

MTMSD 2022**I International Conference «Modern Trends in Governance and Sustainable Development of Socio-economic Systems: from Regional Development to Global Economic Growth»****TAX ADMINISTRATION AND LEGAL CHANGES**

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Abstract

This study delves into the legal changes impacting tax administration, focusing on the instruments of legal regulation, primarily the Tax Code of the Russian Federation and relevant regulatory acts. In the year 2022, significant amendments were introduced to tax legislation, prompting a detailed analysis. The aim of this research is to explore the implications of these changes on tax administration, aiming to understand their scope and significance. The methodology employed involves a comprehensive analysis of legal texts, including the Tax Code, regional and federal laws, and municipal regulations. The research aims to unveil the nuanced aspects of legal alterations affecting tax administration. The study recognizes that an effective system and structure of tax legislation are crucial for regulating the intricate mechanism of tax administration. Key findings emphasize the complexity of the task at hand in creating an effective legal framework for tax administration. The study highlights notable amendments made in 2022 and their implications, shedding light on their importance in the broader landscape of tax regulation. The formal certainty of legal regulations governing tax administration is explored, revealing the legislator's role in shaping and modeling social relations while upholding public interests. In conclusion, the research underscores the dynamic nature of tax legislation, emphasizing the need for ongoing analysis and adaptation to ensure the efficiency and effectiveness of tax administration mechanisms.

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1. Introduction

Legal regulation of the mechanism of tax administration is a system of regulatory legal acts of an intersectoral nature that perform the function of resolving and settling disputes (conflicts), realizing public and private property interests in the tax sphere (Alexandrov, 2022; Sugarova et al., 2018).

Legal regulation is understood as the process of purposeful influence of the state on social relations with the help of special legal means and methods that are aimed at stabilizing and streamlining them.

The instruments of legal regulation of tax administration, and tax law in general, are, first of all, the Tax Code of the Russian Federation, as well as regulatory legal acts of municipalities and regional and federal laws (Berezin, 2020).

2. Problem Statement

In the year 2022, significant amendments were introduced to the legislation, particularly impacting tax administration. Through a thorough analysis, certain noteworthy changes have been identified as crucial for the effective functioning of tax administration (Anisimov, 2015). The legal framework governing tax administration and tax law in the Russian Federation comprises a complex system of regulatory legal acts. These acts play a vital role in resolving disputes, realizing public and private property interests, and ensuring the smooth operation of the tax sphere.

The changes implemented in 2022 have brought attention to key updates pertinent to tax administration. This problem statement acknowledges the importance of these modifications in shaping the landscape of tax regulation. Despite these changes, the broader challenge persists – the creation of an effective and well-structured system of tax legislation for the comprehensive legal regulation of the tax administration mechanism. This task remains expansive and intricate, requiring careful consideration and ongoing efforts to address the complexities inherent in tax law and administration.

3. Research Questions

- i. What are the primary instruments of legal regulation governing tax administration and tax law in the Russian Federation?
- ii. How have the legislative changes in 2022 influenced the mechanism of tax administration, and what are their implications?
- iii. What challenges exist in the process of creating an effective system and structure of tax legislation to regulate the mechanism of tax administration?

This research endeavors to provide comprehensive answers to the outlined research questions, contributing to a deeper understanding of the legal framework surrounding tax administration and the impact of recent legislative changes in 2022.

4. Purpose of the Study

The primary objective of this study is to conduct a thorough analysis of the legal regulation governing tax administration and tax law in the Russian Federation, with a specific focus on the legislative changes introduced in 2022. The study aims to achieve the following: 1. Examine the key instruments of legal regulation shaping tax administration in the Russian Federation. 2. Assess the impact of legislative changes implemented in 2022 on the mechanism of tax administration. 3. Investigate the challenges associated with the development of an effective system and structure of tax legislation for regulating the mechanism of tax administration. By achieving these objectives, the study aspires to enhance understanding and provide valuable insights into the legal landscape governing tax administration, thereby contributing to efforts aimed at refining the efficiency and efficacy of tax administration practices in the Russian Federation.

