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PLANNING AND FORECASTING IN THE PUBLIC TAX MANAGEMENT

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Abstract

Currently, the government plays a special role in determining directions of national economic development, creating conditions for consistent and balanced economic growth, supporting individual sectors that are vital for society. The scale of public tax management tasks, the need to take into account social consequences of decisions require forecasting and planning at all government levels. The main purpose of tax planning is calculation and determination of the economically justified amount of tax revenues and the volume of taxes paid by specific taxpayers. Tax planning is a basis for forecasting of federal and regional social and economic development trends. Tax base planning is important for certain types of taxes, since the quality of tax plans, budgets and forecasts depends on planning accuracy. Improvement of tax planning methods is one of the main tasks of public authorities and research institutions. The main problem which does not allow for development of scientifically justified principles and methods of budgetary and economic processes is the lack of an objective and comprehensive system of basic and normative indicators. Thus, one of the main tasks is to improve the tax planning system at the federal level. The methods used in this research are as follows: general scientific methods (analysis, synthesis, induction, analogy), special methods (forecasting and planning, modeling). The main directions are development of an objective system of basic indicators and creation of a method for assessing tax resources. The tax planning is the main form and an important segment of tax management.

Keywords: Public tax management, tax planning, tax forecasting, tax system, tax payments, budget.

1. Introduction

Currently, the state tax management plays a significant role, since its effectiveness determines the volume of tax revenues in the federal budget, on the one hand, and competitiveness of the tax system, on the other hand. In addition, state tax management includes both effective tax administration and transformation of the taxation legislation (Mazur & Matveev, 2018).

The most important functional part of tax management is tax planning. In this regard, it is advisable to determine the content of tax planning, as well as its place and role in managing the tax process. The definition of tax relations as one of the national fiscal relations suggests that tax planning is an integral part of the budget planning, fiscal policy formation and financial and economic planning systems.

2. Problem Statement

Currently, the government plays a special role in determining directions of national economic development, creating conditions for consistent and balanced economic growth, supporting individual sectors that are vital for society. The scale of public tax management tasks, the need to take into account social consequences of decisions require forecasting and planning at all government levels. The system of tax forecasting and planning is a subsystem of state tax management aimed at analyzing and evaluating structural parameters of the tax system (e.g., tax resources, revenues) (Vasilyeva, 2010). An obligatory element of the system is analysis of tax revenues and other parameters of the tax system.

3. Research Questions

State tax planning and forecasting play a special role in governing socio-economic relations. The tax planning is based on actual data on tax revenues, tax bases and predicted values of macroeconomic indicators (Bobrova & Golovetskiy, 2005). At the macro level, the tax planning is closely related to the budget process, which, in accordance with the Budget Code of the Russian Federation, is regulated by legal norms. Therefore, the tax planning is aimed at timely and reasonable preparation of draft budgets for the next years.

4. Purpose of the Study

The tax planning is aimed at calculating and determining the economically justified amount of tax budget revenues and the amount of taxes that are paid by a specific taxpayer.

5. Research Methods

The methods used in this research are as follows: general scientific methods (analysis, synthesis, induction, analogy), special methods (forecasting and planning, modeling).

6. Findings

The tax planning is aimed at solving the following tasks:

- formation of the effective tax system taking into account the socio-economic situation;

- calculation and determination of the size and structure of mandatory state tax payments;

- determination of the composition of the taxation object and the content of the tax base;

- calculation of the volume of tax rates and benefits.

The tax planning is a basis for forecasting social and economic development trends for the country and its regions. This forecast is made for the long-term and medium-term budget estimates and implement required decisions of political, social and economic nature. The Russian government plans to maximize the maximum amount of tax revenues for budgetary and extra-budgetary funds.

The concepts "tax planning" and "tax forecasting" are different processes. The tax forecasting is an assessment of mobilization of tax revenues based on the socio-economic forecasting of national and regional development. The tax forecasting involves calculating tax bases, analyzing tax revenues, assessing tax arrears, and monitoring the results of tax legislation changes (Paskachev et al., 2004).

The tax planning interacts with the tax policy not only at the macro level. The tax policy involves tax planning. All the aspects and parameters of the tax policy are reflected in the tax planning procedure. At the state level, tax management is carried out by government authorities which

- develop tax policies;

- organize and ensure the effective functioning of the tax structure;

- develop solutions for long-term and short-term periods;

- implement tax administration measures;

- implement tax control measures.

