

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

Tax System Analysis in Chosen State

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Department of Economics

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

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Economics and Management

Thesis title

Tax System Analysis in Chosen State

Objectives of thesis

The aim of the bachelor thesis is to learn the impact of the today system of taxation of the Republic of Kazakhstan on the economic and social development of the state.

Methodology

In this bachelor thesis project we use the practical and theoretical methods which are widely observed in the research process a variety of sciences. Practical method allows us to capture and describe the phenomena, facts, links between them (comparison, observation, measurement, description). Using the theoretical method we reveal a detailed analysis of the various facts, given material (analysis, classification, modeling, system approach, a statistical method, etc.) is being classified.

Schedule for processing

- 1) Preparation and study of specialized information resources about taxes in Kazakhstan, refinement of partial goals and selection of work process: 04 - 06/2014
- 2) Processing of literature overview according to information resources: 06 - 08/2014
- 3) Development of the own solution, discussion and evaluation of results: 09 - 12/2014
- 4) Creation of the final document of the bachelor thesis: 01 - 02/2015
- 5) Submission of thesis and abstract: 03/2015

The proposed extent of the thesis

35 - 50 pages

Keywords

Tax, Kazakhsatn, VAT, Excise Tax, Laffer Curve, Income Tax, Net Tax Multiplier

Recommended information sources

1. Ermekbaeva B.Zh. Tax burden as an economic measure of the state tax system - Almaty: Vestnik KazNU - 2011
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Dean

Declaration

I declare that I have worked on my diploma thesis titled “Tax System Analysis in Chosen State” by myself and I have used only the sources mentioned at the end of the thesis.

In Prague on 16.03.2015

Vladimir Petrosenko

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I would like to thank my supervisor Tomáš Maier, Ing., Ph.D. for professional advice and interest, which he devoted to my work.

I would also like to thank my family and friends for supporting me during the whole bachelor study period and my work on the thesis.

Analýza daňového systému ve vybraném státu

Tax System Analysis in Chosen State

Souhrn

Bakalářská práce na téma “Analýza daňového systému ve vybraném státu” se zabývá analýzou a zkoumáním daňového systému v Kazachstánu. Tato práce se zabývá touto problematikou, jak v teoretické, tak praktické části.

Předmětem výzkumu je daňový systém Republiky Kazachstán, který slouží jako nejdůležitější nástroj regulace tržní ekonomiky státu.

Úvod mé práce je věnován metodickým postupům využitých při analýze daňového systému v Kazachstánu.

Teoretická část práce popisuje hospodářskou a sociální podstatu daní. Tato část také ukazuje moderní stav daňového mechanismu Kazachstánu. Teorie Lafferovy křivky a její použití v ekonomice Kazachstánu je zde uvedeno, jakož i příklady hlavních typů daní a daňových poplatníků, jenž se vyskytují v Kazachstánu.

Praktická část se zabývá studiem daňového mechanismu komanditní společnosti "Rudnenskiý podnik kovových konstrukcí- Imstalcon." Tento podnik je hlavním objektem mé práce.

Závěrečná část bakalářské práce představuje stav moderního daňového systému v Kazachstánu na základě praktické analýzy podniku, jakož i teoretické části této práci.

Klíčová slova:

Daň, Republika Kazachstán, Lafferova křivka, Daň z příjmů, Podnik, Daň z přidané hodnoty, Spotřební daň.

Summary

Tax system in the Republic of Kazakhstan has been studied and analyzed for the bachelor's thesis entitled "Tax system Analysis in Chosen State ". Theoretical and practical studies of this issue are carried out in the thesis work.

The subject of the research is the tax system of the Republic of Kazakhstan as an important tool for regulating market economy of the state.

The introductory part of the thesis is devoted to the methodology used to analyze the tax mechanism of the Republic of Kazakhstan.

Theoretical part of the thesis describes economic and social essence of taxes. This part also shows a modern condition of the tax mechanism of the Republic of Kazakhstan. The theory of the Laffer curve and its effect in the economy of Kazakhstan is given here as well as examples of main taxes and taxpayers that occur in Kazakhstan.

Practical part deals with the study of tax mechanism of LLP (Limited Liability Partnership) "Rudnenskiy Metalwork Plant - Imstalcon". This enterprise is defined as an object of the thesis.

Final part represents a conclusion about modern tax system of the Republic of Kazakhstan based on the practical analysis of the enterprise as well as on the theoretical part of the thesis.

Key words:

Tax, Republic of Kazakhstan, Laffer Curve, Corporate Income Tax, Personal Income Tax, Enterprise, Value Added Tax, Excise.

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1. Introduction

The relevance of the chosen topic of the thesis, ‘Tax System Analysis in the Republic of Kazakhstan’, is clear, because the effective functioning of the national economy depends on how well the tax system is organized.

Throughout the history of mankind no state could exist without taxes. One of the functions of the state authority is the taxation and tax collection. Taxes are not only a major source of income for the state, but a method of the economic management system affecting all spheres of life - social, cultural, scientific, technical, foreign policy, etc. The tax mechanism affects the social production, its dynamics and structure.

Taxes have an important place among the economic levers. With the help of this lever the state influences the market economy. The application of taxes is one of the economic methods of management and ensuring the link of the general interests with the commercial interests of entrepreneurs, enterprises regardless of their departmental subordination and forms of ownership and legal form.

The tax mechanism also serves as a redistribution of incomes, social protection of lower social classes, also a regulation of personal income of the population.

Tax policy is an integral part of the socio-economic policy. It focuses on the formation of such a tax system, which will stimulate the savings and management of the national wealth and promote the harmonization of the interests of the economy and society, and thus ensure the social and economic progress of the society.

In conditions of highly developed marketplace the tax policy is used by the state for the redistribution of the state income in order to change the structure of production, territorial economic development, the level of profitability of the population.

Since gaining independence in 1991 Kazakhstan has embarked on serious changes in the political and economic structure of the state. The Government of the Republic began to implement the complex of measures to reform the entire socio-economic system, including the tax mechanism of the Republic.

Since 1992, the work began on the improvement of the tax policy. The basic list of requirements that meet the Law of the Republic of Kazakhstan dated April 24, 1995 "On taxes and other obligatory payments to the budget" is the reduction of the tax burden and the amount of taxes, the approach of the tax system of Kazakhstan to world standards.

To further fundamental reform of the country's economy the President Nursultan Nazarbayev proposed to develop a number of programs. In particular, these programs included the improvement of tax collection, the strengthening of fiscal discipline, which will make the situation of legal and private persons more equitable. This should remove the obstacles hindering the growth of the business and investment, to stabilize the financial situation of the state.

For today, the role and importance of taxes increase sharply as the regulator of the market economy, the promotion and development of priority sectors of the national economy. In addition, it is important to note that with taxes the state can pursue an effective policy of the development of knowledge-intensive industries and the elimination of unprofitable enterprises.

2. The aim, objectives and methods of the thesis

The aim of the thesis is to analyze taxes and tax system of Kazakhstan on the example of the Kazakhstan's enterprise. To learn the effects of the modern tax system of the Republic of Kazakhstan on the economic and social development of the state.

Objectives of the thesis for achieving of this goal are as follows:

- to learn the essence of taxes and tax policy of the state and their importance,
- to study tax policy in the system of the state regulation of the economy,
- to analyze the results and the main directions of the development of the modern tax policy of the Republic of Kazakhstan;
- to study the mechanism of taxation as an example of «Rudnenskii metals plant - Imstalcon» LLP.

The subject of the research is the tax system of the Republic of Kazakhstan as an important tool for regulating the market economy of the state.

The object of the research is the tax mechanism of «Rudnenskii metals plant - Imstalcon» LLP.

The novelty of the research is that despite the significant role of taxes in the state economic and social relations, the problems in the functioning of the taxation system in the Republic of Kazakhstan are still insufficiently disclosed. The given research will help to deepen the study of the economic content of taxes of the Republic of Kazakhstan in future.

Research methods

Methods of research represent a specific set of methods, research methods, and principles of knowledge, which are used in a particular science.

Methods of the thesis research allow us to solve the tasks and achieve the goal of a thesis project.

In this thesis project both practical and theoretical methods are used. They are widely used in the research process of a variety of sciences. A practical method allows to capture and describe the phenomena, facts, links between them (comparison, observation, measurement, description).

Using a theoretical method a detailed analysis of various facts is performed, significant patterns are revealed, factual material (analysis, classification, modeling, system approach, a statistical method, etc.) is systematized.

In this thesis the following methods and approaches of theoretical knowledge are used: a method of formal logic, a grouping method and a benchmark method, statistical and dynamic analysis. Also, a historical and systematic approach, a method of comparative analysis and an integrated approach are used.

Practical methods of scientific research in this thesis are comparison and measurement.

Theoretical foundations of the thesis research.

Working with the thesis methodical and educational literature as well as manuals and electronic textbooks were used. The works of such authors as Chepurina M., Bulatov A.S., Kovaleva A.M., Drobozina L.A., and also Kazakhstan scientists as Karagusova G., Seidakhmetova F.S., Iliasov K., Melnikov V.D., Ospanov M.T. and others were studied and analyzed.

Practical basis of the thesis.

Working with the thesis actual data from official national websites such as the Ministry of Finance, the Ministry of Statistics of Kazakhstan, the Tax Committee of the Republic of Kazakhstan were used.

The theoretical significance of the final qualifying work caused by the fact, that the basics of the taxation system of the state are learned.

The practical significance is the ability to use research materials in educational and lecture works for students.

The structure and scope of the thesis consists of the introduction, the main part (including 5 chapters), the conclusion, references and supplements.

3. Literature Review

The works of eminent domestic and foreign scholars and practitioners in the tax system form the theoretical basis of the thesis. Many foreign authors wrote about problems in the theory of tax.

Let's see how modern Western economic literature defines the concept of tax.

In a well-known German encyclopedia "Gabler Encyclopedia", taxes are defined as payments to the government (Law and Economics. - M.: BRE 2008. - p. 107). This edition is dedicated to the problems of modern economy and history, the legal regulation of economic and other relations. The adopted terminology is also given.

"Dictionary of McMillan modern economic theory" (Dictionary of McMillan modern economic theory. – M.: Infra-M, 2012. - p.485) gives the following definition of tax: "Taxation is the mandatory fee from companies and private individuals, carried out by the Government to obtain funding for public goods and services, as well as to control the amount of private spending in the economy".

In this case, the political and economic aspects of taxation are fixed. On the one hand, taxes are esteemed as a source of financing of public goods and government services, and as a regulator of private income, on the other hand. This dictionary presents attempts to show the functional role of taxes, their individual species in the economy.

If we refer to the American textbook "Economy" by S. Fisher, R. Dornbusch, R. Schmalensee, we will see the taxes are considered as a means of payment for the goods, purchased by the Government and as a source of transfer payments (S.Fisher, R. Dornbusch, R. Schmalensee Economics. – M.: Delo, 2011 - p.93). Thus, they are shown as the main source of government revenue. The following quotation "taxes are our payment for civilized society" (the same source. p.377) is made.

The economic-theoretical analysis of tax is held in this textbook. Thus, the impact of taxes on the allocation of resources is analyzed. Another studied theme is taxes and consumption. It examines the effect of imposing taxes.

The textbook "Economics" by Paul Samuelson and W.Nordhaus reviews the mechanism of the impact of government spending and taxation on the economy. Three directions are identified there. They are the impact on the overall placement of the national product; the effect on the release of the goods; the impact on macroeconomic values such

as fluctuations in aggregate output, prices and unemployment (P. Samuelson, W. Nordhaus Economics. – M.: Delo, 2009. - p. 340).

