impact was due to the positive developments of the central government debt and interest expenditure on government revenue, while the negative impact was strongest in conjunction with growth of GDP.

Table 1: Regression results for impact of the tax burden on state financial stability

Public Finance Stability Index				
Indicator	**HTBLFS**	**LTBHFS**	**HTBHFS**	**LTBLFS**
Bond yields	-0.00175	0.00440	-	0.00308
Central government debt	0.00467	0.00757	0.00960	0.00304
Interest expenditure on government revenue	-	0.00814	0.00406	0.00955
GDP	-0.00323	0.00113	-0.00160	-0.00137
Reserves / imports	-	-	-	0.00652
	-0.00031	**0.02124**	**0.01206**	**0.02083**
Financial system stability index				
Indicator	**HTBLFS**	**LTBHFS**	**HTBHFS**	**LTHLHFS**
Loans / GDP	-0.00008	-	-	-0.00001
Budget deficit / surplus	0.00163	0.00375	0.00385	0.00164
Private Sector Loans	-	-	0.00045	-
Non-performing loans	-	0.00024	-0.00003	0.00036
Z-score indicator	-	-	-	-0.00002
Liquidity indicators	0.00010	0.00013	-0.00010	-
	0.00165	**0.00412**	**0.00418**	**0.00197**
Economic stability index				
Indicator	**HTBLFS**	**LTBHFS**	**HTBHFS**	**LTHLHFS**
GDP (difference to target)	-0.01023	0.00631	-0.01372	-0.00574
Unemployment rate	0.00009	0.00647	0.00080	-0.00084
Budget deficit	0.00190	0.00437	0.00450	0.00192
Bond yields	-0.00175	0.00440	-	0.00308
	-0.00999	**0.02155**	**-0.00843**	**-0.00159**
Tax burden on state financial stability	**-0.00865**	**0.04690**	**0.00780**	**0.02121**

The results of testing the hypotheses. The results of the empirical study allowed to confirm 4 and reject 4 hypotheses **(Table 2)**.

Meanwhile, the increase in tax burden has a positive effect on the stability of the financial system in all country groups. The biggest positive impact of the tax burden on the stability of the financial system is made through the reduction of the budget deficit ratio. Studies show that economic stability indicators would be negatively affected by an increase in the tax burden in three groups and only positively in a group of a low tax burden and high financial stability. The tax burden would also have the strongest impact on economic stability in a group of countries with high financial stability. The strongest negative value could be observed in conjunction with the difference to the nominal GDP, the change of which with the increase of the tax burden would have a negative impact on the stability of the economy. After assessing the impact of the tax burden on individual components of the state financial stability the total impact of the increase in the tax burden on the state financial stability could be calculated. According to the results of the empirical study the increase in tax burden strengthened state financial stability in three country groups, while decreased in the high tax stability/ low financial stability country group.

Table 2: The confirmation and rejection of hypotheses.

