

The impact of regional tax legislation on strengthening the economic security of enterprises and sustainable development of territories (on the example of the Sverdlovsk region)

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Abstract. The gist of this article boils down to the analysis of legislative norms in the field of taxation, allowing the regions to ensure tax maneuver in relation to tax collection and, accordingly, to ensure economic growth. At the same time, both the norms of the Federal legislation, which allow regional authorities to establish tax rates and benefits, and the assessment of these opportunities, are disclosed on the example of the Sverdlovsk region. The possibilities of applying reduced tax rates and the use of investment tax deduction for corporate income tax, establishing differentiated rates and tax benefits for corporate property tax, criteria for the right to preferential taxation with a single tax levied in connection with the application of a simplified taxation system and other features of the regional tax legislation in relation to taxes credited to the budgets of the Subjects of the Federation. The problems of tax legislation that hinder the strengthening of the economic security of economic entities and, accordingly, the development of territories, as well as recommendations that allow increasing the efficiency of regional taxation and ensuring sustainable development of the Ural region are identified.

1 Introduction

The influence of tax legislation on all spheres of economic activity of enterprises, regions and the state as a whole is very large at the present stage. First, taxes are the main component of revenues of both state and regional budgets. Komarova E.I. notes that "Achievement of sustainable economic growth in Russia, stable socio-economic development of regions is impossible without creating an effective system of fiscal relations" [1]. This is confirmed by the opinion of A.Yu. Fedorova, who points out that "in the conditions of market relations, taxes are one of the most important economic regulators, the basis of the financial mechanism of state regulation of the economy" [2]. On the other hand, the costs of paying taxes and fees make up a significant proportion of the costs of business entities, and therefore have a direct impact on their economic security. As Divina L.E. notes, the tax mechanism can act as a means of ensuring economic security or it can

become a source of increased threats and risks [3]. Due to this, the issues of improving regional tax legislation from the standpoint of strengthening the economic security of enterprises and ensuring sustainable development of the regions are of particular relevance. The problems of the influence of the norms of normative legal acts in the field of taxation of the Subjects of the Russian Federation on the provision of sustainable territories are considered in their works by such economists as T.Kh. Usmanova [4], AS Bogdanov [5], IV Bogomolova [6], Grekov A.N. [7] and others. Issues of ensuring the economic security of enterprises from the position of the tax component are disclosed in their works by Shuvalova EB [8], Borodin Yu.I. [9], Boboshko NM [10] and others. Foreign experience of scientific research in this area deserves attention, in particular, the works of Skeeter N. [11], Kesselman J. [12] and others. At the same time, in the context of permanently changing legislation, a decline in social production and the economic crisis caused by the COVID-19 pandemic, these issues are becoming increasingly important and need additional consideration. The relevance justified above made it possible to formulate the purpose of this article - to consider the regional features of tax legislation from the standpoint of their impact on the economic security of an enterprise and ensuring sustainable development of territories.

2 Materials and Methods

In the course of this study, both general scientific and special methods were applied. On the basis of the observation method, the tabular method and collection of facts, the features of the regional tax legislation of the Sverdlovsk region were studied. With the help of analytical methods, the extrapolation method and the system-functional method, the directions of improving regional legislation have been generalized from the standpoint of influencing the indicators of economic security of economic entities, which, in turn, will indicate positive trends in the sustainable development of this region.

3 Results and Discussion

According to the Law of the Sverdlovsk region of 12.12.2019 No. 120-OZ "On the regional budget for 2020 and the planning period of 2021 and 2022", the main share of the regional budget revenues in these periods is income tax from organizations.

The basic rate of corporate income tax is set by the Tax Code at 20%, of which 3% is subject to transfer to the Federal budget, and 17% - to the budget of the Subject of the Federation.

At the same time, the regional authorities are empowered to establish a reduced profit tax rate for certain categories of economic entities. In particular, in relation to lowering the basic rate of income tax in the Sverdlovsk region, Law No. 42-OZ of 29.11.02 is in force, providing a reduced rate of 13.5% for:

- newly created enterprises in the Sverdlovsk region with an authorized capital of at least 10 million rubles within five years from the date of registration;
- participants in priority investment projects in the field of construction;
- participants in special investment contracts.

