

Subfederal Taxes as Sources of Budgets of State

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Doi:10.5901/mjss.2016.v7n1p150

Abstract

Achievement of sustainable economic growth in Russia and stable socio-economic development of regions is impossible without creation of optimal system of budget relations. In the modern world, it is very important to provide the focus of reforming the process of execution of regional budgets on creation of effective means of managing regional finances. Subfederal taxes directly influence the creation of the whole taxation system of the state and financial state of citizens and play a significant role in the formation of revenue side of regional and local budgets. Therefore, the necessity for thorough study and search for ways of improvement and transformation of calculation and payment of these taxes is the most important element of law on taxes and charges. The object of the study is relations that emerge between public authorities of various levels and taxpayers regarding the payment of subfederal taxes into budgets of various levels. The purpose of the article is to determine the place and role of subfederal taxes in revenue side of budgets of various levels. Analysis of existing practice of collection of subfederal taxes shows that revenues from the viewed taxes grow annually. In order to determine true and substantiated reasons for positive or negative dynamics of volume of budget revenues, the author analyzes factors that comprise the structure of each tax and are the basis for changing their size. These factors include: dynamics of tax base; change of the quantity of taxpayers which use tax subsidies; growth or reduction of the role of shortfall in income due to provision of tax subsidies; change of tax rate by subfederal public authorities and management. On the basis of results of the research, the offers and recommendations regarding the development of subfederal taxes and the increase of their role in revenue of corresponding budgets are formulated.

Keywords: taxes, subfederal taxes, budget, budget revenues, role of taxes.

1. Role and Meaning of Subfederal Taxes in Formation of Budgets of State

1.1 Nature and history of development of subfederal taxes in Russia

Tax system of a federal state supposes distribution of tax authorities between center, regions, and municipalities. According to the Article 56 of the Budget Code of the Russian Federation, tax revenues from regional taxes are to be accrued to the budgets of subjects of Russia.

Regional taxes and charges include the ones set by the legislative bodies of the subject of the Russian Federation by a special law which act on the whole territory of the corresponding region. Regional taxes can be regulating – then, a part of such a tax will be directed to the budgets of local government.

Up to January 1, 1999, levying of subfederal taxes was regulated according to the Law of the Russian Federation dated December 27, 1991, No. 2118-1 "On the basic principles of taxation". In 1999, the first part of the Tax Code of the Russian Federation was passed, which introduced classification of regional and local taxes. At present, according to the Tax Code of the Russian Federation, there are three regional taxes: - corporate property tax; - gambling tax; - transport tax, and two local taxes – personal property tax; - land tax.

Economic sense of the corporate property tax consists in withdrawal of a part of expected average income, received under specific economic conditions from the use of taxable estate. Imposition of the property tax aimed at the same goals as existing charge on assets: make organizations interests in selling excessive and unused property which was on their balance. This, this tax performs stimulating and controlling function, and, from the point of view of federation subjects' budgets replenishment – a fiscal function. The changes made to the law on property tax over the years of tax reform were connected mainly to the correction of taxable object and had rather fiscal than economic direction (Aliiev, Abdulgaliimov, Aliiev, 2008).

During the whole period of its existence in Russia, individual property tax was and is often changes. Individual property tax is local, direct, and progressive tax. This tax was imposed into taxation system of Russia in 1992 by the Law

of the RF "Concerning taxes on the individual property". Payers of this tax are most of the Russians, so factor of justness in distribution of load as to the individual property tax has a very important meaning which could not be overestimated. Regulatory function of the individual property tax is manifested in reduction of property differentiation.

Land tax plays an important role in the Russian taxation system; it belongs to property taxes and forms revenues of local budgets.

At the beginning of the 1990s, land charges, as a legal category, was imposed into existing law on taxes and charges with the passing of the Law of the Russian Federation dated January 11, 1991, No. 1738-1 "Concerning payment for land". In this law, payment for land is forms of realization of principle of paid land-use: land tax, rental charges, and normative price of land. During the operation of the law, its provisions were changed and supplemented in the parts concerning tax rates, subsidized taxation, and size of shares, according to which the tax was accrued at the levels of the budget system (Nikitkova, 2013).

