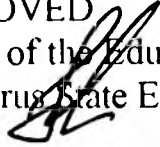


Educational Institution  
"Belarus State Economic University"

APPROVED  
Rector of the Educational Institution  
"Belarus State Economic University"  
  
V. Shutsilin  
" 4 " may 2021 г.  
Registration No. 4751-21

## **Fundamental Principles of Taxation**

The curriculum of the Higher Educational Institution  
in the academic discipline for the speciality  
1-25 80 02 "World Economy"

**COMPILERS:**

Loukianova I.A., associate professor of the department of taxes and taxation of the Educational Institution "Belarusian State Economic University", candidate of economic sciences, associate professor.

**RECENTS:**

Melnikova N.A., Deputy Head of the Department of Financial and Banking Economics of Belarusian State University, Candidate of Economic Sciences, Associate Professor;

Verezubova T.A., Professor of the Department of Finance and Financial Management of EE "Belarusian State Economic University", Doctor of Economic Sciences .

**RECOMMENDED FOR APPROVAL:**

Department of Taxes and Taxation of the Educational Institution "Belarusian State Economic University  
(Minutes No.9 of 25.03.2021);

Scientific-Methodical Council of the institution of education "Belarusian State Economic University

(Minutes No.\_\_\_\_ of \_\_\_\_\_ 2021).

## EXPLANATORY NOTE

The syllabus of the training discipline "Fundamental Principles of Taxation" for the specialty 1-25 80 02 «World Economy» profile «Financial Support of Business in the International Economics» is developed in accordance with the educational standard of the specialty.

Historical experience shows that the creation of a modern market-type economy is impossible without an effective tax system that provides the budget with sufficient financial resources and at the same time contributes to socio-economic development.

**The subject** of the discipline "Fundamental Principles of Taxation" is the study of the essence of tax as an economic category of modern states, their place and role in economic policy at different stages of the historical development of the states, the study of the evolution of the doctrine of taxes and taxation. This discipline reveals such concepts as: public goods, public finance, tax, taxation, tax system, tax regulation, tax mechanism, fiscal policy. In the process of its study the basic economic conditions of the development of tax relations are considered.

Separate topics are devoted to the study of political economy foundations of taxation, macroeconomic and microeconomic approaches to its analysis, the concept of tax burden and its distribution between the seller and the buyer, conceptual approaches to determining the optimality of taxation.

**Objectives/Outcomes** of the discipline "Fundamental Principles of Taxation" is to familiarize students with the concept of tax as an economic category, the evolution of the theory of taxation, the functions performed by taxes, the features of the formation of modern tax systems; to form a stable base of knowledge necessary to understand the basic forms, methods and implementation of tax policy.

**The objectives of the study** of the discipline "Theory of Taxation" are:

1. To give students an idea of theoretical approaches to determining the place and role of taxes in the economic life of society, taking into account the historical and logical methods of research;

2. On the basis of the study of works of modern researchers and the classics of economic theory to show the development of the theory of taxation;

3. Explore the main problems that the theory of taxation solved and solves at the present stage;

4. To show the role of taxation theory in the development of fiscal policy, tax reforms and the use of various measures of tax regulation;

5. To consider the historical continuity in the construction of the tax system of the Republic of Belarus;

6. To study trends in the development of tax systems, approaches of the state to coordination through taxation of public economic interests.

The program requires students to study the works of domestic and foreign economists, legislative and regulatory materials, statistical compilations.

As a result of the study of this discipline students should:

**Know:**

- what a tax is as an economic category;

- what are the main types of taxes used in modern world economic practice;
- how the various elements of the tax system fit together;
- the costs of certain taxation measures;
  - what are the limitations in the application of tax regulation measures depending on the state of macroeconomic indicators.

**To be able to:**

Analyse peculiarities of macroeconomic policy in different initial conditions of functioning of economy, to develop macroeconomic policy measures) Analyze and compare the views of representatives of different areas of economic thought on the necessity and possibility of regulating social and economic development with the help of tax instruments. To reveal signs of influence of these or those theories on the taken decisions in the field of the tax policy, to predict consequences of tax measures.

**Be familiar with:**

- the basic scientific concepts and categorical definitions in the sphere of taxation and apply them when solving practical tasks, to analyze the patterns and trends of the national tax system development with the main regularities and trends in the evolution of the tax system, methods of macroeconomic regulation through fiscal policy measures.

