



Exploring the Relationship Between Tax Reform and Tax Optimization - Empirical Research from the Accounting Professional's Perspective

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Abstract: The purpose of this research is, on the one hand, to test the perception of accounting professionals in relation to the tax measures adopted as of 01.01.2024 in Romania, and on the other hand, to identify some optimization methods agreed by accounting professionals at the level of taxation of economic agents. The research methodology is quantitative and involved testing the perceptions of accounting professionals regarding the tax reform and identifying measures of tax optimization strategies by means of a structured questionnaire, which was then statistically processed using SPSS. The results revealed that respondents do not agree with the rather high frequency of tax changes, which leads to a state of high tax unpredictability and difficulties in identifying managerial strategies for companies and, consequently, to a decrease in taxpayers' compliance and in the collected budget revenues. We believe that the study can be useful for the state and tax regulators who can adopt tax policies aimed at increasing taxpayers' compliance and thus reducing tax evasion, for administrators who can base their associated business strategies, but also for the academic environment that can continue research to identify new tax optimization measures in Romania.

Keywords: tax reform; tax optimization; tax compliance; accounting professional's perspective

JEL Classification: M41, H32

1. Introduction

In Romania, economic development and, implicitly, the business environment depends to a high extent on the impact of taxation on economic agents and the state budget. Consequently, this gives rise to an extremely important issue for any state and legislator, namely that of legislating tax regulations to ensure a balance between the state's budgetary needs, which will subsequently be reflected in public services for citizens, and taxpayers' voluntary compliance with payment, manifested by a feeling of satisfaction on their part regarding the level of taxation imposed by the state and the level of services

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provided. Thus, we believe that identifying a fiscal balance between the state's budgetary needs and taxpayer compliance should be the goal of any public policy in the fiscal field. In Romania, there is an interdependence between the accounting system and the tax system, which is specific to the continental accounting system adopted by our country since 1990, following the adoption of the French accounting model, which in our view has both advantages, manifested in particular by the fact that economic agents prepare a single accounting report by the same professionals, which involves the same personnel costs, and which also serves the State in the tax interest, but on the other hand, it also has disadvantages, manifested in particular by difficulties in understanding and applying the legislation by accounting professionals, which may implicitly affect the correct recording of events and transactions in the accounts and, consequently, the correct tax reporting. For these reasons, creating a modern and predictable tax system is a challenge for any country, particularly for Romania. In recent years, Romania has intensified the process of tax reform, both for reasons of adapting Romanian taxation to the new business realities, in the context of the expansion of transnational business and changes in business practices in the context of the expansion of digitalization, but also for reasons of combating tax evasion. The importance of the problems associated with tax optimization also follows from the above.

Thus, we consider that tax optimization is an extremely topical and relevant research topic both at the international level and especially in the international context, due to the multiple legislative changes impacting the accounting and tax system in our country. Therefore, in the following we will provide a definition of this term, as well as present some of its implications, through the prism of the literature associated with this topic. Thus, in the view of the authors Assidi et al. (2016), tax optimization follows "the minimization of income tax with the aim of maximizing the after-tax result". On the same aspect, authors Assidi and Omri (2014) are of the opinion that tax optimization contributes to improving the quality of information within an enterprise and believe that with the practice of tax optimization, the value of that enterprise should also increase. From a different perspective the author Pițu (2021) is of the opinion that the development of tax planning and tax optimization strategies is an area of interest and topicality for accounting professionals, and tax optimization schemes are forms of reducing the tax burden of taxpayers in the context of the progressive expansion of business globalization and the transition from traditional accounting to digitalized accounting (Socoliuc, 2023a).

