpayer. Who could think back in 1997 that it would be one of the most convenient and cheapest means of serving decisions, summons, submitting returns or providing information? At present, it is one of the more important problems to regulate in the Ordinance. It will be difficult to achieve the way it has been done so far, i.e. by adding subsequent regulations to already binding provisions to make the operation of e-communication more precise. It must be regulated comprehensively and in an organized way, which is not possible by means of launching next amendments of the provisions.

21 E.g.: "Taxpayers' Rights and Obligations – Practice note" of 2003, "Tax Intermediaries study dealing with the role of tax adviser" of 2008 and "Cooperative Compliance Report" of 2013. It is also worth paying attention to "Action plan against tax fraud and evasion: idea of "An EU Taxpayer's Code" of 2012 and the project "European Taxpayer's Code" submitted in 2013 for public consultation.

22 A quarter after the announcement. Taxpayers' Rights Declaration – what next?, "Prawo i Podatki" 2011, No. 9.

Another example is the institution of tax obligation's limitation. For different reasons, these provisions are developed in such a way that, on the one hand, tax authorities may prolong limitation period incessantly (interruption of the period) whereas on the other hand, taxpayers easily prolong proceedings and cause the expiry of obligation in result of limitation.

What is more, the problem of an increasing number of individual interpretations of tax law provisions must be promptly resolved. Annually, Minister of Finance and municipal tax authorities issue approx. 38 thousand official tax law provisions' interpretations of this kind. They can be challenged in an administrative court, which taxpayers often take advantage of. In result, courts, Supreme Administrative Court in particular, are not able to examine complaints about interpretations in a reasonable time and one must wait for about 2 years for a verdict. Such a manner of providing tax information is very expensive and slightly effective – it must be changed.

4. Works on a new Tax Ordinance

The above mentioned flaws of the binding Tax Ordinance decided about undertaking works on preparing a draft of a new Tax Ordinance. General Taxation Law Codification Committee (GTLCC) was entrusted with the preparation of the draft. The Committee was appointed by the Council of Ministers' Regulation of 21st October, 2014 on the creation, organization and operation of General Taxation Law Codification Committee²³. It was composed of: 5 representatives of tax law science, 3 judges of administrative court, 3 representatives of tax authorities, 3 representatives of tax advisory or counseling institutions and a representative of President of Poland. It was assumed that such a composition of the Committee would assure that all significant problems connected with the operation of general tax law regulations identified by science, judicature and practice would be included in the works on the reform thereof.

23 Journal of Laws of 2014, item 1471.

Pursuant to § 8 of the above quoted Regulation, the Committee's tasks embrace: preparation, within 4 months from their first meeting, assumptions of a comprehensive statutory regulation of general tax law as well as preparation, within 2 years from the day of adopting the assumptions, a draft bill containing comprehensive provisions on general tax law together with implementing acts. The purpose of GTLCC is regulation (clearing up) tax law's general part in the form of a new legal act titled "Tax Ordinance". It is a form of the so called partial codification of tax law. Comprehensive codification is not possible at the moment and the creation of a Tax Code comprehensively embracing tax law regulations (general and special part of tax law) in a predictable period of time is quite unlikely. Placing all these regulations in one Act is not justified. It would be an artificial and totally unreasonable activity.²⁴

The first stage of the Committee's works was preparation of the assumptions of a future Tax Ordinance, which were submitted to Minister of Finance on 11th March, 2015. Minister of Finance decided to refer them for social consultations, which finished in August, 2015. During the consultation process, over 300 remarks were submitted, which were profoundly examined by the GTLCC and partially incorporated. The Assumptions of the new Tax Ordinance were accepted by the Council of Ministers on 13th October, 2015²⁵. Since then, the GTLCC has had 2 years to prepare a draft of a new Tax Ordinance.

