

SCTMG 2020

International Scientific Conference «Social and Cultural Transformations in the Context of Modern Globalism»

ROLE OF TAX POLICY IN BUDGET FORMING AND WAYS TO IMPROVE IT

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Abstract

The article is devoted to assessing the development of tax processes in the country and the role of tax policy in generating budget revenues at both the federal and regional levels. The tax system of modern Russia is basically characterized by the state's desire to attract as much money as possible to the budget of the budget system through taxes and influence the behavior of private tax entities. The article analyzes the formation of the federal budget and estimates the share of tax revenues in the structure of the revenue side of both the federal budget and the regional budget (using the example of the Chechen Republic) in recent years. The taxes that are the most important in terms of generating federal budget revenues have been identified. The problems that impede the implementation of an effective fiscal policy are identified and the ways of developing the tax system as the main factor in increasing federal budget revenues are identified.

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Keywords: Tax system, federal budget, budget revenues, tax efficiency, comparative analysis.



1. Introduction

In the modern world there is not a single country in which this or that tax system would not function. Thus, taxes are considered one of the defining features of any state and invariably act as an element of its theoretical definition.

In view of the indicated interconnectedness of taxes and the state, the concept of taxes is complex and reflects various aspects in its content. The basis of taxes is made up of two elements that determine it – this is the economic and legal component, depending on the ratio of which we can talk about the nature of the political processes in society and the state. In the modern world, taxes act as the main source of replenishment of the budget of public education, allowing the state to properly ensure the performance of its functions, such as defending the country, maintaining the internal law and order, implementing various state programs in the main areas of public life, social security of citizens, and also serve as a source further development of the economy and increase its growth rates (Goncharenko, 2019).

Acting as the main source of formation of the state budget, taxes, being mandatory free payments, contribute to the performance of certain functions of their establishment and introduction.

Currently, the legislation on taxes and duties of the Russian Federation is aimed at achieving such a goal as attracting the maximum amount of cash receipts to state budgets for their further use in ensuring the economic development of the country.

Historically, the first function of taxes was fiscal. This function was reflected in the laws of various states most consistently. In the modern world, its essence is reduced to the financial support of public law entities, without which the implementation of their activities becomes impossible (Tedeev & Parygina, 2016). The emergence of the state as a specific form of organization of society was due to the presence of many tasks and goals, the achievement of which was necessary for the preservation and maintenance of the life of the society, and did not seem possible in any other way except by using the appropriate mechanism of public administration, which, in turn, necessitated the search sufficient financial resources. Taxation, respectively, acted as a logical and logical means of accumulating them in state budgets.

The legislation of the Russian Federation always normatively enshrined the definition of taxes, however, the views on the content of such a definition were different. The Law on the Tax System in force before the adoption of the Tax Code did not differentiate between the concepts of taxes, fees, duties, establishing that all of them are mandatory contributions to the budget at a certain level in the manner and on conditions established by the state in the form of laws adopted by it.

At present, the formation of a tax system that can effectively deal with problems in the economy is one of the most important tasks facing the Russian Federation. In developing an effective tax system, great importance should be given to an objective analysis of tax revenues, since the results of such studies allow us to take into account the structure of tax payments, study their dynamics, identify the effectiveness of various forms of taxation, thus showing the quality and effectiveness of government activities in this area.

The tax system of modern Russia is basically characterized by the state's desire to attract as much money as possible to the budget of the budget system through taxes and influence the behavior of private tax entities. This is the explanation for the fact that certain taxes or taxation of certain objects was

originally aimed at ensuring the possibility of regulation by the state of public relations in this area (for example, taxation in an increased amount of gambling, land tax, tax on the purchase of foreign currency notes and etc.).

The state, resorting to the use of the regulatory function of taxes, can create certain competitive conditions of a more or less favorable nature for those sectors of the economy that are currently priority or, conversely, undesirable at this stage of the country's economic development. In this case, taxes are the tool by which the state affects the income of individuals acting as subjects of tax relations, reducing them by increasing tax rates, or increasing through the application of tax benefits, etc.

