

PUBLIC ADMINISTRATION AND TAX CONTROVERSY IN RUSSIA: A LITERATURE REVIEW APPROACH

**Yevgenia Viktorovna Zazulina, Institute of Service and Entrepreneurship
(branch) DSTU in City of Shakhty**

**Olga Nikolaevna Kichalyuk, Institute of Service and Entrepreneurship (branch)
DSTU in city of Shakhty**

**Anna Valerievna Strichko, Institute of Service and Entrepreneurship
(branch) DSTU in City of Shakhty**

Nurul Mohammad Zayed, Daffodil International University

ABSTRACT

The concept of modern tax law in Russia is revealed in this article. Opinions of various authors on definition of tax law concept are analyzed. A brief description of the subject and method of tax law is given. Occurrence and development of the Russian tax law occurs in the environment of formation of absolutely new social and economic relations. Being a fundamentally independent legal phenomenon, tax law coordinates a wide range of social relations. Regular updating of legislation on taxes and duties requires specific scientific research in this legal field, which is relevant today. It should be emphasized that the theory of tax law is not in line with the practice and legislative base of taxation. Consequently, the questions of conformity of the system of tax legislation and the system of tax law are not fully investigated until today, as well as the subject, method, principles, etc. are not sufficiently studied.

Keywords: Modern Tax Law, Russia, Economic Relations, Taxes and Duties, Occurrence and Development.

INTRODUCTION

Tax law is a set of legal norms regulating public relations on the establishment, introduction and collection of tax by the mandatory method of influence on the relevant entities. A characteristic feature of tax relations is their property nature - performance of the tax obligation, which means transfer of certain funds to the state by their owner. The mentioned public relations (tax legal relations) are the subject of the tax law. The subject of tax law is a set of legal relations formed between the state, taxpayers and other obliged persons concerning the establishment, calculation, payment and collection of taxes and duties, implementation of tax control and responsibility for violations of tax legislation, protection of rights and property interests of taxpayers, the state and local self-government bodies. Changes in the system of state administration are as logical a process as any other changes occurring in the state and public life of our state. It is obvious that the main goal of the administrative reform, which was initiated back in the 90s, is to create an effective system of public administration, which would allow solving problems in social and economic spheres in an optimal way (Gorshenina, 2017). It is in the latter that the interests of the state and organizations, public associations and natural persons

find their concentration. According to Dubinskiy (2014) the state administration in the spheres of taxation is not so much intended to meet the policy of total financial control, but, first of all, to be directed and contribute to economic subjects in full and timely implementation of the requirements of the legislation. At the same time, it is objectively recognized that the issues of taxation continue to be one of the most conflict areas in which citizens and organizations face state administration (Imikshenova, 2019). The purpose of the article is to study public administration in the field of taxation. The main objectives of the study should include a comprehensive study of Russian legislation governing relations in the field of tax law.

LITERATURE REVIEW

It should be noted that in recent years, the scientific literature has expressed a variety of opinions on possible directions of development of the regulatory framework for consideration of tax controversy (Zotikov, 2017). Nevertheless, Fadeev (2015), a member of the Expert Council on Tax Legislation of the State Duma Committee on Budget and Taxes, commenting on the draft law "On Amending Certain Legislative Acts of the Russian Federation in Connection with the Implementation of Measures to Improve Administrative Procedures for the Settlement of Disputes", pointed out that this document, in terms of amendments to the Tax Code of the Russian Federation, provided for the replacement of all norms relating to the judicial procedure for recovery of mandatory payments by norms regulating extrajudicial (administrative) settlement of disputes. Fadeev (2016) also formulated proposals on the establishment of specialized court panels for tax controversy, on the development of the institute of amicable settlement agreement, on the mandatory operation of the principle of reimbursement of defense expenses in tax controversy. Kolesnichenko (2012) particularly emphasized the inadmissibility to establish rules concerning the procedure for consideration of disputes in the internal regulations of public authorities, arguing reasonably that the main principles and rules concerning procedures used in tax audits, review of the materials of tax audits, appeal against the decision to a higher tax authority have already been enshrined in the Tax Code (Dubina, 2017). A different position, in the author's opinion, contradicts Articles 1, 4 of the Tax Code, which establish the impossibility for federal executive authorities to issue legal acts amending or supplementing the legislation on taxes and fees on issues related to taxation and fees. The proposal of Shinkariuk (2014) should be considered revolutionary and unexpected, who consider it necessary to create an independent body which will be charged with the function of pre-trial settlement of tax dispute. In the opinion of the latter, the current management system for tax controversy at the pre-trial stage should be taken out of the structure of the Federal Tax Service of the Russian Federation as a separate subdivision within the Ministry of Finance of the Russian Federation (Zhiltsov, 2005). Goncharenko (2014) also proposes to establish in Russia a quasi-judicial institute dealing with tax controversy (as an alternative to the idea of establishment of specialized (tax) courts). In her opinion, the system of independent quasi-judicial bodies will make it possible to relieve the courts by resolving the conflicts at the first stages of interaction between the tax authority and the taxpayer, while the use of negotiation process mechanisms and less formalization of procedures will make it possible to achieve a speedy resolution of tax controversy. Alam et al. (2019); Islam & Zayed (2018); Niaz et al. (2015) etc. explained the importance of costing, gift tax and proposed credentials in their researches.

