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ANALYSIS OF THE EFFECTIVENESS OF TAX POLICY AND TAX LEGISLATION IN THE REPUBLIC OF KAZAKHSTAN

Tax revenues have always been the main source of replenishment of the state budget. Countries have different tax policies in relation to different subjects of tax relations. Kazakhstan is no exception, where companies in the extractive industry are the leading donors to the country's budget. Thus, in recent years, high prices for export goods have ensured an increase in tax revenues to the country's budget. Annually, tax revenues increased by 1 trillion tenge.

This article analyzes the tax policy, where tax revenues, their share relative to GDP, the structure of tax revenues, as well as the tax burden on enterprises are considered as indicators of its effectiveness.

Moreover it was given a comparative analysis of the tax burden in the EAEU countries, as well as a historical analysis of the tax policy of the Republic of Kazakhstan.

Based on the results of the comprehensive analysis, practical recommendations were developed to improve the effectiveness of tax policy and tax legislation as an integral part of it.

In particular, measures are proposed for constant monitoring of tax policy indicators, coupled with tax revenues, improvement of tax legislation and the quality of tax administration. As recommendations, it is also proposed to develop a tax strategy for the population and enterprises, abandon the practice of constantly changing tax legislation, equalize taxes in relation to the same subjects of economic relations, and also consider proposals for further tax incentives for the economic activity of companies.

Keywords*: tax policy, legislation, assessment of tax policy, efficiency of tax policy, rule-making, economy, tax revenues, revenues, system, budget.*

Кілт сөздер*: салық саясаты, заңнама, салық саясатын бағалау, салық саясатының тиімділігі, заң шығару, экономика, салық түсімдері, кірістер, жүйе, бюджет.*

Ключевые слова*: налоговая политика, законодательство, оценка налоговой политики, эффективность налоговой политики, нормотворчество, экономика, налоговые поступления, доходы, система, бюджет.*

Introduction. In light of the changes in the economic situation and the reduction of revenues to the state budget, the national tax policy is of keen interest as one of the main instruments of economic policy and state regulation.

Since gaining independence and transition to market relations, tax policy in Kazakhstan has been repeatedly improved.

An important element of improving tax policy is the study and analysis of foreign and national experience. Trends in the development of the tax system in foreign countries, the dynamics of factors affecting the final result of tax policy are relevant in the context of the development of a market economy. Maximizing the use of taxation opportunities for realizing the country's financial potential, assessing the effectiveness of tax policy at the present stage and identifying opportunities to improve its effectiveness have scientific and practical importance.

Consequently, the relevance of this work is based on the need to find ways to reform tax policy in the current economic conditions, determine its strategic and tactical goals, study tax policy issues as a multifaceted system, taking into account its theory, practice, international experience, patterns and development trends.

The aim of the study is to assess the effectiveness of the national tax policy at the present stage, as well as to develop approaches to improve its effectiveness.

In this work, we used data from statistics bodies, information from government agencies, as well as applied general scientific theoretical research methods. The formal legal method was used to analyze the norms of the legislation of the Republic of Kazakhstan. System-structural and logical methods are applied to analyze problematic issues of tax policy. Moreover, a combined approach of these

methods was used in order to increase the scientific consistency and reliability of the work.

Literature review. New challenges in the economy, a decrease in the income of the state, business and citizens require the transformation of the economy of Kazakhstan. The success of modernizing sectors of the national economy depends on a balanced tax policy, including stimulating private initiative and reducing administrative pressure. Studying domestic experience, applying advanced international practices, as well as eliminating the repetition of past mistakes will help bring the trajectory of tax policy development to a new level.

The history of the development of tax policy and tax legislation was studied by A. Khudyakov – one of the founders of the national financial and legal science [1]. While the works of S. Pepelyaev focused on the study of mechanisms for increasing the efficiency of tax policy [2]. Also it is important to note the development of foreign experts in this field such as A. Zharov [3].

It should be noted the works of N. Bazyuk and M. Zakharova concerning the study of tax policy in Kazakhstan [4].

At the same time, Kazakhstan science has paid little attention to a comprehensive study of tax policy covering both financial and legal issues.

In connection with the need to search for the most optimal model of tax policy, in this work an assessment of tax policy is carried out as well as recommendations for improving its efficiency from the legal and financial sides are proposed.