The course "Fundamental Principles of Taxation" is a fundamental section of the science of taxes. It is based on the knowledge that students have gained from studying such disciplines as "Economic Theory" and "History of Economic Thought".

In order to increase the activity of students, along with traditional forms, such forms of classes as thematic discussions (in particular, discussions on the works of the classics of tax theory and modern authors) and business games are recommended.

In accordance with the syllabus for the specialty 1-25 80 02 «World Economy» provides: total hours for academic discipline -108, of which the total academic hours - 44, including 22 hours - lectures, 22 hours - workshops. The form of current assessment – 3 credit. Form of control - exam.

# TRAINING CONTENT

## **Topic 1. Tax as an economic category. Political-economic basis of understanding tax in modern society.**

The essence of tax as an economic category. Definition of taxes. History of the development of taxes. The reasons for the emergence of taxes. Development of commodity production as a prerequisite for the emergence of systematic tax levies.

The development of the theoretical foundations of taxation. The theory of collective (public) needs from its emergence to the modern state. The public sector and the economic nature of the modern tax.

The problem of property equality and income redistribution in terms of the main directions of modern economic thought.

Proportional, progressive and regressive taxes. Their advantages and disadvantages. Structure and trends of tax rates.

Direct taxes. The main types of direct taxes. Indirect taxes and their types. Trends in the structure of direct and indirect taxes. Advantages and disadvantages of direct and indirect taxes.

General and special taxes. Marked and unmarked taxes. Republican, local taxes. Individual income tax. Income tax. Property tax. Value added tax. Excise tax. Customs duties.

The relationship of taxes to other economic categories.

## **Theme 2. Tax systems and principles of their construction.**

Historical preconditions for the formation of the tax system. The concept of "tax system" and its interpretations. Principles of construction of tax systems. Principles of taxation by V. Mirabeau (taxation of source of income, proportionality of taxation of income, minimum cost of taxation).

A. Smith's four basic principles of taxation. The tax principles of A. Wagner. P. Samuelson's principles of taxation (benefit principle, donation principle).

The development of the principles of taxation in modern economic theories. Horizontal and vertical equality. The principle of received benefit. Economy of taxation system. Difficulty of tax evasion. The principle of neutrality. Convenience for taxpayers and the subject of regulation. Principle of minimization of disincentive effect.

Flexibility and stability of the tax system: the search for the optimal ratio. Changes in the economic environment of regulation as a factor in the transformation of the tax system. Unity and inconsistency of the basic principles of construction of the tax system.

Internationalization of Capital and Tax Reforms.

The evolution of the tax system of the leading developed countries and the problem of income redistribution. The effectiveness of the tax system as an instrument of redistribution.

Indicators of the state of the tax system.

Tax system of the Republic of Belarus.

### **Topic 3. Stimulating and discouraging effects of taxation.**

Consumption and Savings - Effects of Taxation on Choice in Intertemporal Models. The Effect of Taxation on Investment Behavior. Samuelson, Koba and Douglas models. Investment decisions and their dependence on the particularities of taxation in countries and regions.

Direct and indirect taxes. Peculiarities of analysis of influence of changes in tax policy. Proportional, progressive, specific rates: specificity of influence on behavior of the payer.

### **Topic 4. Tax burden: problems of analysis.**

The concept of "tax burden". Methods for measuring the tax burden. Approaches to defining the concept of tax burden severity. Taxes per capita. Share of taxes in gross domestic product. Share of withdrawals from corporate profits.

Concepts of minimum and maximum taxes Lower and upper limits of taxation. Conflicting interests of the state and taxpayers in determining the severity of taxation.

Boundaries of taxation of legal and natural persons. Differentiation of countries by severity of taxation. Standard of living of population and tax burden. Trends in tax burden in countries with developed market economies and in the Republic of Belarus. Empirical regularity of the relationship between indicators of the share of tax exemptions in GDP and the level of economic development of the country.

Tax Burden and Economic Growth.

Peculiarities of the Belarusian tax system.

### **Topic 5. Problems of shifting the tax burden. Excessive tax burden.**

Prerequisites and possibilities of shifting tax burden. Tax views of E. Seligman, A. Marshall. Concept of displacement of tax burden. Elasticity and displacement of tax burden.

