

Summary of the doctoral dissertation
THE CONCEPT OF FREEDOM AND JUSTICE IN
THE PERSONAL INCOME TAX

The main purpose of this dissertation was to present the concept of freedom and justice from the point of view of their impact on the construction of personal income tax in retrospective terms. The main objective was achieved gradually, in successive stages, the implementation of which was planned as the implementation of three specific objectives. The first specific objective was to examine the views of economists who referred to ethical categories, i.e. the freedom and justice, in their work. The second objective was related to the identification of key theories allowing to define freedom and fairness in the context of personal income taxation. The third objective was to assess the structure of personal income tax in Poland from the point of view of the implementation of the idea of justice and freedom.

The main research hypothesis that was verified in this dissertation assumed that *the structure of personal income tax violates the principle of freedom and justice*. To verify the main hypothesis, four specific hypotheses were formulated in relation to the specific objectives. The specific hypotheses are presented below – 1: *The way of perceiving ethical values such as freedom and justice is characterized by variation over time*; 2: *Taxation of personal income does not constitute an infringement of individual freedom when it complies with the principle of relative tax neutrality, and the legislator does not introduce any exemptions or reliefs that could favour some taxpayers at the expense of others*; 3: *A personal income tax is the realization of an ethical standard of justice when it is universal and equitable*; 4: *The diversified and complicated structure of the income tax in Poland, depending on the source of personal income, means that the tax does not correspond to the postulates of freedom and justice*.

The implementation of the formulated goals and research hypotheses of the work required the adoption of many research methods and tools, such as: the hypothetical-deductive method; descriptive analysis; critical analysis; comparative analysis; reasoning by analogy based on the literature and source materials; analysis of reports and studies of international institutions and organizations (Eurostat, World Bank, OECD), analysis of legal regulations. The selection of individual methods and tools is adequate to the type and scope necessary to carry out work aimed at achieving individual research goals.

The content of the dissertation consists of an introduction, main text, conclusion, bibliography, lists of tables and figures, as well as a summary. The main text of the dissertation

is divided into five chapters. The first chapter presents the essence of the theory of value (axiology) in the context of economic theory. In this chapter, the author made an attempt to retrospectively show the connections between the concept of freedom and justice against the background of mainstream and heterodox economics. The issue of a different interpretation of the concept of freedom and justice, which results from the adoption of different axiological and behavioural attitudes, or from the fundamental dispute between positive and normative economics in economic sciences, was also addressed.

The second chapter, entitled *Principles of personal income tax construction in the light of the theory of taxation*, consists of five subchapters. This chapter presents the origins of the income tax and the evolution of the structure of personal income taxation in the modern period. Income tax has been an important tool used to collect budget revenues from the very beginning. The conducted considerations show the trend of increasing fiscalism, which started in the 19th century has continued until today. For this reason, the chapter attempts to answer the question of rationality, or in other words, scientific justification for collecting this tax. By analysing the fixed and variable elements of the income tax structure, the concept of the so-called good (rational) tax was presented. The chapter ends with considerations on the principles of ethical personal income taxation.

Chapter three, titled *Freedom and taxation from the perspective of the history of economic thought* consists of four subchapters. While discussing the concept of freedom in the context of the theory of taxation, special attention was paid to the most important trends in economics, including classical, neoliberal, Keynesian and institutional one. The doctrine of the economic freedom was based on the assumptions of liberal political thought, using for this purpose the views of representatives of classical economics, such as: A. Smith, D. Ricardo, J.B. Say, as well as J.S. mill. The evolution of the concept of freedom was presented on the basis of the views of J.M. Keynes, recognized as the creator of the idea of state interventionism. The last subchapter focuses on the issue of tax freedom from the perspective of institutional economics. In addition to the views of the representatives of the old institutional economics - T. Veblen and J.R. Commons - the achievements of the new institutional economics, in particular public choice theory, were also presented there.

The last chapter of the dissertation, titled *The ethical dimension of personal income taxation in Poland* consists of five subchapters. This chapter presents the criteria for evaluating the structure of the tax. The analysis carried out in this chapter was aimed at verifying the elements of the tax structure, such as: sources of income, subjective and objective exemptions, as well as reliefs and deductions. Considerations regarding the above-mentioned elements of

the income tax structure were conducted in relation to the concept of freedom and justice. This chapter also attempts to assess the indicated elements of the structure of the income tax in Poland in the context of the principles of taxation, i.e. universality and equality.

Concluding, in the theoretical part concerning the ethical categories, i.e. freedom and justice, the considerations were based mainly on the analysis of Polish and foreign literature and writings in the field of history of economic thought and philosophy. The subsequent parts of the work are based on the literature in the field of public finance, devoted to the theory of taxation, as well as the theory of public choice. In addition, studies published by international institutions and organizations were used, formulating international standards, recommendations and good practices in fiscal policy, with particular emphasis on personal income tax.

The research conducted in the dissertation shows that values are a determinant of almost all types of social behaviour. They also influence the shape of socio-economic systems, including the functioning of tax system. The origins of income tax presented in the second chapter show that the oldest constructions and forms of personal income taxation date back to antiquity. However, the currently known structure of income tax, consisting of fixed and variable elements, was initiated in England as late as the eighteenth century. The analysis conducted in the third chapter showed that the economists of the classical school made a significant contribution to the development of the concept of freedom. The tax principles presented by A. Smith are an expression of the liberal concept of taxation combining economic liberalism with the laws of nature governing the socio-economic sphere. Accordingly, the tax doctrine should be based on the assumptions of tax neutrality, i.e. levelling the impact of taxation on inhibiting economic activity and savings of the society. In the theory of public finance, the unquestionable approach that should be the foundation for assessing the legal structure of a tax are tax rules. According to the American Nobel Prize winner J.E. Stiglitz a good tax system should be based on the principles of: economic efficiency, administrative simplicity, flexibility, public accountability and fairness.

Owing to the retrospective analysis and verification of the adopted hypotheses, it is possible to better understand the issue of the so-called good (rational) tax construction. The considerations carried out by the author show various concepts of tax principles on which the legislator should base the structure of the income tax. The basis for rational taxation are the principles of universality and equality of taxation, as well as relative neutrality. These issues are particularly important in the face of the ever-expanding volume of tax law. The distinguishing feature of the proposed solutions in the work is the approach based on the theory of value, which definitely enriches the existing theories of taxation. When constructing an

income tax, the legislator always refers to specific axiological foundations that have an impact on the final shape of the adopted institutional solutions. Therefore, there is a need for an individualized approach to shaping the structure of the tax, which would be adapted to the specificity of a given country or region.

The conclusions obtained from the research within the dissertation allowed to confirm the first, second, third and fourth specific hypotheses. The conducted research made it possible to achieve the main objective and specific objectives of the work. The main hypothesis defined as follows: *The construction of the personal income tax in Poland does not implement the idea of freedom and justice* was also positively verified.