Beginning from 2005, the land tax is calculated in the RF on the basis of the chapter 31 "Land tax". Introduction of this chapter denoted the transfer to calculation of the land tax on the basis of cadastral value of land property, instead of fixed charges for unit of land territory, which significantly changes the system of taxation of owners of land properties and many elements of this tax.

1.2 Foreign experience of using subfederal taxes as a source of revenues of budgets of various levels

Regional level of management plays an important role in administrative system of modern state. In unitary states, rights and obligations of regional authorities are determined by decisions of central government; in federal states, regions, as parts of federation, have their own administrative and economic authorities. At that, in various countries, the circle of rights and obligations of regional authorities varies from copy of powers of local authorities (Landsting communities in Sweden) to performance of the functions of federal level (cantons in Switzerland, provinces in Canada, states in the USA). Moreover, management of large cities, being formally assigned to the level of local authorities, in practice goes at the level of regional management. For example, in the USA, municipal management of such cities as New York or Los Angeles – as to its economic and political meaning – rises to the level of managing particular states.

In all countries, regional authorities have their budgets. In unitary states, these budgets are a part of consolidated budget, in federal countries they are formed by executive authorities of the region and approved by legislative body of corresponding state, county, or district. Regional budgets are a part of state financial system; in this role they oppose to local budgets which function as finances of public authorities. From the point of view of significance of performed tasks, regional finances should include budgets of large cities which – as to their volumes – can be compared to and even exceed budgets of many regions.

Selection of sources and volumes of financing of budgets on the level of regions depends on top-priority directions of activities of regional authorities, their powers and functions in solving tasks in transregional development, and the role of form of participation in management of state property (Foremny, Riedel, 2014). In a variety of countries, one of the functions of regional authorities is provision of financial support to local budgets (Hauptmeier, Mittermaier, Rincke, 2012).

In unitary countries, the replenishment of revenue side of regional budgets usually supposes methods of dividing tax sources between levels of state power and direct transfers from central budget; in federal states, regional authorities can have their own tax sources, i.e., they have a right to implement and levy their own taxes (Foremny, 2014).

As to the share of taxes, assigned to the level of regional authorities, Sweden, Germany, Switzerland, Denmark, and Belgium are leaders – around 30 % of the total sum of tax revenues. In such countries as Greece, the share of regional authorities is around 1 %, in Great Britain and the Netherlands – around 4%, and in Ireland – less than 2 %.

Thus, federal nature of state structure is not an only factor that determines the role and place of regional finances in the country (Albouy, 2012).

Level of economic and social development, peculiarities of political life, and traditions are more important. In modern practice, there are two opposite tendencies:

- strengthening of control of central authorities over regional finances;
- expansion of origins of self-administration at the level of regional bodies.

According to the American Constitution, states have a right to impose taxes (under the condition that they do not hinder trade between states), including "identical" that are used at national level. However, federal authorities have a possibility to limit tax initiatives of particular states.

Analysis of the structure and rates of regional taxes in the USA and other Western countries allows classifying them as to four main groups. The first group includes own taxes which are levied only on specific territory. These include direct and indirect taxes. The main direct taxes are property taxes, industrial taxes, land taxes, and local taxes on

inheritance and gifts. Indirect taxation is also manifold. It is represented by universal excise duties, i.e., sales taxes, and specific excises. The second group of local taxes includes subcharges to national taxes, which are allocated in certain per cent into regional budget. The third group includes taxes on vehicles, shows, and hotels, and municipal charges.

Finally, there is the fourth group of regional taxes. These taxes are not fiscal, but determine the policy of regional authorities. They include ecological taxes, aimed at protection of natural environment. There is a tax on corporations, the work of which leads to emergence of waste of "risk". Special tax is imposed on companies that manufacture containers for liquid which cannot be recycled: tin-cans and other packaging which go to waste after product use. On the contrary, property tax takes into account total property of family. It is paid only by individuals.

In taxation system of France, an important role belongs to taxes of particular territories. It is possible to distinguish four main taxes out of the taxation system: - land tax on built-on sites; - land tax on undeveloped sites; - tax on housing accommodations; - professional tax. Rates of these taxes are determined by public authorities during setting the budget for the next year. At that, the rates cannot exceed the maximum level set by the law.

