

Organizational and Functional Features of Fiscal Mechanisms: Theoretical Aspects and Current Trends

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Abstract: In study, it is shown that formation and forming of authentic federal Russian state, development and enhancement of budget tax policy requires basic change of content of budget and tax mechanisms. In a research evolution of the main approaches to forming of economic mechanisms is provided. The concept of an integrated approach to a research of budget and tax mechanisms is offered. Researchers allocated high-quality and quantitative parameters of budget and tax mechanisms. The conclusion is drawn that implementation of the purposes and tasks of budget tax policy of the state by means of application of various acceptances of the organization of the budget and tax relations at the levels the federal center territorial subjects of the Russian Federation, the territorial subject of the Russian Federation municipalities in total determine content of budget and tax mechanisms.

Key words: Economic mechanism, macroeconomic regulation, budget tax policy, sustainable development, Russia

INTRODUCTION

The problem of a research of budget and tax mechanisms of the state as instrument of macroeconomic regulation attracts a sustained interest of representatives of various directions of an economic thought for many years about as evidenced by the presence of a wide range of theoretical and applied works on this subject. In modern conditions, this problem is of particular importance that is caused by tasks of increase in stability of dynamics of social and economic development and implementation of anti-recessionary potential of budget tax policy in many countries.

In medium-term and long-term prospects the main priorities of social and economic policy in the field of the balanced spatial development of the state are ensuring balance of profitable base and spending obligations of regions. Implementation of these priorities assumes plurality of various tools and mechanisms connected with forming and implementation of the budget and tax policy and complexity of their use for achievement of effective objectives.

In this regard, the research of the theory of budget and tax mechanisms, their essence, structure, the place and a role in strengthening of the budget and tax systems of the state is important that will allow to reveal new criteria for evaluation and the prospects of enhancement of budget and tax mechanisms of sustainable development of regions.

MATERIALS AND METHODS

Development of approaches in the research of economic mechanisms: In “the modern economic dictionary” the mechanism is understood as set of methods and levers on economic processes, their regulation (an economic sense of the term) (Rayzberg *et al.*, 2006).

In world science there were two main directions of a research of economic mechanisms. The first develops in L. Gurvits, R. Mayerson, E. Maskin’s research, received in 2007. A Nobel prize on economy for a contribution to the theory of economic mechanisms. The second approach is developed by representatives of the French economic school in particular A. Kulman (Fig. 1).

The first approach can be determined by the economic content as information, the second as functional (Slepov *et al.*, 2011).

A founder and the ideologist of regulation of economy by means of public finances both in the theory and in practice, certainly is J.M. Keynes. Is also important P. Samuelson’s contribution, the creator of the “net theory of the public expenditures” which is continuation of the concept of “the state services”. Still mercantilists researched budget and tax mechanisms. On a strong scientific and practical basis the research of internal and external interrelations of budget and tax problems was delivered to F. Kene who developed the well-known economic table which allowed to approach from system line items reproduction phases in the 17th century. In the

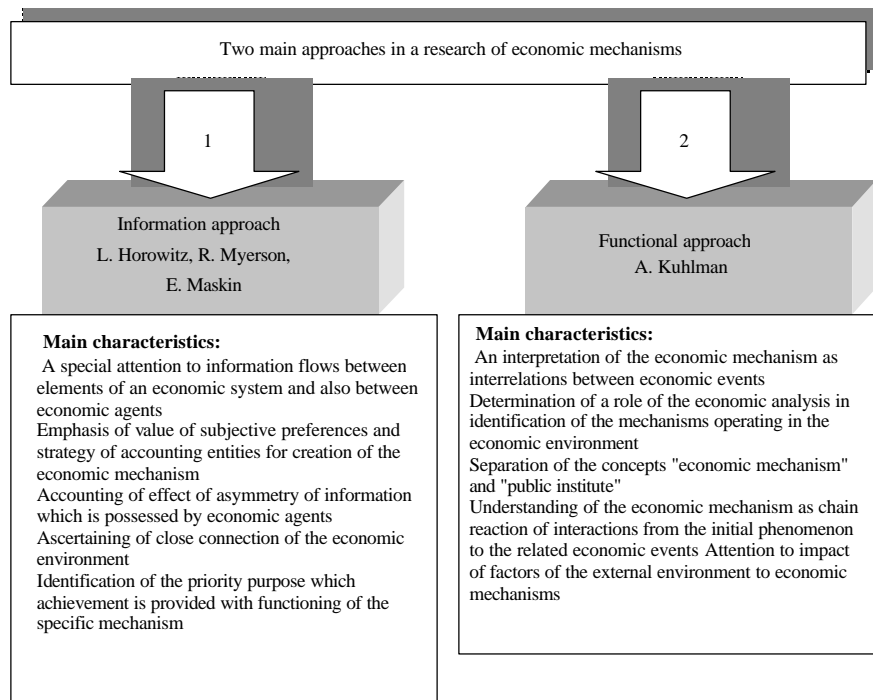


Fig. 1: Information and functional approaches in a research of economic mechanisms

works F. Kene accurately formulated dependences between production and taxation. Later, dependence between taxation but only with the income of the state A. Laffer mathematically established.