The textbook for Universities "Economic theory. Microeconomics. Macroeconomics. Megaeconomics" edited by A. Dobrynin and L. Tarasevich defines that taxes are made in accordance with an applicable law. "Taxes express the duty of legal and private persons to participate in the formation of public financial resources" (Economic theory. Microeconomics. Macroeconomics. Megaeconomics / Ed. A Dobrynin, L. Tarasevich. - St. PTB., 2012. - p. 378).

The same definition of taxes is repeated in such publication as "Course of economic theory" edited by M. Chepourin. (Course of economic theory / Ed.by M.Chepourin, E. Kiseleva. - Kirov, 2010. p. 410).

The book "Economic theory" edited by I. Nikolaeva defines taxes as follows "Any kind of mandatory payments to the state and its institutions is a tax" (Economic theory / ed. I. Nikolaeva. - M.; Delo, 2008. - p.379), puts forward two functions of taxes, fiscal and regulatory.

In "Economic theory" edited by N. Bazylev and S.Gourko taxes are shown as a source of government revenue and as a lever of influence on the economy, i.e. the essence of taxes is expressed by two functions, fiscal and regulatory (Economic theory / Ed. N. Bazylev and S. Gourko. – Minsk, 2008. - p.225).

Historically, the simple concept of taxes as a form of government revenue was reviewed in writings of the Scottish economist Adam Smith, the founder of modern economic theory. He wrote that "since social capital and public lands belonging to the state or sovereign seem an inappropriate and inaccessible source to cover necessary expenses of every great and civilized state. More part of these costs have to be covered by taxes of any kind, and the population gives a part of their private income to make up the public revenue of the sovereign or state" (A. Smith. Research of Nature and Causes of the Wealth of Nations. In 2 vol. V.2 - M.: Everest, 2012. - p. 341).

The opponent of A. Smith, the British economist D. Ricardo argued that "every new tax is becoming a new burden for the production and leads the increasing of the natural price of goods" (D. Ricardo. Principles of Political Economy and Taxation. - Sochineniya, Vol.1. - M.: VNIISI, 2009. - p.155).

Serious American academic theorist P. Samuelson considered "different people should be taxed in proportion to the benefits they can expect from the activities of the government" (P. Samuelson. Economics. Volume 1. - M.: NPO Algon, 2012. - p. 165).

English philosopher and economist J. S. Mill demanded to impose strict taxes for income, which is not based on work, including inheritance (J. Stewart Mill. Principles of Political Economy. In 2 vols. V.2 - M.: 1980. - p.156).

Kazakhstani scientists, such as B.Zh. Ermekbaeva, G.D. Karagusova, V.D. Melnikov, A.A. Nurumov, M.T. Ospanov, F.S. Seidakhmetova, A.I. Khudyakov and others contributed greatly to the development of a perspective in the field of tax system of Kazakhstan.

B.Zh. Ermekbaeva, Ph.D in Economics, Assistant Professor, considers tax as an "instrument of the budget of the state is a form of alienation of the funds of legal and private persons in the budgets of various levels" (B.Zh. Ermekbaeva "The tax burden as an economic measure of the tax system of the state" - Almaty: Vestnik KazNU - 2011). B.Zh. Ermekbaeva is the founder of the discipline "Taxes and taxation" in Kazakhstan, the author of the first textbooks on taxation in the Republic of Kazakhstan.

G.D. Karagusova, Doctor of Economics, Professor, writes that "In all states the main constitutional duty of the citizen is to pay taxes. And in every democratic society the main task of the tax inspector is to help him in this" (G.D. Karagusova "Taxes: The Essence and Practice"- Almaty, 2011 - p.78).

Melnikov V.D., Doctor of Economics, Professor, is a professor of the Kazakh Economic University named Turar Ryskulov, Finances Department, reveals the essence of the term "taxes" in his book "Principles of Finance", gives a full description of the tax system of Kazakhstan, a brief history of taxes of Kazakhstan and the organization of the tax system in modern terms - "Taxes are statutory mandatory payments levied in certain sizes and in a timely manner" (Melnikov V.D. Principles of Finance – Almaty, Publisher LEM, 2012 – p.213) and further, "Since the independence in Kazakhstan their own tax system began to be created" (Melnikov V.D. Principles of Finance – Almaty, Publisher LEM, 2012 – p.224).

Ospanov M.T., Doctor of Economics, the member of the International Academy of "Eurasia", participated in the development of the first Tax Code of the Republic of Kazakhstan, which was based initially on the principles of the taxation prevailing in the

countries of the West, Europe. Realizing the sufficient conditionality of applying them in a transition economy of Kazakhstan, Ospanov M.T. worked tirelessly to improve the tax system in an effort to increase its value to the rapidly changing realities in the country. In 1997, the author has developed a methodology for calculating the multiplicative aggregate tax burden on enterprises of Kazakhstan, which was at that time one of the most full-scale approaches to the calculation of the tax burden. Unfortunately, this technique is not applicable in the modern realities of the economy Kazakhstan, since it ignores the possibility of reimbursement of VAT (tax deductions).

However, the study of the problems of the tax system is in the early stage and mainly represented by the works of these authors. It should be noted that in scientific literature there is no comprehensive study of the tax system, devoted to the theoretical foundations, including a clarification of definitions, a ranking and a role of the tax system in the economy, an analysis of the process of creation and functioning of the tax system of the Republic of Kazakhstan, a compliance with the international standards, a development of the ways to improve the tax system of the state.

4. Economic and social essence of the concept of taxes. Laffer curve

Taxes are mandatory payments which all private and legal persons – enterprises, organizations and citizens – pay to the state.

Melnikov V.D., Doctor of Economics, Kazakhstan professor, characterizes the economic essence in the following way “The economic essence of taxes is that they are a part of the economic relations in withdrawing of a certain percentage of the national income from economic entities, citizens. This part is accumulated by the state to carry out its functions and objectives.” (Melnikov V.D. Principles of Finance – Almaty, Publisher LEM, 2012 – p.213).

Taxes are the source category of finance. They arise with the formation of the state and are the basis of its existence. Throughout the history of human development tax forms and methods have changed, perfected and adapted to the needs and demands of the state.

Taxes reached its greatest development in the full fledged systems of commodity and money relations, affecting their condition.

In modern civilized society taxes are the main form of state revenues.

State revenues are divided into two main groups. One group is the income of a private law character. Such revenues the state receives, firstly, on the same basis as private persons, by the conclusion of certain transactions, and secondly, by lands, forests, trade, industry, transport and other enterprises.

Another group is the income of a public law character. This income the state derives forced through by virtue of its power. This group includes duties, taxes and other fees.

Taxes are levied regardless of certain services provided by the state, and are intended for the general needs of the state. Taxes are the important "circulatory artery" of the fiscal system of the state.

Historically two principles of distribution of the tax burden formed:

- benefit principle (received benefits);
- "donations" principle (solvency).

Using the principles of taxation of received benefits and solvency is about setting tax rates and their change as income rises.

Classical principles of the real organization of taxes have been proposed by A. Smith (Figure 1). They are as follows:

- a tax should be levied in accordance with the income of each taxpayer (principle of equity);
- tax rate and terms of payment should be clearly defined in advance (principle of certainty);
- each tax should be levied at the time and in the manner that is most convenient for the taxpayer (principle of convenience);
- costs of tax collection should be minimal (principle of economy).

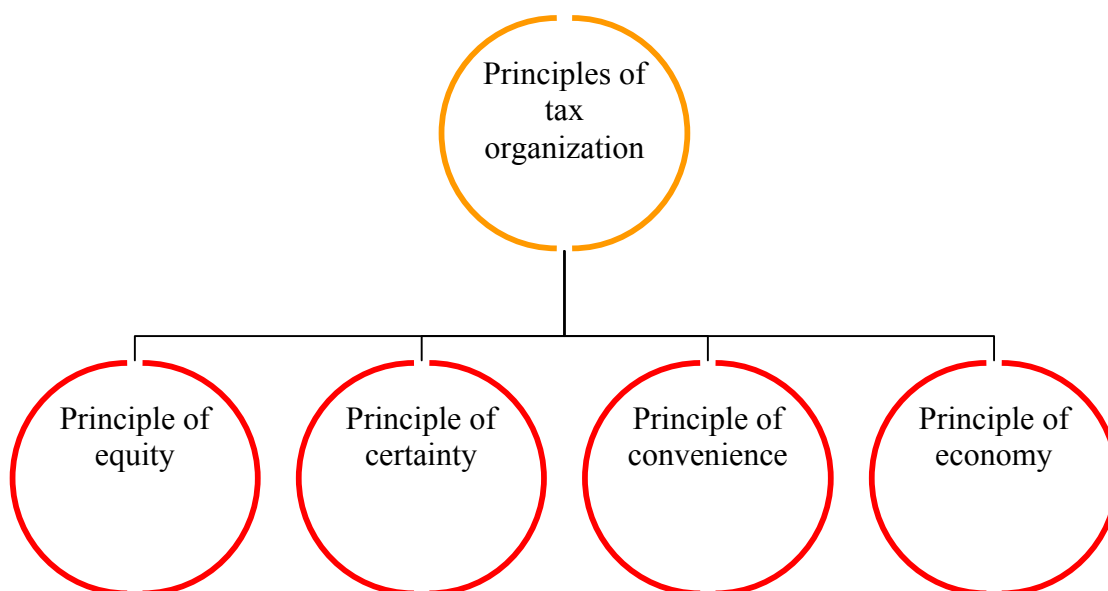


Figure 1. Classical principles of the real organization of taxes

Note: the scheme is compiled by the author according to the work of A. Smith. Research of Nature and Causes of the Wealth of Nations. V.2 - M.: Everest, 2012. - p. 341

The use of these principles eliminated the arbitrary taxation, contributed the regulation to this process and allowed A. Smith to make the conclusion that "the taxes for those who pay them, are not a sign of slavery, but a sign of freedom".

In the subsequent development the principles of taxes were specified and supplemented. The modern interpretation of the principles of the taxation in the economy of Kazakhstan of the Kazakhstan Professor Melnikov V.D. is the following:

1. Principle of equity in taxation is considered in two aspects:
 - the achievement of the "horizontal equity," which requires all income of taxpayers regardless of how they are earned and spent, taxed uniformly on equal terms;

- the adherence to the "vertical equity" in accordance with the law for the obligations of taxpayers with different levels of income and in different situations, in terms of compliance with social norms in a given society.

It means that the taxation of income of private persons should be made with the use of differential rates on a progressive scale for the distribution of a part of income of the wealthiest people in favor of the poor, who either do not have to pay at all or should pay less than the others.

2. Simplicity principle.

A taxpayer should understand tax content, its scope and a mechanism of its action. Law about taxes is not cumbersome and complicated. The technically simplest forms should be preferred in determining the tax forms as the part of taxpayers try to evade the payment of taxes, to understate their income. The use of linear proportional taxes is preferred instead of progressive ones.

It is advisable to use a linear consumption tax in the form of value added tax, a single linear tax on earnings of workers and employees, a single linear income tax; a rate of such a tax shall be the same regardless of the form of ownership or the payer.

3. Certain taxes are an immutable equality of predetermined conditions and requirements, a uniformity of interpretation and application throughout the country and for all businesses.

4. Minimum tax exemptions.

In addition to reasonable exceptions, the state should not reward or punish taxpayers with the tax system. For this purpose special articles should exist in the expenditure side instead of reduction of taxes in the revenue side of the budget. It is necessary to avoid any tax exemption of certain products, services, activities, or social groups.

It's necessary to carry out government financing of social policy, health and the development of culture, but the funds should not be got through the manipulation of tax rates. Political power should not succumb to pressure from certain groups of taxpayers. This principle is also important from the point of view of a market economy. There is no market without real prices. Arbitrary tax exemptions will be shown in the price system and do not give a clear idea of the real cost of each product.