Land tax on built-on sites is imposed on developed sites. The tax concerns all property – premises and buildings, as well as sites for industrial or commercial use. Taxable part is equal to half of the cadastral rental cost of the site. Tax on undeveloped site concerns fields, forests, quarries, swamps, and site for development. The tax is not imposed on sites which belong to the state. Man-made forests and sited for development of agricultural production can be temporarily excused from the tax. Tax on accommodations is levied from owners and lessees of residential houses. Low-income persons can be fully or partially excused from this tax in part of their main place of residence.

Professional tax is paid by legal entities and individuals which constantly perform professional activities that are not rewarded with wages. In order to calculate the tax, it is necessary to multiply the sum of two elements by the tax rate set by local authorities. These two elements are:

- rental value of property that is used by taxpayer for their professional activities;
- certain share of wages, paid by taxpayer to their employees and share of received income.

For Great Britain, property tax is one of the main taxes on particular territories. It is levied from owners or lessees of real property. The property includes land. Among payers of this tax are persons who rent accommodations and pay rent. Evaluation of cost of real property is performed once in 10 years. It is expected sum of yearly income received from rental. The taxation rate is set by local authorities according to needs for financial resources, so it varies a lot in different cities of Great Britain.

In Germany, one of the main taxes is industrial tax. This tax is imposed on enterprises, partnerships, and individuals that perform industrial, trading, and other types of activities on 5 % rate (Artemova, 2012). Land tax is imposed on enterprises of agricultural and forestry husbandries and land sites; tax rate constitutes 1.2 %. State enterprises and religious organizations are excused from this tax.

In all countries, land tax belongs to local taxes, as the main task of land taxation consists in replenishment of local budget. Revenues from this tax form the main part of all tax revenues of local budgets (around 70-90 %). In foreign countries, methods of calculation of land tax differ from each other, but the most popular is the cadastral method.

In Czech Republic, land tax is imposed on legal entities and individuals which own land plots. This tax is paid once a year. Land taxation in Czech Republic is peculiar for the taxation base of the tax, which is calculated by multiplying the area of the land plot by average cost of one square meter, according to existing state costs. However, the tax is not imposed on land plots which are situated under the foundation of building.

Land rental is no more than 1.5 %. The tax is not imposed on land under forests and roads of general use and land belonging to diplomatic and consulate organizations. The population has certain subsidies: the retired and physically challenged pay lesser tax; local authorities can excuse certain persons from the tax. Land rental tax is paid by persons who rent state land (Popova, Drozhina, Maslov, 2008).

Thus, study of foreign practice shows that in most cases financial possibilities of regional budgets are not sufficient for solving serious tasks of social and economic nature. The only exception is Germany, in which separate lands can be compared by economic potential with average developed countries. In this country, general tax revenues are divided in half between federal authorities and budgets of lower levels. A similar scheme of distribution of tax revenues is used in Belgium. In the US, financial role of the states is much lower – despite the fact that California, for example, could be considered among the top-10 developed countries of the world, as to economic potential.

Regional management can perform the functions of support for local authorities or the tasks set by central authorities (Kilgore, 2014). At that, a perspective method of solving common tasks of regional development is use of the form of state corporations, organized by the initiative of central government and according to cooperation of authorities of several regions (Presbitero, Sacchi, Zazzaro, 2014).

2. Evaluation of the Role of Subfederal Taxes in Formation of Revenue Side of Budgets of Various Levels

2.1 Tax authorities for subfederal taxes and level of their use

Subjects of the Russian Federation received independence for economic decisions, conduct of tax policy on their territory, and building economic relations with federal center and municipal entities as far back as 1992. According to the Law "On the basics of taxation system of the Russian Federation", regional and local authorities had a right to impose their own taxes – however, this led to instability of tax system, aggravation of tax climate of territories, and rapid increase of tax pressure due to large number of taxes and weak tax administration.

Nowadays, according to Article 12 of the Tax Code of the RF, setting the regional taxes by legislative (representative) bodies of state power of the subjects of the Russian Federation supposes determination of taxes (tax rates, order and time of tax payment) in order and limits set by the Tax Code, if these elements of taxation are not set by the Tax Code of the RF. Other elements of taxation for regional taxes and taxpayers are set only by the Tax Code of the RF (The Tax Code of the Russian Federation, 2015).

