Contemporary view of the use of tax benefits

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Abstract. One of the fundamental tools of tax regulation of social economic development is the tax benefits. The purpose of this article is to examine the economic substance of tax incentives and their classification; to monitor the existing legislation in the Russian Federation on the issues of assessing the efficiency and effectiveness of tax incentives; to pay special attention to the positions of Russian scientists and economists on the improvement of methodologies of assessing efficiency and effectiveness of provided privileges. The results of the study allowed to draw the conclusion that the process of using regional tax benefits gets a more organized and orderly form. The analysis of the legislation of the subjects of the Russian Federation within the field of tax incentives and their evaluation showed that the mechanism of tax benefits assessment has a general nature, but does not include a complete list of contributors for which regional tax incentives are provided by the legislation. Thus, the urgent task is to create a methodology for qualitative assessment of effectiveness of provided tax incentives based on separate accounting of provided tax incentives according to categories of taxpayers, which would assess the effectiveness of each form of tax benefit and, consequently, reduce the list of inefficient benefits from them.

Keywords: benefits, tax incentives, tax expenditures, classification of tax incentives, assessment of effectiveness.

JEL Codes: E62, H2.

1. Introduction

As it is known, one, of course, important lever of influence on the economic situation is tax incentives that provide specific benefits to taxpayers by the state and create economic benefits for the latter. Tax incentives affect certain processes of economic development, its restructuring, in order to create economic and social infrastructure, to ease social tensions and to fight inflation.

Nowadays, tax benefits are the subject of the most acute discussions. The Tax Code of the Russian Federation (Tax Code) assumes the establishment of an optional element of tax - tax benefits for separate taxes. Turning to the Tax Code, one should pay attention to which definition of tax benefits is given. Paragraph 1 of Article 56 of the Tax Code recognizes the exemptions on taxes and duties granted to separate categories of taxpayers and payers of duties provided by the legislation on taxes and duties advantages compared to other taxpayers and payers of duties, including the ability not to pay tax or duty, or to pay them in a smaller size [1].

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Tax benefits are designed for social equalization of the financial position of different groups of taxpayers, the payment for special services to the state, and for the economic support of taxpayer, the promotion of separate spheres of the national economy, etc.

The purpose of providing benefits is, first of all, the reduction of tax base and/or tax obligations, for eligible taxpayers. Also, the purpose of tax benefits can be delayed or installment of payment. Thus, the state gives the taxpayers a loan which is provided to them for free of charge or on favorable terms.

Despite the widespread use of ‘tax benefit’ within tax theory and practice, a clear approach to a common understanding of the species and content of tax incentives is still not developed, a detailed classification of a wide variety of types of tax carried forward Russian and international practice is absent. Recently, an ambiguous position of Russian economists to the assessment of place, role and direction of implementation of tax benefits in the contemporary policy of tax reform has arisen.

Provision of benefits at the regional level can be directed to the solution of different types of social economic development of the territories. A large group of benefits is social in nature and aimed at supporting people with low incomes. Benefits, which are used by institutions, public authorities and local governments, financed by regional or local budget, are set to eliminate the opposing set of financial flows and the rational use of budgetary funds. Another part of tax incentives is to encourage inflow of investments in the economy of the region, which should provide the growth of tax base and, as a consequence, the increase of tax proceeds to regional budgets in the long term prospects [2].

2. Methodology

The determination of tax benefits reflected in the Tax Code of the Russian Federation is so narrow and tedious, that it does not give a specific comprehension of the essence of tax benefits and does not allow drawing any conclusions, so there are many points of view of scientists on the content of this concept [3]. According to one of the theories, tax benefits are ‘the benefits granted to certain categories of taxpayers, which allow them to reduce the size of their tax obligations compared with other taxpayers’. Other economists believe that ‘under the tax credit should be understood legitimate relief of position of subject, allowing them to better satisfy their interests, and it is expressed as provision of additional, special rights and (or) benefits and relief from duty’. Tax benefit is considered as a formal tool ‘...reduction of taxation’. Tax benefit - is a separate form of tax incentives, which differs from preferences by voluntariness of their application by taxpayers. Tax benefit is generally regarded as a reduction of tax rates or narrowing of the tax base, reducing tax obligation of tax agents [4].

