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FISCAL RISKS IN THE SYSTEM OF BUDGETARY REGULATION OF DEVELOPMENT OF SMALL AND MEDIUM ENTREPRENEURSHIP

In the national economy system, small and medium entrepreneurship (SME) is a dynamic element of the modernization of the economy determining its flexibility and adaptability. Both the efficiency of functioning of the economic system and economic growth, GDP structure and quality depend on the skillful combination of small, medium and big business. SME can take an active part in resolution of the whole complex of economic and social problems activating a structural set-up of the economy, saturating a market with goods and services, forming a competitive environment, promoting development of territorial communities, market infrastructure, solution of employment problems, equalization of conditions and improvement of standards of life of the population, formation of new property entities and establishment of the middle class of society.

There are several approaches to definition of the fiscal efficiency. Proceeding from one approach, the fiscal efficiency is associated with a share of a tax in macro indicators such as GDP, tax receipts and revenues of the budget. The other approach defines the fiscal efficiency as a capability of a tax to provide the filling of budgets of various levels.

A fiscal feature of a tax is that the ground for its payment is a financial result of activities of enterprises. In view of worsening of the economic state, a profit of enterprises considerably reduces, therefore, its fiscal efficiency also reduces [1]. One more problem affecting the reduction in the amount of tax receipts is a non-adjusted mechanism of legislative regulation and administration, generating:

1) organizational risks associated with violation of mandatory tax procedures by SMEs (registration with tax authorities, filing a tax return, notification of opening a bank account etc.). For a failure to comply with the specified requirements, there is a taxpayer's liability in the form of penalties according to the Tax Code and Code of Administrative Offences;

2) tax burden increase risks, as a rule, deal with a problem of inefficient tax management by SMEs and are associated with making wrong decisions on application of a simplified taxation system, tax reliefs, a status of a business incubator resident and result in lead to lost benefit, additional expenses, loss of counterparties;

3) tax control risks are regulated by fiscal authorities. A SME as a taxpayer can independently assess a possibility of a field tax inspection;

4) taxes (levies) non-payment risks – a consequence of inattentiveness or willful intent of a taxpayer or a tax agent.

Implementing a stimulating SME taxation policy, bodies of local self-government (including territorial communities) have an efficient tool of development of a science-intensive, innovative segment of the specified sector of the regional economy, regulatorily stimulating creation of local value-added. As a result of the fiscal SME stimulation, the bodies of local self-government, depending in the quality of the applicable policy, provide management of this institution regulating a structure of

the regional economy, a wellbeing of the population and a general socioeconomic development of a specific territorial location.

In addition to implementation of the efficient, differentiated, stimulating fiscal policy of development of SMEs, the decentralization has caused a re-distribution of powers between a national level of budgetary regulation and local coordination, having actualized a need to develop a system of removal of administrative barriers both at the stage of the establishment of SMEs and at the stage of their sustainable development. For this purpose, the bodies of local self-government need to [2]:

- set up regional interdepartmental centers for professional assistance to entities of small entrepreneurship for the purpose of protecting legitimate interests of representatives of this sector;

- set up interdepartmental commissions for the purpose of identifying and terminating acts of bureaucracy preventing from efficient development of SMEs at a local level forming threats to creation of local value-added;

- set up local centers for the centralized collection and processing of information on the progress of the regulatory efficiency of measures aimed at developing SME, deregulation and de-bureaucratization of financial-economic procedures and accounting, in particular, in terms of creation of conditions for initiating the «first job» institution for graduates of regional higher education establishments;

- actualize social development programs for budgetary regulation and point behavioral correction of SMEs in the conditions of a new economic normality an reality of development of the local economy.

Therefore, analyzing fiscal risks in the system of budgetary regulation of development of SMEs, it becomes clear that ensuring their sustainable growth depends, to a considerable extent, on the formation of weighted and efficient state policy for

the modernization of state finances. For this very reason, the main promising directions of development of SMEs are based on the formation and implementation of tasks for declining in the impact of fiscal risks on state finances as a resource of stabilization and development of the business environment, namely [3]: optimization of tools of budgetary regulation of development of entrepreneurship, in general, and its neo-orthodox segments, in particular; expansion of access to financial resources, introduction of mechanisms of budgetary support by the bodies of local self-government; ensuring transparent access to public procurement as an institution of state investment in SME development; improvement of access to the international technology transfer process; ensuring budgetary support for innovative development of SMEs; optimization of fiscal and administrative burden on SMEs; organization of the provision of free consulting services for SMEs on regulatory support for entering to a foreign market, raising international technical assistance funds, participation in national and local incentive programs; implementation of measures for encountering and fighting against corruption in state and local authorities; creation of favorable conditions for development of modern innovative infrastructure; ensuring protection of national and local (at a level of a specific territorial community) interests in the international market; SME bankruptcy and solvency restoration procedure improvement; formation of preconditions for development of entrepreneurial and business culture.

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