Producer surplus and consumer surplus. Distortions generated by taxes and factors of excess tax burden.

Measuring the excess burden generated by the income tax: a competitive market analysis of the "labor" factor. Peculiarities of the demand curve in the labor market. Analysis of the competitive labor market at different parts of the curve in terms of specifics of tax burden shifting.

Tax liabilities and movement of taxes. Distribution of tax burden in a competitive market. The effect of the type of tax (excise tax, property tax) on the shifting tax burden.

Distribution of the tax burden on the monopoly market. Types of monopolistic markets and taxation. Formation of the sphere of action of the tax in a monopolized market with absolute inelastic supply. A single-sector model of the distribution of the burden of taxes on labor and capital (Feldstein model). Two-sector model of tax burden distribution (Harberger model). Modern modifications of the Harberger model.

## **Topic 6. Optimal taxation.**

Taxation and efficiency. Reduction of excessive tax burden. Problems of building an optimal tax model. The problem of efficiency and fairness in the context of tax optimization.

Models of optimal taxation. Ramsey's rule. Normative analysis of taxation. Normative analysis in taxation theory, concepts of the state, Pareto-efficiency. Model for optimizing the amount of tax revenues (Bowen-Lyndall-Samuelson equilibrium). Model of economy with leisure taxation. Ramsey's rule. Corlett's and Haig's rule.

Costs associated with the operation of the tax system and evasion.

## **Theme 7. Tax regulation in the economic policy of the state.**

Economic functions of the state. The concept of tax policy. The content and goals of tax policy, its dependence on the state system. The role of tax theory in formation of tax policy corresponding to economic development of the country. Problems of formation of Belarusian tax policy.

Discretionary and non-discretionary tax policy. Taxes as incentives. "Negative income tax.

State regulation in the views of A. Wagner. The Keynesian stage in economic theory. Taxes in the Keynesian Cross Model. Taxes as built-in regulators. The fiscal and tax multiplier. Taxes in the economic policy of the monetarist school. The interaction of fiscal and monetary policy. Taxes in the monetary theory of M. Friedman. Taxes in the concepts of the neoclassical schools. Supply theory. A. Laffer's tax concept. The exclusion zone of the taxation scale. Curve of A. Laffer's curve, its influence on the development of theory and practice of taxation. Taxes in the concepts of neoclassical schools.

Analysis of the impact of tax policy in the IS-LM model.

## **Topic 8. Fiscal instruments to create attractive conditions for the implementation of infrastructure strategies based on public-private partnerships**

Current trends in the involvement of business in the implementation of public infrastructure projects.

Transition from the state order to a comprehensive investment project (a form of public-private, or public-private partnership) and the formation of tax infrastructure to ensure competitive financing conditions.

Models for the inclusion of tax instruments in the terms of contracts with PPP features.

The three areas of impact of the tax instruments are: (1) the payback period of the investment; (2) the needs of the public party for the goods, works, and services supplied by the private partner; and (3) the engineering specifics of the facility (e.g., the timing and frequency of mandatory major repairs or the overall life of the construction facility).

Risks of infrastructure projects and the concept of return on tax investment in a

PPP project. The possibility of attracting a private investor to finance the creation of the object in the absence of budgetary funds.

### **Theme 9. Basic structural elements of the design of modern tax systems**

Taxation of factors of production, the ratio of tax rates on income received in the form of wages, dividends or a share in the retained earnings of an enterprise.

The essence of profit taxation. Incentives and empirical characteristics of the results of income tax reform.

The economic essence of value added taxation and perspectives on value added tax.

Income taxation, its economic essence and prospects for development.

Taxation of Real Estate: International Experience and Prospects of Development: World Practice of Organization of Taxable Property Self-Assessment; Possibility of Application of Property Self-Assessment for Taxation Purposes in the Republic of Belarus.

Environmental taxes as a means of social control of the environmental situation.

Taxation of research and development in the context of economic modernization.

### **Topic 10. Tax reforms.**

Features of tax systems in developed and developing countries. The ratio of direct and indirect taxes, the place of tax incentives in the economic policy of states.

Evolution of tax systems. Tax reforms in developed Foreign countries in XXI century. Types of taxes and practice of tax regulation in developed foreign countries.