At the same time, some authors call tax benefits tax subsidies or tax expenditures. For example, Russian statesman, financier V. Panskov proposes to abolish the definition of 'tax benefit' itself in the Russian tax system, by introducing another budgetary legislation, which could be defined as a ‘tax subsidy’. Tax subsidies should be reflected in the expenses of the corresponding budget with its approval and the performance report [5]. Other economists point out that tax privileges and exemptions in a particular sense are similar to budget expenditures, their use and especially expansion of use should be accompanied by grounding of their necessity and effectiveness [4].

It should be noted that in the presence of a large variety of interpretations of the term ‘tax benefit’ opinions of the authors are the same on one thing - that tax benefits are a special order, directed to the reduction or decrease of payable tax obligations of the payer, compared with the general taxation regime. At the same time, each author makes his/her own changes in the concept of ‘tax benefit’. It is necessary to be said, first of all, that tax benefits are an optional element of tax, and they can be set both at the federal level,
and at the regional and the local levels. Tax benefits directly are a system of incentives, rewards for certain categories of taxpayers, which are given to them to improve their financial status.

According to the definition of tax benefit, formulated in the Tax Code of the Russian Federation, it is necessary to highlight their characteristic features:

- Tax benefit is set by the Tax Code of the Russian Federation and adopted in accordance with it laws on taxes and fees;
- Tax benefit is introduced not for all taxpayers, but only for one or some categories of persons;
- Tax benefit presence is the basis of emergence of a special order of execution of duties by taxpayer on tax calculation and payment;
- Tax incentive is a kind of benefit of the taxpayer, who use they are able to reject or suspend for one or more fiscal periods.

A broader view of tax benefits is given by their classification. Most authors distinguish classification of tax incentives for forms of provision, which is divided into release, exemption deductions, discounts, installment, loans, etc. Other authors divide tax benefits by their belonging to levels of management [6]. S. Barulin gives a classification of tax benefits by their functional purpose, highlighting social, investing, general (general stimulating) benefits and special tax regimes [7]. M. Troyanskaya suggests grouping tax benefits in dependence of tax elements [6].

As an important tool of tax regulation, tax incentives are designed not only to give certain benefits to taxpayers, but at the same time, to provide the social economic development of territories. Russia sets ambitious but achievable targets of long-term development - to provide a high level of population welfare, to secure the country's geopolitical role as one of the global leaders [8].

A relevant issue for many regions of the Russian Federation is the presence of innovative and investing activity, necessary for the improvement of social economic development of their territory. The regional innovative strategy should be aimed at qualitative development of concrete local projects, companies, industries, and territorial clusters, mechanisms of effective implementation of resources available for these purposes in the region.

In the Russian Federation the mechanisms of state tax stimulation of innovative activity in enterprises are developing. The mechanism of tax stimulation in all organizations, performing innovative activity, consists of the following elements: an investing tax credit; the exemption from value added tax during realization of research and development (R & D) works and the rights on the results of intellectual activity; benefits with regard of R & D expenditure; one-time accounting of costs for the acquisition of computer technologies; accelerated procedure for depreciation of fixed assets; exemption from income tax of the trust fund; exemption from property tax for funds of target financing, and decrease of interest rates on corporate income tax.

Specialists of tax stimulation within the system of state tax regulations consider the experience of the developed countries in stimulation of innovative activity and development of small and medium-sized businesses. The developed countries use a vast arsenal of tax instruments for stimulating innovative activity of small and medium-sized businesses within the technological and manufacturing spheres, among which the most widespread became the following:

- Granting of research or investing tax credits in the form of deferral of tax payments amounting to costs on innovative activity;
- Reduction of income tax amounting to increase costs on innovative activity;
- Preferential taxation of dividends paid by judicial persons and individuals by shares of innovative enterprises;
- Reduction of income tax rate, allocated for carrying out contract R&D;
- Preferential taxation of income, received in the result of use of objects of intellectual property (patents, know-how, licenses, etc.) [9].

In order to stimulate capital investments in the developed countries investing tax credit is provided - in the form of deduction from accrued income tax after putting into operation the new machinery and equipment. Law and requirements of getting such a loan are secured by law. The size of investing tax credit in different countries ranges from 5.3% in Japan (for electronic machinery and equipment), 10 - 15% in Canada (depending on the development of the territory), to 50% in the UK (for the first year of operation of the new equipment) and 100% in Ireland [10].

