

Social significance and the subject matter of taxes in life of modern society

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Abstract. Taxes, the main financial resource of public power bodies, are material foundation for realization of social programs and projects both on state and regional level, realization of which depends on timely and full fulfillment of all obligatory payments by taxpayers. Social orientation of taxation is realized most efficiently in those countries where there are mechanisms of stimulation of taxpayers for fulfillment of all duties before the state to which they belong. In the second half of XX century in economically developed countries the system of social support was formed which was intended for protection of citizens from economic risks through use of taxes and other obligatory payments as a tool of re-distribution of incomes for payment of social grants for non-competitive categories of population.

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Introduction

Transformation processes which took place in world financial architecture in the end of XX century resulted in changes in the system of economic relations and became the reason of development of new theoretic concepts enabling to use in practice most efficient models intended for achievement of homogeneous social society.

This resulted in changes in theoretic foundations determined by ideology of preceding form of state structure of many states, distribution and allocation of financial resources between centralized and de-centralized sectors of economy, differentiation of population's incomes, appearance of socio-economic contradictions.

As a result centralized finances became dependable on the sums of taxes paid by taxpayers (economic entities and population) in the form of obligatory payments.

New economic relations which correspond to requirements of market economy demanded special tax policy intended for management of the system of accumulating of obligatory payments (where taxes dominate) going into budgets of different levels for fulfillment of tasks and functions set forth by society.

Forms and methods used by the state for realization of tax policy intended for re-distribution of tax load between high- and low-income categories of population produce big influence on formation of social structure of modern society.

Taxes as main financial resource of public power bodies are material foundation for realization of social programs and projects both on state and regional level, realization of which depends on timely and full fulfillment of all obligatory payments by taxpayers.

The size of tax rates, calculations and preferences are the key factors influencing the owners of money resources in their decisions about the place, terms, and the sum of investments and therefore, finally they will determine the volumes of money allocated for social programs.

McGuire M.C., Olson M. suggest that the majority or other ruling interest is always decisive in determining the level of taxation and in deciding how much of the tax proceeds are used for redistribution to itself and how much for provision of the public good [1].

Accumulating taxes government can provide population with socially significant wealth and services structure and contents of which depend on the degree of development of public institutions and the form of state structure.

Social specifics of taxation is most efficiently solved in those countries where there are mechanisms of stimulation of taxpayers for fulfillment of all duties before the state to which they belong.

It is worth mentioning that in economically developed countries social aspects of taxation were forming in conditions of private ownership, under the influence of political, economic and other conditions, current financial policy and economic model, appropriate measures of state regulation.

In this case we must emphasize the necessity of financial literacy and tax honesty of population, which must understand the advantages of socio-oriented taxation and gets personified preferences.

The population of developed countries is characterized by tax honesty, discipline, tax culture and moral - they observe the results of collected by the state share of their incomes, though income

bodies are not perfect and there are problems there as well which must be solved.

The second half of XX century economically developed countries formed the system of social support intended for defense of citizens against economic risks through the use of taxes and other obligatory payments as a tool of re-distribution of incomes for provision of social grants to non-competitive categories of population.

In opinion of O. Kalinina, today 4 basic taxation systems are used in world practice: Anglo-Saxon, Euro-Continental, Latin-American and mixed, which differ by the share of direct and indirect taxes, the size of assignments and the number of social taxes.

Russian tax system is based on Euro-continental and Latin-American models with high proportion of indirect taxes, it differs greatly from the system of most developed countries by its fiscal orientation. [3].

E. Sidorova identifies Britain (Great Britain, Ireland), Scandinavian (Sweden, Denmark), continental (France, Germany), Mediterranean (Italy, Spain, Portugal) European economic models, which declare equality of people, social help to poorest social layers, support of labour incomes.

In order to achieve these goals the basic tools are used: provision of charge-free social services, targeted social policy; realization of social support with the use of state budget [4].

It is necessary to determine the notions - socially oriented taxation and socially oriented economy.

If in the first case socially-oriented taxation is understood as state policy intended for re-distribution of accumulated taxes and other obligatory payments, for financing of social programs and projects, and the emphasis is made on social function of tax, in the second case we mean targeted state social policy directed to building of society with the same targets - both of the state and taxpayers.

One of decisive factors which influence the degree and forms of realization of socio-oriented economy is the model of economic development of society and current ideology, implemented socio-economic and institutional transformations.

Today 3 models of social economy exist: socio-democratic, neo-liberal, social and economic democracy or mixed model.

Each is characterized by the role of the state as regulator of market relations, degree of its interference into the processes taking place in the society, the sum of money allocated for social policy and the sources of their financing - from centralized (public) or de-centralized (private) sector of the

economy, by such factors as charity, volunteer's work and black economy size [5].

Accumulating of obligatory payments by fiscal system in different states is specific for every state; the ways differ from each other by structure, rates, ways of levying, grants, tax base, authorities of different power levels etc.

Building of socio-oriented state also was different in world countries.

Building a social Europe involved a long journey with many stages, obstacles and advancements. This journey stretched across half a century: from the European Social Charter adopted by the European Council in Turin in 1961 to the EU Charter on Social Fundamental Rights for Workers of 1989, to the integration of fundamental socio-political principles into the EU Charter of Fundamental Rights (EU Fundamental Rights Charter of 2000), and its entry into force under the Treaty of Lisbon on 1 December 2009 [6].

In countries with socio-oriented economy and developed system of social benefits - Denmark, Holland, Norway, Finland, Switzerland, Sweden - Swedish model is used.