Criteria for assessing the effectiveness of tax systems. Indicators reflecting the level of development of the tax system. Problems of general improvement of the tax system. Possible specific corrections in the tax system for certain types of taxes. Improvement of fiscal relations within the budget system. Differentiation of republican and local taxes. Formation of the tax mechanism. Directions of improvement of the tax system of the Republic of Belarus in the conditions of building of innovation type economy.

The place of tax regulation in the system of economic methods of economic management.



**STUDY AND METHODOLOGICAL MAP OF THE DISCIPLINE "FUNDAMENTAL PRINCIPLES OF TAXATION"  
FOR DFO**

№	Section, topic	Number of class hours				Other	Control
		Lectures	Workshop	Guided student self-study			
				Lectures	Workshops		
1	2	3	4	5	6	7	8
1	Tax as an economic category. The essence of taxes and their place in the economic system of modern society.	2	-		4	[ 2 - 14 ]	Discussion, test
2	Tax systems and principles of their construction	2	-		2	[2 - 14 ]	Discussion, essay, test
3	Stimulating and discouraging effects of taxation	-	-	2	2	[2 - 14 ]	Discussion, essay, test
4	Tax burden: problems of analysis	-	-	2	2	[2 - 14 ]	Discussion, essay, test
5	Problems of shifting the tax burden. Excessive tax burden	-	2	2	-	[2 - 14 ]	Discussion, essay, test
6	Optimal taxation	2	2	-	-	[2 - 14 ]	Discussion, essay, test
7	Tax regulation in the economic policy of the state	-	-	2	2	[ 1 - 14 ]	Discussion, essay, test
8	Fiscal instruments to create attractive conditions for the implementation of infrastructure strategies on the principles of public-private partnerships	-	2	2	-	[2 - 14 ]	Discussion, essay, test
9	The main structural elements of the design of modern tax systems	2	-	2	2	[2 - 14 ]	Discussion, essay, test
10	Tax reforms	-	2	2	-	[ 10 - 14 ]	Discussion, essay, test
	<b>Total</b>	<b>8</b>	<b>8</b>	<b>14</b>	<b>14</b>		<b>Exam</b>
				<b>44</b>			

## INFORMATION AND METHODOLOGICAL PART

### *Methodological recommendations for the organization of students' independent work in the discipline "Fundamental Principles of Taxation"*

In mastering the knowledge of the academic discipline is an important stage in the independent work of students. Recommended time budget for independent work on average 2-2.5 hours per 2-hour class session. The main areas of the student's independent work are:

- Initial detailed acquaintance with the program of academic discipline;
- familiarization with the list of recommended literature on the discipline as a whole and its sections, its availability in the library and other available sources, the study of the necessary literature on the topic, the selection of additional literature;
- studying and expanding the lecture material of the teacher at the expense of special literature, consultations;
- Preparation for practical classes according to specially designed plans with the study of basic and additional literature;
- preparation for diagnostic forms of control (tests, problem solving, control works, etc.);
- preparation for credit.

Independent work is a type of learning activities of students in the process of mastering educational programs of higher education, carried out independently outside the classroom (in the library, research laboratory, at home, etc.) with the use of various teaching tools and information sources (hereinafter - SR). The objectives of SR are:

- activation of learning and cognitive activity of students;
- Formation of students' abilities and skills of independent acquisition and generalization of knowledge;
- Formation of students' abilities and skills of independent application of knowledge in practice;
- self-development and self-improvement.

Scientific and methodological support of the SR on the discipline "Fundamental Principles of Taxation" is based on the methodological materials of the course and consists of:

- of the syllabus (location - the Department of Taxes and Taxation);
- of the educational and methodological complex (location - the Department of Taxes and Taxation);
- electronic educational-methodical complex (access to BSEU electronic library network <http://edoc.bseu.by>);
- of the basic course of lectures (access to the BSEU electronic library network <http://edoc.bseu.by>);
- visual and handout materials for seminars;
- control means: tests, control tasks, etc.