Tax incentives for financing of R&D are provided as discounts off the expenses on these purposes in the form of bulk and incremental discounts. Bulk discount is proportional to the amount of costs; for example, in the UK, Canada, Sweden, the tax base is deducted by 100% of the costs, in Austria - 15%, and incremental discount is given with the increase of R&D expenses compared to the previous period. The maximum size of such a discount is set in amount equal to 50% of the value of increase of investments in France, in the United States, Canada, Japan this indicator is equal to 20%. In some countries, the upper limit of the amount of tax benefits is set [11].

The effectiveness of the taken measures on financial, tax and administrative stimulation of innovative activity in the developed countries should be recognized sufficiently high, also because the share of enterprises applying innovations exceeds 50% here, even in the countries Eastern Europe. It should be noted that the methods of tax stimulation, mentioned above, are directed to the attractiveness of enterprises, both of small and medium-sized businesses.

In Russia, for the purpose of tax stimulation of innovative and investing activity three groups of tax instruments are used:
- General tax benefits granted to all taxpayers executing innovative activity;
- Tax benefits to residents of special economic zones;
- Special tax benefits for small innovative business.

Nowadays, the Government of the Russian Federation, Ministry of Finance, Ministry of Economic Development outlined of the Russian Federation outlined and realize a system of measures on tax stimulation of innovations, as for all enterprises, as well as those which work in the sphere of small and medium-sized entrepreneurship.

The Russian Federation still has now a significant lag in the development of high-tech and technologic sectors, forming the basis of innovative development of the country and its regions. The innovation activity of Russian enterprises varies from 7 to 10%. Nowadays the gap between Russia and the states, leading in this regard, such as the Netherlands, Austria, Denmark, Germany and Ireland, is up to 10 - 12 times. In terms of absolute volume of exports of high technology products Russia is more than twice behind Denmark, Greece and Austria, Korea and Malaysia - about 13 times, Germany and the UK - 27, Japan - 38, United States - 70 times [12].

If we consider the investing activity in the context of contribution of investments in fixed capital, here we can see that the situation is quite unstable. This can be connected to fluctuations of the economy and the financial crisis. Also, the GDP index is unstable which is due to the consequences of the world economic crisis. Expenses on R & D during the last 5 years have been increasing, which is an evidence of the fact that
Russia tries to be at the proper level in the sphere of innovative activity in order to compete freely with more developed countries in this sector of economy [8].

3. Results

Tax benefits, in fact, represent tax expenditures of budget, as budget loses significant amounts of financial funds from their provision. T. Malinina examines the concept of tax expenditures of budget, according to her opinion: "the granting of tax benefits and reliefs doesn’t directly result in budget spending, it reduces the incomes of the budget, which, if they were received, could be directed at solving of the same social and economic problems, as provided tax benefits. That is why tax benefits and exemptions, in a certain way, are similar to budget expenditures and, consequently, should be subject to screening from the point of view of their transparency and efficiency. The concept of benefits as tax expenditures of budget meets these goals" [4]. Note that the conventional definition of ‘tax expenditures’ does not exist. This is evidenced by a number of different points of view, Table 1 [13], [14].

<table>
<thead>
<tr>
<th>Country</th>
<th>Characteristics of tax expenditures</th>
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<tr>
<td>Australia</td>
<td>Tax benefits, providing benefits to a certain kind of activity or a group of taxpayers</td>
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<tr>
<td>Germany</td>
<td>Those tax benefits, which are special deviation from the central conception of tax norms, which leads to the decrease of tax receipts</td>
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<tr>
<td>Spain</td>
<td>Deviations from normal structure of taxes, representing tax benefits or tax subsidies</td>
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Tax expenditures are benefits or exemptions with respect to the ‘standard’ tax structure, leading to a reduction of the size of revenues, collected by the state, and, as the state policy goals could be achieved by an alternative way through provision of subsidies or other direct expenses, benefits are considered as an equivalent to budget expenditures [4]. This is one of the most comprehensive interpretations, revealing the essence of tax expenditures, as well as the method of their evaluation by calculation of deviations from the basic structure of tax system. Also, this definition indicates that tax expenditures are an alternative to direct government expenditures (or subsidies).

Certainly, tax expenditures have characteristics:

1) they are lost tax revenues, leading to reduction of budget revenues;
2) they come from set tax benefits and exemptions with respect to the base (normative) tax structure;
3) they are intended for realization of goals of state social economic policy;
4) they are an alternative to direct government expenses.

Thereby, tax expenditures are not just lost revenues of the state, but those revenues, which state has refused to achieve the set goals of social economic policy.