The article 59 of the Budget Code of the RF determines that the law of the subject of the Russian Federation on taxes and charges imposes regional taxes, sets tax rates and tax subsidies for regional taxes, according to the law on taxes and charges of the Russian Federation. The laws of the subject of the Russian Federation on implementing changes into the law of the subject of the Russian Federation on taxes and charges, laws of the subject of the RF regulating budget legal relation which lead to change of budget revenues of the budget system of the Russian Federation, coming into effect in next fiscal year and planned period, are to be passed before introduction of draft law of the subject of the Russian Federation on budget for next fiscal year and planned period to legislative (representative) body of state power of the subject of the RF within the time limit set by the law of the subject (The budget Code of the Russian Federation, 2015).

According to the RF's law on taxes and charges, regional taxes and charges that are not provisioned by the Tax Code of the RF cannot be imposed. Stable and relatively independent tax rights of regional authorities are a necessary condition for effective policy of provision of subfederal tax subsidies. It is possible to use mechanism of subsidies for integration of state and private interests and solving problems of public sector.

Thus, at present, among the tools of tax regulation at subfederal level, the most popular are such forms of tax subsidies as:

- excuse of certain categories of taxpayers from the tax for certain period;
- excuse (full or partial) from the tax of the taxation object;
- reduction of tax base;
- reduction of tax assessment;
- reduced tax rate (Troyanskaya, Tyurina, 2014).

Provision of tax subsidies for regional and local taxes to taxpayers that are registered on the territory of the RF subject leads to losses of budget revenues. However, it is impossible to fully stop the provision of subsidies at subfederal level; though, it is important to evaluate the effect of their provision (Kotsogiannis, Martínez, 2008).

Analysis of shortfall in income as a result of provision of tax subsidies was conducted on the basis of forms of statistical reports of tax bodies of the Russian Federation (by the example of the Orenburg Oblast) (Table1).

Table 1 – Analysis of shortfall in income of consolidated budget due to provision of tax subsidies to taxpayers in 2011-2013 (by the example of Orenburg Oblast).

Indicators in RUB million	2011	2012	2013
Tax or corporate income	3,500.4	3,885.7	3,393.9
Tax on corporate property	2,444.5	2,494.9	1,298.2
Tax on individual property	102.0	122.3	137.5
Transport tax	214.8	181.0	197.6
Land tax	546.6	319.2	494.8
Total	6,808.3	7,003.1	5,522.0
GRP of Orenburg Oblast	553,804.5	629,369.8	632,244.9
Tax revenues of consolidated budget of Orenburg Oblast, RUB thousand	54,472	60,471	60,032
Share of shortfall in income of budget in GRP, in %	1.0	1.0	1.0
Share of shortfall in income in total volume of tax revenues, in %	12.5	12.0	9.0

The volume of tax that didn't proceed to the budget due to tax subsidies of taxpayers in 2012 slightly grew as compared to 2011 – by RUB 194,800, or 3%; in 2013, as compared to 2012, the volume of subsidies reduced by RUB 1,481,100, or 21 %. The share of shortfall in income of consolidated budget of Orenburg Oblast reduced during the viewed period by 3.5 items. It is caused by the policy of elimination of ineffective tax subsidies, conducted at federal and regional levels (Main directions of budget and taxation policy of Orenburg Oblast for 2015 and planned period of 2016 and 2017, 2015).

In future, according to the offer by the Ministry of finances of Russia, it is planned to limit by 2018 the setting by the federal law new tax subsidies for regional and local taxes. It is planned to implement changes unto normative legal acts which suppose:

- optimization of tax subsidies for federal, regional and local taxes, set by the federal law;
- increase of efficiency of administration of property tax, corporate income tax, and individual income tax.

Analysis of the law of certain regions of Volga Federal District of the Russian Federation on corporate property showed that main rate of 2.2 % is not reduced, but together with it, certain subjects of the RF implement reduced rates for various bases – for example Ulyanovsk Oblast does it for 13 criteria.