The regulatory function of taxes can also affect the economic development of a state and its social and demographic policies. In the economic sphere, this influence is manifested in the implementation of a protectionist policy through the establishment of increased customs duties on the import into the Russian Federation of certain goods, works or services (Kabanov, 2016). In the social sphere, the role of the regulatory function of taxes is expressed through such forms as deductions for their education or training a child in educational institutions, the amount of income allocated by the tax payer for charitable purposes, the amount spent on treatment and the purchase of medicines and others. The indicated amounts are excluded from the total amount of income tax paid by a person acting as a taxpayer.

Studying the functions of taxes, it is worth noting their control function, which is of great importance in the implementation of state control over the economic and economic activities of persons acting as taxpayers, and allows you to check the sources of income and the direction of expenses, as well as their compliance with each other, which ensures transparency of financial flows and the legitimacy of their use. The control function is a private variety of the protective function of financial law and tax law, broader in its content and purpose. Verification of exact compliance with tax laws and timely fulfillment by taxpayers in full of financial obligations to the state treasury is one of the most important tasks of tax control. In practice, the role of taxes in the exercise of the control function is realized through the activities of tax authorities.

Thus, we can conclude that each individual tax function demonstrates the order and forms of implementation in public life of their public appointment, while all the functions of taxes are implemented in a systemic unity. In the process of legislative regulation of public relations in the tax sphere, they interact and mutually intertwine, thus reflecting in themselves the specifics of the financial and legal impact on the taxation sphere.

2. Problem Statement

Speaking about the problems of the formation and execution of the state budget of Russia, the following series of problems can be distinguished:

- 1) The problem of imbalance in the budget system of the country, which is understood as the lack of sufficient financial resources to ensure the activities of government bodies at the appropriate level.
- 2) The problem of organizing intergovernmental relations, which is understood as the problem of the optimal formation and distribution of budget funds.
- 3) The problem of the inefficiency of the tax system, in this case, is understood, first of all, the frequent amendments to the tax legislation, which leads to the manipulation of criminals at their

discretion by the norms of the Tax Code; the orientation of the tax system on direct taxes is characteristic, the tax burden is increased in relation to individuals, which is not entirely effective due to the deficiency of the income tax system.

4) The problem of low efficiency of the budget process.

To solve this problem, it is necessary to ensure transparency of budgets and budget procedures in accordance with sections of the budget classification at all levels of the country's budget system; improve the public procurement system in order to ensure a competitive regime for placing orders for the production of goods and services for state needs, etc.

Another problem can be attributed to the problem of fiscal orientation (Boomol & Blinder, 2018). The problem of the fiscal orientation of tax production in practice is expressed in the establishment of strict regulations in relation to the tax base, which ultimately resulted in the requirement of the need to separate tax accounting from the accounting system. In addition, it will be advisable to note that the overall burden of taxes and payments is currently much higher in Russia than in other developed countries.

3. Research Questions

Currently, the existing socio-economic situation in the country and in the global economy as a whole suggests the need for special attention to ensure the balance of the budgets of the budget system operating in the Russian Federation (Polyak, 2019). To achieve this goal, which is to eliminate the budget deficit and equalize the funds allocated to the sectors of the national economy, it is important to conduct an objective, comprehensive analysis of tax revenues that are transferred to the budget of a public education. Such an analysis, carried out using the comparative method, allows us to correlate the indicators of the volumes of taxes transferred to the budget for 2017 and for 2018, thus revealing a tendency to increase or decrease tax revenues to the budget (Burkovsky, 2018).

With the help of taxation, the state is able to influence the world integration processes, taking measures, for example, increasing the investment climate in the country or stimulating its attraction through exemption from taxes on its territory.

Despite the fact that the market model of the economy is capable of self-regulation, its effective functioning is impossible without government intervention in socio-economic processes, where tax regulation tools also play an important role.

