

**PROBLEMS RELATING TO TAX AVOIDANCE
AND POSSIBLE SOLUTIONS IN THE EUROPEAN UNION'S
AND HUNGARIAN'S REGULATION¹**

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ABSTRACT: *This study examines the Value Added Tax regulation both in Hungary and in the European Union. The VAT income is a very important and significant revenue of the state budget. This is the reason why it is very important to reduce the amount of losses caused by tax frauds, tax evasion and tax avoidance. The study introduces the different types of tax frauds, the characteristics of the tax fraud based on chain transactions. One of the main parts of our study highlights the new legal instruments and measures applied by the Hungarian tax authority.*

KEYWORDS: Value Added Tax; tax avoidance; tax fraud; missing trader fraud; carousel fraud; online cash register; Road transportation control system; tax payers classification
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