Main part. Analysis of the effectiveness of tax policy in the Republic of Kazakhstan.

In this paper as indicators that can characterize the effectiveness of tax policy would be taken:

1) tax revenues, their share in relation to GDP;
2) the structure of tax revenues;
3) tax burden.

The first indicator is tax revenues, their share in relation to GDP.

For several years, the growth of the economy, favorable prices for the main export goods ensured an increase of tax revenues to the budget of Kazakhstan. In absolute terms, tax revenues increased annually by 1 trillion tenge.

For example, in 2019, the budget of Kazakhstan received 12.8 trillion tenge of revenues. Tax revenues were 9.2 trillion tenge or 72.2%, annual growth – 16.8% (fig. 1).

	2013	2017	2018	2019	2020
Tax revenue	3,5 trillion tenge	7,1 trllion tenge	8,2 trillion tenge	9,2 trillion tenge	8,6 trillion tenge

Figure 1. **Tax revenues to the budget [5]**

At the same time the share of tax revenues relative to GDP remains at a low level – 13.5%, which indicates the need to search for new sources of budget revenue as well as to reduce the shadow economy.

The second indicator is the structure of tax revenues.

The analyzed years (2018-2019) indicate an increase in all types of tax revenues. In absolute terms there are an increase in corporate and individual income taxes, value added tax (fig. 2).

Year	Tax receipts	CIT	IIT	VAT
2018	8,2 trillion tenge	1,7 trillion tenge (81% - the oil sector)	800 billion tenge	2,2 trillion tenge
Share in the structure of tax revenues in %		20,7%	9,7%	26,8%
2019	9,2 trillion tenge	2 trillion tenge (80,9% - the oil sector)	876,3 billion tenge	2,7 trillion tenge
Share in the structure of tax revenues in %		21,7%	9,4%	29,3%
2020	8,6 trillion tenge	2 trillion tenge (81% - the oil sector)	880 billion tenge	2,5 trillion tenge
Share in the structure of tax revenues in %		21,9%	9,5%	28,2%

Figure 2. **Structure of tax revenues [5]**

However, it is necessary to pay attention to the high dependence of the budget on the oil sector - 80% of tax revenues come from mining companies. Other spheres, including the manufacturing

industry, the sale of goods and services, provide only 20% of taxes. In this regard, further support is needed for the non-oil sector of the economy, including in tax policy.

The third indicator is the tax burden.

The tax burden is understood as the ratio of tax revenues to the state's GDP.

In Kazakhstan the situation with the tax burden is characterized by its decrease (fig. 3). As a result, businesses pay less and less taxes. For example, VAT was reduced from 13% to 12%, and CIT from 30% to 20% [6].

	2010	2018	2019	2020
Tax burden	15,7%	11,7%	13,5%	13,3%

Figure 3. **Tax burden in Kazakhstan [5]**

Low tax rates are common in developing countries because they cannot offer other competitive advantages such as a stable economic system, infrastructure development or high consumer welfare. In developed countries, where the tax burden is high, the income of citizens is also high. Usually it becomes possible thanks to a well-considered tax policy and a high share of small and medium-sized businesses in GDP.

Comparative analysis of the effectiveness of tax policy.

A comparative analysis of the level of tax rates in Kazakhstan with the countries of the EAEU was also carried out for a general assessment of the effectiveness of tax policy. In general, the analysis of tax rates in Belarus, Kazakhstan and Russia showed the presence of more favorable conditions for doing business in our country (fig. 4) Kazakhstan has the lowest rates of VAT, IIT. CIT like in Russia is also at the lowest level.

Tax	Kazakhstan	Belarus	Russia
CIT	20%	24%	20%
VAT	12%	20%	18%
IIT	10%	12%	13%

Figure 4. **Tax rates in Kazakhstan, Belarus, Russia [5]**

Low tax rates in Kazakhstan compared to some EAEU countries were not historically low. At the early stage of independence the main business taxes - CIT and VAT were very significant reaching 30% and 20%, respectively. It should be noted that for banks the CIT at that time was an astronomical 45%. However, a consistent policy to reduce taxes did not lead to a decrease in tax revenues. On the contrary, entrepreneurs began to "come out of the shadows". For example, in 2009 after the reduction of CIT and VAT rates, tax revenues increased by 30% compared to the previous year while the level of GDP increased by 7%.

