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International Conference «Land Economy and Rural Studies Essentials»**TAX CULTURE IS THE FOUNDATION OF THE RUSSIAN TAX
SYSTEM**

Timergaziz G. Sadykov (a)*, Razifa R. Stepanova (b)
*Corresponding author

- (a) Ufa State Petroleum Technological University, Branch of the University in the City of Oktyabrsky, 54a,
Devonskaya St., Oktyabrsky, Republic of Bashkortostan, Russia, riuof@mail.ru
(b) Ufa State Petroleum Technological University, Branch of the University in the City of Oktyabrsky, 54a,
Devonskaya St., Oktyabrsky, Republic of Bashkortostan, Russia, razifa0210@yandex.ru

Abstract

The article deals with the tax culture development in the context of reforming the tax system. Particular attention is paid to the issues of tax discipline, behavior and literacy of the people. In modern economic conditions, the education of the tax culture requires more and more modern approaches. The author identifies subjective and objective factors that to a greater or lesser extent determine the tax culture of our country. Among the objective factors were identified: historical experience, the state of economic development of the country, the standard of living of the population, the development of tax legislation, the development of the tax system in the country, the social orientation of taxation, the activity of state policy in the field of formation and development of tax culture, the effectiveness of the tax system and the professionalism of tax service employees. Among the subjective ones: the general level of culture in society, the participation of basic social institutions, mentality, accepted models of tax behavior in society, socio-economic interests. The problems of imperfection of tax legislation, insufficient information and consultation of citizens, distrust of the population to the tax authorities are considered, and priority directions for increasing the tax culture level are proposed. The authors conclude that the tax culture consists of a set of elements of formal and informal institutions.

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1. Introduction

Taxes, as the main source of state finance, have been known since time immemorial. It is known that the level of tax relations contributes to the growth of tax revenues, which in turn is the main source of income for the state budget.

That is why improving tax relations is among the important problems, on the solution of which the development of the country's economy depends.

In recent years, society has increasingly faced the question of the need to update the state strategy for the development of tax culture.

The world experience of managing the country focuses on the need for a scientifically based approach to the formation of a new national tax culture, taking into account the economic, financial, demographic and social characteristics of the state (Sadykov, 2009; Sadykov, 2019; Sadykov & Stepanova, 2018; Zakupen, 2015).

2. Problem Statement

Tax culture is a subsystem of the economic and represents the relationship between the taxpayer and the state.

In modern Russia, due to difficult social and economic conditions, the role and importance of tax culture is growing rapidly. More than a third of the population lives below the poverty line, and many organizations and enterprises cannot adapt to the conditions of a market economy, struggling with high taxation. Therefore, tax evaders are admired and approved by others.

In this regard, the level of tax culture of the population in the country remains quite low. This problem is not exclusively Russian specific, as evidenced by the data of sociological studies conducted in foreign countries. And the peculiarity of the taxpayers of the Russian Federation is the emerging distrust of the population towards the state institutions engaged in the tax process (Sadykov, 2009).

Noting the low level of tax culture of the Russian population, it is necessary to mention their:

- financial illiteracy;
- lack of awareness of tax authorities and taxpayers;
- the habit of the Soviet person to free public goods;
- lack of a tax system and taxation, etc.

The main problem in the tax culture of Russia is also the insufficient level of state participation in this process. Despite the measures taken to manage taxation, to tighten tax administration, the tax culture in the country is still far from ideal.

The population still does not perceive the fundamental political values of taxation generally accepted in society as "the basis of the welfare of the state and society"

Another factor explaining the low level of tax culture in our country, in contrast to the developed countries of the West, is that in these countries the practice of taxation has a much longer history, and its improvement proceeded exclusively in an evolutionary way, in contrast to the revolutionary path of development of the Russian tax practice (Sadykov & Stepanova, 2018).

It should be noted that non-payment of taxes in Russia practically does not affect the image, business reputation of the enterprise and citizens. The result of increased tax pressures is creating a tax collection crisis, which creates a vicious circle of tax avoidance.

While not delving into the distant history of our state, it should be noted what socio-economic level has developed as a result of the formation and transformation in the modern state. As you know, in the 90s of the 20th century, an economic, social and political crisis occurred in Russia. Against the backdrop of the collapse of the USSR, there was a drop in production, aggravation of poverty of the population, a new class composition of society was formed, as well as a sharp property stratification of society occurred (Zakupen, 2015).

3. Research Questions

The redistribution of the national wealth of the state in favor of a limited circle of people, the dominance of the Western promotion of material values, the high tax burden placed a sufficiently large number of the population in conditions of physical survival. The number of different types of taxes reached 300. As a result, local authorities had a fairly wide range of powers, they introduced their own taxes locally. At the same time, there were rather high tax rates for taxes such as VAT (about 28%), income tax (43%), and the income tax rate simply plunged everyone into horror, as it reached 60%.