Musgrave (1983) was a founder of the theory of voluntary exchange by means of which the essence of economy of public sector reveals and the interrelation of the public expenditures with the tax mechanism is proved. The budget and tax mechanism acts as the instrument of state regulation and promotes implementation of the budget tax policy of the state aimed at providing economic growth of industries of economy, development of entrepreneurial activity, growth of social and economic capacity of regions and investing activities.

Within the analytical direction of the theory of a tax limit the mechanism of implementation of budget tax policy in aspect of a research of tax withdrawals is proved by A. Laffer. A. Laffer showed communication between the size of rates of taxes and amounts of tax revenues, having shown that lower rates bear in themselves a capability not so much of the current reduction of receipts, how many the potential of future their increase.

Summing up the result of discussions concerning essence of the budget and tax mechanisms scientists consider that: first, any mechanism represents tools of impact of the subject of management on an object; secondly, the set of methods (methods) and methods of

functioning of system constitutes content of the control mechanism including the budget and tax mechanisms.

The organizational aspect characterizes a mechanism structure, emphasizes existence "inside" structural (quantitative and high-quality) parameters of budget and tax mechanisms.

The functional aspect characterizes an existence method (existence of the mechanism is its functioning), movement and development of mechanisms which are directly connected with activities (functioning) of its components (parts, elements).

RESULTS AND DISCUSSION

Current trends in forming of the concept of budget and tax mechanisms: Budget and tax mechanisms are submechanisms of the general economic mechanism of public administration along with managerial, technical and technological, social and legal mechanisms.

From the point of view of researchers, budget and tax mechanisms-set of types, forms of the organization of the budget and tax relations, specific methods of forming of budget and tax resources and methods of their quantitative determination.

It should be noted that budget and tax mechanisms aren't limited to a framework of tasks and functions of

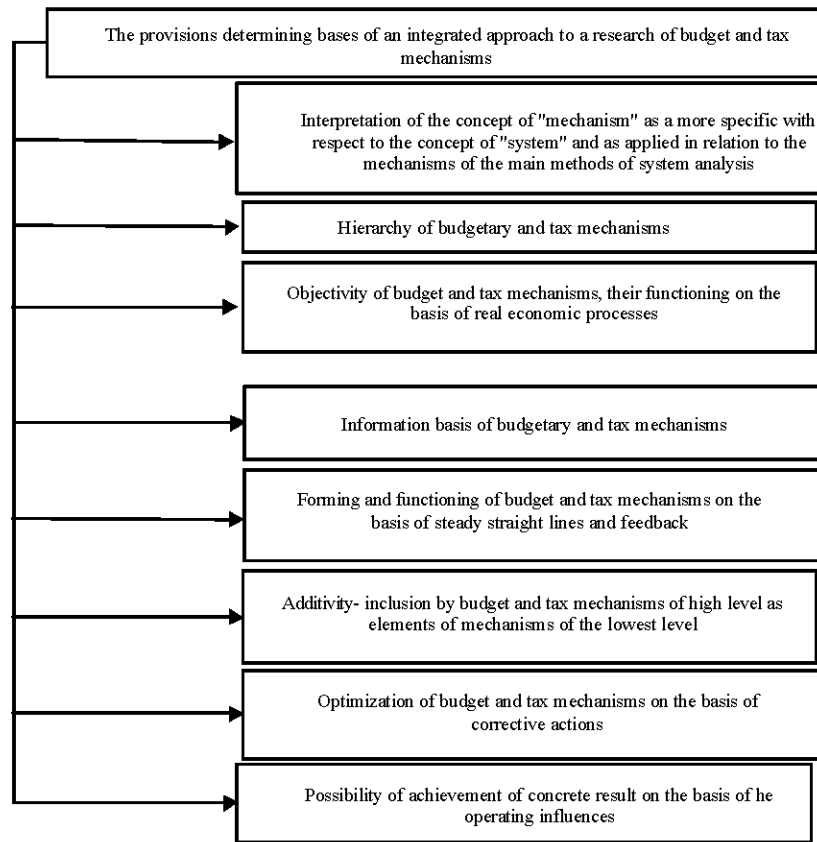


Fig. 2: Provisions of an integrated approach to a research budget and tax mechanisms

authorities which carry out the activities only in a certain sphere. Efficiency of budget and tax mechanisms is compared not only with activities of the authorities having limited powers but also with the state and society in general. The basic proposed regulations of an integrated approach to a research of budget and tax mechanisms are provided in Fig. 2.

