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The influence of taxation on small enterprise development in Russia

Dolgi I.N.*, Zhdanova A.B., Bannova K.A.

National Research Tomsk Polytechnic University, 30 Lenin Ave., Tomsk, 634050, Russia

Abstract

Formation of adequate conditions in Russia market economy model requires the creation of a sound financial base. An important place in the mobilization of financial resources of society plays a tax system with its characteristic features of each state and the specifics of the tasks performed at a certain stage. In recent years, the negative effects of the transition period is expected to overcome through the development of small businesses, which determines the possibility of self-realization of the population in achieving the established preferences and values, as well as through the optimization of the tax system and, in particular, strengthening and stimulating social functions taxes. Formation and development of a market economy based on private property, accompanied by an expansion of business and the creation of small businesses, the activation of various financial and credit institutions, thus increasing the number of actual taxpayers. In connection with this problem is exacerbated relations between the state in the face of tax structures and small businesses as taxpayers.

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1. Introduction

In the modern market economy, small business plays an important role. If you focus on the experience of developed countries, in the sector should be concentrated to 2/3 economically active population. Organization of small business should solve the problem of employment, population welfare improvement, contribute to the maintenance of a competitive environment, and practical innovation. But the existence of a small business is almost impossible without the active support of the state, which should be to develop a variety of programs to promote small businesses, including the formation of tax policy to stimulate its development.

2. Characteristics of small business in Russia

Today small business plays an important role in the Russian economy. The amount of revenue only individual entrepreneurs according to the Federal State Statistics Service for 2013 amounted to 9.7329 trillion rubles. (8% of

*Corresponding author name. Tel.: +7-903-955-2064
E-mail address: lignain@mail.ru

the total, excluding the financial sector of the economy). Number of people employed in the field of individual enterprise activity, as of January 1, 2014 is 5.4 million. people (Federal State Statistics Service, 2014).

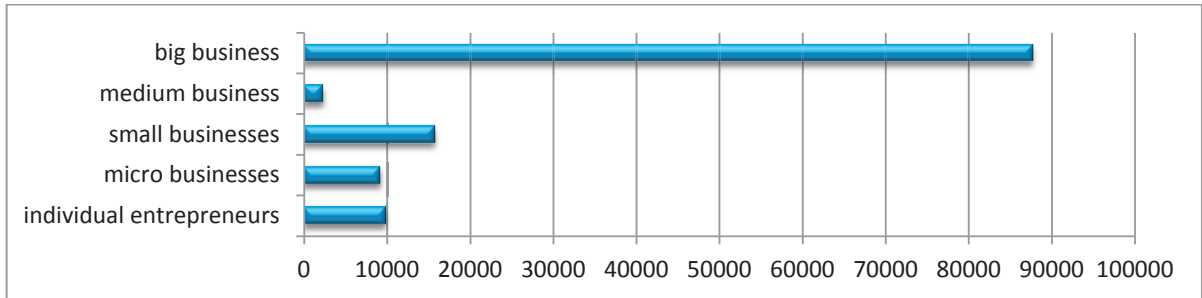


Fig. 1. Amount of proceeds in bln.rub.in 2013 according to the Federal State Statistics Service.

In the processing of statistical indicators of their activity is always a separate budget line. Assessment of entrepreneurial activity to date is one of the key indicators of the economy. In a comprehensive study, "Global Entrepreneurship Monitor", which was based on a survey of 70 countries, it is noted that the majority of Russians, as in previous years, do not plan to start their own business in the next three years. Despite the fact that, compared with 2012, this figure increased by 1% to 4.7%, it remains the lowest among the countries participating in the project. Show similar levels of Norway (6.2%) and Japan (7.1%). In the BRICS countries are planning to open their own business 22%, and in Eastern Europe - 21%. For 37% the Russian businessmen business creation was a forced step, since they did not exist other income-generating opportunities (GEM, 2014).

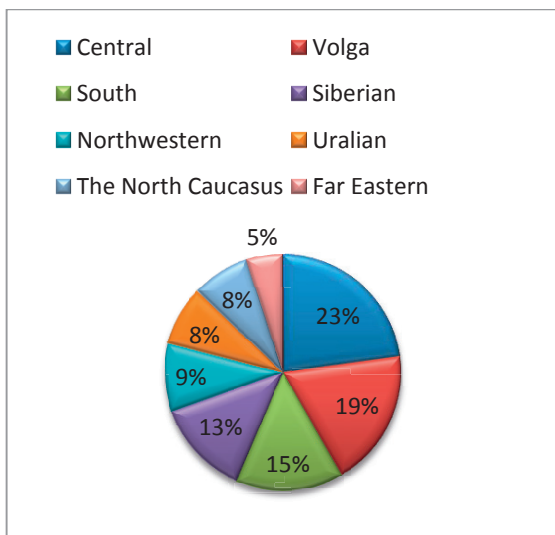


Fig. 2. Distribution of entrepreneurs conducting activity by federal district.