Other recent studies, such as the study by Rahman et al. (2024) reveal that tax optimization can be associated with economic development and social equity, and the study by Patel (2024) shows that artificial intelligence and machine learning are important vectors of tax optimization in the future. In the national context, the tax amendments introduced in the legislation at the end of 2023, with applicability from 01.01.2024, represent attempts by the Romanian legislator to adjust to the tax-budgetary realities in Romania as well as its concerns to increase taxpayers' voluntary compliance. Thus, we consider that it is important, in the context of our research, to state that Law 296/2023 brought important changes to the Romanian tax system by introducing some fiscal-budgetary measures aimed at ensuring the strengthening of financial and fiscal discipline, increasing voluntary compliance in the case of road transportation of goods and measures related to electronic invoicing to ensure Romania's long-term financial sustainability (Law 296/2023). On the other hand, the Government Emergency Ordinance No. 115/2023 brought important changes in the sphere of corporate income tax, micro-enterprise regime, income tax, social contributions, as well as other significant changes in the area of tax compliance obligations (GEO 115/2023). These measures thus show the Romanian State's concern, through these measures, to increase taxpayers' voluntary

compliance. Due to the importance of the adoption of these measures for the achievement of a high level of voluntary taxpayers' payment compliance, this study is focused on the perception of accounting professionals regarding these tax changes, but also on the identification of techniques and methods through which firms can optimize their costs with respect to payment obligations related to value added tax, income tax on microenterprises and corporate income tax and payroll contributions. Therefore, we aim to survey the perceptions of accounting professionals regarding the tax measures recently adopted by the legislator, but on the other hand to identify the most relevant tax optimization methods and techniques, which derive from the answers provided by accounting professionals. The next section of this study presents a review of the literature associated with the topic of tax optimization.

2. Literature Review

The concept of tax optimization has been and still is an extremely important and much discussed topic both in the business community and in the scientific research carried out on the subject. An extremely pertinent opinion related to tax optimization belongs to Inman and has been issued as early as 1977 and it is based on the idea that ensuring a general equilibrium of tax reform are significant and quantifiable in a quantitative manner and can be ensured only under a reasonable time horizon of tax policy planning. The aforementioned author emphasizes that neglecting this aspect and using only a short-run prediction or impact model in the design of tax reform may result in the adoption of suboptimal tax policies.

From the above, we conclude that the issue of tax planning has been a research topic since about 5 decades ago. The changes in the business environment have inevitably also led to sustained efforts by tax authorities to identify tax measures aimed at tax optimization and reducing tax evasion. Thus, studying the link between optimization and tax evasion was also the research topic addressed by the author Criclivaia (2008) who advocates the widespread use of tax planning tools that allow taxpayers to legally reduce the size of their tax liability without carrying out tax evasion operations. It follows from the above that tax planning is a legal way for taxpayers to legally reduce the tax base of their tax liabilities, and is also a solution to reduce tax evasion. Hence the importance for the state to adopt measures and public policies aimed at achieving tax optimization, with positive effects both on taxpayers' voluntary compliance and, implicitly, on reducing tax evasion.

The large-scale expansion of transnational business in the 2000s as a result of globalization has also led to far-reaching changes in the tax system. Economic operators have sought to find ways to reduce their tax burden or even avoid tax on profits. One example of this is the export of profits to tax havens, i.e. to countries where these profits are not taxed. In the latter respect, Pătroi and Cuciureanu (2010) point out that these are adjacent costs of economic globalization. In the same vein, the authors Afrăsinei and Georgescu (2019) reveal that tax havens have created inequalities between taxpayers, widening the gap between those who do not pay taxes and become increasingly financially powerful and those who pay these taxes and thus feed the public budget. Therefore, in order to counter these practices, we believe that the state and regulatory bodies must intervene with concrete measures to counter these practices.

The author Pițu (2021) shares our view and also advocates the need for governments worldwide to support the fight against the artificial transfer of taxable assets to tax-favorable zones. This phenomenon has become widespread and this method of optimization has become increasingly used,

particularly by the world's largest companies, which have ended up opening fictitious offshore companies, sometimes even discovering thousands of offshore companies with the same address. Thus, from the above listed, resides the importance of identifying tax optimization measures, which may represent the legal solution to avoid fraudulent practices, such as those represented by tax havens, Țurcanu (2024) demonstrating the growing trend of transferring profits to tax havens globally and currently. In this regard, in his paper, Pițu (2021) states that the boundary between legal tax evasion, i.e. tax optimization and illegal tax evasion is very volatile, the dividing line between the two is very fine, which is why you need to be a keen observer, a true expert in the legal field of taxation to be able to objectively delineate tax evasion from tax optimization. Another point to note in this context is that one of the most important determinants of tax evasion is tax pressure. Thus, a high tax burden on economic agents will undeniably increase tax evasion. Under this aspect, the research conducted by the author Istrate (2021) presents the link between the main taxes in a firm and its tax burden by the following formula:

$$\text{Tax.press.} = \frac{\text{p/i/s tax.exp.} + \text{expend.tax., dut.} + (\text{empl.contrib.} + \text{individual contrib.})}{\text{turnover}}$$

where: Tax.press. - Tax pressure; p/i/s tax. exp. = profit/income/specific tax expense; expend. tax., dut. = expenditure on other taxes, duties and similar payment; empl. contrib. = employer's social security contributions expenses; individual contrib. = the employee's individual social and tax contributions.

The formula presented above demonstrates the impact that taxes have on the company's turnover, reinforcing the idea that tax changes to the tax regime has an influence on the entity's tax burden. Thus, tax optimization is directly dependent on tax changes, therefore tax optimization methods must be developed and adapted whenever a new change in legislation occurs, indicating the need to identify new methods and solutions associated with a strategy of tax optimization of the firm, due to their positive impact on business sustainability (Socoliuc, 2023b). In recent years, in the context of globalization, this topic is becoming more and more addressed by international researchers in order to propose relevant tax optimization solutions to governments (Barbu et al., 2022), another reason being the lack of in-depth studies on the topic associated with the study of the links between tax optimization - tax evasion. Under this last aspect, the study by Jakubowicz and Munteanu (2022) reveals that tax optimization can be achieved also in compliance with the law, the good knowledge of tax legislation allowing the sizing of the tax base that can be beneficial both to taxpayers and to the state that collects taxes to the state budget. In the same vein, Lobonț et al. (2023), consider that through tax legislation that is harmonized with European Union regulations, along with regulatory simplification and tax policies that encourage competition, reduce taxes, optimize transparency and facilitate access for all companies, governments can help to encourage entrepreneurial opportunities in the business environment. At the same time, as a result of increasing economic interdependence, Tanase and Popovici (2024), consider that tax reform has become a critical issue at the international level due to the process of tax evasion among multinationals and digital giants. On the other hand, Artene et al. (2024) argue that when accounting regulations are contaminated by the tax framework, company managers will practice earnings management based on diminishing tax base. Thus, from the aforementioned studies, it is clear, the importance of the world states and regulatory bodies to identify tax-budgetary policies aimed at ensuring the tax consensus of taxpayers, increase the degree of voluntary compliance to reduce tax evasion and increase the degree of tax collection to the state budget. Also, the literature review, allowed us to conclude on the importance of studying this research topic, especially in the context in which we identified few studies focused on this topic. Thus, the

following section is dedicated to the presentation of the research methodology used in this study, correlated with the aim of the research.

3. Research Methodology

The study is based on quantitative statistical research, using the questionnaire as a data collection instrument. According to Bethlehem (2009), the realization of a questionnaire is a complex process, which requires careful analysis and requires the substantiation of associated decisions. The previously cited author stated that the stages of conducting questionnaire-based research are questionnaire design, data collection, data editing and data analysis. The first stage, questionnaire design, consists in drawing the guidelines of the study to be carried out and involves the formulation of questions so that the answers given by the respondents to the questionnaire can be used to carry out the research, to allow access to all the information needed to be able to make an analysis. For our research, the questions were formulated based on the study of the tax changes that have been enacted as of 01.01.2024, as well as the specificity literature on this topic. The second stage is data collection. In terms of the questionnaire, data can be collected both electronically through electronic questionnaires, but also classically through physical questionnaires, printed and filled in manually by respondents. Thus, the questionnaire for this research was randomly distributed to accounting professionals. The sample to which the questionnaire was administered consisted of employees of accounting and tax service companies in the accounting departments of companies in various fields, chartered accountants, certified public accountants, certified public accountants and accounting company managers. The next stage is data editing. For a study to be successful, the data collected during the collection phase must be edited so that it can be processed further. In this paper, the data collected by the questionnaire in Google Forms was imported into a Microsoft Office Excel document and then processed in order to be entered into the SPSS statistical program and the next step, data analysis, was carried out. The last stage is the analysis of the collected and edited data. This paper focused on the econometric analysis in SPSS program. The data was edited in Microsoft Office Excel specifically to be easily retrieved and analyzed by the SPSS program. The questionnaire includes structured questions, with the aim of being able to identify the perception of accounting professionals both on the constant changes in legislation and on the tax policies that the firm can apply in order to reduce its tax burden, and were grouped into five sections in order to create the variables to be taken into the econometric analysis, as follows: *Section S1 - Accounting professionals' perception of the changes regarding value added tax (VAT); Section S2 - Accounting professionals' perceptions of changes in micro-enterprise income tax and corporate income tax; Section S3 - Accounting professionals' perception of the changes regarding payroll taxes; Section S4 - Accounting professionals' perception of the tax system and of constant and significant changes in legislation and Section S5 - Tax optimization methods agreed at the firm level in the context of constant changes in the Tax Code.* The data obtained from the centralization of the answers provided by the respondents were processed in IBM SPSS Statistics in order to create an econometric model, which captures the impact of tax regulations on the tax optimization methods agreed by taxpayers and was interpreted from the point of view of the perception of accounting professionals on the constant and significant changes in the legislation, but also from the point of view of the perception of professionals on the preparation of a tax optimization plan using certain methods.

