Questions of Tax Harmonization in EAEC countries

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In this article we reviewed the Eurasian Economic Union functions; a common tax market is being formed. One of the priorities established the Eurasian Economic Union (EAEC) is to carry out coordinated fiscal policies of member countries, suggesting the creation of a single market for goods, services, capital and labor. The scientific approach to solving this problem involves the development directions of adjustment and streamlining of normative legal acts in the area of tax legislation, unification of methods and forms of tax planning and forecasting. First of all, within the framework of the formation of the Eurasian Economic Union is supposed to unify approaches to the taxation of profits and income tax residents of the Member States EAEC.

KEYWORDS
Customs Union, Eurasian Economic Union, Tax, Harmonization of Legislation

ARTICLE HISTORY
Received 30 July 2016
Revised 29 September 2016
Accepted 31 October 2016

Introduction
Currently, the world economy can be traced in two trends. One is caused by the existence and deepening of economic ties between the countries, the development and establishment of modern systems of
information, as a consequence - increase in the integrity of the world economy and its globalization. Other unsubstantiated ongoing economic convergence and interaction of the countries at the regional level, which leads to the formation of large regional integration structures (Jveranceva & Karimova, 2014).

The tax area - is one of the most important areas of coordinated interstate economic policy in the framework of the integration of economic relations. Cooperation national fiscal institutions, provides coordination and operational decision-making on key issues of taxation, conducting joint work on creation of conditions for realization of the main directions of cooperation.

The convergence of tax policy and tax systems of states has become an important link in the whole process of economic integration. In turn, the convergence of tax systems in the countries involved in the integration process influences the development of integration processes in all fields in the form of reverse stimulus.

So, for all the three countries are characterized by the collection of VAT on the basis of the country of destination using the crediting method. The list of taxes levied in the countries studied, also includes income tax, real estate tax (property tax in the Russian Federation and the Republic of Kazakhstan), land tax, environmental charges and other taxes (Medvedev, 2000).

**Concept headings**

The objective of this study is to provide theoretical analysis and justification of methods for the long-term planning of the country’s tax policy development in the context of integration.

The methods of alternative forecast scenarios makes it possible to form a comprehensive vision of the financial system development within the limited number of strategic scenarios; also, the method of extrapolation by analytical trend equalization has been applied.

The models obtained by means of regression analysis facilitate predicting the options of the economic processes and phenomena development, studying the trends of changing economic indicators, i.e. they are the tools for scientifically justified predictions.

**Results**

According to expert evaluations of international rating agency Standard and Poor’s (S&P) the key and the most critical for the EAEC countries are the country risks that take into account the effects of the macroeconomic factors produced on the economies of Russia and other countries of the union. For certain differences include the tax rates in these countries, which are shown in Table 1. The analysis of Table 1 reveals that the tax burden on different taxes is somewhat different in these countries. So in the Republic of Kazakhstan, the lowest rates of income tax on
individuals and social payments in the budget. Relatively high rates for social payments in the budget, inherent in the tax system of Russia and Belarus and an order of magnitude higher VAT rate in these countries than in Kazakhstan. Corporate income tax rates are more comparable, as in Kazakhstan and Russia equal rates - 20%, in Belarus - 18%.

Of course, in addition to differences in tax rates, there are also significant differences in the definition of taxable items. For example, if we consider the property taxes, it should be noted that Kazakhstan and Belarus, it is only charged with the cost of construction, which significantly reduces the tax burden of the tax on business entities due to the exclusion of the object of the expensive equipment. In Russia, the object of taxation on property is an active part of fixed assets.

There are also differences in the definition of income tax, as the differences are about revenue generation and use of expenses and deductions. A characteristic feature of the taxation of profit as there are some organizations in Kazakhstan - in addition to corporate income tax, oil companies also pay tax on excess profits, which can be attributed to the taxation of company profits.

Also it should be noted that in the field of VAT of the analyzed countries, the legislation provides that the VAT paid on the acquisition of goods (works, services) and used for the production and (or) sale of goods (works, services), are exempt from VAT or which are not subject to VAT It relates to the cost of production of such goods (works, services).

Consider the structure of income and tax revenues of the budget of these countries in Table 2. In 2014 in Belarus republican budget was executed with a surplus, Kazakhstan and Russia - with a deficit. As a percentage of GDP surplus in the national budget of Belarus amounted to 0.2%, and the national budget deficit in Kazakhstan - 2.8%, in Russia - 0.5%.

National (federal) budget for the national methodology based in US dollars. During January - December 2013 compared with the corresponding period of 2012 in Belarus and Kazakhstan, the republican budget revenues grew by 4.5% and 6.5% respectively. In Russia, during the period of the federal budget revenues declined by 1.1%. At the same time budget expenditures in Belarus increased by 5.9%, in Kazakhstan - by 1.9%, in Russia - by 0.8%. In all countries - members of the CU and SES republican (federal) budget was executed with a deficit.

From Table 3 it can be seen the origin of the VAT mechanism, so in the VAT Kazakhstan and Belarus was formed mainly due to the sale of goods imported into the territory of the state with other countries than the VAT on domestically produced goods. And in Russia, VAT on goods produced and sold within the country, more than the VAT on imported goods, it is a big plus for the state. That is, for this indicator can be judged on the availability of production in the country.