5. Economic acceptability means that taxes should not hinder the improvement of the functioning of the economy and increasing of investments. It is impossible to impose a progressive tax on those people who work more. It is necessary to keep in mind what the effect of taxes will be on productivity, production and capital investments. If the effect is negative at least in one case, it is better not to apply the tax.

6. Comparability of tax rates for major taxes with other countries-partners of the country on the economic relations. It is necessary to ensure the parity in attracting investments, and low interest rates will result in a transfer of revenue to the budgets of countries exporting capital, and negatively affect the budget of the country-importer of capital; high interest rates will discourage foreign investments in the country's economy. (Melnikov V.D. Principles of Finance – Almaty, Publisher LEM, 2012 – p.216).

The following principles are specified in Taxes and Fees Legislation of Kazakhstan as:

- compulsory taxation (that comes from the definition of tax),
- certainty of taxation procedure and simplicity principle,
- the unity of the tax system (throughout the state and concerning all taxpayers)
- justice in taxation procedures,
- transparency of tax legislation.

Taxes can be classified according to different principles:

- subject of taxation and the relationship of the payer and the state;
- use of taxes;
- authority levying a tax;
- economic character.

According to the first aspect the taxes are divided into direct and indirect.

Direct taxes are imposed directly on the income or assets (income tax, property tax, land tax, income tax).

Direct taxes, in turn, are divided into real and personal. A real tax is imposed on property on external signs, that is a taxable object, not the efficiency of its use is taken into account; real direct taxes include land tax, property tax, tax of trade, money capital tax.

Personal taxes take into account not only the income, but also a financial position of a payer, for example, marital status. Personal taxes include income tax, death and gift tax, person tax, etc.

Indirect taxes are levied indirectly through the prices of goods and services (value added tax, excise duties, customs duties). In that case the owner transfers tax amounts after the sale of goods and services.

According to the use taxes are divided into general and special. General taxes go to the government and their using become indistinguishable. Special taxes have a certain purpose (e.g. vehicle tax, vehicle acquisition tax, previously used for the reform of the road fund).

Also taxes are divided into central (national) and local. It depends on the authority levying and disposing taxes.

According to economic characteristics of the object taxes are divided into an income tax and a consumption tax. In the first case a tax is levied on income from object of taxation received by the payer; in the second case a tax is a tax on expenses which are paid at the consumption of goods and services.

Taxes are rated in tenge (the official currency of Kazakhstan), except for cases when the tax legislation of the Republic of Kazakhstan and provisions of contracts for subsurface use, concluded by a competent body authorized by the Government of the Republic of Kazakhstan provide a natural form of payment, and also if payment of taxes is made in foreign currency in accordance with the customs legislation of the Republic of Kazakhstan.

Thus, taxes relate to the system of financial relations, this is determined by their total content. At the same time, taxes have a material basis, i.e. they are a part of monetary income of legal and private persons assigned by the state in an imperious way. It defines a dual character of taxes. On the one hand, taxes are a specific form of industrial relations, on the other hand, taxes are a part of the value of national income in the form of money.

R.N. Nurgaliyeva, Doctor of Economics, the author of the textbook "Taxation management" offers the following classification of taxes using in the tax system of the Republic of Kazakhstan. Taxes are considered on the following criteria:

- object of taxation – direct and indirect;
- body carrying out the collection and disposal of taxes: state and local;
- order of their use – general and special;
- economic character – income taxes and consumption taxes;
- level of an assessment of the object of taxation;

- form of a tax payment – natural and monetary;
- subject of taxation – taxes on legal persons and taxes on private persons;
- instrument of fiscal adjustment – fixed tax and regulatory tax;
- order of a tax payment – the payment of a tax on ordinary and simplified scheme.

1) Direct taxes imposed on income, property of private and legal persons have insignificant share yet, while indirect taxes on goods and services covered in the price of the product or included in the rate are becoming more common.

The direct taxes include taxes on income and property taxes, such as an income tax from legal and private persons, a land tax, etc.

Indirect taxes include VAT, excise duties and customs duties (regulated by the customs legislation).

2) The division of taxes on the national and local is determined by two factors:

- who imposes a tax (a central or local authority),
- what budget does it belong to as a revenue source (central or local).

According to the Constitution and the Tax legislation of the Republic of Kazakhstan all taxes are imposed only by the central authorities on behalf of the Parliament and, in certain cases, on behalf of the President of the Republic of Kazakhstan. In these cases the determining factor is the second criterion;

3) General taxes go to the government and using become indistinguishable, special taxes are strictly for special purposes.

Currently, special taxes (previously credited to non-budgetary funds) go to the budget, however, they stand out as a separate line. The budget is approved by the relevant representative body.

All special funds are formed within the budget and approved by the same representative authority. This authority controls the legality and the appropriateness of the expenditure of these funds.

As a result, we have the single financial system instead of the parallel existence of several state funds. This system is based on a hierarchy of funds and constructed according to the following scheme: the budget approved by the relevant representative authority; the social fund as a part of the budget passed to the relevant department, but controlled by that representative authority which approved the budget.

4) According to economic characteristics of the object taxes are divided into an income tax and a consumption tax. In the first case a tax is levied on income from object of taxation received by the payer; in the second case a tax is a tax on expenses which are paid at the consumption of goods and services (VAT, excise duties).

5) There are four methods of charging taxes in Kazakhstan according to the level of an assessment of the object of taxation:

- a cadastral method, the account and a tax collection is based on the inventory of objects of taxation indicating their rate-of-return excluding actual return (a land tax and a property tax);
- a declaration where a taxpayer indicates his level of income, necessary benefits, deductions and calculates a tax amount;
- a tax charges at the source of income. A tax is calculated by an account department of a legal person and paid at the place where the payer works;
- on the basis of a patent for a variety of business activities.

6) Depending on a form of payment taxes are divided into natural and monetary.

The monetary form is a predominant form of tax payment. However, natural taxes are known both in the past and in the present. Thus, the Decree on taxes of the President of the Republic of Kazakhstan allows the natural form of a tax payment by mining companies as a share of produced goods at a rate determined by the contract for subsurface use.

7) Taxes on legal persons and taxes on private persons can be distinguished according to the subjects.

Now the tax legislation in Kazakhstan follows the path of constructing general taxes which apply to both the legal and private persons. These taxes are established common to both subjects with regulations and coincide on their basic elements. However, due to objective differences between these subjects, the features of the taxation of each of them are always traced even within one act.

8) As the instrument of fiscal adjustment taxes are divided in fixed taxes and regulatory taxes.

A fiscal adjustment is a process of balancing of the budget, i.e. ensuring the equality of its revenue and expenditure items.

Fixed taxes are fixed as an income source to a certain type of the budget in accordance with the law.

Regulatory taxes are passed from the higher budget to the lower budget in the process of annual approval in order to balance the last one.

Thus, the tax fixed for the higher budget can act as a regulatory tax for the local one. As a result, the revenue of the republican budget consists only of fixed sources (including fixed taxes), and the revenue of local budgets consists both of fixed taxes and regulatory taxes. For the regulation of local budgets usually an income tax from private persons is used. It is withheld from a source payment.

9) According to the order of a tax payment taxpayers can pay taxes in an ordinary and simplified scheme.

An official document certifying the right of the simplified taxation scheme is a patent granted for a calendar year by tax authorities. This method of payment is applied to taxpayers mainly working with cash and having a huge turnover in sales of goods, works and services, as well as a limited number of employees.

The cost of the patent includes a fixed aggregate tax, which in its turn includes taxes and other obligatory payments to the budget, as well as other financial obligations to the state. If the number of employees is exceeded the maximum businessmen move to the ordinary system of taxation.

The set of types of taxes levied in the state, forms and methods of their construction, revenue authorities forms the tax system of the state.

The hallmark of the tax system is a legal nature of payments, an economic independence of the payer. In addition, the tax system has a potential for the economic impact on the production process, its dynamics and structure, and on the development of a scientific technical progress, an establishment of market relations.

The tax system characterized by certain features implements a theoretical potential of a tax as an economic category. Legislative taxation system is a practical instrument for the redistribution of the income of potential taxpayers. Therefore, the existing tax system gives an idea of the completeness of the use of inherent tax functions, i.e. the role of the tax system (Supplement 1).

The essence of the tax system is shown in its functions, such as fiscal, redistributive, control and regulatory.

Historically, the first is a fiscal function. It provides revenues to the state budget.

A redistributive function is to redistribute a part of revenues of various entities to the state benefit.

The third function of taxes - regulatory - arises from the expansion of the state's economic activity. It targets the development of the national economy in accordance with the accepted programs. It uses a variety of forms of taxes, change their rates, methods of collection, benefits and discounts.

As finance in general, taxes are also characterized by a control feature that allows to provide a verification of the correctness and timeliness of making tax payments by a taxpayer into the budget by a quantitative representation of financial ratios.

The state spends a tax policy, a system of measures in the field of taxes in accordance with the generated economic policy, depending on the social and economic and other goals and objectives of the society in each specific period of its development.

The tax law has the most important role in the tax mechanism, and the imposition mechanism has a role in the tax law (the level of tax rates, the benefit system, the procedure for calculating the tax base, the objects of taxation and other elements related to the calculation of taxes).

Changes in the imposition mechanism can give qualitatively new features to the tax system, for example, changes in its structure, but without changes in the quantity and species composition of taxes. It allows to increase significantly the income of the working-age population through a motivational mechanism of economic interest in increasing labor activity. More efficient and reliable social protection of disabled members of the society is provided through the tax system.

Considering the tax rate, it is necessary to understand the essence of the theory of the American economist A. Laffer, which is well-known in the West as "supply-side economics." In accordance with this theory, an economic growth is a function of the tax system.

"Supply-side economics" theory provides exemption and a reduction of taxes as, according to supporters of this trend, all kinds of tax rates set by the state, directly increase the cost of production (cost of management, social programs, etc.), as well as indirect costs through a wage growth. It reduces the possibility of accumulation and, hence, investments, which inhibits the growth of production and reduces the supply.

The theory is based on the "Laffer curve", indicating that two different levels of taxation, low and high, can provide the same tax revenue. For example, the state receives zero income when the tax rate is 0% or 100%, since the rate of 100%, it actually has a confiscatory and stops the production activities of taxpayers.

In accordance with the theory of A. Laffer the existence of a certain optimal tax rate is assumed. It is able to provide the most revenue to the state and at the same time to create the most stimulating effect for profitable enterprises.

A. Smith pointed out that the state wins more reducing the tax burden than imposing unbearable taxes. An additional income can be obtained by the liberated funds and a tax from this income will also go to the Treasury. In this case, taxpayers make these payments with greater ease, and the state frees from additional costs for the collection of taxes related to penalties and extortion. Theoretical statements of A. Smith became an axiom, not only for his followers, but also for all scientists and economists.

Therefore, from "supply-side economics" theory it follows that for the promotion of the growth of goods production the state should not impose unduly high tax rate, which will weaken or even undermine the motivation to increase the production, reduce the interest of the company in the final results of the production and sales. But the establishment of a low tax rate does not give the maximum revenue to the state.

Laffer curve shows the relationship between the income of the state budget and the dynamics of tax rates. A graphic representation of this relationship is shown in Figure 2.