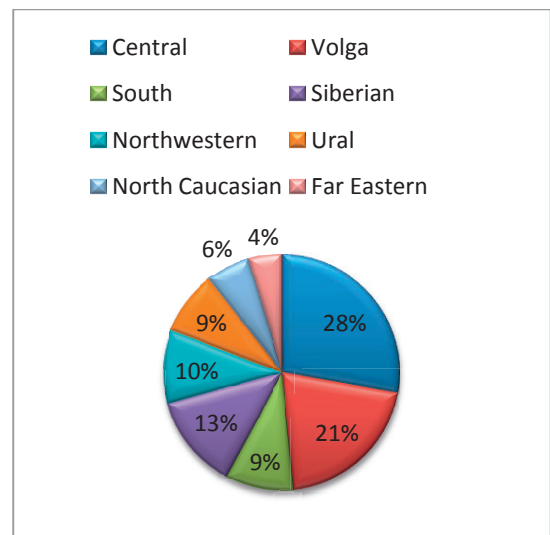


Fig. 3. The number of economically active population by federal districts.

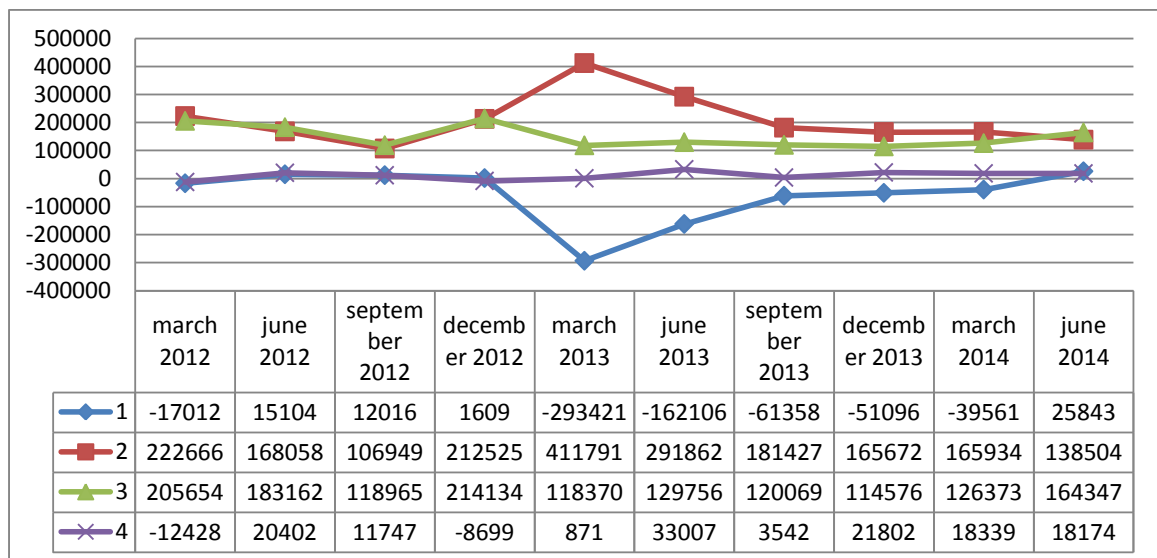
Development of small business in Russia essentially lags behind the many other countries. As of July 2014, only one in 21 th is a Russian businessman, while in other BRICS countries is every 8th in Eastern Europe - every 11 th. Entrepreneurial activity have a significant influence by many factors, including territorial. The analysis of the distribution of the number of entrepreneurs by federal districts and comparing it with the number of the economically active population in 2013 showed greater activity in the Southern and North Caucasus

federal districts. In the Central and Volga Federal District, despite the greater total number of operating entrepreneurs, the level of entrepreneurial activity is much lower (The Federal Tax Service, 2014).

Another limiting factor is the administrative barriers, a huge amount of tax rules and regulations that you need to know everyone who decided to start their own business, as well as the ever-changing legislation.

Analyzing the dynamics of changes in the number entrepreneurs in 2012-2014, it can be concluded directly dependent on entrepreneurial activity from taxation. If in 2012 the number of active entrepreneurs hardly changed since the number of newly registered balanced the number of activities have been terminated. Then in 2013, the number of entrepreneurs in Russia plummeted from 4.12 million to 3.55 million - the lowest level in the past five years. In this case, the number of organizations operating, virtually unchanged.