For the most reliable determination of the reliability of the budget revenue base, by the ratio of tax and non-tax revenues, we will carry out a comparative analysis based on the data of 2015–2018 budgets.

Table 01. The volume of tax and non-tax revenues of the federal budget for 2015–2018, million rubles

Year	Tax revenues	Non-tax revenues	Total
2015	8 590 560.49	4 808 406.95	13 398 967.4
2016	8 734 187.42	4 573 743.00	13 307 930.9
2017	11 071 285.00	3 976 150.00	15 047 435.0
01.12 2018	12 826 499. 21	4 588 819. 22	17 415 318. 4

As a result of the comparative analysis of the federal budget in 2015–2018. it is clear that every year the total amount of tax and non-tax income is increasing. So, in 2018, the volume of total tax and non-tax revenues exceeded the same indicator in 2015 by 4 016 351.00 million rubles, that is, the growth rate was 129.98 %. As mentioned above, an important component in assessing the reliability of the budget revenue base is the ratio of tax and non-tax revenues.

In this way, we see that taxes make up the bulk of budget revenues (74 %), this indicates a high degree of importance of taxes for the budget, and a fairly high level of reliability of the budget revenue base, but to determine the trend of large structural changes in budget revenues, it is necessary to determine the dynamics of the changes. To conduct this kind of analysis, we will use the above indicator of the withdrawal of budget revenues.

Table 02. The dynamics of tax revenues of the federal budget for 2015–2018, billion rubles

Indicators/ Years	2015	2016	2017	2018 (for 01.12)	absolute deviation 2015–2018	relative deviation 2015–2018
Tax revenues	8 590.5	8 734.1	11 071.3	12 826.5	4236	49.31028
Income taxes	491.3	491.0	762.4	922.8	431.5	87.82821
Taxes on goods (works, services) sold on the territory of the Russian Federation	2 976.2	3 289.6	3 979.5	3 938.7	962.5	32.3399
Taxes on goods imported into the territory of the Russian Federation	1 839.2	1 975.7	2 145.5	2 281.1	441.9	24.02675
Taxes, fees and recurring payments for the use of natural resources	3 181.2	2 882.9	4 090.3	5 596.2	2415	75.91475
National tax	101.7	94.2	93.3	87.6	-14.1	-13.8643
Debt and recalculations for canceled taxes, fees and other obligatory payments	0.9	0.8	0.2	0.2	-0.7	-77.7778

4. Purpose of the Study

The purpose of this scientific article is to identify problems in the formation of an effective tax policy through the analysis of tax revenues for recent years both at the federal and regional levels.

5. Research Methods

During this study, methods of analysis, synthesis, as well as static methods of observation were used.

6. Findings

Based on the data of table 1 and table 2, we can conclude that in the structure of tax revenues of the federal budget there are three types of taxes, which largely form the federal budget.

- taxes, fees and regular payments for the use of natural resources;
- taxes on goods (work, services) sold in the territory of the Russian Federation
- taxes on goods imported into the territory of the Russian Federation.

If we analyze the budget of the Chechen Republic in recent years and make a comparative description of tax revenues, we can assess the effectiveness of tax policy at the regional level.

So, for 2018, the total amount of tax revenues generated from tax and non-tax revenues amounted to 11.141.453.95 thousand rubles, which is 52.230.38 thousand rubles more than the same indicator for the previous year, i.e. a percentage ratio of 0.47 percent more.

Of this amount, income generated from the payment of income tax to the budget of the Chechen Republic amounted to 6.480.495.24 thousand rubles, which is 38 125.09 thousand rubles, i.e. 0.59 more than tax revenues of this tax for 2017 % more.

Income tax on individuals was paid to the budget of the Chechen Republic in 2018 in the following amounts: 5.728.648.02 thousand rubles, which is 34,074.65 thousand rubles in nominal terms and in percentage terms compared to the same period of the previous year 0.6 % more.