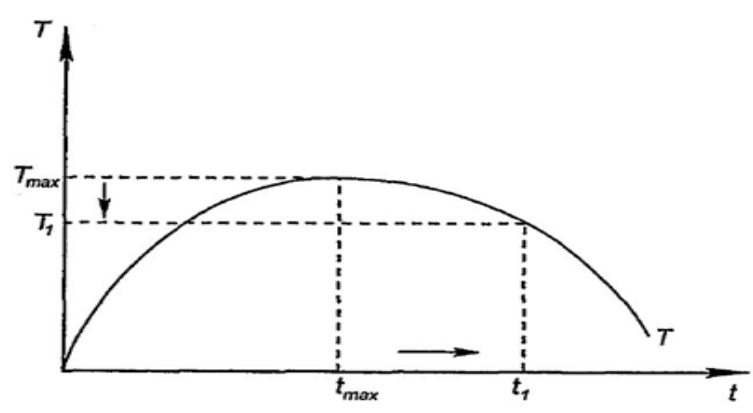


Figure 2. Laffer curve. Source: Principles of Economic Theory. Course of lectures edited by A.S. Baskin, O.I. Botkin, M.S. Ishmanova - Izhevsk: Publishing House "Udmurtia University", 2010 - p.199

The point of tangency of the Laffer curve shows that if, for example, the level of taxation is zero, then the state loses revenue. If it is going to take away all the income ($t = 100\%$), the economic process is stopped and the state budget will be left without income.

At the rate of “ t_{max} ” a total income of the state reaches a maximum “ T_{max} ”. The attempts to increase the tax rate, for example, to a value of “ t_1 ”, will reduce state revenues. Laffer shows that increasing of tax rates up to a certain level leads to an increase in budget revenues. This positive effect is possible only to a certain extent, and then the so-called "exclusion zone" of a tax scale begins. Taxes levied on the basis of high interest rates lead to a significant reduction in budget revenues. This is due to the fact that high taxes inhibit a private initiative and undermine the pursuit of new investments.

To find the optimal value of the tax rate is theoretically impossible, and many economists are trying to figure it empirically. Anikina E.A., Doctor of Economics (associate professor of the National Research of Tomsk Polytechnic University), believes on the basis of econometric calculations that the optimal rate is in the range of 35-45%. (Anikina E.A. Economic Theory: the textbook / Anikin E.A., Gavrilenko L.I. - Tomsk: Publishing House of the Tomsk Polytechnic University, 2014 - p.350).

The tax rate for all of these conditions must take into account the peculiarities of the economy in a particular period. Better conditions for the introduction of the optimal tax rate is the stability of the economic situation and low (3-5%) rate of inflation, or complete lack thereof.

5. Current state of the tax mechanism of the Republic of Kazakhstan

The tax system is a major component of conditions of the economic development of the state. The taxation system in Kazakhstan has emerged and is developing in the economic crisis since the first days of its existence. In the difficult situation it inhibits the growth of the budget deficit, operates the entire economic apparatus of the country, allows, not without faults, to finance urgent public needs and, mainly, satisfies the current problems of the transition to a market economy.

The creation of the tax system of the Republic of Kazakhstan is based on the experience of foreign countries. The representatives and experts of international organizations such as International Monetary Fund (IMF), International Tax Program, the Organization for Economic Cooperation and Development (OECD), the Gurjevsk Institution, Stanford University, Harvard University, USA were attended in its development.

The tax system of Kazakhstan has several stages of the development (Supplement 2). We consider the first 3 main stages, when there was a legal regulation of the tax mechanism of Kazakhstan, which had a significant influence on its further development:

The first stage of the tax reform (since 1992 till June 1995)

More than 40 types of taxes functioned in the Republic. Here are three branches of taxes for this period:

1. National taxes;
2. Obligatory local taxes;
3. Local taxes.

The second stage of the tax reform (since July 1995 till 1999)

The number of taxes was reduced to 11. They were divided into national and local taxes.

Since 1996, more than 30 changes and additions were made in the Law "On taxes and other obligatory payments to the budget". After that the amount of taxes and fees increased to 18 types.

The third stage of the tax reform (since 2000 till 2001)

At this stage, there were 17 kinds of major taxes and other obligatory payments to the budget, which required improvement and optimization.

The development of the tax project of the New Tax Code was started. It consisted of three parts: general part, special part and tax administration.

The fourth stage of the tax reform (2002-2008)

Since 01.01.2002 the Tax Code was introduced.

The fifth stage of the tax reform (since 01.01.2009)

Now the Republic of Kazakhstan has a new tax system. The improved Tax Code was introduced. The new tax system is close to the principles of the international taxation and based on the principles of the taxation of the European Union. One of the main goals of this Tax Code is to attract foreign investments to the economy of Kazakhstan.

The current tax policy has been functioning more than five years. During this time big quality changes has undergone in the politics, economy and social sphere. First of all, it should be noted that the process of transition of the economy of Kazakhstan to the market passes, unfortunately, very painful, with several major errors. The main error is a great emphasis on the destruction of the old instead of creating the new, and, as a consequence, the tax policy has not become yet an effective instrument for improving the efficiency of the economy of Kazakhstan.

The adopted Constitution of the Republic of Kazakhstan in a new way regulates legal relations in the political, social and economic spheres. In this connection market relations have been deepened and financial institutions, such as the stock market, commercial banking system and others have been emerged and developed.

The economy of Kazakhstan is becoming more open to the world of business. All these factors lead to the search of a new approach to the issue of analysis and formation of the fiscal policy and the tax system.

The modern tax policy of Kazakhstan is characterized by the following features:

1. The ability to accumulate revenues to the state budget statutory.
2. The shift of the tax burden on the narrow sector and the range of taxpayers, bringing an undue tax burden to them and the society get ideas about the excessive level of taxation of income, followed by inadequate requirements of its reduction.

3. The transformation of the tax system in the suppression factor of economic growth and investment activity, the stimulation of tax evasion and capital flight abroad.
4. The undermining of the objective possibilities of the real sector as the main aggregate of the taxpayer as a result of loss-making enterprises.
5. The extension of the range of the "shadow" and criminal economy, "liberating themselves from taxation by means of sophisticated and constantly improving financial, legal, accounting and information technologies".
6. The weakening of the stimulating and regulatory impact of the tax mechanism for behavioral motivation of business, especially regarding to the propensity to the preservation and accumulation of capital, its legalization, the prevention of secretion and export abroad.
7. The weakness of an expertise and a deficiency of evaluation of the legislation in terms of the criteria of the economic security, the stability of the tax system, the effectiveness of the fiscal policy.
8. The financial and legal exposure of public authorities and tax officials, on the one hand, and taxpayers, on the other hand, the deficiency of an efficient system of tax administration.
9. The crudity of the scientific foundations of the tax law, the contradictory of a legal, regulatory and legislative framework.

In the Republic of Kazakhstan the growth of tax revenues to the state budget has amounted to 10.2% and reached 2 473.8 billion tenge in the first half of 2014 (Supplement 3).

The dynamics of tax and payment contribution to the state budget of the Republic of Kazakhstan for 2011-2013 is presented in Figure 3.

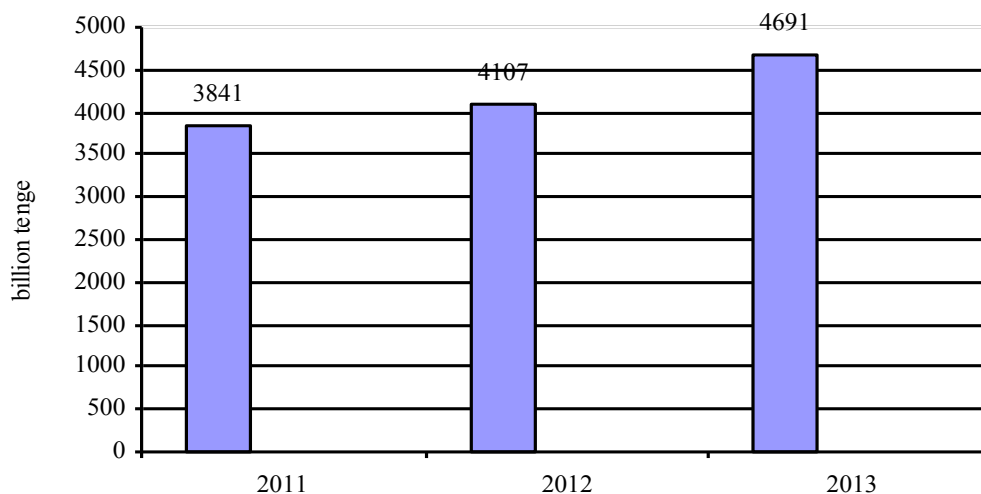


Figure 3. Dynamics of tax and payment contribution to the state budget of the Republic of Kazakhstan for 2011-2013

Note: compiled by the author according to the data of Tax Committee of Ministry of Finance of the Republic of Kazakhstan [Electronic resource] / Access mode: <http://www.salyk.kz/ru/nk/statistika/Pages/di.aspx>

The amount of tax and payment contributions to the state budget reached 4 trillion 691 billion tenge in 2013. Contributions increased by 14.2% compared to previous year.

Tax revenues of Kazakhstan in 2012 exceeded the previous year level by 6.9% and amounted to 4 trillion 107 billion tenge.

Tax revenues in 2011 amounted to 3 trillion 841 billion tenge.

In particular, the plan for Value Added Tax on produced goods executed by 102.8 percent, over-fulfillment was 5.4 billion tenge. The plan for excise duties was exceeded by 4.1 billion tenge mainly due to cigarettes and gasoline exported from Russia.

The dynamics of tax and payment contribution to the state budget of the Republic of Kazakhstan by regions for 2011-2013 is presented in Figure 4.

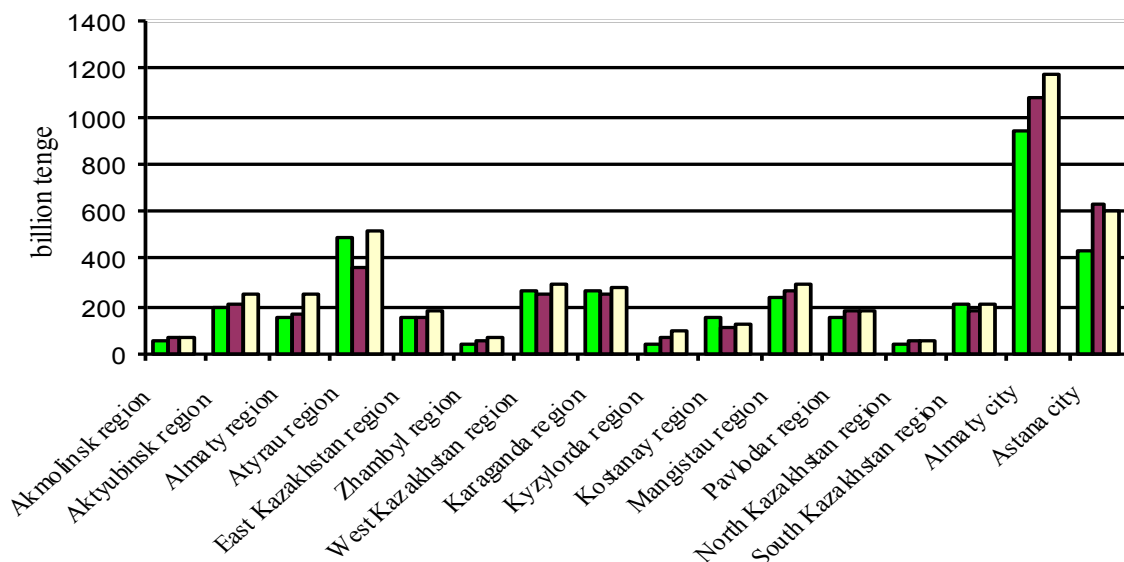


Figure 4. Dynamics of tax and payment contribution to the state budget of the Republic of Kazakhstan by regions for 2011-2013, billion tenge

Note: compiled by the author according to the data of TC FM RK [Electronic resource] / Access mode: <http://www.salyk.kz/ru/nk/statistika/Pages/di.aspx>

Donor regions of budget and tax payments by the Republic of Kazakhstan for the period of 2011-2013 remain unchanged. They are Almaty, Astana and Atyrau regions. In total tax revenues of three above mentioned regions are amounted to approximately 46.5% of the total number of tax payments in the Republic's budget for 2013.