Despite the fact that the provision of tax benefits (tax expenditures) from the point of view of consequences and expenses on realization of equal programs of direct expenditure, this does not mean that tax expenditures should be replaced by direct ones. While choosing between these tools, it is important to consider a variety of structural subdivisions of government (tax authorities or other agency) which would administer the program. The solution to the problem through the tax system seems to be consistent with the goals of best organizational structure of the government.
The provision of tax incentives by the state entails a reduction of budget revenues and complicates the process of tax administration which especially acute influences revenue part of the regional and local budgets. The issues of rationality and effectiveness of tax incentives and tax stimulation mechanisms are paid with increasing attention in the context of improving fiscal sustainability and fiscal autonomy budgets of subjects of the Russian Federation and local budgets.

In recent years, Russia has monitored the effectiveness of provided tax benefits and preferences. It is necessary to mention that there are negative aspects of provision of tax benefits:

- the majority of organizations, to some extent, having tax benefits, use them to hide profits from commercial transactions, which do not correspond to their statutes and benefited type of activity;
- often officials of the preferential organizations use funds and property of these organizations for their own purposes;
- benefits belonging to one organization are used by other firms in the schemes on minimizing and tax evasion.

In order to prevent the above, it is necessary to assess the effectiveness of the provision of tax benefits. In a broad sense, the assessment of effectiveness of benefits means the analysis of the relationship of tax revenues and lost income, on the one hand, and economic and social indicators on the other. Nowadays, there is no one methodology for assessing the effectiveness of tax incentives. In most regions of the Russian Federation granting and cancellation of certain tax benefits is still the result of the confrontation of lobbying interests, which in turn reduces the efficiency of tax benefits and the total productivity of performance of tax mechanism.

Despite this, some regions try to develop their own specific criteria for assessing tax incentives. Since 2008, the program of Regional Finance Reform is being realized. The study of regional legislation says that 80 of 85 subjects of the Russian Federation adopted regulations normative acts, regulating the procedure and (or) the methodology of assessing the efficiency of tax incentives.

The assessment of the effectiveness of tax incentives at the regional level is carried out by income tax (in terms of the sum coming into the regional budget), property tax, transportation tax, and, rarely, the simplified tax system.

The assessment of the effectiveness of tax incentives (planned to be provided) is intended to achieve specific goals, established by the regions, the main of which are:

- stimulation of the usage of financial resources by payers for expanding and upgrading of production and technology in order to increase volumes of production of competitive products and to create new working places;
- state support of producers of socially significant products and services;
- provision of gains in payments to budget of subjects of the Russian Federation;
- state support of sectors of economy and social sphere, including investing activity and others.

It should be noted also that the assessment of effectiveness of tax incentives is conducted with the purpose of making one of the following decisions:

- about the further provision of tax incentives;
- about the change of mechanism of granting tax benefits (terms, form);
- about abolition of tax incentives in the case of their inefficiency.

The assessment of the effectiveness of regional tax incentives is based on the following criteria:
- budgetary effectiveness, i.e. regional benefits should encourage increase of revenue or improvement effectiveness of expenses of the corresponding budget;

- economic effectiveness, therefore, regional tax incentives should encourage the positive dynamics of the financial economic performance of the activity of taxpayers who use such an incentive.

- social effectiveness means influence of the tax advantage on keeping the number of employees and improving their well-being.

At that, the assessment is, most often, carried out in relation to the total amount of lost revenues, by comparing the total amount of tax benefits in the current and the basic periods, respectively, and not in the context of the categories of taxpayers.

The assessment of economic effectiveness of provided tax benefits is carried out on the basis of the following factors: the volume of shipped goods of own production, performed works and rendered services by their own; revenue from selling goods (works, services); profits from sales; the average annual cost of fixed assets. It is calculated for each category of taxpayers and represents a ratio of the indicators listed above for the reporting and basic years. Tax incentives are economic effective when the value of the economic effectiveness ratio is greater than or equal to one, otherwise, the cost effectiveness is absent.

The assessment of social effectiveness of provided tax benefits is carried out on the basis of the dynamics of the following indicators for categories of taxpayers: the average number of employees during the reporting period and for the year preceding the reporting period; the average monthly wage per employee for the period and for the year preceding the reporting period. Tax benefits have positive social effectiveness, if the improvement compared of the value compared to the previous reporting period by one of these indicators is achieved.