Tax policy in Kazakhstan is characterized by a low level of tax burden for entrepreneurs. According to the generally accepted classification it refers to a moderate tax policy. In general it possible to increase the attractiveness of the investment climate and encourages private initiative.

At the same time the low level of tax revenues to GDP shows the need for further reforming tax policy.

The existing national tax policy does not func-

tion effectively enough. The potential for timely and full filling of the country's budget, taxation of all economic relations, i.e. the fiscal function of tax policy is not fully implemented. The regulatory function of tax policy requires revision, namely, unreasonably high rates are paid by manufacturing enterprises, but certain subjects of taxation, for example, in the field of trade, can completely evade taxes or pay the lowest possible taxes.

Tax policy is not always consistent, which accordingly does not allow companies to build tax policy for the long term. Despite the full payment of taxes, the state revenue authorities may prosecute taxpayers, doubting the validity of issuing invoices or VAT refunds.

However, in comparison with countries with developed economies and an established tax system, the domestic tax policy has a reserve for improvement, which must be used correctly.

The tax policy of Kazakhstan is faced with the solution of the following strategic tasks:

1. Determine measures for assessing the effectiveness of tax policy.

At the first stage, it is proposed to develop a single document in the field of tax policy. Despite the existence of various strategic and program documents in the field of public policy and public administration, most of them do not address the issues of improving taxation. At present there are no documents that would make possible to qualitatively assess the current situation in tax policy as well as to predict its prospects.

It is necessary at the legislative level to determine the qualitative and quantitative indicators in tax policy as well as to determine the criteria for tax policy that need to be improved in 5, 10 and 20 years.

Such criteria could be:

1) the level of tax burden as a whole and separately on economic entities, separately on citizens. This will determine the comfort of doing business in the country and the need to reduce or increase tax rates. Also it is proposed to carry out on an ongoing basis a comparative analysis of the tax burden on enterprises in comparison with Armenia, Belarus, Kyrgyzstan and Russia.

2) the amount of tax revenues not only in quantitative terms, but also in their level with the real GDP and foreign currencies. As known tax revenues expressed in nominal numbers may not always reflect the real picture of tax receipts to the budget.

2. The introduction of a progressive scale of income tax.

The experience of developed countries shows the mandatory need for taxation based on the amount of income. In Kazakhstan this will allow not only to smooth out social inequality in society, but also to find additional tax revenues to the country's budget.

3. Revision of tax legislation for the elimination of many reference and duplicate norms. The Tax code should become simple and understandable for taxpayers.

4. Taxation of the manufacturing industry, small business and innovative enterprises requires radical improvement. Often these sectors of the economy become victims of counterfeit products from abroad and cannot compete with the foreign mass production of consumer goods. It is necessary to create a national "tax offshore" taking into account the minimum budget losses at the initial stage due to the small number of such enterprises.

5. Introduction of modern methods of determining, paying and collecting taxes.

The currently functioning moderate tax policy was largely shaped taking into account global trends and the need to develop private business. However, the effectiveness of tax policy is far from the expectations of both the state and taxpayers.

Despite the introduction of many progressive taxation methods, the creation of favorable conditions for doing business (tax holidays, simplified taxation for micro and small businesses and other benefits), tax evasion was not eliminated. In this regard, it is proposed to make wider use of the achievements and technical progress in the taxation.

Conclusion. Tax policy is a tool of legal and organizational foundations that ensure the formation of financial resources to the state and have a regulatory impact on economic development of the country.

The taxation system of Kazakhstan continues to be the main source of revenues to the state budget. Over the past few years the growth of the economy ensured an increase in tax revenues. At the same time, in comparison with the EAEU countries in Kazakhstan the rates of collection of VAT and IIT much more lower.

However, tax revenues in relation to GDP continues to remain at a rather low level which indicates the existing reserve for finding additional sources. Non-oil sectors of the economy provide only 20% of taxes. In this regard, it is necessary to pursue a policy to diversify the economy including improving tax policy.

This can be achieved by developing qualitative and quantitative indicators of the effectiveness of tax policy; planning the amount of tax revenues based on the current capabilities of taxpayers; monitoring the indicators of tax policy together with tax revenues and adjusting them on an ongoing basis.