4. Results and Discussions

To achieve the purpose of this study, an econometric analysis was conducted on the results obtained from the questionnaire. Through this analysis we aimed to identify the determinants of tax optimization and whether it is possible in the current context of frequently and significantly changing tax legislation. As a result of testing the groups of questions presented in the methodology section of the research, we obtain the following equation for estimating the multiple linear regression model:

$$S5 = \alpha + \beta_1 * S1 + \beta_2 * S2 + \beta_3 * S3 + \beta_4 * S4$$

where: α , β_j , $j = \overline{1,4}$ are the coefficients or regression parameters.

Table no. 1 shows, in the correlation matrix, the intensities of each link between S5, considered by us as the dependent variable, and the independent variables, namely S1- which comprises the group of questions focused on tax changes regarding value added tax, S2- which covers questions associated with tax changes regarding the tax on microenterprises and corporate income tax, S3- questions regarding tax changes on payroll taxes and S4- which captures questions associated with the perspective of accounting professionals on successive and significant changes in legislation.

Table 1. Correlation matrix

Correlations						
		S5	S1	S2	S3	S4
Pearson Correlation	S5	1,000	-,271	,493	,544	-,297
	S1	-,271	1,000	,279	-,131	,126
	S2	,493	-,279	1,000	,519	-,324
	S3	,544	-,131	,519	1,000	-,151
	S4	-,297	-,126	-,324	-,151	1,000
Sig. (1-tailed)	S5	.	,009	<,001	<,001	,005
	S1	,009	.	,008	,131	,141
	S2	,000	,008	.	,000	,002
	S3	,000	,131	,000	.	,099
	S4	,005	,141	,002	,099	.
N	S5	75	75	75	75	75
	S1	75	75	75	75	75
	S2	75	75	75	75	75
	S3	75	75	75	75	75
	S4	75	75	75	75	75

Source: Own processing in IBM SPSS Statistics

From the analysis of the data resulting from the econometric modeling, as shown in Table no. 4 - Correlations, we find that between the dependent variable S5 and the independent variable S3 there is a positive average relationship, which is underlined by the value of 0.544, recorded for the latter. These results reveal that a determinant of tax optimization is associated with the legislation incident to wage contributions. This indicates that respondents consider that the tax burden on labor is high and thus measures are needed to reduce the tax burden on social contributions. This aspect is also reinforced by the fact that in the Romanian economy there is a tendency to tax gray labor, i.e. the minimum wage per employee, the difference being paid without this income being taxed, a method by which entities reduce their expenditure on wages and related contributions. In this respect, research by

Han et al. (2021), reveals that the correct structuring and analysis of wage packages has tax advantages both for employers, as this strategy is essential to ensure efficient management of taxes and social contributions, and for employees, as they can reduce their associated tax burden.