5. Research Methods

In this study, a combination of analytical, synthesizing, and logical moderation methods was employed to scrutinize the primary theoretical content of the review article authored by Basnukaev in 2022. The research methodology involved an in-depth analysis of extensive materials, encompassing articles, abstracts, presentations at conferences, and various documents dedicated to issues related to sustainable development within the synthesis of global and economic security.

Additionally, a comprehensive study of foreign periodicals in the realm of imposing sanctions and counter-sanctions was conducted, exploring their impact on the international situation, as evidenced in the works of Tokaev and Basnukaev (2022). The identification of relevant documents was achieved through a meticulous combination of keyword and term searches. Notably, the search was not restricted by date, prioritizing the material's relevance in contributing significantly to the ongoing discourse, irrespective of its age. The research also made deliberate efforts to amass a broad spectrum of pertinent literature, acknowledging the escalating demand for exploration within the outlined research issues.

6. Findings

The study reveals a significant development in tax administration through the introduction of a Single Tax Payment (STP) in accordance with the amended Article 45.2 of the Tax Code of the Russian Federation, effective from July 1, 2022. This new provision grants specific companies and individual entrepreneurs the flexibility to fulfill their tax obligations in a unified payment without the need to specify the type of payment or its deadline (Basnukaev, 2021a).

To be eligible for this payment procedure, companies are required to conduct a joint reconciliation of settlements and, crucially, submit an application to the tax authority between April 1 and May 4, 2022. Furthermore, these entities must furnish the tax authority with a notification detailing the calculated amounts of taxes and advance payments on taxes no later than 5 days before the stipulated deadline for payment. This finding underscores a noteworthy shift in tax administration processes, aiming to streamline and simplify the payment procedures for eligible entities.

The EPP has its own sequence of paying tax liabilities (Basnukaev, 2022b):

- i. arrears (from the earliest date of its detection);
- ii. taxes, advance payments for taxes, fees, insurance premiums;
- iii. penalties;
- iv. percent;
- v. fines.

The company has the right to return the funds of the UNP, for which the tax authority did not offset, the company has the right to return.

- i. Set-off of amounts of overpaid insurance premiums
- ii. UKEP and FTS

From January 1, 2022, the head of the company for the needs of legal entities can receive a qualified UKEP certificate, which stands for “Enhanced Qualified Electronic Signature”. Such a certificate is issued only in the certification center of the Federal Tax Service (Basnukaev, 2021b).

“Ordinary” employees can also sign the company’s electronic documents with personal electronic signatures on the basis of a power of attorney (Tokaev & Basnukaev, 2022).

- i. Checks of cash registers in 2022“Ordinary” employees can also sign the company’s electronic documents with personal electronic signatures on the basis of a power of attorney.
- ii. Checks of cash registers in 2022

From March 1, 2022, the procedure for conducting inspections of cash registers (cash registers) is changing:

- i. checks of cash registers will be regulated by the Federal Law of July 31, 2020 No. 248-FZ “On State Control (Supervision) and municipal control in the Russian Federation. This Regulation will be approved by the Government of the Russian Federation;
- ii. only unscheduled events are provided;
- iii. the controlled person is not notified about the CCP inspection.
- iv. The documentation has also changed. Now all documents of the company will be submitted to the inspection only in electronic form through the CCP office.
- v. Moratorium on non-tax audits of SMEs
- vi. Until the end of 2021, small and medium-sized businesses from the relevant unified register of SMEs will receive exemptions from scheduled non-tax audits.

This right does not apply to (Basnukaev, 2021b):

- i. organizations and individual performers in this regard, over the past 3 years, the following decisions were made to impose administrative penalties for committing a gross violation,

sanctions in the form of cancellation or suspension of activities, a decision was made to suspend the certificate of approval or refusal to issue a license;

- ii. persons whose activities and (or) used production facilities are categorized as increased and especially high hazard, or classified as hazard classes (categories) 1, 2, and in connection with this, a permanent condition monitoring regime is being formed;
- iii. persons involved in licensing control, external quality control of the work of audit organizations, federal supervision in the field of the use of atomic energy.