According to estimates of various international organizations, the Tax law of the Republic of Kazakhstan is the best among the CIS (Commonwealth of Independent States) countries. Kazakhstan has a single Tax Code, electronic tax reporting and small tax rates, for example, an Individual Income Tax is 10 percent and Value Added Tax is 12 percent.

The tax policy is improved on a regular basis, changes occur every year. But there are drawbacks.

The biggest drawback of the current tax system is the excessive predominance of fiscal orientation. All other features of the tax system as stimulation of production, innovative, investment and entrepreneurial activities, improvement of competitiveness of domestic economy and formation of a relative social justice are not satisfied at all. A high level of a tax burden on a taxpayer, an excessive tax burden for law-abiding taxpayers depress the economy of Kazakhstan and perform absolutely a destructive role.

The negative effects of the current tax policies are seen in the significant narrowing of the tax base. Many business entities move to the so-called "shadow economy" because of the high level of the tax burden. The result is the overflow of the capital in a trade mediation sphere instead of investing it in a material production, which also contributes to an increase of the criminal area.

A high level of penalties also contributes to a tax evasion. Such methods of avoiding of the tax burden are widely used in practice, as the issuance of interest-free loans to employees, the imitation of non-solvency, the attraction of nominees and firms in commercial operations, currency cash settlement. So, on the one hand, a huge amount of income of the population, concentrated in the hands of a minor part of it, is outside of the state control, on the other hand, the arrears of taxes from legal persons are grown. As a result, revenues to the state budget reduced significantly.

So, now the current tax system, as a real instrument for the implementation of the economic policy, reflecting the concept of the Ministry of Finance aims to improve an economic security of Kazakhstan, to complete the slipping of the domestic production to a peripheral economy, followed by the conservation of a low level of living of the general population and formation of the gap between this population and an elite group of super rich people. That is why, depending on the certain situation, including a specificity and condition of the development of the economy, stability of the state power, this factor can act either as means of ensuring its economic security, or the source of the increased risk for it, or even the threat. It is important for any tax system to be relevant, actual and meet the current economic conditions of the country.

6. Types of taxes and taxpayers in Kazakhstan

6.1 Corporate Income Tax (CIT)

Corporate Tax is a tax against profits earned by corporations and joint-stock companies (JSC). It can be incurred as by either progressive taxation scale (i.e. the USA), providing a few profit and application levels of progressing tax rates for each next level, or flat taxation scale, which foresees that one and the same rate is applied to all profit levels (i.e. income tax from natural person in Kazakhstan).

Corporate Income Tax Taxpayers:

Juridical persons, residents of the Republic of Kazakhstan and following general legislative procedure;

Juridical persons, non-residents conducting business in the Republic of Kazakhstan through a permanent institution, or receiving its income from the resources of the Republic of Kazakhstan.

Objects of Corporate Income Tax

Taxable income;

income taxed from the source of payment;

pure income of juridical non-residential person, conducting business in the Republic of Kazakhstan through a permanent institution.

CIT Rates

10% are applied to the taxable income of a taxpayer, who is using his land parcel as the main production means.

30% are applied to the taxable income of a taxpayer, abiding to the general legislative procedure.

15% are applied to the amount of payable income (excluding the incomings of non-residents gained from the sources of the Republic of Kazakhstan).

20% are the CIT, not taxed from the source of payment.

The taxable period for the CIT is the calendar year (from January 1 to December 31).

The source: the Tax Code of the Republic of Kazakhstan, section 4

6.2 Personal Income Tax (PIT)

Personal Income Taxpayers

Natural persons, residents of the Republic of Kazakhstan, owing objects of taxation;

natural persons, non-residents of the Republic of Kazakhstan, owing objects of taxation.

Objects of Personal Income Tax:

Income taxed from the source of payment – income of an employee, one-off payments, dividends, rewards, prizes, pension payments from the pension saving funds, grants, funded insurance incomings.

Income taxed from the source of payment – property income, taxable income of an individual entrepreneur, income of lawyer's and private notaries, income gained from the sources out of the Republic of Kazakhstan.

Natural person's income not subjected to the taxation – addressed social help, bank deposit rewards, alimony, operations with government security stocks, winnings on lotteries in amounts of 50% from the minimal wage level (that equals to 19,966 KZT as of 2013)

Rates of PIT Calculations:

incomings taxed with PIT from the source of payments with the rate of 10%;

incomings in the form of rewards and winnings with the rate of 10%;

incomings in the form of dividends with the rate of 5%.

The source: the Tax Code of the Republic of Kazakhstan, section 6 and 7

6.3 Value Added Tax (VAT)

Tax for added value is a payment to the budget as a part of part of a product price, added during the production process and goods circulation (works, services), including payoffs for importing goods into the territory of the Republic of Kazakhstan. VAT that is paid to the budget by the taxed turnover is considered as the difference between amounts of VAT added for the goods sold (works, services) and amounts of VAT to be paid for the goods bought (works, services), in other words this is the difference between sold and bought VATs.

VAT Taxpayers:

Persons that are obliged to get registered or have already been registered for VAT accountancy in the Republic of Kazakhstan.

Individual entrepreneurs;

juridical persons, excluding state enterprises;

non-residents, conducting business in the Republic of Kazakhstan through a permanent institution,

structural subdivisions of juridical persons, recognized as individual payers of VAT.

Objects of VAT Taxation:

Taxed turnover is goods (works, services) sale turnover in the Republic of Kazakhstan, conducted by a VAT taxpayer, excluding a turnover that is free from VAT taxation. Using works and services of a non-resident freed from VAT taxation in the Republic of Kazakhstan, the provided services is to be added into the taxed turnover of the final receiver.

Taxed import includes goods that are imported to the Republic of Kazakhstan (excluding the ones freed from the VAT taxation), which are subjected to reporting in accordance with the customs legislation of the Republic of Kazakhstan).

VAT Rates:

14% is applied to the taxed turnover and taxed import,

0% is applied to the goods sale turnover for (excluding the export of ferrous and non-ferrous scrap metal) and international transportation works and services,

Turnovers free from VAT.

Taxation Periods:

Quarter is applied if a VAT amount to be paid to the budget for the last quarter is less than 1000 of minimal calculation index.

Calendar month is applied if a VAT amount to be paid to the budget for the last month is more than 1000 of minimal calculation index, added the set-off above the amount of the added tax.

Tax year is applied to the taxpayers, undergoing a special tax procedure; as for juridical persons it depends on the business they are conducting, which is covered by the mentioned special tax procedure.

VAT Payment Order.

VAT taxpayer must pay the tax to the budget for each taxation period before or upon the end date of the prescribed period for presentation of VAT reporting.

VAT for the imported goods are to be paid on the date determined by the Customs Legislation of the Republic of Kazakhstan for custom fees payment.

The source: the Tax Code of the Republic of Kazakhstan, section 8

6.4 Excises

An excise is an indirect national tax, mainly applied inside the country to the articles of mass consumption, like tobacco, wine in opposition to the custom fees with the same functions, but for the goods imported from abroad. It is added to the product price or tariff for services, meaning it is paid buyer. When selling excise goods by retail the amount of an excise is not mentioned.

Excises Payers

A payer of excises is a natural or juridical person, producing excise goods or conducting excise business in the Republic of Kazakhstan, or importing excise goods to the customs area of the Republic of Kazakhstan.

Excise Goods include all types of spirits, alcohol and tobacco goods, petrol, diesel fuel, light vehicles and raw oil.

Excise Business includes gambling industry, lottery conducting.

Excises Calculation Procedure

Calculation of the amount of excises is done through application of a fixed excise rate to tax basis.

A fixed taxation period is a calendar month.

The source: the Tax Code of the Republic of Kazakhstan, section 9

6.5 Types of Payment for Subsoil Users

Taxation of a subsoil use business, including petroleum operations and construction works and exploitation of underground constructions.

Excess profit tax;

Special charges for subsoil users;

Bonuses (subscription, commercial discovery);

Royalty;

Shares of the Republic of Kazakhstan in product sharing;

Additional payments for subsoil users, conducting a product sharing business under contract.

Subsoil users, dealing with extraction of commercial minerals before concluding a contract for subsoil use, are obliged to pay a royalty for using mineral resources in favor of the republican budget in the amounts stipulated by the Government of the Republic of Kazakhstan.

Royalty Payment Order for Subsoil Users

3 types of tax payments calculation: 1) The amount of royalty is determined by a tax object, calculation basis and rates. 2) Tax object is an amount of mineral resources extracted or amount of goods produced from the extracted mineral resources. 3) Tax basis for royalty calculation is the value of mineral resources.

Royalty for all different type of mineral resources is to be paid in the following cases:

For oil – from 2 to 6% by sliding scale.

For solid mineral resources, including gold, silver, platinum and other precious metals and jewels – by rates stipulated by the Government of the Republic of Kazakhstan.

The source: the Tax Code of the Republic of Kazakhstan, section 10

6.6 Social Tax

Social Tax is intended for mobilizing monetary resources for exercise of right of citizens for pension and social security (insurance) and medical service.

Social Tax Taxpayers

Juridical persons, residents of the Republic of Kazakhstan through a permanent institution, branch or representative offices of foreign juridical persons.

Individual entrepreneurs, excluding the one using special tax regulations, except for the special tax regulations for certain types of business.

Private notaries and lawyers.

Objects of Social Tax

For Juridical persons – expenses borne by employer; paid to resident and non-

resident employees as an income, as well as income of foreign employees, and pay-offs to natural persons, providing commercial service.

For private notaries and lawyers – number of employees, including the tax payers.

Tax Rates

Juridical persons, residents and non-residents of the Republic of Kazakhstan through a permanent institution, branch or representative offices of foreign juridical persons, are to the social tax by regressive rates from 20 to 7%, depending on the amount of taxed incomings paid by employer to a resident employee. The more income is paid-up, the less the amount of calculated social tax is.

From 11 to 5% for foreign workers of administrative and management, engineer and technical personnel

Individual entrepreneurs, private notaries and lawyers are to social tax in amounts of three monthly calculated index for own behalf and two monthly calculated index for each employee.

Specialized companies, involving people labor with disabilities of musculoskeletal system, hearing, speech and sight loss, are to pay social tax with 6,5% rate.

Social Tax Payment Order.

The tax is to be paid before the 20th day of a month next after reporting month at the place of the taxpayer registry account.

A fixed taxation period is a calendar quarter.

The source: the Tax Code of the Republic of Kazakhstan, section 11

6.7 Land Tax

Land Tax is to be paid by companies and natural persons, owing land parcels on the basis of propriety right, right of unlimited use or right of lifetime ownership with hereditary succession. Land tax is a tax for profits from the land.

Land Tax Taxpayers

Natural and juridical persons, owing a taxed unit on the basis of propriety right, right of unlimited use or right of primary non-reciprocal temporary land use, except for the payers of single land tax, religious unities and others.

Tax Object is one or few land parcels, bought and used for capital investment project.

Tax Basis is an area of a land parcel.

Rates of Land Tax

Basic rates of land tax considered for one hectare are different and to determined by soil samples between 0,48 KZT till 202,65 KZT.