	TESTED HYPOTHESIS	RESULT	ARGUMENTATION
H1	The tax burden has a significant impact for the HTBHFS (High Tax Burden / High Financial Stability) group: *$H1_1$ has a positive (+) effect* $H1_2$ has a negative (-) effect	Accepted *$H1_1$ has a positive (+) effect* Rejected $H1_2$ has a negative (-) effect	The tax burden has a significant positive impact on state financial stability for the HTBHFS (High Tax Burden / High Financial Stability) countries: The positive impact of the tax burden for this country group is smaller (0.00780) than for the LTBHFS (Low Tax Burden / High Financial Stability Cluster) (0.4690) and LTBLFS (Low Tax Burden / Low Financial Stability Cluster) (0.02121).
H2	The tax burden has a significant impact for the LTBHFS (Low Tax Burden / High Financial Stability) group: *$H2_1$ has a positive (+) effect* $H2_2$ has a negative (-) effect	Accepted *$H2_1$ has a positive (+) effect* Rejected $H2_2$ has a negative (-) *effect*	The tax burden has a significant impact on state financial stability for the LTBHFS (Low Tax Burden / High Financial Stability) group. This country group had the most significant positive effect compared to other clusters, which was determined by the positive change in all three state financial stability indices. The impact of the tax burden has a positive effect on economic stability only in the LTBHFS countries (0.02155), compared to the negative impact on HTBLFS (0.00999), HTBHFS (0.00843) and LTBLFS (0.00159).
H3	The tax burden has a significant impact for the HTBLFS (High Tax Burden / Low Financial Stability) group: *$H3_1$ has a positive (+) effect* $H3_2$ has a negative (-) effect	Rejected *$H3_1$ has a positive (+) effect* Accepted $H3_2$ has a negative (-) effect	The tax burden has a significant positive impact on state financial stability for the HTBLFS (High Tax Burden / Low Financial Stability) countries: A positive effect of the tax burden for this group was found only in the Financial System Stability Index (0.00165) which is the lowest compared to the values determined in other clusters: LTBHFS (0,00412), HTBHFS (0,00418) and LTBLFS (0,00197)
H4	The tax burden has a significant impact for the LTBLFS (Low Tax Burden / Low Financial Stability) group: *$H4_1$ has a positive (+) effect* $H4_2$ has a negative (-) effect	Accepted *$H4_1$ has a positive (+) effect* Rejected $H4_2$ has a negative (-) effect	The tax burden has a significant positive impact on state financial stability for the LTBLFS (Low Tax Burden / Low Financial Stability) countries. A positive effect was found for the Public Financial Stability Index and the Financial System Stability Index, while a negative effect was found for the Economic Stability Index

CONCLUSION

After testing the theoretical model in 28 EU countries several mixed conclusions were drawn regarding the peculiarities of the tax burden assessment. In general, when the tax burden is measured in relative terms, an increase in tax burden would have a positive impact on the stability of public finance in all country groups except the one of high tax burden / low financial stability, where a negative impact would be relatively weak and have little impact on public finance stability. The strongest positive impact would be due to a positive development of the central government debt and interest expenditure on government revenue, while the negative impact would be strongest in conjunction to the growth of GDP. Meanwhile, an increase in the tax burden would have a positive effect on the stability of the financial system in all country groups. The biggest positive impact of the tax burden on the stability of the financial system would be made through the reduction of the budget deficit. The study showed that economic stability would be negatively affected by the increase of the tax burden in three country groups and only positively in the group of low tax burden / high financial stability. The tax burden would also have the strongest impact on economic stability in the group of countries with high financial stability. The strongest negative value could be observed in conjunction with the difference to the nominal GDP, the change of which with the increase of a tax burden would have a negative impact on the stability of the economy. According to the results of the empirical study, as the tax burden increased (in relative terms) state financial stability increased in three country groups, while it decreased in the group of a high tax burden / low financial stability.

In terms of the composite index an increase in tax burden would have a positive impact on the stability of public finances in all groups except the one with a high tax burden / high financial stability, where a negative effect of the increase in tax burden was identified. The positive impact was strongest on positive developments in bond yields and interest expenditure on government revenue, while the negative impact was strongest on the reserve-import ratio. The study also showed that the indicators of the financial system stability would be positively affected by the increase in tax burden in three country groups and negatively impact only the one with low tax burden / low financial stability. The strongest positive values were found in conjunction with the budget deficit, while the strongest negative impact of the increase in the tax burden was found within the liquidity of the financial system's ratio. Meanwhile, the increase in tax burden has a positive effect on economic stability in all country groups. The biggest positive impact of the tax burden on the stability of the financial system was observed in parallel with the decline in the bond yield volatility. The results of the empirical study show that as the tax burden increases (measured by composite index values) state financial stability decreases in the countries with a high tax burden and high financial stability, but increases in the remaining three country groups. In summary it can be stated that different methods of estimating the tax burden have yielded different results of its effect in countries with high levels of tax burdens, but a positive trajectory can be identified in countries with low levels of tax burdens.

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