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Ә.Б. Сәдуақасов

ҚАЗАҚСТАН РЕСПУБЛИКАСЫНДАҒЫ САЛЫҚ САЯСАТЫ МЕН САЛЫҚ ЗАҢНАМАСЫНЫҢ ТИІМДІЛІГІН ТАЛДАУ

Андатпа

Салық түсімдері әрқашан мемлекеттік бюджетті толықтырудың негізгі көзі болды. Елдер салық қатынастарының әртүрлі субъектілеріне қатысты әртүрлі салық саясатын жүргізеді. Өндіруші саладағы компаниялар ел бюджетінің жетекші донорлары болып табылатын Қазақстан да ерекшелік емес. Мәселен, соңғы жылдары экспорттық тауарларға жоғары бағалар ел бюджетіне салық түсімдерінің өсуін қамтамасыз етті. Жыл сайын салықтан түсетін түсімдер 1 трлн теңгеге ұлғайды.

Осы бапта салық саясатына талдау жүргізілді, онда салық түсімдері, олардың ЖІӨ-ге қатысты үлесі, салық түсімдерінің құрылымы, сондай-ақ кәсіпорындарға салық жүктемесі оның тиімділігінің көрсеткіштері ретінде қарастырылады.

Бұдан әрі ЕАЭО елдеріндегі салық жүктемесіне салыстырмалы талдау жасалды, сондай-ақ Қазақстан Республикасының салық саясатына тарихи талдау жүргізілді.

Жан-жақты талдау нәтижелері бойынша оның құрамдас бөлігі ретінде салық саясаты мен салық заңнамасының тиімділігін арттыру бойынша практикалық ұсыныстар жасалды.

Атап айтқанда, салық түсімдерімен бірге салық саясаты көрсеткіштеріне тұрақты мониторинг жүргізу, салық заңнамасын жетілдіру және салықтық әкімшілендіру сапасы бойынша шаралар ұсынылды. Ұсыныстар ретінде халыққа және кәсіпорындарға қатысты салық салу стратегиясын әзірлеу, салық заңнамасын үнемі өзгерту тәжірибесінен бас тарту, экономикалық қатынастардың бірдей субъектілеріне қатыс-

ты салықтарды теңестіру, сондай-ақ компаниялардың экономикалық белсенділігін одан әрі салықтық ын-таландыру жөніндегі ұсыныстарды қарау ұсынылды.

А.Б. Садвокасов

АНАЛИЗ ЭФФЕКТИВНОСТИ НАЛОГОВОЙ ПОЛИТИКИ И НАЛОГОВОГО ЗАКОНОДАТЕЛЬСТВА В РЕСПУБЛИКЕ КАЗАХСТАН

Аннотация

Налоговые поступления всегда являлись основным источником пополнения государственного бюдже-та. Страны проводят разную налоговую политику в отношении разных субъектов налоговых отношений. Не является исключением и Казахстан, где компании в добывающей отрасли являются лидирующими до-норами бюджета страны. Так, последние годы высокие цены на экспортные товары обеспечивали рост на-логовых поступлений в бюджет страны. Ежегодно поступления от налогов увеличивались на 1 трлн тенге.

В настоящей статье проведен анализ налоговой политики, где в качестве показателей ее эффектив-ности рассматриваются налоговые поступления, их доля относительно ВВП, структура налоговых посту-плений, а также налоговая нагрузка на предприятия.

Далее представлен сравнительный анализ налоговой нагрузки в странах ЕАЭС, а также проведен исторический анализ налоговой политики Республики Казахстан.

По итогам проведенного всестороннего анализа выработаны практические рекомендации по повы-шению эффективности налоговой политики и налогового законодательства, как ее составной части.

В частности, предложены меры по постоянному мониторингу показателей налоговой политики вку-пе с налоговыми поступлениями, совершенствованию налогового законодательства и качеству налогового администрирования. В качестве рекомендаций предложено также выработать стратегию налогообложения в отношении населения и предприятий, отказаться от практики постоянного изменения налогового законо-дательства, выровнять налоги в отношении одинаковых субъектов экономических отношений, а также рас-смотреть предложения по дальнейшему налоговому стимулированию экономической активности компаний.