Rates of transport tax are set by the law of the subject of the RF; the rates can be increased by the decision of public authorities at regional level, but no more than by 10 times. Many subjects of the Federation showed individual approach during determination of sizes of regional rates of transport tax. However, common tendencies could be clearly seen. Thus, most of regions consider it advisable to set significantly higher rates as compares to rates of tax on all transport vehicles set by the Tax Code of the RF.

Public authorities of the subjects of the RF are interested in offering attractive tax conditions for taxpayers of their region and potential investors, as it is related to creation of new jobs and expansion of sources of tax revenues in regional and local budgets, which will positively influence social well-being of citizens.

Thus, setting various regional tax rates and regional subsidies, subjects create a possibility for tax competition and, therefore, improvement of socio-economic position of region.

We conducted a factor analysis of revenues of subfederal taxes into budget revenues (by the example of Orenburg Oblast).

Regional taxes are own income source of the budget of the RF subject, and local taxes also play an important role in formation of revenues of budgets of municipal entities and income of consolidated budget of the region (Table 2). The largest revenues into consolidated budget of Orenburg Oblast is provided by corporate property tax – its share increased up to 12 % in 2013 and 2014, which is 73.4 % of the total volume of received taxes on property. Less important tax for consolidated budget of Orenburg Oblast is individual property tax – its share does not reach 0.5 %. Gambling tax is not significant for the budget of Orenburg Oblast. This is caused by the fact that, beginning from July 1, 2009, three gambling areas were created in the Russian Federation – on the territories of Altai Krai, Primorski Krai, and Kaliningrad Oblast, as well as gambling area which includes a part of the territory of Krasnodar Krai and Rostov Oblast. Main income from gambling, as well as corresponding tax, is accumulated in budgets of these territories.

Table 2 – Dynamics of revenues of subfederal taxes into consolidated budget of Orenburg Oblast for 2012-2014

Type of tax	2012		2013		2014	
	Received, RUB thousand	Share, %	Received, RUB thousand	Share, %	Received, RUB thousand	Share, %
Tax revenues	60,730,471	100	60,657,625	100	66,255,766	100
Corporate property tax	6,308,362	10.39	7,358,425	12.1	7,929,051	12.0
Transport tax	905,104	1.49	885,061	1.46	929,235	1.0
Gambling tax	1,450	0.0	3,729	0.0	3,389	0.0
Land tax	1,481,210	2.44	1,624,615	2.68	1,584,794	2.0
Individual property tax	119,424	0.20	149,375	0.25	166,290	0.3

The largest share in the structure of local taxes that proceed unto city budget belongs to land tax. The share constitutes 13 % of the total income. Revenues of land tax are second largest source of tax and non-tax revenues of Orenburg budget.

Individual real property taxation is one of the poorly developed spheres of current law of the Russian Federation (at the viewed period, article 32 of the Tax Code of the RF was not passed). Share of tax revenues in revenues of local budget is very low, not reaching 0.5 %. One of the reasons of low tax revenues is imperfection of the methodology of determination of inventory cost of taxation objects.

Growth of revenues from individual property tax was caused by a set of measures performed by taxation bodies.

They include verification of data bases of taxation bodies and the Russian State Register which contain data on real property objects and their owners – this led to increase of the taxation objects involved into tax revenues for individual property tax by 33,000 objects. This allowed attracting more individuals for payment of property tax.

Despite the fact that land tax is a main income source of local budgets, its administration requires taking into consideration certain peculiarities, in order not to allow reduction of revenues of this tax.

Provision of subsidies to payers of land tax leads to shortfalls of income from legal entities into the budget of Orenburg of 20 %, and from individuals - of 8 %. It should be noted that the share of tax that didn't proceed into the budget due to subsidies to legal entities reached 42 %. Further growth of the number of taxpayers which belong to subsidized category can become a cause of reduction of revenues of land tax.

Besides, the reasons for reduction of income can be incomplete accounting and registration of payers of land tax and rental and absence of entitling documents, which not only leads to free use of land but facilitates the purposeful evasion from payment for use of land sites due to delay of the process of registration of required documents.

Based on the complex analytical information, received as a result of evaluation of dynamics and structure of revenues of subfederal taxes into budget system of the Russian Federation, it is possible to distinguish factors that influence revenues from real property taxation.

Factors that lie in the foundations of change of the volume of revenues of real property tax should be divided into two groups: common and specific.