According to projects (schemes) of land probing, held in comply with the land legislation of the Republic of Kazakhstan local representative bodies have a right to decrease and increase land tax rates not more than 50% from the basic land tax rates. Certain categories of taxpayers, for example, non-commercial companies, when calculating the tax for certain rates, apply a coefficient of 0.1.

Fixed taxation period is a calendar year.

Taxation of Natural Persons.

Land tax calculation to be paid by natural persons is made according to certain tax rates and the tax basis before the 1st of August. Natural persons are to pay the land tax off to the budget before the 1st of October of the current year.

The source: the Tax Code of the Republic of Kazakhstan, section 12

6.8 Transport Tax

Transport Tax is a tax from the registered owners of vehicles.

Transport Tax Taxpayer:

Natural person, owing objects of taxation on the basis of propriety right.

Juridical persons, their structural subdivisions, owing objects of taxation on the basis of propriety right, economic management and operational control.

Lessees – by objects of taxation, passed (received) by an agreement of finance lease.

Objects of Transport Tax Taxation

Vehicles. Except for the open-pit dump truck with the lifting capacity of 40 ton or more, including specialized medical vehicles.

Tax rates for Vehicles

Tax rate calculation is made with consideration of the rates for each vehicle, stipulated in minimal monthly calculation indexes (MCI). For example, for a light vehicle it is from 4 to 117 MCI, and for heavy and special vehicles from 6 to 15 MCI.

Fixed taxation period is a calendar year.

Tax Payment Order:

Payment is made in accordance with the budget at place of tax object registration before the 5th of July of the taxation period. Taxpayers are juridical persons, who are to make a final payment for the transport tax within 10 days after the date of reporting the tax declaration for vehicle for a taxation period.

The source: the Tax Code of the Republic of Kazakhstan, section 13

6.9 Types of companies and enterprise in Kazakhstan. The taxes they are to pay

- Joint-Stock Company (JSC) – CIT (corporate income tax), PIT (personal income tax), VAT (Value Added Tax), Property tax, Mandatory Pension Contributions, Social Tax, Transport tax.
- Limited Liability Company (LLP) – CIT (corporate income tax), PIT (personal income tax), VAT (Value Added Tax), Property tax, Mandatory Pension Contributions, Social Tax, Transport tax.
- Individual Entrepreneurs (IE) – PIT (personal income tax), VAT (Value Added Tax), Social Tax, Mandatory Pension Contributions (10% of income).

7. Effect of Laffer's theory in the economy of Kazakhstan

Taxes and a fiscal policy in all countries are essential instruments for the economic development. The amount of collected taxes is closely related to the size of the tax rates. Economist A. Laffer investigated the dependence of tax revenues from the tax rates. He expressed this relationship in "Laffer curve", which was studied in detail in Chapter 4.

The basic idea of the Laffer curve is that if the tax rate increases, tax revenues will increase up to a certain maximum level, and then will go down, because high taxes inhibit the economic activity of economic entities, resulting in a reduced output and income.

The reduction of tax rates will decline government revenues in the short term. In the long term the reduction of tax rates will ensure the growth of savings, investments and employment, resulting in increasing of the production and taxable income, which increase tax revenues to the state budget.

Any change in tax rates has a dual effect on tax revenues, arithmetic and economic. An arithmetic effect reflects the simple relationship, the lowering of tax rates leads to the reduction of tax revenues proportionally. Conversely, the increase of tax rates leads to a proportional increase of tax revenues.

Business reacts extremely to the tax rates, and making decisions about the allocation of the capital guides by considerations of how much of the expected income will have to pay the state in taxes. That is the economic effect of tax changes. It reflects the positive impact of low tax rates on output, labor productivity and employment, as the reduction of taxes create incentives for the growth of all of these indicators. The increase of the tax rates has the opposite economic effect in a taxable economic activity.

Investigating the connection between the amount of a tax rate and revenues to the state budget, the American economist Arthur Laffer showed that not always the increase of the tax rate leads to the increase of the state income tax. The revenue with the same amount to the state budget can be provided both at high and low tax rates. However, it is difficult to use the ideas of Laffer in practice, as it is difficult to determine, on the left or on the right side of the curve is the country's economy at the moment.

The Laffer curve does not allow to indicate what results the increase or decrease of tax rates will have, the increase or the decrease of tax revenues. It depends on a combination of several factors such as the type of the tax system, the time parameter, the

scale of the shadow economy, the initial level of tax rates, the availability of benefits and so on.

But this curve reflects the general rule: if the existing tax rates are prohibitively high, the decrease of taxes increases revenues to the treasury. The endorsement, which the economy derives from low taxes, will be so strong that it compensates the reduction of direct tax revenues due to low rates. In other words, the economic effect of the tax reform outweighs its arithmetic effect.

The result of numerous tax reforms implemented in all big countries was a significant decrease of the tax rate on the profits of industrial companies. Peter Reinhardt, Head of Tax and Legal Practice "Ernst & Yang" in the CIS, said: "Most industrialized countries have reduced corporate tax rates to boost competitiveness. Since 2000, more than 90% of OECD countries have lowered the corporate tax rate "(P.Reynhardt Trends in International Taxation [Electronic resource] / Access Code: http://www.ank.kz/docs/Trends%20in%20international%20taxation_Ernst_Young_RUS.pdf).

In February 2013 International auditing company KPMG released a survey of fiscal policy of 19 countries. This company, an international network of professional firms providing audit, tax and advisory services in 2006-2013 reports that the average size of the corporate tax rate in the world decreased from 27.5% to 24.08%. The reduction was observed in all geographic regions, the highest was in Asia (from 28.99% to 22.49%), and the lowest was in South America (from 29.07% to 27.61%). The record in alleviating the tax burden became Kuwait, which joined in 2008 from the regime with a maximum rate of 55% to a flat 15% scale (All taxes of the world // World Business of Kazakhstan - 03/04/2014. [Electronic resource] / Access Code: <http://finance.delvoimir.kz/cpages/view/1854>).

Among direct taxes in Kazakhstan the largest share belongs to the corporate income tax from legal persons (CIT): "This type of the tax has a significant place in the proceeds of the state budget of Kazakhstan, about 27%" (Melnikov V.D. Principles of Finance - Almaty, Publisher LEM, 2012 - p.231).

Corporate tax rates relevant to the act of legislation affect the investment decisions. In Kazakhstan, the tax rate can be reduced to an acceptable minimum, increasing the attractiveness of the country for business and investments and reducing a tax evasion.

Since January 1, 2009 a corporate income tax rate 20% was introduced, earlier the CIT rate was 30%. A gradual reduction of a tax burden on this type of tax to 15% rate is predicted. However, it is quite a bold step in the reform of the corporate taxation.

To analyze the situation in the tax system of corporate taxes we consider tax revenues in the period 2005-2013 in Kazakhstan (Table 1). The reporting period was marked by the growth of tax revenues, with the exception of 2009 due to low the CIT rate.

Table 1.

The analysis of the dynamics of tax revenues and CIT in Kazakhstan for the period 2005-2013

Index	2005 year	2006 year	2007 year	2008 year	2009 year	2010 year	2011 year	2012 year	2013 year
Tax revenues, billion tenge	1 998	2 209	2 356	2 819	2 229	2 934	3 841	4 107	4 691
The rate of growth of tax revenues to the previous year, %	-	110,6	106,7	119,7	79,1	131,6	130,9	106,9	114,2
Corporate income tax, billion tenge	834	777	758	921	644	837	1 094	1 188	1 238
The rate of the CIT growth to the previous year, %	-	93,1	97,6	121,4	69,9	130,1	116,8	108,6	104,2
The share of CIT in tax revenues, %	41,8	35,2	32,2	32,7	28,9	28,5	28,5	28,9	26,4
CIT rate, %	30	30	30	30	20	20	20	20	20
Amount of CIT by 1% rate, billion tenge	27,8	25,9	25,3	30,7	32,2	41,9	54,7	59,4	61,9

Note: compiled by the author according to the magazine "Statistical Bulletin of the Ministry of Finance of the Republic of Kazakhstan" for 2005-2013.

The dynamics of the decrease of revenues amounts of CIT from 2005 to 2007 is confirmed by a proportional reduction of the relative index, the share of CIT in the tax revenues of the budget till 2010. Analyzing the amount of reduction of CIT after the reduction of the rate in 2009, the decrease of fees of CIT in the budget is observed, but in 2010 the situation leveled and the fee of CIT begins to grow annually.

The data in Table 1 show an ambiguous relationship of the amount of the rate and tax revenues to the budget. The reduction of the rate of 10% resulted in a significant decrease in revenues. In 2009, charges of CIT decreased by 30.1% with a total reduction of tax revenues by 21% over previous year. However in 2010, an increase in both CIT and tax revenues was around 30%. Increase in CIT revenues in 2011 was again close to 30%, in 2012 - 8.6%, in 2013 - 4.2%. The positive dynamics of the growth of tax payments on CIT is seen; the relative value of the collection of CIT in 2013 compared to 2009 was 192.2%.

Table 1 confirms the effect of the theory of Laffer in the economy of Kazakhstan. The graph below demonstrates the relationship between the income of the state budget of Kazakhstan and the dynamics of tax rates on CIT for the analyzed period (Figure 5).

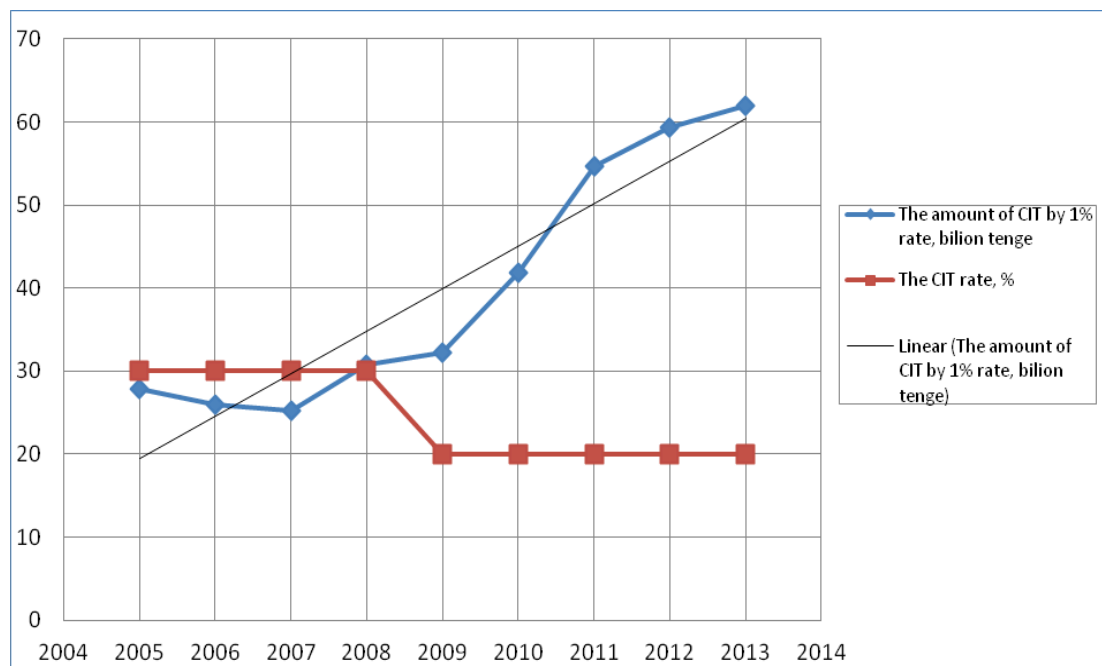


Figure 5. The dynamics of revenues by 1% rate, billion tenge, since 2005 till 2013

Note: compiled by the author on the basis of his own calculations

The reduction of the CIT rate led to an increase of the amount of income of CIT to the budget of Kazakhstan. If in 2005 by 1% of the CIT rate fell 27.8 billion of tenge of revenues, in 2013 it was already 61.9 billion.