The assessment of budgetary effectiveness assumes the assessment of results of economic activity of categories of taxpayers who were granted (are planned to be provided) with tax benefit.

It is necessary to say that each subject of the Russian Federation develops its own methodology, which is most optimal for its territory. Some subjects calculate the assessment of effectiveness of tax incentives based on three criteria - budget, economic and social efficiency, while others consider only two of them.

4. Discussion

While practical realization of variety of tax benefits, constantly a problem of provision of their target direction arises, and also there is a possibility of abuse of privileges and, in particular, tax evasion due to the inefficiency of mechanism of granting tax benefits and assessment of its effectiveness. The implementation of various tax incentives is a legitimate way to reduce tax liability, yet their legitimate use does not mean unfair conduct of taxpayer. Therefore, the assessment of effectiveness of tax incentives would be an important component in making decision on further provision of this benefit or rationality of introduction of a new one.

As mentioned above, almost all subjects of the Russian Federation approved the methodology and developed criteria of assessment, which allow the determination of budgetary, economic and social effectiveness of providing benefits. At the same time, in connection with the multivariation of criteria of assessment and lack of a unite methodology, the accuracy of assessment is not provided and a systematic analysis of the efficiency benefits is not carried out.

Considering the current Russian legislation on taxes and duties, it is possible to state that it is necessary to elaborate a certain methodological aspect of assessment of tax incentives effectiveness, which would contain a united system of criteria of their effectiveness. Thus, for example, O. Savina [15] suggests to use the calculated indicators of the assessment of effectiveness, that would, in her opinion, deepen and detail the evaluation of efficiency of tax
incentives, to improve the quality of conducted monitoring of their effectiveness, and finally, would become a landmark of budget and financial forecasting and planning of activity of the state and taxpayers:

- an indicator of company's assets by reducing its tax liabilities, showing how effective each ruble invested by the state in support of the activity of the enterprise by providing tax incentives is. The minimum value for this ratio is one, when cost is equal to return, and organizations are investing all free due to tax incentives funds into benefitted activity. If the index is below one, it evidences that the organizations do not send all the funds from savings on tax benefits, but a small part of them;

- an indicator of the effectiveness of financing investments due to tax savings, reflecting the increase of tax effectiveness of investments in its ‘aim’ to one;

- an indicator of the effectiveness of tax incentives, which allows to compare effectiveness of eligibility in the region in regard of possibility of reducing tax burden and increase their own financial resources. The higher this ratio, the more efficient the tax benefit is, while it should be close to the one;

- total tax effectiveness of the territory, assessing the efficiency of organizations’ activity in the region from the point of view of tax consequences. At that, the indicator should strive to minimum (the attractiveness of functioning in the region increases);

- social effectiveness due to tax savings, showing the quality of use of released funds, the lower the value of this index, the greater the social efficiency;

- effectiveness of financing innovative activity through tax savings. Over time, the indicator should aim at reduction, that would evidence that growth rate of innovative products is more than growth rate of tax incentives;

- indicator of the effectiveness of use of innovative benefits (coefficient of modernization), at that the value of this indicator should be close to one, then the organization uses all funds from the offered benefits to purchase new equipment.

Using the indicators of efficiency of tax incentives listed above, the regions would be able to calculate the evaluation of effectiveness of tax incentives more precisely. It should be noted that these indicators can be supplemented by particular indicators, characterizing separate tax benefits according to tax types, categories of taxpayers, kinds of activity, depending on the purpose of study. The presented indicators, thus, improve and allow a better management of the assessment of the efficiency and effectiveness of tax incentives.

Let us cite the steps of carrying out the procedure of assessing tax benefits:

- inventory of tax incentives,
- assessment of the efficiency of tax incentives,
- evaluation of the effectiveness of tax incentives (fiscal effectiveness, economic effectiveness, social effectiveness),
- decision-making according to the results of the assessment of efficiency and effectiveness of tax incentives.

The theoretical research and practical analysis of the procedure of granting tax benefits allows revealing the following disadvantages:

- there is no uniform method of estimating the effectiveness of tax incentives;
- no account of tax expenditures;
- no method of assessing the effectiveness of tax incentives for investors;
no decision-making algorithm for the evaluation of the effectiveness of tax incentives.