Common factors include the following:

- level of public order and law obedience of taxpayers which influences the tax discipline;
- level of inflation. When prices grow and there is no systemic re-evaluation of cost of real property objects, the base for individual and corporate property tax decreases;
- paying capacity of taxpayers;
- instability of law in the sphere of regulation of property taxation.

Specific factors that influence the size of property taxes are divided into two groups: administrative and legal (as to specific tax).

Administrative factors:

- a) effectiveness of work of tax bodies with bureaus of technical inventory, related to full accounting of taxpayers and objects of taxation, which influences tax collection rate;
- b) mechanism of property taxation (structure of taxes, level of their coordination, perfection of the procedures of determination and levying of taxes);
- c) development of the institute of private property, privatization of real estate objects;
- d) transition of land-users to rental agreements.

Second group – legal or tax factors. In this case, it is necessary to determine factors which influence the size of specific tax in view of its elements. Thus, factors that influence the size of corporate property tax include:

- number of organizations belonging to the category of subsidized taxpayers for specific types of activities or sectorial specifics;
- volume of investments into main capital;
- re-evaluation of fixed assets;
- amortization of fixed assets.

Transport tax revenue is formed under the influence of the following factors: number of owners of transport vehicles and number of taxpayers excused from the tax.

The size of the individual property tax is influenced by the following factors:

- number of taxpayers, i.e., property owners;
- types of real property objects, subject to taxation;
- increase of the number of subsidized categories of taxpayers.

Factors that influence the land tax revenues:

- location, size, and nature of land site use;
- growth of subsidized categories of taxpayers.

In the analyzed period of 2012-2014, the revenues of subfederal taxes into the budget system of the Russian Federation are stable. In order to provide full and timely payments into the budget, it is necessary to take into account the above factors which are the foundation of their size. Proper accounting of the formulated factors will allow developing effective offers as to perfection of regional and local taxes and developing recommendations for achieving higher level of tax collection rate.

2.2 *Perspective directions of improvement of subfederal taxes*

During the research, we marked the issues related not only to fiscal direction of subfederal taxes but also to the order of their calculation and payment. Presence of these problems shows low efficiency of the taxation system, which leads to the above taxes not providing the proper level of territories' budgets revenues. Thus, it is advisable to develop offers for improvement of regional taxes under the existing economic conditions.

In order to increase the share of subfederal taxes in the budgets of territories, it is necessary to change particular norms and rules of levying of these taxes. As is well-known, one of the most important directions of tax policy of the Russian Federation is transition to corporate real property tax by 2018. This tax is to be imposed on real property that belongs to organizations on the right of ownership. Introduction of legal entities' real property tax is complicated due to absence of possibility for item-by-item comparison of residual cost and cadastral cost of real property objects (Pylaeva, 2013).

It should be noted that only in the Russian Federation the object of taxation for corporate property tax is fixed assets. In most of foreign countries, the taxation objects are real property objects (USA, France), while exhaustive list of movable property and real estate property is used for selection of the taxation object in Germany.

We consider it advisable to use the experience of Germany and develop the exhaustive list of specific categories of property objects, subject to corporate property tax. This list should conform to strict requirements, set by normative acts. We consider that objects of fixed assets should be taken into account without limitation of cost, which will allow expanding not only the object of taxation but taxation base for corporate property tax.

Analysis of normative acts showed that at present the tax is paid regardless of the presence of state registration of transfer of ownership, as law on accounting this registration is not specified among mandatory conditions for accounting of objects as fixed assets. We think it necessary to set the moment of filing documents for state registration of property objects as basis for emergence of liability for tax payment. In order to exclude taxpayer evading from filing documents to registration bodies, it is necessary to set the period for filing documents for state registration and develop measures of responsibility for violation of this period.

Process of reforming of taxes in the Russian Federation does not suppose modernization of calculation of transport tax. Implementing changes in the order of calculation of transport tax is very rare, as compared to other property taxes. An exception is rates and subsidies for this tax which are set and corrected by the public authorities of the subject of the Russian Federation.