The reduction of the CIT rate had a positive impact on the dynamics of GDP of Kazakhstan, the increase of GDP in real terms in 2009 was 1.2%, in 2010 – 7,3%, in 2011 - 7.5%, in 2012 – 5% and in 2013 - 6%.

It is important to note the fact that the economic entities took a year to assess the long-term opportunities to reduce the tax burden and to "go out of the shadows". It should be noted that, in general, the system of measures provides a greater effect on the economy of any state than single changes in the economy.

Thus, the reduction in the rate of CIT had a favorable impact on the advancement of the economy of Kazakhstan. In addition, for long-stimulating effect on the economy, it would be preferable to reduce the rate in several stages. The effective way is not seen in a simple reduction of interest rates, but in the subtle regulation of the tax system, which would improve its quality and impact positively on the economic activity of Kazakhstan.

8. Analysis of taxes on the example of the Kazakhstan enterprise

We investigate the tax mechanism of Kazakhstan enterprise "Rudnenskii metals plant - Imstalcon" LLP.

"Rudnenskii metals plant - Imstalcon" LLP is a subdivision of JSC "Imstalcon", whose head office is located in Kazakhstan, Almaty.

The mission of JSC "Imstalcon" and its subdivisions, including "Rudnenskii metals plant - Imstalcon" LLP, is in the design and manufacture of building structures, steel tanks and equipment, construction and installation works, construction of industrial and civil buildings, while fulfilling customers' requirements and striving to exceed their expectations (Official site of JSC "Imstalcon" [Electronic resource] / Access Code: http://www.imstalcon.kz/page.php?page_id=223&lang=1).

The enterprises of JSC "Imstalcon" present in almost every regional center in Kazakhstan and in the places of concentration of large industrial facilities. The Company has 6 factories of steel structures.

It allows on the basis of one of the enterprise of the Company to provide the concentration of production and ore resources for the implementation of major projects. Successful placement of plants of steel structures allows the Company to provide the transportation of finished products in any region of Kazakhstan and CIS countries.

The enterprise "Rudnenskii metals plant - Imstalcon" LLP has half a century of experience in the manufacture of steel structures. The plant was put into operation in February 1962.

In addition to standard of steel structures the plant specializes in the production of complex, non-traditional ones. RMP produces the following metalwork:

- skeletons of buildings and structures of all sectors of the economy,
- construction of residential and public buildings and special structures,
- steel structures of road, rail and pedestrian bridges,
- non-standard equipment of most sectors of industrial production,
- also technical and medical oxygen.

Production, support and administrative offices are located in an area of 75844 m², there are two ways to access rail.

The plant is equipped with all the necessary technology, metal cutting, welding equipment, which allows to produce up to 450 tons of steel structures per month on the high-efficiency equipment.

Steel structures delivered to many regions of the Republic of Kazakhstan for large objects such as Plant diesel engines in Kostanay, Sokolov-Sarbaisky Mining Plant, Airport Almaty, Commercial complex "Business Centre" Star Aktau "in Aktau city.

Besides the Republic of Kazakhstan, the plant delivered steel structures to Russia to Chelyabinsk Electrode Plant, Magnitogorsk Iron and Steel Company, Vladimir Chemical Plant, Sverdlovsk tool factory and to Belgorod region.

JSC "Imstalcon" seeks to open a corporate policy in the sphere of information disclosure. In recent years, the Company has made progress and stability in the performance of all the disclosure requirements (Official site of JSC "Imstalcon" [Electronic resource] / Access Code: http://www.imstalcon.kz/page.php?page_id=253&lang=1).

The authorized share capital of the company consists of the contributions of the shareholders and its amount is 300 000 000 tenge.

Two divisions of the Accounting Department, directly responsible for the tax policy of the enterprise, Tax Payment Control Department and Taxation and Consolidated Accounts Department are involved in the process of the tax planning at "Rudnenskii metals plant - Imstalcon" LLP.

Tax Payment Control Department has 5 people and Taxation and Consolidated Accounts Department has 10 people.

The whole range of taxes paid by the enterprise generates a tax field of the enterprise, which can be represented as a list of tax payments. The availability of the tax field of the enterprise allows to predict the tax burden on the financial performance and cash flows at the changes in the business environment.

Now we will analyze the tax field of the enterprise. We make Table 2, which will reflect tax data such as a rate, terms of payment of taxes by the enterprise.

Table 2

The tax field of "Rudnenskii metals plant - Imstalcon" LLP for 2013

Tax name	Taxation base	Rate	Terms of payment
CIT (Corporate income tax)	Article 147 Tax Code of RK	20%	not later than 31 March of the year following the tax reporting period
IIT (Individual income tax)	Section 6,7 Tax Code of RK	10%	not later than the 25th of the following month of payment
VAT (value added tax)	Section 8 Tax Code of RK	12%	not later than the 25th of the following month of payment
Property tax	Section 15 Tax Code of RK	1,5%	February 25, May 25, August 25 and November 25
MPD (Mandatory pension deductions)	Art. 24 Employee Retirement Income Security Act of RK	10%	not later than the 25th of the following month of payment
Social tax	Section 12 Tax Code of RK	The scale of rates from 11 to 4,5 %	not later than the 25th of the month following the reporting month
SC (Social charges)	Art.29 Tax Code of RK	5%	
Vehicle tax	Chapter 57 Tax Code of RK	Chapter 58 Tax Code of RK	till July 5

Note: compiled by the author according to Taxation Department of "Rudnenskii metals plant - Imstalcon" LLP for 2013.

Analyzing the data in Table 2, it can be noted that the components of the tax field includes the taxes paid by "Imstalcon" LLP in 2013. Therefore the tax field of the company is not permanent.

Due to constant changes in the part of the tax law significant changes in terms of calculation and payment of taxes may happen.

In 2013, the tax field of "Rudnenskii metals plant - Imstalcon" LLP included such types of taxes and obligatory payments, as the corporate income tax - 20%, the individual income tax - 10%, the value-added tax - 12%, the property tax - 1.5%, mandatory pension deductions - 10%, the social tax - 11%, social charges - 5% and the vehicle tax.

One of the indicators of the effectiveness of the enterprise, including a tax optimization, is the size of the tax burden on the enterprise.

To determine the level of overall tax burden, we need to calculate the ratio of the sum of all taxes paid by the enterprise to the total amount of the received income. The data are reflected in Table 3 and Figures 6, 7.

Table 3

The level of overall tax burden of "Rudnenskii metals plant - Imstalcon" LLP
for 2012 – 2013

Index	2012	2013	Deviation, (+/-)	Rate of increase, %
The total value of the company's revenue, million of tenge	1 579	2 292	+713	45
Tax payments, thousands of tenge	49,9	76,6	+26,7	54
The level of overall tax burden of the company, %	3,2	3,3	0,1	3

Note: compiled by the author according to Taxation Department of "Rudnenskii metals plant - Imstalcon" LLP for 2012-2013.

Analyzing the data in Table 3, it should be noted that during the analyzed period, the tax burden of the company tended to grow and amounted to 3.3% in 2013, which is 0.1% higher than in 2012.

The data of Table 3 allow to assess the impact of the total value of the company's income and tax payments to the level of the total tax burden. So, taking into consideration that the rate of revenue growth was 45%, we can conclude that the reason for the increase of the tax burden was less rapid growth of the total income of the company compared to a higher increase of the amount of tax payments.

Increased tax payments in 2013 was caused by the commissioning of the new production facility for the production of additional tonnage of metal (for which the tax on the property in the amount of 1.5% was paid) and the purchase of a new official vehicle for the general director of the company (a cross-country jeep with engine capacity 4000 cc, the tax was 117 MCI).

Note that such indicator as the total value of the company's income was defined as the amount of revenues from the sale including VAT and other taxes, as well as other income.

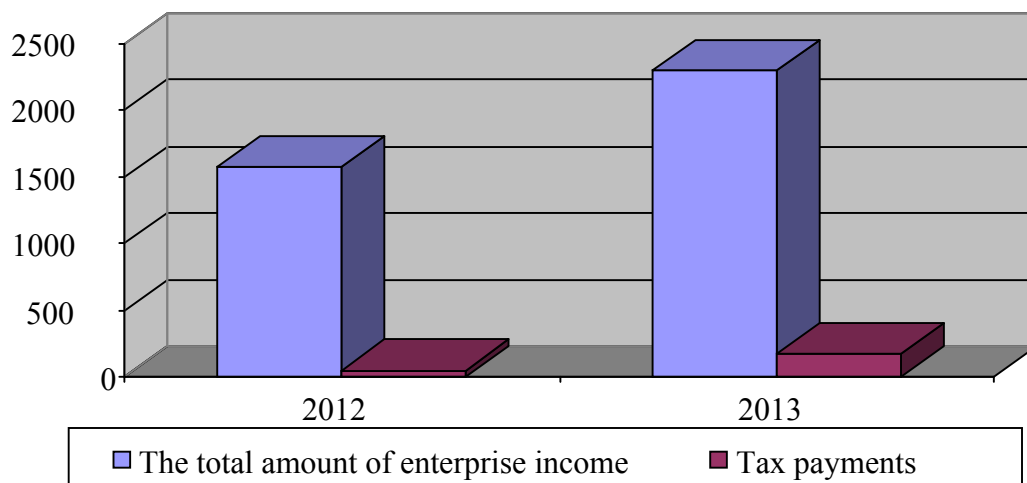


Figure 6. The analysis of the level of the tax burden of "Rudnenskii metals plant - Imstalcon" LLP for 2012 – 2013, million of tenge

Note: compiled by the author on the basis of his own calculations

Analyzing the data in Figure 6, it should be noted that during the period under review the level of the total amount of revenues increased from 1,579 million of tenge in 2012 to 2,292 million of tenge in 2013 or 713 million of tenge in absolute deviation. Tax payments increased from 49,9 million of tenge in 2012 to 76,6 million of tenge in 2013 or 26,7 million of tenge in absolute terms.

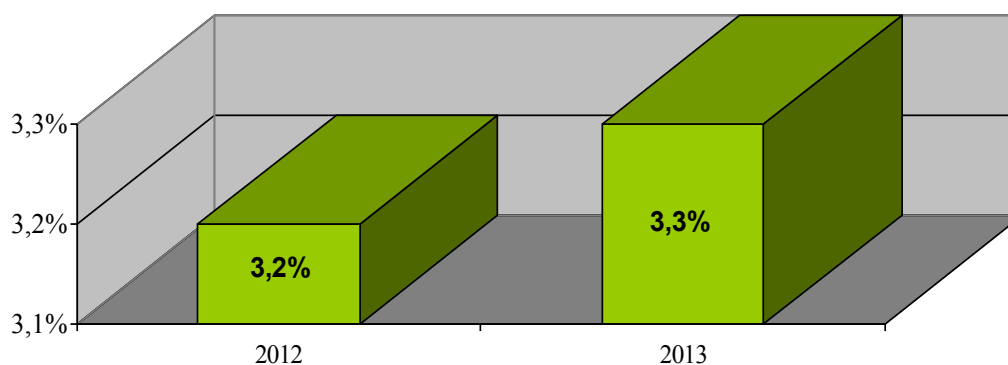


Figure 7. The level of overall tax burden of "Rudnenskii metals plant - Imstalcon" LLP for 2012 – 2013, %

Note: compiled by the author on the basis of his own calculations

Analyzing the data of Figure 7, it should be noted that during the analyzed period, the tax burden of the company tended to increase and amounted to 76,6 million of tenge in 2013, which is 26,7 million of tenge higher than in 2012. The growth rate of tax payment was 54%.