All this contributed to the bankruptcy of many enterprises and, consequently, chronic arrears of funds to the budget. There was no question of tax culture at that time.

With the onset of 2000, the economy began to slowly rise from its knees. Many areas, including the tax one, were subject to reforms and improvement, which, as a result, helped to significantly reduce the number of taxes, improve their administration, introduce special regimes and reduce the tax burden of taxpayers.

But all these reforms have failed to stabilize tax legislation, so even now it continues to change, which in general does not have a particularly favorable effect on the perception and serious attitude of Russian citizens to taxation.

4. Purpose of the Study

Unlike in the countries of Western Europe, where a high tax culture is manifested in the fact that the payment of taxes is considered a source of pride for the taxpayer and the tax culture is instilled from childhood, in Russia, there is a hostile attitude towards taxes.

It is necessary to start fostering a tax culture from childhood, economists and experts came to this conclusion, having studied the formation of a tax culture.

Without showing in practice clear examples of conscientious enforcement of the application of tax legislation, it is impossible to raise the tax culture level and increase the number of conscientious taxpayers. A very important role in the formation of the child's personality is played by the example of parents, who must also learn to take responsibility for their actions (Sadykov, 2019).

Undoubtedly, we can conclude that a person needs to instill a tax culture even in the period of his formation as a person.

5. Research Methods

The most important element of tax culture is tax discipline.

Tax discipline is a systematic training and development of the moral, ethical and financial capabilities of a taxpayer to settle accounts with the budget, taking into consideration the interaction with tax authorities on the receipt and processing of tax obligations.

The implementation of the control function of taxes, its completeness and depth, to a certain extent depends on tax discipline. At the same time, the task of the tax authorities is not to punish taxpayers through tax audits, but to motivate them to voluntarily abandon tax evasion tools.

One of the most important conditions for stabilizing the financial system of any state is ensuring sustainable tax collection with proper discipline of taxpayers. Taxpayer discipline is a central element of tax culture and the foundation of taxpayer literacy.

In comparison with developed foreign countries, the state of the tax system in Russia is currently characterized by low collection of taxes and fees. Almost every third taxpayer violates the law by hiding their income and property, and only about 20% pay the due taxes relatively honestly and regularly (Dao & Edenhofer, 2018; Goryunova et al., 2017; Mateo-Perez et al., 2015).

According to the results of field audits in the Russian Federation in 2017, out of 17.6 thousand tax audits, violations were found in more than 90.0%, 12.3 million rubles were additionally charged per 1 audit.

In 2018, 14.2 thousand inspections exceeded 95.0% with violations, additional charges already amounted to 17.2 million rubles per inspection.

The level of recovery of additionally accrued amounts and fines in 2017 was 60.5%; in 2018, the figure reached 66.4%.

Analysis of the coverage of enterprises with tax inspections, although their number is decreasing, shows that in 2017, it was 0.37% and 0.31% in 2018. This indicator in 2015 was 0.54%, and the number of inspections was 26.2 thousand.

Practice shows that the effectiveness of on-site inspections remains very high; on average, only 2 out of 100 inspections end without additional charges and fines.

The requirements of tax discipline apply not only to taxpayers (legal entities and individuals), but also to government bodies of various levels and their officials.

The development of tax discipline is negatively affected by particular changes in tax legislation, as well as an increase in its level, which is a difficult task with a multifaceted number of requirements.

The growing importance of improving the tax discipline of the population lies in new and modern approaches to working with taxpayers. Outreach for inspectors and consultants is one of the highest priorities.

Using the experience of foreign countries, it is possible to compare the needs and realities of using the services of tax consultants. The advanced countries of Europe and the United States have an average ratio of 11 consultants for 10 tax officials working in the country. In Australia, for 18 million people there are 18 thousand tax workers and 21 thousand tax consultants. In Russia, in turn, 140 thousand people

work in the tax authorities, about 155 thousand consultants are needed, in reality there are only 5 thousand consultants.

Improving tax discipline is possible only with a clearly formed connection between subjects of tax relations and the state, depending on the public position of all participants in tax relations.

Despite the measures taken as part of the implementation of tax policy in the field of simplification and tightening of tax administration, tax discipline in the Russian Federation requires close attention and improvement (Toro, 2016).

Taxation in modern conditions depends on tax behavior of all its participants. The concept of tax behavior is closely related to the concept of tax discipline, which in turn has a direct impact on the formation of tax culture. As a form of economic behavior, tax behavior depends on the paying capacity of payers (Mateo-Perez et al., 2015; Tyncherov et al., 2017; Toro, 2016).

Most of the work of economists devoted to the analysis of tax behavior refers mainly to research in two directions:

1. Tax behavior is actually identified with the decision to evade taxes based on the criterion of maximizing net income (profit).
2. Tax behavior extends to various economic activities that are influenced by taxes.

By the nature of the actions of enterprises and organizations to pay taxes, the following areas of behavior can be considered: law-abiding; risky; reasonable.