The reasons are as significant changes in the tax laws to the downside for entrepreneurs, which occurred in 2013: a 2times increased rates of assessment. These changes have become the decisive reason for the termination of the activities of persons with low income or care entrepreneurs "in the shadow". With the return of benefits from the beginning of 2014 the rate of reduction in the number of entrepreneurs in Russia failed to stop. By June 2014, we can already observe a positive growth trend.



- 1 - change in the number entrepreneurs, leading activities;
- 2 - changes in the number entrepreneurs who discontinued operations;
- 3 - change in the number of newly registered entrepreneurs;
- 4 - Reference: change in the number of commercial organizations active.

Fig. 4 The dynamics realization of enterprise activity in Russia (The Federal Tax Service, 2014)

Now there is a reform of the system of the Russian tax legislation, which, being the main instrument for implementing state tax policy, focused on the development of both individual sectors of the economy, and entrepreneurial activity. Tax regulation of small businesses should be directed to ensuring an economically justified withdrawal of funds in the budget system while providing benefits to certain categories of taxpayers to reduce their tax burden and increasing interest in the implementation of activities. However, the carried tax reforms do not always give the desired effect.

3. Tax support small business

The existing tax system in Russia provides an individual entrepreneur, depending on the size and types of activities undertaken, the choice of one of these "concessional" versions of taxation, which are described in the section of the Tax Code VIII.I "Special tax regimes" (Tax Code of the Russian Federation, 2014):

1. Simplified Tax System (STS) with the object of taxation "Income" gives you the opportunity to reduce the amount of tax calculated on the value of paid contributions for mandatory social and pension insurance. In the application of this system is necessary to observe the following restrictions: proceeds from the sale of products and services must not exceed 60 million. rub.; number of employees - 100 people; the presence of a ban on the use of the simplified tax system for certain types of activities.

2. The simplified tax system with the object of taxation "Income minus expenses" includes the use of the tax base as a result of the financial activities of the organization. Restrictions on its use are similar to those listed in the first case.

3. The system of taxation in the form of a single tax on imputed income (UTII) applies only in respect of certain activities. It can not use taxpayers, the number of employees who have more than 100 people.

4. Taxation system for agricultural commodity producers (ESHN) is used by taxpayers, whose share of income from the sale of agricultural products made by them is not less than 70%.

5. Patent system of taxation applicable only entrepreneurs carrying out certain activities. Limitations of this system are sized earned income (not more than 60 million. Rubles) and the number of employees (less than 15 people).

Application of all the above systems, as a rule, exempt from payment of such taxes, a tax on value added tax, individual income tax, property tax, replacing them with a single tax (patent pending).

4. New areas of business taxation: the patent system

In accordance with Main Guidelines Tax Policy of the Russian Federation for 2012-2013, the scope of the tax system in the form of a single tax on imputed income for certain types of activities will be gradually reduced until its complete abolition in 2018 produced positive aspect of changes in tax legislation is to establish a procedure for the application of voluntary UTII since 2013 Replace this tax regime is designed to patent system, operating since 2013 in the territories of the subjects of the Russian Federation, where it launched in regional legislation.

Table 1. Analysis of the number of patents granted in the period 2013-1 half of 2014 in various regions on the basis of the tax inspectorate

		1st half of 2014							2013 год
№	Regionsof RF	The total number of patents units	Including types of activities						The total number of patents units
			Lease,		Retail trade up to 50m3		trucking		
			units	%	units	%	units	%	
1	Moscow region	19000	1247	6.6%	11802	62.1%	590	3.1%	12670
2	Orenburg region	4301	542	12.6%	2795	65.0%	366	8.5%	3047
3	Sverdlovsk region	3692	553	15.0%	625	16.9%	836	22.6%	3216
4	Republic of Bashkortostan	3021	377	12.5%	314	10.4%	618	20.5%	3199
5	Rostov region	1084			not significantly				994
6	St. Petersburg	581	343	59.0%		not significantly			343
7	Sakhalin Region	566	72	12.7%	268	47.3%	37	6.5%	510
8	The Republic of Tatarstan	504			not significantly				1011
9	Orel region	431	46	10.7%	136	31.6%	70	16.2%	448
10	Khabarovsk region	403	262	65.0%	not significantly		11	2.7%	382
11	Bryansk region	386	67	17.4%	not significantly		69	17.9%	
12	Irkutsk region	363	50	13.8%	48	13.2%	28	7.7%	444
13	Ryazan region	361	145	40.2%	54	15.0%	not significantly		
14	Omsk region	332	163	49.1%	83	25.0%	not significantly		215
16	Tomsk region	167	47	28.1%	not significantly				187

The main advantage of this system compared with a simplified system of taxation is a fixed amount of a patent, regardless of the size of the resulting revenue to exclude the application of cash registers, no obligation to submit a declaration and maintain accounting records. For most entrepreneurs, poorly versed in the intricacies of tax accounting and reporting, it should be obvious advantage of this system.