Taxes on various goods, works and services that are sold in the country, in the total amount received in the budget of the republic in the amount of 1 900 277.52 thousand rubles, which exceeds the tax revenue of the previous year for this tax by 158 405.45 thousand rubles or 8.7 percent.

The total amount of tax revenues to the budget of the Chechen Republic from various taxes, fees and regular payments for the use of natural resources in 2018 amounted to 5.288.01 thousand rubles, which is 140.32 thousand more than in 2017, when the volume amounted to 5 147.69 thousand rubles, that is, increased by 2.69 %.

Revenues of property tax to the budget for the reporting period showed an increase of 9.94 % and amounted to 2,477,738.46 thousand rubles, which is 234,556.52 thousand more than the same period in 2017.

Revenues from revenues to the budget of the transport tax in 2018 amounted to 285 838.62 thousand rubles, that is, 2 505.73 thousand rubles more than in 2017, a percentage increase of 0.88 %.

At the end of 2018, the state duty was paid to the budget of the Chechen Republic in the amount of 47.435.73 thousand rubles, which is 1.625.25 thousand rubles or 3.49 percent more than the same indicator in 2017.

Tax revenues resulting from the use of property owned by state and municipal property amounted to 95,270.08 thousand rubles in total, which is 19 371.23 thousand rubles less than the same indicator of the previous year, that is, decreased by 18.46 %.

Gratuitous proceeds, based on official data on budget execution, are transferred to the budget in the amount of 64.612.280.58 thousand rubles, that is, 2,285,222.02.02 thousand rubles more compared to 2017, in percentage terms increased by 3.6 %

In absolute terms, the volume of the revenue side of the budget of the Chechen Republic for 2018 amounted to 92 774 726.21 thousand rubles.

Compared with the volume of budget revenues of the republic for 2017, an increase of 2.787.514.18 thousand rubles occurred.

The constant changes that occur in the market system, the main reasons for which are various kinds of macroeconomic as well as geopolitical reasons, lead to the urgent need to increase the efficiency of public finance administration and responsibility for their use.

The main factors that influenced the increase in tax revenues to the budget of the Chechen Republic in 2018 were the increase in control measures carried out by the authorized bodies, as well as the receipt of outstanding tax arrears in the past years to the budget.

Given the decline in business activity that has recently been observed in the economy of the country as a whole, we can conclude that great attention should be paid to maintaining, and in the future, increasing the volume of budget revenues of the budget system of the Russian Federation, in particular, expanding the volume of own revenues constituent entities of the Russian Federation, including the Chechen Republic.

7. Conclusion

Ways to improve the efficiency of the formation and implementation of the budget system of the country we considered in other scientific papers (Khamuradov & Ibragimova, 2018), where the following areas were highlighted:

1. The need to review the tax burden in the direction of reduction, primarily for producers; at the same time, ensure that all taxes are paid by each taxpayer in accordance with the law.
2. The introduction of a progressive scale of taxation on personal income, as one of the important factors in increasing revenues in the budgets of the country's budget system.
3. Conduct restructuring of budget revenues in order to determine the optimal combination of direct and indirect taxes. This will increase budget revenues by reducing shadow turnover in the economic sector, as the results of state financial control reveal commercial structures that reduce the tax base for revenue and profits in order to avoid taxes.

In our early studies, the following measures were proposed to reform the tax system (Khamuradov & Tsugaeva, 2019).

Firstly, the introduction of a progressive taxation model for personal income tax (PIT) with the exception of income tax base objects within the subsistence level. This model of income taxation is most consistent with the principles of social justice and is used in almost all industrialized countries of the world.

It should be noted that the analysis of the advantages and disadvantages of introducing and using a progressive taxation scale as one of the possible options for reducing social differentiation over a long period of time is the subject of wide discussion in the scientific community, both among domestic scientists and among foreign economists.

In our opinion, the proposed measures can play a decisive role in strengthening the financial independence of regional and local budgets, as well as increasing the disposable income of citizens of the country.

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