For residents of the territories of advanced socio-economic development created in the Sverdlovsk region (Industrial Park Bogoslovsky, Krasnoturinsk, Novouralsk, etc.), a reduced rate of 5% (from the first to the fifth year of operation) and the rate 10% from the sixth to the 10th year of operation.

For residents of special economic zones created on the territory of the Sverdlovsk region ("Titanium Valley" in Verkhnyaya Salda), a zero rate has been established for the

first five years, a reduced rate of 5% from the sixth to the tenth year and a rate of 13.5% for the rest of the indefinite period

Also, the specified law provides for a preferential rate of 16% for participants in the priority investment project of the Sverdlovsk region for the modernization, reconstruction and technical re-equipment of fixed assets.

In addition, the Tax Code provides for the possibility of using an investment tax deduction, which makes it possible to reduce payments for this tax, giving the Subjects of the Federation the opportunity to establish the features of the calculation, which are formulated in the Law of December 6, 2018 No. 145-OZ for the Sverdlovsk Region. The main idea of the investment tax deduction is to directly reduce the income tax calculated at the basic rate by the amount of investments made in fixed assets, if a number of criteria are met in certain amounts. In the Sverdlovsk region, the specified investment deduction applies to participants in regional investment projects in the field of tourism, provided they receive the appropriate status. The investment tax deduction is no more than 90 percent of the amount of investments made in tourism development.

With regard to personal income tax and excise taxes, which, respectively, constitute 33 and 8 percent of the budget revenues of the Sverdlovsk region in 2020, the Tax Code does not provide for tax maneuver opportunities for the regional authorities. The calculation and payment of these taxes is regulated by chapters 23 and 22 of the Tax Code, which are applied in a single edition throughout the Russian Federation. At the same time, the tax on personal income does not have a significant effect on the financial condition and economic security of enterprises and organizations, since in relation to this tax, an economic entity is a tax agent that calculates, withholds and transfers to the budget. That is, this tax is not included in the tax burden of organizations. However, if we are talking about personal income tax of an individual entrepreneur applying the general taxation system, this tax makes up a significant share in its tax burden and is subject to detailed analysis for the possibility of its regulation using accounting policy instruments, including, in particular, depreciation policy, various methods of recognition material costs, indirect costs, etc.

The corporate property tax is 8% of the regional budget revenues. This tax is exclusively regional and its calculation and payment at the federal level is regulated by Chapter 30 of the Tax Code of the Russian Federation, and in the Sverdlovsk Region this tax was introduced by Regional Law 35-OZ dated November 27, 2003. The key regional features of the property tax in the Sverdlovsk Region for business entities are:

1. Establishment of differentiated tax rates in relation to various categories of taxpayers and in relation to various objects of taxation. In particular, the reduced rate of 0.9% applies to tram and trolleybus services; the rate of 1.1% is applied for consumer cooperation organizations; for transport companies that carry out passenger transportation by public transport (except for taxis) the rate is 1.4%; for organizations extracting minerals - 2%.

In addition, reduced rates of property tax have been established for organizations carrying out regional investment projects, provided that employees are paid salaries in an amount not lower than the regional average for the relevant industries. Also, for shopping and business centers, for which the tax base is determined as the cadastral value, the rate is set at 2%. For other organizations and for most other real estate objects, the property tax rate is set at the maximum rate stipulated by the Tax Code, 2.2%.

2. Establishment of a wide range of tax incentives for economic entities of certain industries, carrying out certain types of activities and in relation to certain property objects. At the same time, the mechanism for establishing benefits provides for the following forms:

- full tax exemption, in particular for educational organizations in relation to real estate, investments in which amounted to at least 170 million rubles for each facility, medical organizations, participants in investment projects, etc.

– the right to pay tax at a lower rate, in particular for hotels commissioned after December 31, 2015, a reduced rate of 0.5% may be applied.

