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The Role of the Tax System in the Diversification of the Land Fund

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Annotation

In the world practice, considerable experience has been accumulated in regulating the use of land resources as an important factor and tool that determines socio-economic progress, a specific component of property, an object of taxation, rent and other financial relations. The article develops proposals for achieving high efficiency in the use of land resources by simplifying the taxation mechanism.

Key words: land, land fund, types of land, agricultural land, coefficients, perennial plantings, taxes, productivity.

Introduction. Different countries apply their own approaches to the use of certain factors that determine the profitability of agricultural land. It is equally important that when establishing a tax on this category of land, a huge role is played by the natural features of the land, which are calculated differently in different states. In general, the level of income tax on agricultural land depends on its fertility. The above allows us to conclude that the principle of paid land use is universal, regardless of the forms of land ownership in different countries of the world. In foreign countries, income from land use is calculated through taxes aimed at withdrawing land rent. At the same time, an analysis of the taxation of agricultural land in foreign countries shows that due to the great influence of politics and historical traditions on the tax system, not all countries have an ideal model of land taxation. However, the property (land) tax has historically developed in the best way. The share of these taxes in total tax revenues is changing rapidly in developed countries [1].

Methods. The experience of developed countries shows that when dividing land into categories according to the purpose of their use, more attention is paid to the tax paid to the state. This makes it necessary to establish a tax burden for the purposes of land use, i.e. for different values of land not by category, but by types of land, subspecies. Such an economic method makes it possible to prevent arbitrary land development, land degradation, salinization, deterioration of soil fertility as a result of erosion of land resources.

The tax rates on agricultural land are set at 0.95 percent of the normative value of agricultural land. The amount of tax for the use of agricultural land (rent) should be determined by a coefficient of 2, and not by a coefficient of 0.95, as specified in the new version of the article of the Tax Code. The introduction of this coefficient into practice may cause protest moods among land users of agricultural land. The introduction of the proposed coefficient will increase the responsibility for the preservation and improvement of land fertility [2]. A decrease in the productivity of agricultural land in the Republic over the past 30 years (a point bonus), an increase in the indicators of land degradation and erosion in the future can lead to negative consequences. In this regard, I consider it necessary not only to introduce a coefficient of 2.0, but also to introduce an additional correction factor from 0.5 to 3.0 for exceeding the indicator of land fertility [3]. Naturally, the question arises why the coefficient of 0.95 should increase immediately to 2.0!

Along with the introduction of the coefficient 2.0, I consider it necessary to also introduce an additional correction factor from 0.5 to 3.0 for exceeding the indicator of land fertility [4].

One of the most important features of land plots occupied by perennial plantings is the complexity of their rigging, due to the area, growing conditions, varietal composition, creation costs and many other features [5]. In addition, it makes it difficult to determine the correction coefficients that allow taking

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into account certain specific features of the object being evaluated [6].

It turns out that when assessing agricultural land occupied by perennial plantings, the main cost-effective and profitable approaches are used [7]. If we look from the point of view of a profitable approach, then a gardener who is going to start gardening activities, first of all, plants a fruit seedling in the ground, which is sold at high prices, in order to obtain a high profit [8]. The main factors are the correspondence of the type of crops to both soil and climatic conditions. I propose to make some changes to the formula for evaluating agricultural land occupied by perennial plantings from the point of view of a profitable approach [9].

From the point of view of the market economy, these fruits differ both in income and in the methods of care and processing [10].

Results. Therefore, I propose to introduce into the formula for evaluating agricultural land occupied by perennial plantings, from the point of view of the income approach, correction coefficients, as in table 1 below. The proposed coefficients can be set and adjusted based on the market price of products.

Table 1: Proposed correction factors

Fruit varieties	Correction factors
Fruit walnut (walnut, almond)	0,6
Sunflower seeds (apple, pear, quince)	0,7
Fruit (apricot, peach, plum, cherry, cherry)	0,8
Subtropical plants (figs, pomegranates)	0,9
Berries (strawberry, raspberry, currant)	1,0
Mulberry	0,6
Grape	0,9

Then, for land plots occupied by perennial trees that have entered the fruiting phase, their current value using the income capitalization method with the income approach of hylan, the following formula will look like this:

$$Q_{meva} = \frac{\quad}{\quad} \times 100 \qquad (1)$$

in this: $\mathbf{Q_{meva}}$ - the cost of a land plot occupied by fruit-bearing perennial trees;

D - Net income from 1 hectar of trees;

R - area of trees, hectar;

$\mathbf{К_1}$ - the coefficient that takes into account the level of management and the intensity of production in comparison with the indicator for the Republic (from 0.8 to 1.3 - the average level for the Republic is 1.0);

$\mathbf{К_2}$ - coefficient that takes into account the location of the land plot;

$\mathbf{К_3}$ - coefficient that takes into account the types and varieties of fruit plants placed on the land plot (from 0.6 to 1.0);

P - capitalization rate.

As for the assessment of agricultural land occupied by perennial plantings, from the point of view of the cost approach, I can offer the following [11]. When using this approach, I consider it necessary to increase the productivity of land resources, taking into account the costs of developing land plots [12]. The gardener should be interested in ensuring that his plot of land is fertile. Therefore,

- a correction factor taking into account the costs of including land that is not in agricultural circulation or has been withdrawn from it into agricultural activity;
- correction factor for increasing the productivity of agricultural land occupied by perennial plantings;
- for the full use (for incomplete use of the land plot, without leaving it free) of agricultural land occupied by perennial plantings at their disposal, I propose to introduce correction coefficients into the formula [13].

After that, the formula for estimating the value of a land plot occupied by perennial plantings, from the point of view of the cost approach, looks like this:

$$Q = [(X_m + X_b + X_{um}) \times K + X_t] \times K_{kes} \times K_{o'zl} \times K_{uo'sh} \times K_{tf} \qquad (2)$$

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in this: **Q** - the cost of a land plot occupied by perennial plantings;

$\mathbf{X_m}$ - transfer material costs;

$\mathbf{X_b}$ - the cost of planting trees;

$\mathbf{X_{um}}$ - national expenses, including expenses for registration of a land plot;

$\mathbf{X_t}$ - the amount of annual expenses for the maintenance of trees from the moment of creation to the moment of evaluation of the land plot;

Ҡ - price indexation coefficient;

$\mathbf{Ҡ_{kes}}$ - coefficient that takes into account the cutting of hardwoods.

$\mathbf{K_{o'zl}}$ – correction factor taking into account the costs of including land that is not in agricultural circulation or has been withdrawn from it into agricultural activity;

$\mathbf{K_{uo'sh}}$ – correction factor for increasing the productivity of agricultural land occupied by perennial plantings;

$\mathbf{K_{tf}}$ - correction factor for the full use (for incomplete use of a land plot) of agricultural land occupied by perennial plantings at their disposal.

Conclusion. I believe that the implementation of the above-mentioned proposed changes in the conditions of a market economy will lead to the creation of a transparent mechanism for assessing agricultural land occupied by perennial plantings.

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