However, analysis of the practice of implementation of the patent system in different regions of our country for 2013 - 1 half 2014 shows that only in Moscow and the Moscow region the use of this system has brought results.

In most other regions, individual entrepreneurs are reluctant to move to the new system. For example, in the Tyumen region the number of issued patents - 11 pieces, in the Altai Republic - 13, the negative experience of introduction of the patent system in Buryatia and other regions (The Federal Tax Service, 2014). Of the number of patents issued to the leading position occupied by activities such as the rental of residential and commercial premises, retail, trucking.

The main reasons for the lack of demand of the patent system in its weak competitiveness compared to the system in the form of UTII. Currently, 24 of the 47 activities covered as under the special tax regime in the form of a single tax on imputed income, and the patent system of taxation, so the entrepreneur can choose: Stay on the use UTII or move to a new patent system. Choice is most often done for the benefit of UTII.

At first glance, these systems have much in common: both modes set a fixed payment for certain types of activities, there is no need to apply the check-out equipment. But along with this, they have significant differences:

1. One of the major shortcomings of the patent system is the loss of the right to its use and the transition to general taxation in the case of late payment of the patent. While other special tax regimes such sanctions is not provided, and the resulting tax debt is collected IFTS in the prescribed manner.

2. Size of the tax rate: for the patent system, it is set at 6%, and for UTII - 15% of the imputed income that is twice as high.

3. Payers UTII is possible to reduce by 50% the amount of tax payable to the budget by the amount of contributions for compulsory social, pension, medical insurance, paid for itself as an individual entrepreneur (in 2014 - 20 728 rubles) and its employees, as well as the amount paid by him for disability benefits. The amount of such reduction for individual entrepreneurs who do not use employees, is not limited. The cost of a patent for the premiums to extra-budgetary funds are not reduced.

4. In calculating the correction factor involved UTII activity that takes into account the impact on the outcome of business factors such as range of products, especially the place of doing business, depending on the locality and on the location within the village. Its application allows to take into account differences in income that get entrepreneurs operating in large cities and small towns. When the patent system patent cost adjustments depending on the range or location of the activity does not occur.

5. The calculations show that the estimated tax payable to the budget at UTII slightly less than the patent system. This gap increases in entrepreneurial activity in the small towns where we have introduced the reduction factor K2.

Table 2. Comparative analysis of the tax burden for individual activities, with the patent system and UTII the example of the city of Tomsk (Tomsk Oblast Law, 2014; The decision of the Duma of Tomsk, 2014)

Indicators	Carriage of goods		distributive trades(50m2)	
	The patent system	UTII	The patent system	UTII
Minimum income (1 entrepreneur) rubles.	106700	112968	3732500	680400
Tax calculated, rub.	6402	16945	224070	102060
Tax payable, rub.	6402	0	224070	81332
Maximum income (1 entrepreneur plus 15 employees), rub.	2432760	1807488	10670000	8164800
Tax calculated, rub.	145966	271123	640200	1224720
Tax payable, rub.	145966	135561	640200	612360

Calculations showed that if the entrepreneur works without involving the workforce, the amount of tax paid at UTII significantly less than in the patent system. The reason is the ability to reduce the employer tax on the amount of contributions to the extra-budgetary funds (but not more than the amount of tax). With increasing income gap becomes less noticeable.

The analysis shows that the use of the patent system of taxation does not always lead to a decrease in the value of taxes paid and is not a substitute for an alternative unified tax on imputed income for many types of activities. A positive result of introduction the new patent system is to expand the list of activities for which it was possible to pay a fixed amount of a patent: rental of residential and non-residential property, a variety of services to the population, employment medical or pharmaceutical activity, conducting physical training and sports, other activities .

5. Conclusion

Thus, analyzing the impact of taxation on small business development can draw the following conclusions:

1. Today the current tax system is constantly changing and it is difficult for the entrepreneur. In order to create a favorable climate for the development of small businesses should be simplified regulations and administrative procedures in the field of tax regulation of the activity; improvement of information portals, conducting webinars and other information to support entrepreneurs.

2. Any increase in mandatory payments to the budget and extrabudgetary funds entrepreneurs perceived as a negative factor and leads to a reduction in activity and as a consequence, reduce the employment and welfare. Especially brightly, this phenomenon can be traced entrepreneurs with income up to 300 thousand. Rubles per year.

3. Tax regulation of small business through the patent system also needs to be improved: it is necessary to differentiate the revenue depending on the place of business, call, responsible for the late payment of the patent with other types of tax obligations. Changes will be carried out by the patent system an adequate substitute for a single tax on imputed income and contribute to the development of small businesses in Russia.

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