The tax levied in connection with the application of the simplified taxation system in the Sverdlovsk region is about 5% of the regional budget revenues. In relation to it, the regional authorities provide for the following features:

1. The so-called "tax holidays", i.e. zero single tax rate for individual entrepreneurs during the first two years from the date of their primary state organization (making an entry in the unified state register of individual entrepreneurs);

2. Reduced rate of 5% for the object "income reduced by the amount of expenses" for economic entities engaged in certain types of activities, in particular agricultural, food, paper, metallurgical, furniture production, construction, educational, rental activities, etc. ... At the same time, in order to apply a reduced rate, the share of income from the relevant type of activity must be at least 70% of the total amount of taxable income;

3. A flat rate of 7% for the object "income reduced by the amount of expenses" for all other categories of economic entities, while the maximum rate for this object is provided for by the tax code at 15%.

The smallest share in the structure of budget revenues of the Sverdlovsk region (about 1%) is taken by the transport tax, which is also regional and in accordance with the Law of the Sverdlovsk region No. 43-OZ dated 29.11.2002. provides the following features:

1. Full exemption for organizations - residents of special economic zones, created on the territory of the Sverdlovsk region, in relation to vehicles registered on these entities;

3. A tax rate of 0 rubbles for vehicles with an engine power of less than 100 hp, while the federal rate for these vehicles is set at 2 rubbles. 50 kopecks

The rest of taxes and fees occupy an insignificant share in the structure of budget revenues and do not have a significant impact on indicators of sustainable growth of economic indicators of the region, as well as on the tax burden of economic entities and, accordingly, indicators of their economic security.

As Suleimanov M.M. notes, the expansion of the economic rights of the Subjects of the Federation urgently requires the formation of an active regional tax policy aimed at the optimal combination of the interests of the Federation, its Subjects, as well as enterprises and organizations [13]. Earlier studies by the American economist Arthur Laffer made it possible to visualize a stable relationship between tax revenues and tax rates [14]. At the same time, the reduction of tax rates and the establishment of tax incentives will allow to formalize a number of facts of the economic life of economic entities that were not previously reflected in financial and tax reporting, which will lead to an increase in budget revenues and, accordingly, tax collection. Therefore, when developing and adopting regional legislative initiatives in the field of taxation, one should rely on existing and innovative scientific developments, which, on the one hand, can reduce the tax burden of business entities to free up working capital for investment and strengthen their economic security, and on the other hand, ensure growth of revenues of regional budgets, which in turn will lead to sustainable development of regions.

4 Conclusion

Based on the research conducted, a number of existing gaps in tax legislation can be formulated, which should include:

- Lack of tax maneuver for regional authorities in relation to the collection of personal income tax and excise taxes
- the unjustified establishment of tax incentives, in particular, the tax incentive for property tax established in the Sverdlovsk region for organizations and beer producers does not stand up to criticism;

- a high threshold for the volume of investments being made and the difficulty of meeting the established criteria for the possibility of applying tax preferences, which often leads to the rejection of global investment projects;
- lack of awareness of economic entities about existing tax preferences.
- The solution to these problems is the scientific study of the identified gaps, the development of projects and the introduction of amendments to the federal and regional tax legislation, which will allow directing financial flows to activities that ensure the sustainable development of the region. In particular, we offer:
 - to expand the list of economic entities entitled to apply the investment tax deduction for income tax;
 - to lower the threshold for ongoing investments for the application of tax incentives for property tax;
 - to expand the list of industries that have the right to apply a reduced single tax rate levied in connection with the application of a simplified taxation system;
 - to provide better information to business entities about the possibility of applying tax preferences.

The implementation of these recommendations will allow, on the one hand, to ensure the tax component of the economic security of enterprises and organizations, and on the other hand, will allow outlining the trends of sustainable development of regions. At the same time, further areas of scientific research on this problem should include the need to analyze the dependence of indicators of economic growth in entrepreneurial activity on the establishment of regional tax preferences.

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