6.1. Opening bank accounts

From April 1, 2022, the unified forms for issuing a signature card are cancelled. The bank will be able to use its own form with the information it needs, but while maintaining a reduced number of mandatory information (Basnukaev, 2021c):

- i. name of legal entity. faces;
- ii. full name of persons entitled to sign;
- iii. seal impression (if available).

The company will have to reissue sample signature cards, as the new instructions do not affect existing accounts. In addition, until October 1, 2022, there is a transitional period during which banks are required to accept old-style cards.

Also, from April 1, 2022, the documents specified when opening an account and subject to change are mandatory provided to the bank, without a requirement.

6.2. Cancellation of a simple power of attorney

In 2022, it will be possible to revoke a power of attorney in plain text by entering information about it in the register of revocation of attorney's powers, which is an important part of the UISN (Unified Notary Information System). In fact, this innovation appeared on December 29, 2021, however, it will be implemented only this year due to the New Year holidays (Dombrovsky, 2009).

To do this, a new registration form will be issued on the basis of the UISN - Registration of the law on the cancellation of an issued power of attorney in the form of plain text. With its help, you can immediately revoke the legal force of the old system and inform all interested parties literally within 1 day, without contacting a notary office, by sending important information to the Portal of the Federal Notary Chamber. After confirming the input of this information, the principal will receive an email notification. The OCEO shall adopt a cancellation policy for this document.

What is most convenient, access to the information of the register of orders to cancel powers of attorney will be free, around the clock and free for everyone - through the official portal - notariat.ru

6.3. Results of intellectual activity

From January 1, 2022, amendments were put into effect regarding the legal regime of the results of intellectual activity (RIA) created in the course of the performance of a state or municipal contract. The author mentions some of them (Krokhina, 2021):

- i. Except as expressly provided by law, the right to obtain a patent and the exclusive right to intellectual property belongs to the contract executor. In some cases, exclusive rights to intellectual property directly related to defence and security may belong to the contractor, but they are mainly assigned to the state (Article 1240.1 of the Civil Code of the Russian Federation);
- ii. if the employer decides to immediately terminate the application for a patent or another application for a patent, he must inform the employee (secretary) about this and, at his request, present the patent free of charge. If the employer did not inform the author of the initial termination, the latter has the right to apply to the court to force him to file a claim for the restoration of the last lost patent. (Article 1370 of the Civil Code of the Russian Federation).

6.4. Information about vacancies

The novelty of this year is the launch of a project for some employers to post information about their capabilities on a digital platform in the department of labor and labor relations “Work in Russia” or in other information that meets certain requirements (Markin & Makovetsky, 2020; Shapran, 2020).

These companies include:

- i. in the authorized capital of which there is a participation share of the Russian Federation, a subject of the Russian Federation or a municipality;
- ii. whose average number of employees for the previous calendar year exceeds 25 people, and newly created (including as a result of reorganization) organizations whose average number of employees exceeds the specified limit.

It should be noted that in case of non-compliance with the law, which provides for the mandatory submission of the necessary information to a state body, it is envisaged to bring to administrative responsibility under Art. 19.7 of the Code of Administrative Offenses of the Russian Federation, entailing a fine of 3-5 thousand or a warning.

6.5. Advertising on the Internet

Advertisers are required to provide information about online advertising to Roskomnadzor. Based on the information provided, Roskomnadzor intends to create a database of online advertising to optimize its management and content (requirements do not apply to distributors of social networks) (Sugarova et al., 2018).

Information can be transmitted by yourself or through operators of advertising data. The government determines the procedure for transmitting information and the composition of the transmitted information.

6.6. Issuance of a qualified electronic signature

The point of this new strategy is to provide CEP free of charge. As early as January 7, 2021, during the transition period, the Federal Tax Service began to offer CEP free of charge to individuals acting on behalf of legal entities or individual entrepreneurs without a prosecutor. The validity period of such QAP is equal to the validity period of the certificate (Tokaev & Basnukaev, 2022).

