

*Самоховець М.П., к.э.н., доцент, доцент кафедры финансов,
УО «Полесский государственный университет»;
Черняк І.С., ассистент аудитора отдела аудита
и налогообложения, ООО «Эрнст энд Янг»*

FUNCTIONS DEVELOPMENT OF INSURANCE ACTIVITIES TAXATION

РАЗВИТИЕ ФУНКЦИЙ НАЛОГООБЛОЖЕНИЯ СТРАХОВОЙ ДЕЯТЕЛЬНОСТИ

Abstract. The article analyzes domestic and foreign economists on the topic of research, the mechanism of tax collection from insurance organizations in the Republic of Belarus has been studied. The ways of improving the taxation of insurance organizations have been proposed.

Keywords: taxation, insurance, direct and indirect taxes, profit tax, insurance payment tax.

Аннотация. В статье выполнен анализ отечественных и зарубежных экономистов по теме исследования, изучен механизм взимания налогов со страховых организаций в Республике Беларусь. Предложены пути совершенствования налогообложения страховых организаций.

Ключевые слова: налогообложение, страхование, прямые и косвенные налоги, налог на прибыль, налог на страховые взносы.

Statement of a problem. Taxation of insurance companies takes the specific place in the system of the economic relations in the financial market. This sphere is developing now – the trend of increase in insurance premiums and increase in capitalization of insurance companies is observed. The insurance market of the Republic of Belarus is actively developing in the context of the formation of a common financial market of the member states of the Eurasian Economic Union [8].

However, the tax burden of the organizations, which occupied with financial and insurance activity in the Republic of Belarus, is minimum in a section of types of economic activity now. Its value is only 0.7% in 2017 (for comparison: production of minerals and products of oil processing – 15.3%, education – 4.0%; rural, forest and fishery – 3.3%). Therefore, the problem of insignificant participation of financial and insurance activity in organization of profitable base of the budget of Republic of Belarus seems now in terms of development of the fiscal and stimulating function of taxation of insurance activity.

At the same time, the taxation mechanism is an effective way of redistributing part of the national income in the insurance industry, as well as an incentive for the development of the insurance industry. These factors make it necessary to improve the taxation of insurance activities in the direction of strengthening the incentive function of taxation, which may lead to a multiplication of the insurance sector in the formation of the budget of the Republic of

Belarus.

Analysis of the last researches and publications. Problems of the taxation of insurance companies in economic literature at the present stage are considered in scientific works of such researchers as A.I. Kamornik, R.P. Kozakova, G.I. Bolkina, M.V. Averyanova, T.I. Osipova, L.A. Chesnokova, S.A. Chudinov, etc.

Sinnikova Y.M. considers questions of the current state of the taxation of insurance market of the Russia in a section of its main segments in the article, also analyzes the existing problems of taxation and defines the perspective directions of improvement of tax regulation, which can increase activity of subjects of the insurance market [9].

Chudinov S.A. analyzes international experience of the state tax regulation of insurance activity of the Russian Federation in the conditions of regional integration and globalization, and also features of taxation of insurance in economically developed countries; develops suggestions for improvement of systems of taxation of insurance in the countries with the formed insurance markets to expand the regulatory and stimulating function of taxes [3].

Averyanova M.V. also points to opportunities of wider using of the regulatory and stimulating function of taxes. The main issue, on which the author's attention is concentrated, – an opportunity and the conditions of application of a tax on an insurance premium [2].

Osipova T.I. and Chesnokova L.A. provide conclusions that indirect taxation has a strong and expeditious impact on an economic situation, and application along with direct taxes of indirect taxation of activity of insurance companies will allow to stimulate development of unpopular types of insurance nowadays [7].

Kozakova R.P. and Bolkina G.I. also pay attention to necessity to differentiate income tax and a tax on an insurance premium [6].

Kamornik A.I. also points to an opportunity of introduction in the Republic of Belarus of a tax on insurance payments for insurance companies [5].

Formulation of goals. The purpose of this article is studying of the operating mechanism of taxation of insurance companies of the Republic of Belarus and searching for ways to improvement for the purpose of development of the fiscal and stimulating function of taxation of insurance activity.

Statement of the main material of a research. The basis of the modern mechanism of taxation of insurance companies in the Republic of Belarus is made by indirect taxation and taxation of profit.

Only that part of income, which is gained as a result of property leasing, is subject to taxation of the VAT. Turnovers of realization of services in insurance (reinsurance, joint insurance) are exempted from taxation of the VAT (according to Paragraph 1.39 of Article 94 of the Special part of the Tax Code of the Republic of Belarus of December 29, 2009 No. 71-Z [10]).