We propose a mechanism for calculating the forecast tax receipts of value added in the overall figures for the period 2015-2018 years in the budgets of the EAEC countries, calculated on the basis of AR models.
Basing its decision on the fact that if a time series can be decomposed into a deterministic component and a random component, the prediction can be made separately for the two components. The overall prognosis will consist of the results of these two predictions. As the random component of the forecast model, we chose the AR model.

The criterion for the sample type of trend is the value of the mean square error. In the case where the mean square error of the two functions differs little from each other, preference was given to the function of a simpler form. When selecting the approximating functions are also taken into account information about the prospects of the trend factor in general.

For a description presented in Table 3 was selected linear trend - receipts of value added tax in the overall figures for Kazakhstan:

\[ \hat{Y}_t = a_0 + a_1 t + \mathcal{E}_t \]  

(1)

\[ \mathcal{E}_t = b_1 \mathcal{E}_{t-1} + \gamma_t \]  

(2)

From (1) we obtain:

\[ \mathcal{E}_t = Y_t - a_0 - a_1 t \]

\[ \mathcal{E}_{t-1} = Y_{t-1} - a_0 - a_1 (t-1) \]

\[ b_0 \mathcal{E}_{t-1} = Y_t - a_0 - a_1 t \]

\[ Y_t = b_1 Y_{t-1} + (a_0 - a_0 b_1) + (a_1 - a_1 b_1) t + a_1 b_1 + \gamma_t \]

Then:

\[ Y_t = b_1 Y_{t-1} + (a_1 - a_1 b_1) t + (a_0 - a_0 b_1 + a_1 b_1) + \gamma_t \]

It follows from this forecast model:

\[ Y_{n+1}^* = b_1 Y_n + (a_1 - a_1 b_1)(t = n+1) + (a_0 + a_0 b_1 + a_1 b_1) + \gamma_{n+1} \]

\[ Y_{n+2}^* = b_1 Y_{n+1}^* + (a_1 - a_1 b_1)(t = n+2) + (a_0 + a_0 b_1 + a_1 b_1) + \gamma_{n+2} \]  

(3)

The calculation of the confidence interval:

\[ \Delta Y_{t+1}^* = \pm t_{c,n-2} \sigma / \mathcal{E}_t \]  

(4)
As a result, the corresponding transformations received the following trend forecasting model in Table 4 receipts of value added tax in the overall figures for Kazakhstan.

Application of AR models is possible not only when in the preliminary economic analysis is well known that the studied process is largely dependent on the development of the process in past times, but when they want to find a simple conversion, resulting in a process that is close to a sequence of independent random values.

If we further consider the structure of revenues of the central budget CU and SES, in different countries, the picture is different. Thus, in the Republic of Belarus the following, after the VAT, excise taxes are a major. Since the excise tax in the budget of the Republic of Belarus occupy 16.6% today. And 14.4% are revenues from foreign trade, including customs duties.

In Kazakhstan, another major tax, in addition to VAT, a corporate income tax (profit tax). So in 2014, accounting for 19.8% of total revenues. And 17.8% are revenues from foreign trade, including customs duties.10

In Russia, the picture is quite different. And excise taxes, and income taxes do not take a high share of budget revenues. At the same time, income from foreign trade falls 37.7%.

Conclusion

Thus, as regards of the tax harmonization in EAEC countries the following conclusions can be made.

- As can be seen from an analysis of tax revenues, tax structure differ significantly across countries. But, in our view, harmonization of tax systems, to a greater extent, prevent differences in the mechanism of calculation and administration of order than, perhaps, tax revenue structure. For example, raising the question of the introduction of the sales tax instead of VAT, in the opinion of many scientists and even practitioners put representatives of small, medium and large businesses on an equal footing and in a part of the EAEC both Kazakhstan and any other country will be difficult to make individual decisions and make changes alone (Kenzheguzin, 2007).

- The EAEC there are different VAT in Belarus - 20%, Russia - 18%, and Kazakhstan - 12%. That is, there is, like, some sort of relief for the Kazakhstan business. But really, when you’re taking in Russia, you are already paying 18%. Although individual commodities, with international practice, and Russia has a dual VAT rate - 9%. That is half of the current rate. Therefore, the introduction of the single sales tax, should take into
account all the peculiarities of each of the national economies (Morozova & Pikulkina, 2000).

3. Excise duties are also in the TC-member countries to harmonize planned by raising the rates in partner countries TC: Russia will slow down the growth of excise taxes, while Kazakhstan and Belarus will increase them in accordance with the standard of living. According to the Ministry of economy and financial policy convergence ECE current rates and excise coordination in the future will play a significant role in the creation of equal conditions of competition within a single product market (Steinbruner, 2006).

4. Along with changes in the tax policy should be to solve a number of organizational issues: to establish a common market for services to the mutual recognition of licenses, permits for business activities, provide the ability to carry out activities business entities without additional institutions as a legal entity, the national treatment and most favored nation treatment without seizures. The result of creating a single market of services is the mutual recognition of qualifications of the service provider personnel, guaranteeing the rights of recipients of services.

Disclosure statement
No potential conflict of interest was reported by the authors.

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