The tax policy consists of strategies and tactics, and the tax planning can be

- short-term;

- medium- and long-term.

It should be noted that the tax planning will be effective only all the constituent segments interact.

Operational tax planning measures are carried out by the Ministry of Finance. Correct assessment of tax revenues is the main task of the operational tax planning. The basis for the planning is indicators of social and economic forecasts for the next year, as well as the analysis of tax revenues in the current year.

The short-term tax planning is implemented through budget estimates for the next year. The basis of this planning is social and economic indicators of state forecasts for the next year which are developed by the Ministry of Economic Development of the country and economic bodies of the regions as well as the analysis of tax revenues in the current year for all and specific taxes. This planning measures are implemented by the Ministry of Finance and economic authorities, fiscal and financial bodies.

The short-term tax planning is implemented through interrelated reasonable actions of economic bodies and involves:

- analysis of advantages and disadvantages of the tax legislation, generation of proposals for amending the legislation to eliminate negative aspects, expand the tax base, promote the incentive role of taxes and increase budget revenues;

- analysis of social and economic conditions that have positive or negative effects on tax revenues in the current year, implementation of measures aimed at eliminating negative conditions and consolidating positive trends;

- calculation of the volume of tax revenues and the amount of all tax revenues based on the analysis of the flow of revenues for each type of taxes for the last period and predicted estimates of revenues before the end of this year; upcoming changes in the tax legislation and all the changes in economic indicators for the next year are taken into account;

- analysis of tax revenues, data on predicted social and economic conditions in the country and its regions for the next year, and amendments to the legislation; submission of the above documents to the legislative bodies where they are reviewed and analyzed. Based on the analysis and review, the legislation is amended.

Under gradual transition to market relations, abandonment of the centralized planning and economic management, the tax planning is relative. Tax indicators relate to the budget revenues and have to be approved in the form of articles of the budget law.

The current planning can be operational and short-term. It involves solving tactical tasks and forming the most important prerequisites for creating tax planning tactics, which is determined in implementing medium-term and long-term tax planning measures.

The long-term planning is used as a method of economic foresight. In Russia, it is part of a general budget forecasting strategy for three years which is developed at the federal level. At the same time, it should be noted that the long-term planning for 5-10 years is not carried out in the Russian Federation.

Currently, Russia plans budget revenues and expenditures every year and for two years. This system makes it possible to implement long-term programs and track major changes in the general course.

The planning of tax bases for certain types of taxes is crucial, since both the quality of tax plans, budgets and forecasts and their implementation efficiency depend on its accuracy. Of particular importance is accurate assessment of tax revenues before the end of the current period (a year or a quarter). This assessment should be carried out on the basis of compared actual data.

In order to assess tax revenues, data on the tax base and budget revenues are analyzed. Trends in the social and economic development of the country is are also analyzed. The Federal Tax Service of Russia and its territorial structures have been developing and putting into practice methods for planning tax revenues.

The tax authorities use information from the data base used to calculate tax planning indicators.

Coefficients and indicators are used for correct distribution of budgetary funds; plans are drawn on the basis of previously obtained forecast values (Meskikh, 2010).

When solving current and tactical tasks of the tax authorities, it is necessary

- to develop a new scientific and methodological approach to the tax base forecasting;

- to carry out a quantitative, qualitative and structured assessment of the tax potential at the regional level;

- to carry out an advance assessment of expected consequences of decisions on issues of tax, budget and economic policies made at the federal and regional levels.

Improvement of tax planning methods is one of the main tasks of the government authorities and research institutions. Development of new approaches to the quantitative and qualitative assessment of the tax planning system based on real tax bases and tax resources is a crucial task.

The main problem, which does not allow for development of scientifically justified principles and methods of developing budgetary and economic processes is the lack of an objective and comprehensive system of basic and regulatory indicators.

The tax planning method is based on direct forecasting of the tax base, i.e. direct counting using correction factors and the consumer price index. This technique is justified under the stable economic development. However, it is not always effective and does not allow it to accurately adjust performance indicators under sudden economic changes. These changes can be caused by amendments to the legislation.

7. Conclusion

The effective and high-quality tax planning is crucial. One of the main tasks is to improve the federal tax planning system. The main directions are development of an objective system of basic indicators and creation of a method for assessing tax resources.

In planning tax revenues, the state is focused on obtaining the highest possible amount of revenues which is caused by the ever-increasing government needs. Thus, the tax planning is the main form and an important segment of tax management.

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