METHODOLOGY

The research is based on empirical evidence and literature reviews. Theoretical and practical significance of the research consists in the fact that the conclusions and proposals contained in the scientific research may be in demand in the educational process.

RESULTS AND DISCUSSION

Among other important changes of recent years in the field of tax administration, the introduction of a mandatory pre-trial procedure for appealing against any non-normative acts of tax authorities, actions or omissions of their officials (Vorobyeva, 2017), draws attention. This fact is reflected in the section "General Results of the Tax Policy Implementation" in the materials of the Main Tax Policy Guidelines of the Russian Federation for 2016 and the Planning Period of 2017 and 2018, published by the Ministry of Finance of the Russian Federation (The basic directions of tax policy of the Russian Federation for 2017 and the planned period 2018 and 2019, 2019). At the same time, the Federal Tax Service of the Russian Federation notes that since 2015 there has been a tendency to reduce the number of complaints sent by taxpayers to the tax authorities (by more than 5% compared to 2014) (Sidorova & Cherevichenko, 2017). A logical result of such procedural procedure for consideration of complaints about non-normative acts of tax authorities was a decrease in the number of court disputes with the participation of taxpayers (by 32% in 2015 compared to 2014) (The Federal Tax Service of Russia summarized the results of pre-trial and judicial settlement of tax disputes in 2015, 2015).

CONCLUSION AND RECOMMENDATIONS

Having analysed the views expressed, the following positive aspects of the public administration system that is currently in place for handling tax controversy should be highlighted.

- Reduces the burden on the courts (in turn, this leads to savings in court costs);
- Shortening the time it takes to make decisions on tax controversy;
- The absence of additional costs in the form of a state duty when considering a dispute out of court;
- Shortening the time of receipt of taxes into the budget after their additional accrual.

At the same time, it should be noted that all these positive aspects can be achieved only with strict observance of legal norms in these legal relations.

REFERENCES

- Alam, M.E., Islam, M.R. & Zayed, N.M. (2019). Proposed Global Professional Credential: A Case Study on ICAB, Bangladesh. *Tryaksh International Journal of Multidisciplinary (TIJM)*, 1(1), 11-17.
- Dubina, Y. (2017). Modern tax system of Russia, the main directions of its development (in Russian). *Beneficiary* 14, 31-34.
- Dubinskiy, A.M. (2014). Tax authorities of Russia: theory and practice of the financial control: Monograph (in Russian). *M Contract*, 5-6.
- Fadeev, D.E. (2015). Tax disputes: from justice to fiscal interests, or how the next stage of judicial and administrative reform will be completed. *Financial law*, 7.
- Fadeev, D.E. (2016). Improvement of tax administration: A business view. *Business security*, 2.
- Gorshenina, E.V. (2017). Budgetary and tax system of the state (in Russian). *Economic research*, 2, 8.
- Goncharenko, I.A. (2014). Mechanism for solving tax disputes in Great Britain and EU: *Cand M*, 8.

- Imikshenova, E.A. (2019). Taxes and fees: some classification issues (in Russian). *Tax scientist*, 9, 2-5.
- Islam, M.R. & Zayed, N.M. (2018). Present Scenario of Gift Tax in Bangladesh: Contribution and Prospect in the Economy. *Journal of Finance and Marketing*. 2(3), 10-13.
- Kolesnichenko, T.V. (2012). Pre-trial and court procedure of tax disputes settlement: scientific and practical manual. M. Yusticinform
- Niaz, A.Z.M., Rahman, M.M., & Zayed, N.M. (2015). Implementing Activity Based Costing in Private Universities of Bangladesh: An Exigency. *MTC Global Journal of Management & Entrepreneurship*. 3(6), 95-104.
- Sidorova, A.V., & Cherevichenko, T. S. (2017). Formation and development of the concept "Tax" (in Russian). *Vestnik (reporter) of Volzhskiy University named after V.N. Tatishchev*. T, 2(1), 5-11.
- Shinkariuk, D.A. (2014). Pre-trial settlement of tax disputes: ways to improve. *Taxes*. 6.
- The basic directions of tax policy of the Russian Federation for 2017 and the planned period 2018 and 2019. (2019). Retrieved from: www.minfin.ru.
- The Federal Tax Service of Russia summarized the results of pre-trial and judicial settlement of tax disputes in 2015. (2015). Retrieved from: https://www.nalog.ru/rn77/apply_fts/pretrial/5959261/
- Vorobyeva, E.V. (2017). Tax system of Russia: main directions of modernization. *Vestnik of educational consortium of Srednerussky university. Series: Economics and management*, 9, 75-76.
- Zhiltsov, A.S. (2005). Problem of efficiency of pre-trial procedure of tax disputes resolution. *Financial Law*, 9.
- Zotikov, N.Z. (2017). Tax system of Russia: problems and prospects (in Russian). *Internet journal Naukovedenie. T*. 9(3), 76.