Pursuant to the adopted Assumptions, a new Tax Ordinance will entirely embrace provisions encompassing a general part of tax law²⁶. It will contain general tax law provisions including, as it was indicated above, specificity of the Polish legal system. It means that solutions commonly applied in other systems cannot always be introduced to the Polish Tax Ordinance. It is important to assume a rational structure of the Ordinance's substantial content. The Ordinance's structure will be based on 4 parts: general provisions, substantive law provisions, provisions on bodies, and provisions on procedure. Drafted general

24 See: L. Etel et al., *Tax Ordinance. The Assumptions of a New Ordinance*, Białystok 2015.

25 The list of legislative works of the Council of Ministers (ZA 35) <http://bip.kprm.gov.pl/kpr/form/r1879>

26 Main assumptions of the new Tax Ordinance presented below on the basis of: L. Etel et al., *Ordynacja...*, op. cit., p. 23 et seq.

provisions will include, among others, the following topics: the subject and scope of regulations, principles of general tax law, taxpayers' rights and duties, basic terms, definitions, representations, solidarity in tax law, principles of determining deadlines, fiscal secrecy, and means of electronic communication. Substantive law provisions should include two topics: tax obligations' assessment, enforcement and expiry, and succession and liability in tax law. The next part of the Ordinance will embrace provisions on bodies which will regulate issues regarding tax authorities and their competence. Provisions on procedure will, most of all, regulate tax proceedings, tax audit and inspection activities and other tax procedures (among others agreements on setting transaction prices, the issue of certificates, mediation, and estimation of a tax base).

Codified general tax law provisions are to realize two fundamental objectives:

- protect taxpayers' rights, and
- increase tax assessment and collection efficiency.

The first objective will be accomplished, among others, through mitigation of excessive rigor and formality of Tax Ordinance with regard to taxpayers as well as other entities that are either obliged or authorized to specified activities by virtue of tax law provisions (remitters, collectors, legal successors and third parties). Legal mechanisms protecting taxpayers' position in their contact with tax administration should be introduced to the new Act. Regulations contained therein should be based on the presumption that a taxpayer is a reliable person who does not consciously aim at tax law violation. Moreover, it is necessary to statutorily determine taxpayers' rights and assure their observation through the introduction of legal instruments allowing their enforcement. What is more, regulations that are excessively or unreasonably restrictive towards taxpayers should be abolished. A new Ordinance should introduce facilitations in contacting a tax authority to settle or arrange tax matters²⁷.

27 Ibidem.

The second fundamental purpose of the new Tax Ordinance is an increase in the efficiency and efficacy of tax obligations' assessment and collection. Tax Laws, including Tax Ordinance as well, should serve the acquirement of tax revenue. This purpose requires introduction of several mechanisms and procedures increasing possibilities of tax authorities in the fulfillment of tax obligations resulting from the Acts. It is particularly important when the phenomenon of aggressive tax optimization and tax frauds resulting in considerable decrease of budgetary income from tax is increasing. Greater efficiency of tax authorities, however, cannot entail infringement of taxpayers' rights. The shape of a new Tax Ordinance should account for the fact that public interest is often not contradictory to taxpayers' interest. What is more, it should provide the grounds for an appropriate balance between the two interests when they are contradictory. This purpose will be fulfilled by the placement of general tax law principles in the Ordinance which, among others, will impose obligatory consideration of both taxpayers' rights and public interest in the process of tax law interpretation²⁸.

Increased efficiency and efficacy of tax assessment and collection will be assured, among others, by: the establishment of a legal framework for better cooperation between tax authorities and taxpayers, the introduction of solutions encouraging taxpayers to correct their mistakes, the introduction of a tax anti-avoidance clause, increased efficiency of tax audit and inspection activities, the introduction of simplified tax procedures, and modernization of institutions regulated in Tax Ordinance (electronic means of arranging and settling tax matters).

5. Conclusion

To conclude, it should be stated that preparation and then adoption of a new Tax Ordinance will certainly contribute to the fulfillment of the above mentioned objectives, that is protection of taxpayers' rights in their relations with tax authorities and increased efficiency of tax collection. We hope that the draft prepared by the GTLCC will be approved by the Parliament and the new Ordinance will be passed in the shape proposed

28 *Ibidem*.

by the Committee. It will be a great step towards clarification of the Polish tax law. A step which will enable works on the full codification of tax law, which is now impossible.

Abstract

This paper deals with general tax law in Poland. It presents the history from 1934 Tax Ordinance to 1997 Tax Ordinance. The article also depicts the structure of the currently binding Tax Ordinance of 1997. Attention is also paid to the evaluation of its operation. Works on a new Tax Ordinance undertaken by General Taxation Law Codification Committee were also analyzed within the frames of this article.

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