Thus, was analyzed the tax planning of the enterprise "Rudnenskii metals plant - Imstalcon" LLP, as well as the tax base, the tax field and the tax burden of this enterprise.

9. Conclusion

In summary, taxes are the source category of finance. They arise with the formation of the state and are the basis of its existence. Throughout the history of human development tax forms and methods have changed, perfected and adapted to the needs and demands of the state.

Taxes are statutory mandatory payments levied in certain sizes and established period.

Tax policy is a set of activities undertaken by the State to ensure the timely and full payment of the taxes and fees.

Taxes and a fiscal policy in all countries are essential instruments for the economic development. The amount of collected taxes is closely related to the size of the tax rates. Economist A. Laffer investigated the dependence of tax revenues from the tax rates. He expressed this relationship in "Laffer curve".

The basic idea of the Laffer curve is that if the tax rate increases, tax revenues will increase up to a certain maximum level, and then will go down, because high taxes inhibit the economic activity of economic entities.

The Laffer curve does not allow to indicate if increase or decrease of tax rates will lead to increase or decrease of tax revenues. It depends on a combination of several factors, but this curve reflects the general rule: if the existing tax rates are prohibitively high, the decrease of taxes increases revenues to the state treasury.

The action of Laffer theory in Kazakhstan was considered on the example of the corporate income tax (CIT) for 2005-2013. The reduction of CIT rates led to an increase of the amount of income of CIT in the budget of Kazakhstan.

If in 2005 by 1% of the CIT rate fell 27.8 billion of tenge of revenues, in 2013 it was already 61.9 billion.

The reduction of the corporate income tax (CIT) rate had a positive impact on the dynamics of gross domestic product (GDP) of Kazakhstan, the increase of GDP in real terms in 2009 was 1.2%, in 2010 – 7,3%, in 2011 – 7,5%, in 2012 – 5%, in 2013 - 6%.

Thus, the reduction in the rate of CIT had a favorable impact on the advancement of the economy of Kazakhstan. In addition, for long-stimulating effect on the economy, it would be preferable to reduce the tax rate in several stages.

The tax policy of Kazakhstan enterprise "Rudnenskii metals plant - Imstalcon" LLP was analyzed in the thesis. The analysis suggests the following conclusions.

Two divisions of the Accounting Department, directly responsible for the tax policy of the enterprise, Tax Payment Control Department and Department of Taxation and Consolidated Accounts are involved in the process of the tax planning at "Rudnenskii metals plant - Imstalcon" LLP.

The whole range of taxes paid by the enterprise generates a tax field of the enterprise. In 2013, the tax field of "Rudnenskii metals plant - Imstalcon" LLP included such types of taxes and obligatory payments, as the corporate income tax - 20%, the individual income tax - 10%, the value-added tax - 12%, the property tax - 1.5%, mandatory pension deductions - 10%, the social tax - 11%, social charges - 5% and the vehicle tax.

During the analyzed period, the tax burden of the company tended to grow and amounted to 3.3% in 2013, which is 0.1% higher than in 2012.

Taking into consideration that the rate of revenue growth was 45%, and the rate of growth of tax payments was 54%, we can conclude that the reason for the increase of the tax burden was less growth of the total income of the company compared to a larger increase of the amount of tax payments.

So, the required tax optimization of the enterprise "Rudnenskii metals plant - Imstalcon" LLP is a selection of the best way to manage the financial resources of the enterprise, as well as the use of external sources of financing.

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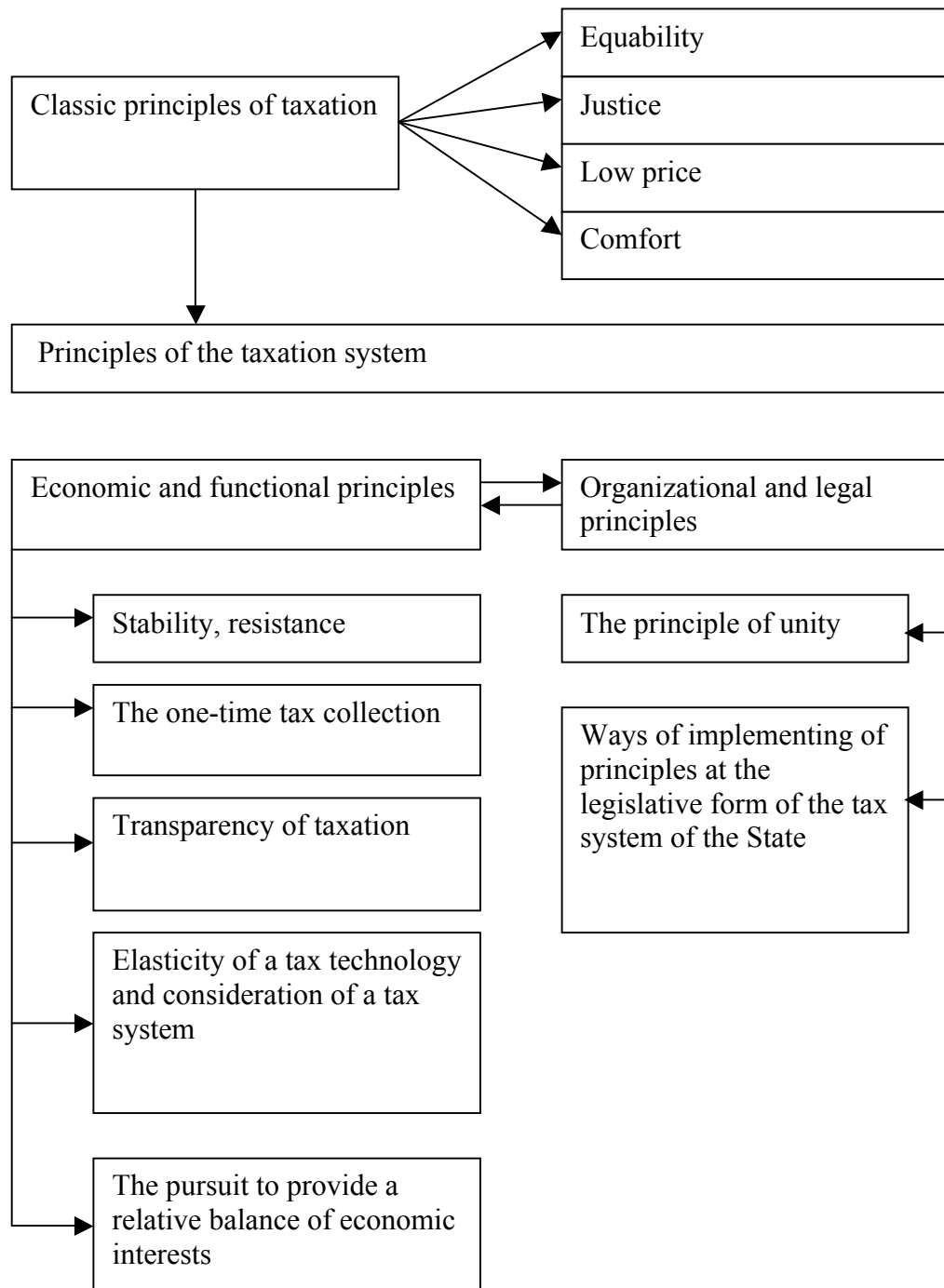
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11. Supplements

Supplement 1

Table 1.1 Principles of the taxation system



The source: Izotova T.G. Taxes and taxation - M.: in MIIGAiK, 2010 - P.75

Table 2.1

The main stages of the formation and the development of the national tax system of Kazakhstan

Period	The goal of the stage of the formation and development of the national tax system	Strategy and tactics of management of tax relations	Level of centralization	Achieved social and economic results
The first stage 1991 – 1995	Creation of the national tax system, ordering the elements of chaos in the economy and tax relations and guidance on the formation of the revenue side of the state budget	Focus to dispatch the current and short-term objectives	Low	A national tax system, not devoid of contradictions and elements of randomness was created. Compression of the tax base.
The second stage 1995 – 1998	Achievement of a macroeconomic stabilization and a maximization of the revenue side of the budget by encouraging enterprises which have the highest potential and competitiveness	Dispatch of short-term, medium-term and long-term objectives. Focus on medium-term objectives.	Medium	Achievement of a macroeconomic stabilization, which became the foundation for the economic growth. Termination of the compression of the tax base.
The third stage 1999 – 2001	Functioning of the global tax practice, increase of the revenue side of the state budget	Solution of medium-term objectives and focus on long-term goals, formed in the strategy «Kazakhstan 2030»	High	Beginning of the economic growth. Stabilization and the beginning of the expansion of the tax base.
The fourth stage 2002-2008	Maximization of the revenue side of the budget by stimulating the capacity of capitalized value of taxation subjects in order to increase the financing of social and economic programs	Solution of medium-term objectives. Focus mainly on the strategic objectives.	High	Stabilization of the economic growth will help to balance the interests of the state and taxpayers.
The fifth stage starts since 2009	Maximum adaptation of the tax system of Kazakhstan to the international financial reporting standards. The transition to the new principles of the tax regulation on the basis of full computerization of tax relations	Solution of long-term goals. Focus mainly on the strategic objectives.	High	Stabilization of the economic situation in the international financial crisis. Balancing the interests of the taxpayer and the state

The source: Fakhrutdinova G.Z., Stegailo I.V. Tax and Taxation: Tutorial - Pavlodar Kereku, 2012 - P.14

Table 3.1

Tax revenues and payments to the state budget for 2014 in the Republic of Kazakhstan, million tenge

	January	February	March	April	May	June
Income, total	295 848,4	506 731,8	386 394,6	511 818,8	427 154,1	345 896,6
<i>including:</i>						
Akmolinsk region	3 842,2	9 156,6	5 293,8	6 459,9	7 780,6	6 455,9
Akjubinsk region	5 878,9	23 145,3	12 988,4	13 987,5	23 226,6	13 915,2
Almaty region	19 322,7	27 261,8	18 496,2	24 939,1	28 026,2	22 088,5
Atyrau region	19 680,2	75 965,6	66 354,7	75 127,3	-7 844,6	56 850,8
East Kazakhstan region	11 045,9	12 698,2	12 128,5	13 501,7	15 254,1	14 604,4
Zhambyl region	3 095,5	6 058,1	4 325,6	6 083	6 507,9	4 729,8
West Kazakhstan region	21 640,7	27 231,1	26 153,1	27 606,4	27 552,4	21 721,6
Karaganda region	14 405,5	23 360,4	17 696,3	23 197,1	33 828,9	8 859,3
Kyzylorda region	1 842,4	2 694,5	3 704,5	4 576,8	9 092,2	5 201,6
Kostanay region	6 982,4	10 510,2	5 100,8	12 664,1	12 983,8	8 630,5
Mangistau region	19 718,8	29 145,6	33 517,8	36 336,8	30 899,3	26 679,3
Pavlodar region	15 331,9	15 655,2	10 356,8	8 688,8	20 853,9	8 981,9
North Kazakhstan region	3 353,5	5 179,3	5 118,6	4 616	4 175,9	4 114,3
South Kazakhstan region	11 326,5	20 842,8	15 577,9	16 048	20 208,8	13 996
Almaty city	79 317,8	126 784,8	89 175,5	113 450	114 675	58 149,6
Astana city	41 031	73 123	30 955	94 232,8	57 721,5	45 940
TC MF RK	18 032,2	20 883,3	29 450,8	30 303,5	22 211,3	24 977,6

Note: compiled by the author according to the data of Tax Committee of the Ministry of Finance of the Republic of Kazakhstan [Electronic resource] / Access mode: <http://www.salyk.kz/ru/nk/statistika/Pages/di.aspx>