We consider important to note that coherence of the concepts “budget and tax mechanisms”, “taxation system” and “budget system” is obvious. These concepts reflect an object, structure and also dependence of elements and their interaction on the basis of straight lines and feedback. But budget and tax mechanisms include the most stable, long-term relations of the budget and tax systems which can be used by the subject of management for the regulating impacts on systems in general.

The mechanism of change of the tax rates on taxes belongs to passive budget and tax mechanisms (Belousova, 2012). There are active budget and tax mechanisms to which it is necessary to carry:

- Reduction of a taxable basis by subtraction from profit of costs for investing activities
- Reduction of a taxable basis by an exception of a taxable profit of costs for carrying out scientific researches
- Release from the taxation of profit of the small enterprises in full putting in investment projects (Sevryukova and Belousova, 2013)
- Use of accelerated depreciation

The analysis of use mainly of active budget and tax mechanisms allows to draw a conclusion on much their bigger effectiveness in comparison with passive. Active mechanisms provide the guaranteed increase in level of economic self-sufficiency as directly influence process of investing activities (Sevryukova and Trusov, 2014). In this regard, they are more preferable.

Target tax benefits and accelerated depreciation are capable to provide increases in level of regional development and self-sufficiency of the territory.

We allocate two levels of functioning of budget and tax mechanisms in modern conditions of development of the budget and tax systems.

The first level-exogenous, at this level economic mechanisms are based on the principles of the budget and tax systems of the Russian Federation within which the state financial flows passing through the budget system are regulated and also proportions of distribution and use of budget and tax resources are determined. Changing the sizes of the budget resources left at the disposal of territorial subjects of the Russian Federation and municipalities, establishing the directions of the most effective investment of capital, trying to obtain distribution of financial resources according to the planned strategic social and economic objectives, federal bodies of management can effectively influence sustainable development of regions (Tkachyova *et al.*, 2013).

The second level-endogenous. Development and improvement of budget and tax mechanisms promotes financial provision of account powers at the regional and local levels, to smoothing of asymmetry in social and economic development of regions.

The researches conducted earlier showed that formation and forming of authentic federal Russian state,

development and improvement of budget tax policy demanded basic change of content of budget and tax mechanisms (Tkachyova, 2014a).

In case of a research of budget and tax mechanisms as economic mechanisms organizational and functional features of development allow to formulate the main signs of these mechanisms.

We consider that high-quality and quantitative parameters of budget and tax mechanisms are understood as those elements which are in competence of appropriate authorities and which change influences the size of budget and tax resources of the specific budget. Implementation of the purposes and tasks of budget tax policy of the state by means of application of various acceptances of the organization of the budget and tax relations at the levels the federal center-territorial subjects of the Russian Federation, the territorial subject of the Russian Federation-municipalities which in total determine content of budget and tax mechanisms. High-quality and quantitative parameters of budget and tax mechanisms are provided in Fig. 3.