Treats such turns:

- insurance premiums (joint insurance, reinsurance);
- return of the insurance reserves, which was created during the previous periods;

- commissions from contracts of joint insurance, reinsurance and profit commission that is paid by overcautious persons to reinsurers for granting an opportunity to participate in the contract of reinsurance and circumspect conducting business;

- compensation of a share of losses on the risks, which is transferred to reinsurance and also on the risks transferred by overcautious persons to further (subsequent) reinsurance;

- return of the paid insurance compensation and insurance coverage;

- realization of the right of the requirement of the insurer for contracts of property insurance and insurance of responsibility in the cases, provided by the legislation;

- the percent, which is added by the assignor in favor of the overcautious person on depot of the premium of the risks accepted in reinsurance;

- the commission that paid by the insurer to the insurer who compensated harm to the victim under the contract of obligatory insurance of civil liability of owners of vehicles;

- the commission that earned by insurance brokers from insurance companies for the intermediary services in insurance rendered to them [10].

Taxation of profit of insurance companies has essential specifics that is caused by features of rendering insurance services and a risk component of insurance activity. Income tax is raised from the profit of insurance company on primary activity; profit on operations with the securities, which are traded on the organized market; profit on operations with the securities, which are not traded on the organized market.

However, taxation of profit of insurance companies does not allow to provide stable receipts in the state budget. This is in spite of the fact that income tax rate for insurance companies is established of 25% now (for comparison: for most the organizations have the rate of 18%, producers of high-tech goods, works and services included in the list approved by the President have the rate 12%) [10].

Information of the amount of the tax payments by the organizations, which occupied with financial and insurance activity in the Republic of Belarus, is provided in table 1. Insurance companies, insurance brokers, commercial banks, the non-bank credit and financial institutions, the stock exchanges present this sphere, etc.

Table 1

The tax payments of financial and insurance companies, which are paid in the consolidated budget of Republic of Belarus

Indicator	2016	2017
The sum of the paid payments, million rubles	761,1	854,3
Including:		
organizations	759,6	853,2
individual entrepreneurs	1,5	1,1
Share of the paid payments in income of the consolidated budget, %	1,96	1,99

Note – Source: the authors' own work based on [1]

Table 1 shows that the amount of the paid tax payments financial and insurance

companies have increases (in comparison, in 2017 with 2016 for 12.25%). The share of tax payments of the organizations for this type of activity occupies the main share, while the share of payments paid by individual entrepreneurs made only 0.13% in 2017. The share of tax revenues of financial and insurance companies in income of the consolidated budget of Republic of Belarus for 2016 and 2017 made 1.96 and 1.99% respectively that demonstrates insignificant participation of the organizations in formation of revenues of the budget.

Main indicators of the organizations, which occupied with financial and insurance activity in the Republic of Belarus, are represented in table 2.

Table 2

Main indicators of the organizations, which occupied with financial and insurance activity in Republic of Belarus, million rubles

Indicator	2016	2017
Proceeds from sales of goods, works, services	226,5	253,0
Profit from sales of goods, works and services	51,8	40,5
Profit before taxation	55,9	117,7
Net profit	43,1	94,8

Note – Source: the authors' own work based on [4]

According to table 2, the value of proceeds from sales of goods, works, and services of the organizations, which are engaged in financial and insurance activity, increased by 26.5 million rubles for the last year, while 1.3 million rubles reduced profit from realization. However, the profit before taxation, as well as net profit respectively, in 2017 in comparison with 2016 increased more, than twice.

Proceeding from the analysis, it is possible to draw a conclusion that insurance companies have insignificant participation in the revenues generation of the budget of the state by allocation of income tax. Moreover, insurance companies have an opportunity to reduce the profit sum due to generation of an insurance reserve, which is not assessed with income tax.

We support a possibility of introduction of a tax on insurance premiums in the Republic of Belarus. It can be increased to growth in efficiency of the mechanism of taxation of insurance companies of Republic of Belarus, based on the international experience and opinions of researchers on the matter.

Insurance companies and insurance brokers can become payers of this tax, in our opinion. Rendering services in insurance (reinsurance, joint insurance) will act as subject to taxation. The tax base is generation of insurance premiums for the reporting period, and the tax period is a calendar month. It is possible to differentiate tax rates by types to obligatory and voluntary types of insurance.

We can lead the calculation of the sum of potentially possible payments for this type of tax in the consolidated budget of the Republic of Belarus, on the base of information on results of activity of the insurance companies in the Republic of Belarus presented in the table 3.

Table 3 shows that the gross profit of insurance companies has increase from 130.1

million rubles in 2016 to 182.1 million rubles in 2017. We can accept an average rate on a tax on insurance premiums for the analytical purposes in the size of 2.5%. On the base of the available data, it is possible to calculate the conditional amount of tax on profit – 32.53 million rubles in 2016 and 45.78 million rubles in 2017. This is not fully represents the valid indicator of income tax as pays off without the granted tax allowance profit and other deductions, but it is interesting in terms of identification of the greatest possible amount of tax on profit which insurance companies can pay.