Therefore, the rapid improving of assessment of effectiveness and efficiency of tax incentives is necessary. Very interesting approaches are presented by S. Barulin and I. Mayburov. Referring to the position of S. Barulin, it should be noted that he identifies three methodologies [7]:

- assessment of efficiency and effectiveness of social tax benefits. The criteria of the efficiency of social benefits on taxes from organizations are positive dynamics of growth of certain social expenses of organizations and development of separate segments of the social sphere. Both analysis of growth rates of natural and cost indicators for the monitoring period and comparison of factual rates with their planned values should be used for such an assessment of efficiency. In both cases, negative values would evidence the inefficiency of the given benefits;

- assessment of efficiency and effectiveness of investing tax incentives. The main criteria of benefit efficiency are: significance as a source of investment financing, increase of the investing activity. The first criterion influences the second, determining the extent of interest of taxpayers in using rights for investing benefits in that way. Indicators of significance can be presented by the percentage ratio of the amount of tax expenses of the budget with the amount of own sources of investment of organizations and (or) with the amount of capital investments. If the values of efficiency by the results of assessment were lower than the standard level, the benefits are recognized to be ineffective, or whether they need to be cancelled or changed or not;

- assessment of efficiency and effectiveness of generally stimulating tax benefits. The efficiency of incentives is evaluated by indicators, characterizing the dynamics of volumes and growth rates of the stimulated kinds of activity during the monitoring period in fact or compared with a forecast of state authorities or organizations themselves. The effectiveness of general benefits should be assessed on the basis of indicators of their cost-capacity in rubles or in indices, allowing to determine how expensive are the benefits for the budgetary system. The values of the indicators for this assessment should be developed by the financial authorities, which are not allowed to be exceeded.

Due to the fact that provision of tax benefits causes formation of lost revenues or formation of tax expenditures of the state, there arises a problem that at the moment the given state expenses are not transparent: firstly, they are not approved in respective budgets, and, secondly, their size and the total sum is difficult to determine upon receipt. That is why, nowadays, the monitoring and assessment of effectiveness of provision and spending of such benefits are not only complicated, but almost impossible. The assessment of effectiveness of spending budgetary funds requires a transition to program-target method of budgeting in which specific targets of use of allocated funds should be set. V. Panskov considers that, under the conditions of fixing tax subsidies (expenses) in the expenditure part of the corresponding budget it would be possible to assess the effectiveness of their provision, as each benefit would be strictly defined areas of spending. Therefore, tax subsidies should be reflected in expenses of the corresponding budget during the process of its approval and execution [16].

I. Mayburov developed the assessment of effectiveness of tax expenditures, let us consider originality of this method of evaluating costs. As I. Mayburov thinks ‘tax expenditures’ are the lost tax revenues of the budget system in relation with the use by the legislation of various deviations from the normative tax structure, which in this case provide any advantages to certain kinds of activity or groups of taxpayers. The assessment of tax expenditures should be performed by a specific benefit, on a separate tax, on the totality of taxes and duties. Let us stop on the consideration of the assessment of tax expenditures by specific tax, consisting of several stages:
- stage I - development of a normative of structure selected tax across its all main elements (composition of taxpayers, tax base, object of taxation, tax rate, tax period, procedure and terms of payment),
- stage II - drawing up a list of deviations from normative structure of this tax (these deviations would be considered to be tax expenditures articles),
- stage III - the choice of a method of quantitative evaluation of tax expenditures, as well as a practical method of assessment,
- stage IV - calculation of statistical indicators, necessary for conduction of quantitative assessment by the chosen method,
- stage V - quantitative assessment of tax expenditures on this tax.

The general assessment of tax expenditures would be the result of summation of quantitative assessments of these costs on the whole totality of taxes and duties. Considering the choice of the method of assessment of tax expenditures, we can distinguish three main methods:

a) assessment of tax expenditure on lost revenues. This method assumes assessment of tax expenditures as amount of tax revenues that the budgetary system does not receive as a result of introduction or action of this or that benefit;

b) assessment of tax expenses on recovery revenues. This method assumes assessment of tax expenditures as amount of tax revenues that the budgetary system, on the contrary, would receive in addition as a result of the abolition of this or that benefit;

c) assessment of tax expenditures on equivalent costs. This method calculates assessment of tax expenditures as sum of direct costs of budget, which should be paid to all taxpayers, using this benefit, so their total income after taxation under the conditions of change of this benefits by corresponding transfer from the budget should be equal to that which they would have under the conditions of use of this benefit.