The aforementioned author also reveals the importance for the management of these companies to identify tax incentives associated with payroll. Thus, he is of the opinion that the taxable base of a company can be reduced by offering non-taxable benefits, such as health insurance, the use of tax deductions for employees or contributions to pension plans, with effects on minimizing the amounts paid as tax to the state budget. The results of the study also highlight the fact that tax optimization in Romania also calls for the need for concrete measures related to taxation of the income tax on micro-enterprises and corporate income tax, for which the value of 0.493 was recorded. Also from the Correlation Table, we observe that between the dependent variable S5 and the independent variable S4, there is an inversely proportional relationship, which means that constant and significant changes in the legislation, impact in an inversely proportional sense the achievement of a tax optimization plan. Therefore, under the conditions of fiscal unpredictability that characterizes the Romanian tax system, it is very difficult or even impossible for entities to base a fiscal and managerial strategy even over short periods of time. This has negative consequences on the Romanian business environment and on attracting international investors or even retaining existing ones, whose natural tendency is to move towards tax systems with lower and more predictable taxation. In the same line with our research is also the research conducted by the authors Ciocan et al. (2024), which reveals that the preparation of a tax optimization plan becomes impossible to achieve in the face of frequent and substantial changes in tax legislation, an aspect also demonstrated by the results of the study conducted by Popa and Paunescu (2013), which showed that Romanian accounting professionals face greater difficulties regarding tax aspects than accounting ones, in a tax environment in continuous transformation and restructuring. Under the latter aspect, we believe that a solution to these difficulties may be the widespread deployment of emerging technologies and the adoption of artificial intelligence. In the context of the aforementioned, O'Hagan (2024) reveals that the survey conducted by Thomson Reuters in 2023 on tax professional's highlights that they believe that new modern technologies such as artificial intelligence will play an important role in the work they perform, implicitly by keeping up to date with legislative changes.

The same results are also highlighted in terms of the correlation between the dependent variable, S5 and S1, for which a value of -0.271 was recorded reflecting that legislative changes on VAT negatively impact tax optimization. In the opinion of Khatniuk et al. (2024) VAT, as an indirect tax, is practically impossible to optimize without violating current legislation. It is important to note that tax optimization must be done in accordance with tax laws. The effectiveness of VAT collection according to the new regulations is conditioned on the one hand by fiscal optimization on VAT rates (Kufanga and Mbewe, 2024), and on the other hand, VAT rate adjustments must be modified considering the adaptation of the tax system to the economic conditions of each country and the needs of tax-budget revenue (Okoh and Ofor, 2024). From another point of view, Erick et al. (2024) also draw attention to the fact that the performance of entities suffers due to tax reforms, especially changes related to VAT. Therefore, the conclusion of our study is clear: frequent changes in VAT legislation represent important obstacles in establishing a long-term optimization plan. The econometric modeling also involved the development of a summary of the statistical model, as can be seen in Table no. 2.

Table 2. Model Summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,632 ^a	,399	,365	,45263824766	1,422
a. Predictors: (Constant), S4, S1, S3, S2					
b. Dependent Variable: S5					

Source: Own processing in IBM SPSS Statistics

From this table, we observe that the correlation coefficient R has a value of 0.632 which indicates that there is a significant correlation between the dependent variable and the independent variables, and the coefficient of determination R² with a value of 0.399 means that the variation of the dependent variable S5 in relation to the variation of the independent variables S1, S2, S3 and S4 is explained in a proportion of 39.90%. We explain this result by the fact that the questionnaire was completed by people of different ages and levels of experience in the financial-accounting field, who provided quite heterogeneous answers to the questionnaire. The statistical research carried out also involved the ANOVA test, which is reproduced below.