Table 3

Main indicators of insurance companies of the Republic of Belarus

Indicator	2016	2017
Number of the operating insurance companies	23	22
Number of the signed contracts of insurance, millions	10,3	11,3
Insurance premiums, million rubles	987,9	1070,1
Sum of insurance payments, million rubles	540,8	532,5
Grossprofit, millionrubles	130,1	182,1

Note – Source: the authors' own work based on [4]

Introduction of a tax on insurance premiums will allow to simplify the mechanism of taxation of insurance companies, will increase its transparency. Differentiation in definition of tax rates for insurance premiums on types of insurance will allow to provide stable tax revenues in the state budget, as much as possible to consider priorities in development of the insurance market.

As the ways of improvement of taxation of insurance companies to strengthening the fiscal and stimulating functions of taxation, it is possible to offer the following: to give an opportunity to insurance companies to invest the financial resources in research and development in exchange on granting a privilege on direct taxation. This action will allow to lower budget load of financing of some categories of state programs that can to gain bigger economic effect, than growth in rates on income tax for insurance companies.

Conclusions. Thus, taxation of insurance companies of the Republic of Belarus is a dynamically developing system. It changes proceeding from conditions, the purposes and tasks that solved by means of the taxation mechanism. Any state is interested in that taxation performed the fiscal and stimulating function and provided all spheres of society with material resources, and it assumes the effective mechanism of redistribution of national income. As analysis showed, participation of insurance companies in formation of revenues of the budget is small. Therefore, it is possible to offer some ways of improvement of taxation of insurance companies due to introduction of a tax on an insurance premium, which can allow to increase share of the financial sector in formation of national income.

References

1. About the tax burden on organizations of the Republic of Belarus on the results of work for 2017. Report. *Ministry of Taxation of the Republic of Belarus*. URL: <http://www.nalog.gov.by/ru/nalog-nagruzka-na-organizacii-ru/>.
2. Averyanova M.A. Foreign experience of taxation of insurance activities and the

possibility of its usage in domestic practice. *Publishing «Creative Economy»*. URL: <https://creativeconomy.ru/lib/7043>.

3. Chudinov S.A. World experience in tax regulation in insurance activities. *Library of dissertations*. URL: <http://www.dslib.net/economika-mira/mirovoj-opyt-regulirovanija-nalogooblozhenijav-strahovoj-dejatelnosti.html>.

4. Finance of the Republic of Belarus. Statistical report. *National Statistical Committee*. URL: <http://www.belstat.gov.by/upload/iblock/66b/66bb80892c3366db8f5fd744a4fc78da.pdf>.

5. Kamornik A.I. Taxation of insurance organizations in the development of the insurance market of the Republic of Belarus: abstract of PhD dissertation. Minsk, 2017. 27 p.

6. Kozakova R.P., Bolkina G.I. Features of taxation of insurance companies in the EU and the USA. *Economics and Management: problems, solutions*. 2015. №12. P. 17-23.

7. Osipova T.I., Chesnokova L.A. Taxation of insurance organizations in the global economy. *Informational and analytical portal*. URL: <http://lexandbusiness.ru/view-article.php?id=2755>.

8. Samakhavets M.P. The role of the financial market in the investment policy. *Belarusian Economic Journal: a quarterly scientific and practical journal*. 2016. №2. P. 45-56.

9. Sinnikova Y.M. Problems and prospects of taxation and tax regulation of the segments of insurance market. *Cyberleninka*. URL: <https://cyberleninka.ru/article/n/problemy-i-perspektivy-nalogooblozheniya-i-nalogovogo-regulirovaniya-segmentov-strahovogo-rynka>.

10. Tax Code of the Republic of Belarus (Special Part) of December 29, 2009 No. 71-Z. *Ministry of Taxation of the Republic of Belarus*. URL: <http://nalog.gov.by/ru/chapter16-TC/>.

Струс Л.А., викладач економічних дисциплін,

Вінницький коледж НУХТ;

Чеснік Н.М., к.е.н., викладач економічних дисциплін,

Вінницький коледж НУХТ

ЕФЕКТИВНІСТЬ ДІЯЛЬНОСТІ ПІДПРИЄМСТВ ХАРЧОВОЇ ПРОМИСЛОВОСТІ: ТЕОРЕТИЧНІ АСПЕКТИ

THE EFFECTIVENESS OF THE ACTIVITY OF FOOD INDUSTRY ENTERPRISES: THEORETICAL ASPECTS

Анотація. У статті розглянуто теоретичні аспекти ефективності діяльності підприємств харчової промисловості. Охарактеризовано основні напрями ефективності підприємств харчової галузі. Досліджено складові ефективності,