I. Mayburov points out the greatest practical importance of the method of lost revenue. In order to assess the already existing benefit, one should consider the difference between amount of tax that would be obtained in the absence of the analyzed tax credit, and actually received amount of tax that goes into the budgetary system under the conditions of operation of the benefit. This difference should be adjusted by the amount of additional costs of tax administration, and the additional costs of tax harmonization, due to the practical use of this benefit by taxpayers.

Due to the fact that methodologies of assessing the effectiveness of tax incentives in the different regions are narrow, it is rational to supplement them by criteria of evaluating effectiveness of tax expenditures offered by I. Mayburov. He, also marking out budgetary, economic and social efficiency of tax incentives, as an additional criterion suggests the calculation of fiscal effectiveness. In opinion of Mayburov, the fiscal efficiency of tax benefit is a ratio of fiscal impact of provision of benefit, received in period t, when the real effect of the action of the benefits to the amount of tax expenditures of the same period t shows itself. Social efficiency of tax credit is a ratio of social impact of provision of benefit, received in the period t, when the real effect of the benefit is shown, to the amount of tax expenditures of the same period t.

Economic effectiveness of tax benefit is a ratio of the economic effect of providing benefits obtained in the period t, when the real effect of the benefit is shown, to the amount of tax expenditures of the same period t. Budget effectiveness of tax benefit is a ratio of fiscal, social and economic effects of provision of benefits received in period t, when the real effect of the benefits begins to be manifested, to the tax expenditures of the same period t [17].

As it seems, conduction of assessment of effectiveness of tax expenditures should be carried out by the Accounts Chamber of the Russian Federation, which is now barred from checking of effectiveness of funds
obtained by taxpayers through tax mechanisms in connection with uncertainty of the concept ‘tax benefit. At the same time, assessment of effectiveness of tax incentives should be carried out by those authorities, which directly provide them, i.e. assessment of effectiveness of tax incentives should be conducted by the Ministry of Economic Development. For a successful assessment of effectiveness of tax expenditures during their introduction the source data should be clearly defined, as well as the immediate objectives of their provision.

5. Conclusion

One of the most effective means of realization of the state tax policy is tax benefits. Tax incentives influence not only the participants in the economic process, but also the state as a whole, ensuring it with receiving stable tax revenues, providing for the increase of the competitiveness of domestic products in the world market and reducing of unemployment.

The implementation of tax incentives is constantly in the spotlight which due to the large amount of lost incomes of the budgetary system of the Russian Federation from the provision of benefits on taxes and duties. The assessment of effectiveness of tax incentives is an important and necessary element while introducing new benefits or conducting an inventory of existing benefits.

Considered the provision of tax incentives in the territory of the Russian Federation, we can concluded that the process of using regional tax benefits gets more organized and ordered form. However, the problem of lost revenues, which is a result of provision of regional tax benefits by most regions, is not overcome. In this respect, the assessment of effectiveness of provided (planned to provide) regional tax incentives becomes important. Besides assessment of effectiveness of tax incentives, assessment of efficiency should be carried out, as it would not only allow conduct more deep and qualitative analysis, also give best results of use of tax incentives [18].

The analysis of the legislation of the subjects of the Russian Federation in the field of provision of tax benefits and their assessing has shown that the mechanism of assessment of tax benefits has a general nature, but does not cover the complete list of payers, for which regional legislation provides tax incentives.

It seems that tax incentives and preferences should be unified, by reducing of their number, making them more transparent and increasing the stimulating and regulatory role. It is also necessary to provide the process of monitoring efficiency and effectiveness of tax incentives with qualitative and reliable information. Nowadays, there are no tools to detect dependencies and sustainable relationships of benefits with investing activity of the enterprises of the real sector of the economy. Therefore, the main problem, faced by the state, is to develop methodological tools, aimed at the increase of effectiveness of budgetary investments and including development of methods of analysis, assessment and financing of organizations in regard of the international experience to enhance growth rates of the Russian economy. It should be noted that the state authorities or the local authorities while providing of various categories of taxpayers with tax benefits cannot impose on benefit recipients any additional charges, for example, in the form of instructions of using financial effect of preferential taxation on realization of these or those purposes either in the forms of obligation to provide statements of actual use of savings. Thus, the issues of provision of tax incentives and assessment of their effectiveness remain relevant and need to be solved during the process of improvement of the tax system of the Russian Federation.

6. References