## Literature

### Basic:

1. Налоги и налогообложение : учебник для студентов учреждений высшего образования по группе специальностей "Экономика и управление" / [Е. Ф. Киреева и др.] ; под ред. Е. Ф. Киреевой. - Минск : БГЭУ, 2019. - 438, [1] с. : ил. - (Учебник БГЭУ).
2. Сяо Лися. Новый механизм налогообложения прибыли и доходов предприятий Китая : [монография] / Сяо Лися, С. С. Полоник ; Белорусский гос. ун-т. - Минск : Право и экономика, 2018. - 132 с. : ил.
3. Черник, Д. Г. Налоговая политика : учебник и практикум для бакалавриата и магистратуры : для студентов высших учебных заведений, обучающихся по экономическим направлениям / Д. Г. Черник, Ю. Д. Шмелев ; под ред. Д.Г. Черника. – М. : Юрайт, 2017. - 406, [1] с. : ил. - (Бакалавр и магистр. Академический курс).

### Additional:

4. Артемьев, А. А. Гармонизация налогового и таможенного регулирования в ЕАЭС : монография / А. А. Артемьев, М. Р. Пинская, А. В. Тихонова ; под ред. А.А. Артемьева ; ФГОБУВО "Финансовый ун-т при Правительстве Рос. Федерации". – М. : Прометей, 2020. - 167, [1] с. : ил.
5. Налоги и налогообложение : практикум / [В. К. Ханкевич и др.] ; под ред. В. К. Ханкевича ; М-во образования Респ. Беларусь, Белорус. гос. экон. ун-т. - Минск : БГЭУ, 2017. - 270, [1] с. : ил.
6. Филиппович, Е. С. Налогообложение внешнеэкономической деятельности и его администрирование : практикум / Е. С. Филиппович. - Минск : БГАТУ, 2020. - 130, [1] с. : ил.
7. Финансовая диета: реформы государственных финансов Беларуси : [монография / К. В. Рудый и др. ; сост., соавт., науч. ред. К. В. Рудый]. - Минск : Звезда, 2016. - 461, [1] с. : ил.
8. Фискальный федерализм. Проблемы и перспективы развития : монография для магистрантов, обучающихся по программам направления "Финансы и кредит" и аспирантов, обучающихся по научной специальности 08.00.10 "Финансы, денежное обращение и кредит" / [И. А. Майбуров и др.] ; под ред. И. А. Майбурова, Ю. Б. Иванова. – М. : ЮНИТИ-ДАНА, 2015. - 414 с. - (Magister).

9. Annual report 1992: Including worldwide survey of trends and developments in taxation. - Amsterdam : IBFD, 1993. - 120 p.
10. Doing Business in Belarus : January 2018 / National Agency of Investment and Privatization, Белорус. торгово-промышленная палата. - Minsk : Ernst & Young LLC, 2018.
11. Gradus, R. Optimal Dynamic Taxation : A game theoretic Approach / R. Gradus. - Netherlands : [s. n.], 1990. - 186 p.
12. Sommerfeld, R. Essentials of taxation / R. Sommerfeld. - New York : Addison-Wesley Publishing Company, 1990. - 177 p.
13. Tillmann, G. Equity, Incentives, and Taxation / G. Tillmann. - Berlin : Springer-Verlag, 1989. - 139 p. - (Lecture Notes in Economics and Mathematical System ; Vol. 329).
14. Van, Schijndel G-J C.Th. Dynamic firm and investor behaviour under progressive personal taxation / Van Schijndel G-J C.Th. - Brabant : Universiteit Brabant, 1987. - 223 p.

## PROTOCOL OF THE COORDINATION

Name of the training discipline, with which approval required	Chair	Suggestions about changes in the content of the curriculum institutions of higher discipline education	The decision taken by the department that developed the curriculum (indicating the date and protocol numbers)
<i>International Competition</i>		<i>J. Turbaney</i>	<i>28.03.21</i>

## ADDITIONS AND AMENDMENTS TO THE SYLLABUS

for \_\_\_\_ / \_\_\_\_ academic year

№ n/a	Additions and amendments	The foundation

The syllabus was revised and approved at the meeting of the department  
\_\_\_\_\_ (Minutes No. \_\_\_\_ of \_\_\_\_ 2021)  
(name of department)

Head of Department

\_\_\_\_\_  
(academic degree, academic title) (signature) (Full name)

APPROVED

Dean of Faculty

\_\_\_\_\_  
(academic degree, academic title) (signature) (Full name)