Table 3. ANOVA test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9,540	4	2,385	11,641	<,001 ^b
	Residual	14,342	70	,205		
	Total	23,882	74			
a. Dependent Variable: S5						
b. Predictors: (Constant), S4, S1, S3, S2						

Source: Own processing in IBM SPSS Statistics

In this table we find the following important elements of the variance: Regression Sum of Squares- estimated explained variance with a value of 9,540; Residual Sum of Squares- estimated residual variance with a value of 14,342; Total Sum of Squares- estimated total variance with a value of 23,882. The ANOVA table also brings to attention the value recorded by the Fisher's coefficient, value equal to 11.641, thus showing that there is a significant relationship between the variables, and the value of the Sig. coefficient for the Fisher's test being <0.001, shows a confidence level of over 99% for the proposed statistical model, which signifies the econometric validation of the model resulting from the processing of the data obtained by questionnaire. Thus, we infer from the proposed statistical model that tax optimization is impacted by frequent and major changes in tax legislation, more specifically by the changes that the state makes on VAT, microenterprise income and corporate income taxes and payroll taxes. The perception of accounting professionals is not a positive one, as these constant changes make their work more difficult and have the opposite effect on tax evasion than the state wants, i.e. increased taxation and tax unpredictability boost taxpayers' tax evasion behavior. Frequent changes in tax legislation also negatively impact the realization of a tax optimization plan. The results of the study also demonstrated a high level of taxpayer dissatisfaction with frequent and significant changes in tax legislation, which leads to the impossibility for taxpayers to implement accounting and tax policies at the level of their entities. The table of regression coefficients, presented below, also allowed us to develop the estimated equation of the multiple linear regression model.

Table 4. Table of regression coefficients

		Coefficients ^a						
Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	95,0% Confidence Lower Bound	Interval for B Upper Bound
1	(Constant)	2,126	,677		3,140	,002	,775	3,476
	S1	-,343	,229	-,144	1,496	,139	-,799	,114
	S2	,224	,134	,195	1,673	,099	-,043	,492
	S3	,713	,193	,401	3,700	<,001	,329	,1098
	S4	-,173	,109	-,156	1,587	,177	-,390	,044

a. Dependent Variable: S5

Source: Own processing in IBM SPSS Statistics

Thus, as a result of processing the data obtained through the questionnaire, we obtain the following estimated equation of the multiple linear regression model:

$$S5 = 2,126 - 0,343*S1 + 0,224*S2 + 0,713*S3 - 0,173*S4$$

Analyzing the data presented in Table no. 4, we observe that the independent variables that most influence the dependent variable are S1 and S3. From this fact we can conclude that the attempt to create a tax optimization plan of the firm in relation to VAT is negatively influenced by the constant changes that intervene on these taxes. The large negative value (-0.343) shows us that it is difficult to draw up a VAT optimization plan in the current context and that in order to be able to correctly declare the tax obligations with respect to this indirect tax, continuous training is necessary, which is also indicated by the percentage of 89.2% of the respondents to the questionnaire who stated this. Thus, our assertions are in line with the statements made by Britton (2024), manager at the Thomson Reuters Institute, who emphasizes that both accounting professionals and entities need to be constantly aware of new legislative changes, stay informed and adapt their strategies and tax optimization plan to be able to cope with these constant changes in tax regulations. At the opposite pole, with a positive influence on tax optimization within the firm is the independent variable S3, which denotes that it is much easier to draw up a tax optimization plan with regard to payroll contributions than with VAT. This is reinforced by the fact that 97.3% of the respondents think that the tax burden on the employer has increased and 90.7% also think that the tax burden on the employee has increased. According to Anghel and Poenaru (2024) an increase in the tax burden among employees increases the likelihood that those individuals will opt for tax evasion and tax fraud. However, 63 of the respondents to the questionnaire, i.e. 86.3%, still believe that the changes in the legislation related to payroll tax contributions benefit the employee. Regarding the impact of the variable S2 on the variable S5, we can observe that it has a positive influence of 0.224. This suggests that our respondents believe that the tax changes to the microenterprise income tax and, implicitly, to the corporate income tax positively influence the firm's tax optimization. We can also find that variable S1 and variable S4 also negatively influence the dependent variable. Variable S4 is the opinion of accounting professionals on legislative changes in general and how they affect their work. The negative coefficient shows that accounting professionals do not view frequent and significant changes favorably, finding themselves in a situation where they can hardly form a tax optimization strategy for their portfolio firms or their employing firm, as the case may be. As a result, tax optimization strategies are very difficult or almost impossible

to achieve in the current conditions of fiscal instability in Romania. Respondents also stated that the succession and rapidity with which changes are made do not benefit the national economy, a fact emphasized by 68% of the respondents, which is correlated with the fact that taxpayers do not voluntarily pay, which leads to an increase in the tendency of economic agents to evade tax. Studies by Thomson Reuters, 2024; Harborth, 2024, suggest that accounting professionals should take advantage of these legislative changes by providing guidance to clients and preparing them on the legislative changes, thus becoming an indispensable partner for the management of these companies and creating a competitive advantage in the market.