Legal entities can use the new procedure for obtaining a CEP in inspections of the Federal Tax Service or through authorized representatives of the Federal Tax Service. individuals, individual contractors and notaries.

The CEP of individuals, including individuals acting on behalf of a legal entity by proxy, can only be obtained from certification centers accredited for the same commercial purpose (Fateeva, 2018).

It should be taken into account that a CEP issued to a business manager or individual entrepreneur by a commercially accredited certification center accredited in 2021 is valid only until the end of 2022. If the center is not accredited before 2021, then this one has the right to electronic signature becomes invalid from January 1 of the next year and you need to receive a new CEP with a new order.

6.7. VAT

A new benefit has been introduced: catering services are exempt from VAT.

Enterprises and individual entrepreneurs providing catering services (including restaurants, cafes, canteens, etc., restaurants) are entitled to VAT exemption.

VAT exemption is granted if several conditions are met simultaneously in the calendar year preceding the year in which the exemption applies:

- i. the total cost of capital of such enterprises or individual entrepreneurs did not exceed 2 billion rubles;
- ii. the share of income from the sale of public catering services in the total income of each such enterprise or contractor was at least 70%;
- iii. the average monthly salary and other remuneration received by an enterprise or an individual entrepreneur in favor of persons, which is lower than the average monthly salary in each constituent entity of the Russian Federation (the condition applies to legal relations from 01/01/2024).

VAT is not levied on the sale of food products by the culinary sector of retailers or enterprises, as well as individual entrepreneurs engaged in purchasing or trading activities.

6.8. Income tax

The following changes have been made to this tax (Dombrovsky, 2009).

- i. Simplification of cost accounting for health resort treatment of employees. In cases where an agreement was concluded with a travel agent or tour operator before 01/01/2022, it was possible to take these expenses into account when calculating the tax. There has been an extension of rights. Now contracts can be concluded directly with the sanatorium. These expenses can be taken into account for tax purposes and actual expenses, but not more than 50,000 rubles. general annual calendar per person.
- ii. Clarification of the procedure for calculating depreciation during the reconstruction of fixed assets. It is possible to change the initial cost of a fixed asset during reconstruction, regardless of the size of its residual value (new version of clause 2, article 257 of the Tax Code of the Russian Federation). This means that this rule can apply to full assets. If its useful life does not increase, it is necessary to put a certain number of reductions based on the useful life allotted for this material, installation and material.
- iii. Changing the rule for calculating depreciation of leased assets. Until January 1, 2022, special rules for calculating depreciation for leased property were in effect, and under lease agreements concluded after January 1, 2022, property depreciation is charged to the tenant. The lessee has the right to take into account the rent for the leased property as part of other expenses (Basnukaev, 2022a).
- iv. A 50% increase in the loss carry forward limit. From 01/01/2017 to 12/31/2021, there was a 50% restriction on the carry forward of losses received in previous tax periods, which gave the organization the right to reduce taxable profit by the amount of previously incurred losses, but not more than 50%. Thanks to the new technology, this period has been extended for another three years, until 12/31/2024.
- v. Adoption of a new tax return form.

7. Conclusion

In conclusion, the study underscores the formidable challenge of establishing an effective system and structure of tax legislation for the legal regulation of the mechanism of tax administration (Brattsev & Grishanova, 2021). Acknowledging the broad and intricate nature of this task, it becomes evident that the mechanism of tax administration relies heavily on robust legal regulation to operate efficiently.

The current state of legal certainty in regulating the mechanism of tax administration is characterized by the legislator's role in not merely formalizing existing social relations but, rather, in innovatively modeling them afresh. This process operates within the framework of general taxation principles while considering the imperative to safeguard public interests. The findings emphasize the ongoing complexity of tax administration and the continual need for legal adaptation to meet evolving economic and societal dynamics.

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