This model is based on high taxes and active state policy intended for leveling of people incomes and providing work in different industries [7].

In Australia, Great Britain, Canada, the USA social support of population is realized due to insurance systems when the state minimizes its interference in these programs.

Transfer payments are provided in the form of subsidies and grants to different categories of population after submitting of necessary documents proving such necessity.

Public power bodies control re-allocation of accumulated resources, a share of expenditures on social support is realized through the system of insurance. Costs of the state for social programs correspond to the size of insurance deposits paid by employees and employers, the ratio of direct and indirect taxes.

The size of social grants depends on the size of income and the size of insurance payments.

Developed countries provide different tax privileges depending on the social status of a taxpayer: different tax rates for individual taxpayer, for married taxpayer, for the head of the family paying taxes for all its members, compensation of the costs for servicing disabled people etc. The allowance in most of the other countries increases for each additional child; the payment for a fifth child, for example, may be considerably larger than that for the first or second child. In a few countries, the allowance per child diminishes or ceases with the addition of children beyond a certain number. In

some countries, family allowances (and tax exemptions for dependent family members) have been replaced or supplemented by credits or other forms of a negative income tax [8].

But in general all of them have the same social orientation of state policy which enables their functioning with less costs and provide optimal fiscal function of taxes, improve role and significance of their social function.

In different countries the realization of different forms and kinds of social support has its own specifics of use depending on current tax system, but also it depends on a number of general conditions:

Firstly, the number of objects for taxation. In many countries the population aging takes place: improvement of life conditions results in prolongation of life - this results in reduction of the number of active population (taxpayers) and increase in those who get social grants (the countries of Western Europe)

Secondly, increase in expenditure for social pay-offs suggests increase in taxes or tax rates to decrease deficit of state budget or out-of-budget funds (Russia).

Thirdly, if the state realizes high tax rate policy it facilitates growth of black economy. [9, 10].

In the same time today it is necessary to re-think current concept of tax policy and realize transition from fiscal character to socio-oriented taxation aimed not only for provision of support of non-competitive groups but for provision of the sources of income for them through employment.

One of the approaches in solution of these issues - to use the practices of different states using different tax preferences and direct and indirect regulation of economy for development of small business which is by its numerousness is one of the key elements of de-centralized sector of economy.

The key moment here is definition of necessary criteria by which an enterprise can be referred to small business and in such a way will get tax privileges. Such criteria are different in every country and are restricted to: the number of employees, monthly (annual) income, kinds, directions, financial indicators of the activity, specifics of organization of financial management etc. [11].

The list of tax privileges provided for small business abroad: reduced profit tax rate, selling of patent (instead of local taxes and fees), tax credit, minimum income which is not subject to taxation, prolonged time of tax reports, etc.

Provision of tax privileges for small business can be provided in different kinds and forms: tax credit, tax holidays etc.

In Great Britain progressive tax scale is used - 10% for physical persons and partnerships with monthly income 1 520 pounds, 22% - with incomes from 1 521 to 28 400%, 40% - for those with income higher than 28 400 pounds.

Enterprises with annual income less than 15 000 pounds fill up only simple tax declaration.

In Canada private corporations with annual taxed incomes not less than 200 000 dollars get tax discount which reduces federal income tax by 16%.

In France small business with annual turnover for 500 000 French francs, or small businesses in service sphere whose annual turnover is 175 000 French francs, pay simplified and imputed taxes.

In Italy small businesses depending on the kind of activity pay taxes by the same principles which are used in Russia - simplified system or imputed taxes.

In China small entrepreneurs with small production volumes pay privileged tax rates. While standard rate is 33% which is too high for most part of small businesses, reduced rates are established - 24% and 15% - depending on the size of tax base. In 2008 low profitable and small enterprises pay single tax rate - 20%.

The system of taxation of enterprises in Spain is special that in withholdings in a budget from enterprises the stake of indirect taxes makes 33%, lines 31% and social withholdings - 36% [7; 11].

Summarizing all said above we can conclude that in order to determine the size of allowance for small business the specifics of their activity must taken into consideration, with due regard to control opportunities, tax administration, expected results.

In the end multiplicity of approaches to taxation of small business improves employment of population, transfers of a part of financial load from state budget onto employers' budgets, provides incentives for development of entrepreneurial activity, increases the amount of obligatory payments for government bodies etc.

Tax incentives without due regard to socio-economic situation may not help in achievement of desired aims, but on the contrary, deteriorate social contradictions, result in losses of budget money. That is why for solution of the problem of relative social equality such tools must be found which, on the one hand, will not threat the payment of taxes, on the other hand - would be attractive for entrepreneurs.

Increase in social security of population through realization of different social programs, different incentives for economic entities, in particular, with the purpose of legalization of their business, increase of collection capacity of obligatory payments, improvement of competitiveness of

national economy are main problems which must be solved not only by Russian Federation but by other countries as well.

Achievement of these tasks is impossible without reforms of existing tax system, social support, labour legislature etc. because increase in costs for social programs suggests changes in the structure of state budget, and therefore, changes of aims and tasks of fiscal and budget policy.

Additional reforms are still needed to strengthen and redesign active labour market and social policies so as to cushion the near-term effects of high unemployment and improve the matching of workers and jobs, including in the United States and many EU economies, with specific priorities differing across countries [12].

That is why it is necessary to re-think current concept of tax policy and realize transition from fiscal character to socio-oriented taxation aimed not only for provision of support of non-competitive groups but for provision of the sources of income for them through employment.

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