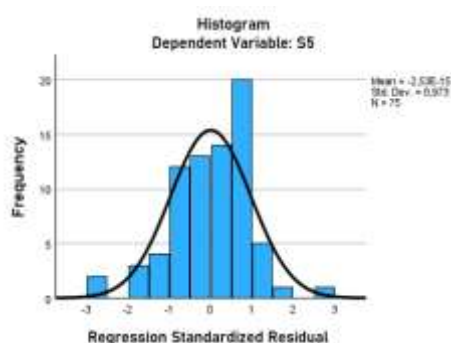


Figure 1. Histogram of the evolution of the residuals

Source: Own processing in IBM SPSS Statistics

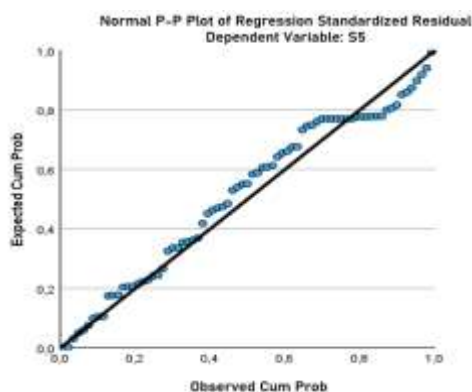


Figure 2. Residual probability graph

Source: Own processing in IBM SPSS Statistics

The histogram of the dependent variable, shown below, reveals the existence of a symmetric distribution of the residuals of the statistical model. Figure no. 2 shows the residual probability plot, the error terms in the above figure show an approximately linear distribution. With all the significant changes made by the state in tax legislation, the opinion of accounting professionals is that tax optimization is a solution in reducing the firm's tax burden and pressure. Although it is becoming more and more difficult to develop a long-term tax optimization plan, the view of accounting professionals is positive about the process.

5. Conclusions

The conducted econometric research has shown that tax optimization is dependent on changes in tax regulations in national legislation and that frequent and significant legislative changes in tax legislation are the most important impediment to the implementation of a tax optimization plan at the company level. So, following the econometric analysis it can be observed that tax changes impact differently the company's tax planning and depending on the analyzed tax/tax the influence is different. The analysis also revealed that accounting professionals disapprove of frequent and significant changes in tax legislation, believing that these changes lead to major difficulties or the impossibility of developing a tax optimization strategy for the portfolio company or the employing firm, as the case may be. The results of the survey also reveal that the respondents consider that the succession and speed of the changes do not benefit the national economy, as highlighted by 68% of the respondents, which we correlate with the fact that the tax measures adopted by the legislator will not have the expected effect, but on the contrary, will lead to an even greater tendency towards tax evasion. The unpredictability of the tax system in Romania leads to imbalances in the economy and has the opposite effect on tax evasion. Although the state amends legislation precisely in order to eradicate tax evasion, these changes, which are designed to constrain companies, only lead to even

greater tax evasion. The econometric analysis also shows that the constant changes in legislation are an aggravating factor in tax evasion rather than a factor that leads to a reduction in tax evasion. Thus, the perception of the accounting professional respondents on the changes recently implemented by the states is negative, being of the opinion that these changes were not made to support taxpayers, but rather were designed for the state, in order to collect higher tax revenues to the state budget and in the shortest possible time. The main limitation of the study derives from the small number of respondents as well as from the fact that this study was carried out in a single region of Romania (NE Region). Thus, as a future research direction, we propose that it could be continued and extended throughout the country in order to express a more elaborated national vision on the topic of tax optimization. As a general conclusion of the study, we are of the opinion that, under the current tax legislation, the realization of a tax planning strategy in the long term is an important objective to ensure the financial sustainability of economic agents, therefore the identification of a rigorous tax optimization or tax planning strategy can make the difference and create a competitive advantage for the company, especially in the current economic context.

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