1. Law-abiding behavior. These include companies that pay taxes in accordance with Russian legislation and do not seek to reduce them.

Considering this behavior, tax evasion should be noted. According to analysts, up to 30% of enterprises and organizations in Russia apply various schemes to minimize payments, especially those related to wages.

2. Risky tax behavior. These include companies that use optimization methods, using methods of challenging their actions in court, but do not use the results of court practice.

3. Reasonable tax behavior. These include taxpayers carrying out tax optimization:

- in accordance with the current civil legislation,
- according to the right to determine the taxation regime for your enterprise;
- in accordance with the current legislation on taxes and fees, presenting the opportunity of choosing various methods of accounting for business transactions at your discretion.

Along with the improvement of the economy and the optimization of taxation, purposeful work is needed to shape the tax behavior of payers.

In modern Russian society, there is practically no understanding that paying taxes helps to solve the economic and social problems of every citizen.

It is important to prepare and implement the State Program for the Promotion of Tax Culture and Education, the need for which is constantly being discussed in the press.

At the present stage of economic instability and the political influence of Western countries, including far-fetched sanctions, it is very important for the country to increase the tax literacy of the population as a whole, that is, to educate competent taxpayers.

Today, the most discussed problem of the country's economy is tax illiteracy. In turn, low tax literacy gives rise to a number of problems such as:

- development of the shadow economy;
- low level of budget revenues;
- tension in the social environment;
- destabilization of the economy, etc.

So, tax literacy is not just a part, but also the basis for the formation of a tax culture, plays an important role in the development of the country's economy, emphasizing the need for knowledge and skills in taxation (Derina & Morozova, 2017; Leonova & Chukhnin, 2015).

The literacy of the population in matters of taxation is an important task facing modern society. According to experts, at present, the main goal of increasing the tax literacy of the population is:

- formation of a clear understanding of the Russian Federation tax system;
- instilling in the population, the ability to find the necessary information about taxation, to know about tax risks, favorable tax regimes, benefits, etc.;
- developing skills in managing personal finances and investment processes.

Practice shows that a large share of the population does not have computer literacy skills or access to the Internet, since the current system for the provision of public services is mainly carried out online.

A lot of citizens do not understand where to receive reliable information about the current procedure for calculating taxes and fees, what are their rights and obligations, and when new norms of legislative and regulatory legal acts governing tax relations are introduced. As a result, responsibility for decisions made is reduced, as: untimely and incomplete payment of taxes, tax evasion; promoting the development of the "shadow market" and "gray wages"; the criminal sector.

Tax literacy is the timely payment of tax to the budget, within the time period established by law, the knowledge and ability of the population to calculate and verify the accrued tax themselves, and the ability to apply tax deductions and benefits.

The concept of tax literacy includes activities related to the work of qualified professionals who must interact with taxpayers.

So, the experience of different foreign countries shows that it is effective to start studying tax fundamentals at school, as well as at universities.

In our country, already in many universities, for example, at the University of the PRUE. Plekhanov and in all its branches, weeks of financial literacy are held, meetings with tax inspectors, in which information is given in order to improve tax literacy.

For the population that has already received education, various trainings and seminars are held (Mukhametshin, 2018; Mukhametshin & Kadyrov, 2017; Mukhametshin et al., 2017; Sergeev et al., 2017).

Knowing the main provisions of tax legislation to adjust the implementation of strategic plans, to optimize the arising tax burden is necessary.

Therefore, tax literacy is relevant not just for large companies or individual entrepreneurs, but also for all ordinary citizens.

After all, without increasing tax literacy, it is hard to overcome legal nihilism, which, unfortunately, is inherent in Russians today. The current situation indicates the need for a systematic policy aimed at increasing the tax literacy of the population.

It is tax literacy that is the foundation for the formation of a tax culture of citizens. Therefore, the first step towards achieving the country's economic development should be to increase the tax literacy of the population. The formation of a high level of tax and financial literacy is the foundation for the formation of a successful state and society.

6. Findings

The state of the tax culture in the country depends on the level of the tax system development. In turn, the taxation system is effective only with a high level of development of both the economy and the tax culture in society.

The formation of a tax culture is a complex process that has economic, social, and legal aspects. It regulates behavior, discipline and literacy not only of taxpayers, but also of the tax employee directly. Based on this, tax culture combines various subjective and objective factors and forms of the taxpayer's relationship with the tax authorities, contributing to the balanced development of the Russian tax system.

7. Conclusion

The development of a tax culture is considered in the article from three perspectives: both from the position of taxpayers and the state; as an educational process; and as a motivational process of subjects to the rational application of tax legislation.

The author analyzes separately the components of tax culture: tax behavior; tax discipline; tax literacy.

The possibility of applying the positive experience of foreign countries is emphasized.

Noting that irreparable material damage to the state and the population is caused by a low level of tax literacy, discipline and behavior, the author suggests the need to develop a program to develop a tax culture among taxpayers.

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