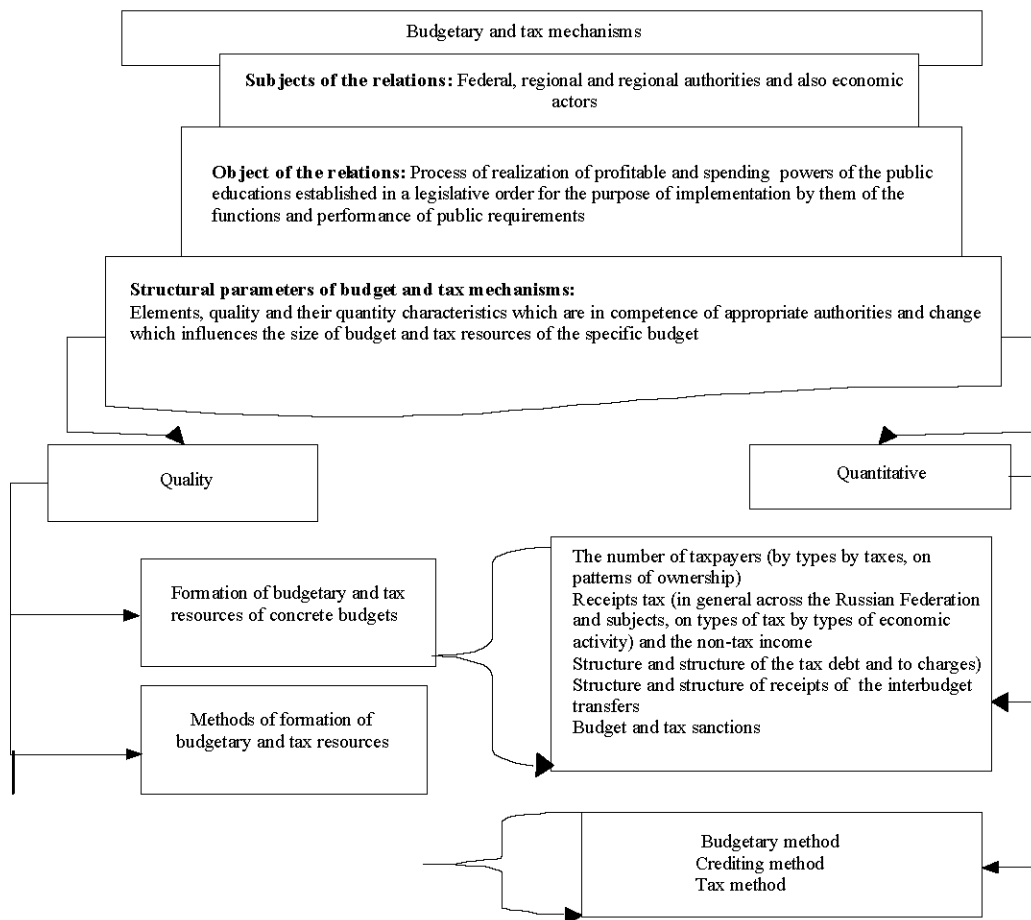


Fig. 3: Continue

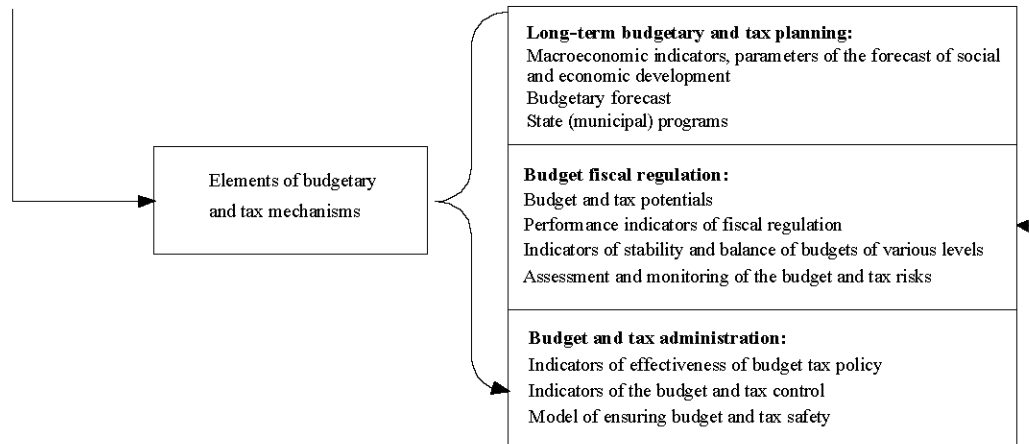


Fig. 3: Structural parameters of budget and tax mechanisms

The organization type of the budget and tax relations is initial, primary element of budget and tax mechanisms as determines a method of their expression and manifestation in the appropriate budget and tax resources (Tkachyova, 2014b).

The budget and tax mechanism is the instrument of implementation of budget tax policy of the state (Tkacheva *et al.*, 2015). It should be noted what the adjusting changes of elements budget and tax mechanisms occurs by change of the relevant standards of the budget and tax legislation in which operating conditions of each structural element of budget and tax mechanisms are established.

CONCLUSION

Thus, on the basis of the provisions given above it is possible to draw the determining conclusion that budget and tax mechanisms in modern conditions are a set of types, forms of the organization of the budget and tax relations, specific methods of forming of budget and tax resources and methods of their quantitative determination. The budget and tax relations are initial primary element of budget and tax mechanisms.

The integrated approach developed in a research consists in recognition of objectivity of budget and tax mechanisms, their information nature, to application to studying of mechanisms of methods of the system analysis, hierarchy, additive, a possibility of use for the purpose of management and optimization.

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