In most countries of the world, there is no single transport tax (Akli Berri, Vincent Lyk-Jensen, Mulalic, Zachariadis, 2014). The following taxes can be imposed instead:

- property tax – tax which directly or indirectly depends in the cost of a car. Despite the existence of income tax, many countries impose property tax as well; usually, it is harder to evade from this tax than from income tax.
- road tax – tax, the revenues from which are directed to building and maintenance of highways;
- ecological tax – tax which stimulate purchase of cars with less emissions or use of pollution free types of transport (underground, trolleybus).

A special attention should be paid to tax base of transport tax which is presented by engine power of vehicle. Engine power is a physical indicator of car speed and is not an economic characteristic. This indicator does not reflect the influence of vehicle on road cover, which is especially important under the condition that assets received from transport tax are directed to road funds for construction of highways. Also, it is impossible to determine financial state of car owner by the car engine power, which violates the principle of justness and equality of taxation.

It is necessary to pay attention to other variants of the order of calculation of transport tax, offered by various authors and used in foreign countries:

- depending on the frequency of vehicle use (Great Britain, USA);
- inverse relation on the coefficient of useful effect of engine (Japan);
- on the basis of real cost of vehicle (Denmark, China, Australia);
- depending on the weight of vehicle (Japan, Latvia).

The variant offered in the USA and Great Britain consists in the fact that size of the tax is calculated depending on the frequency of vehicle usage, i.e., mileage. This approach of development of transport tax is rather interesting, but it hasn't become popular in these countries. It would be difficult to use this order in the Russian Federation, as strict control of true information on mileage would be necessary.

In Japan, owners of vehicles pay three types of transport tax. The purchase of a car supposes the tax that is calculated in the basis of its price; registration – the tax calculated on the basis of weight and engine capacity. According to the third variant of transport tax, applied in Japan, the size of tax is calculated in inverted relation to coefficient of useful

action of car engine, which can lead to car owners changing engine to less consuming and more environmentally friendly. However, in order to use the viewed variants in practice, special equipment is required, as well as additional control – which will significantly complicate the calculation of tax.

The goal of calculation of transport tax on the basis of vehicle weight is compensation of damage done to environment. The main principle of this variant is compensation of damage done to an important object (road cover) as a result of exploitation of vehicle. This approach can become significant in the Russian Federation, as, according to expert evaluations, damage done to road cover by one cargo truck is similar to influence of 20,000 passenger cars. At the same time, number of cargo trucks grows, which leads to increased load on roads (Kirienko, 2013).

Taxation on the basis of real cost of vehicle may be just, as expensive business-class cars reflect high financial potential of their actual owners. Therefore, these owners are able and should pay transport tax of the increased rate, actively participating in development of road network.

When weight is a characteristic of vehicle, the main tax load will be put on owners of the cars manufactures in Russia with simultaneous reduction of tax from owners of expensive powerful cars, which leads to violation of the principle of equal distribution of tax load. It is possible to improve the mechanism of calculation of transport tax on the basis of car weight through the use of progressive scale of taxation which is set in Latvia for calculation of tax with this method – this will allow differentiating tax load.

For the purpose of improvement of land tax, it is offered to do the following:

- eliminate the duality of law on the issues of land sites formation;
- perform monitoring of already formed land sites as to their correspondence to existing law;
- eliminate the revealed non-conformities through development of documents for territory's planning;
- actualize all data bases for objects and subjects of land relations.

Implementation of new terms of calculation of individual and legal entities' property tax will allow increasing revenues into local budgets. Real consequences of a new approach to taxation of individual real property will be evaluated only after the end of taxation period for the tax.

3. Conclusions

Conduct of substantiated tax policy is one of the necessary conditions for achievement of economic growth and increase of business activities of economic subjects of the region. Stimulation of economic activities should lead, on the one hand, to the growth of tax revenues of budgets of various levels, and, on the other hand, *ней*, to the increase of the volume of non-state investments, which will allow solving a variety of socio-economic tasks which are faced by the government.

Based on the results of the research, the offers and recommendations for development of subfederal taxes and increase of their role in revenues of corresponding budgets were formulated. The viewed perspectives of development of taxes are aimed at further perfection of budget and tax system of the country and achievement of larger independence of regional and local budgets. Conducting tax policy within their rights, public authorities and management bodies can support directions and types of economic activities that allow solving problems of socio-economic and financial development of the state.

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