МЕМЛЕКЕТТІК БАСҚАРУ ЖӘНЕ МЕМЛЕКЕТТІК ҚЫЗМЕТ

PUBLIC ADMINISTRATION AND CIVIL SERVICE

ГОСУДАРСТВЕННОЕ УПРАВЛЕНИЕ И ГОСУДАРСТВЕННАЯ СЛУЖБА

TAX INCENTIVES IN THE PUBLIC ADMINISTRATION SYSTEM - ANALYSIS OF NATIONAL TAX LEGISLATION

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Abstract. Tax incentives, being a widely used tool in public administration, are widely used and clearly regulated in accordance with the principles of good public administration. At the same time, they can meet the most diverse directions in solving certain problems in society. This article is aimed at differentiating and systematizing tax benefits in Kazakhstan. During the research, the method of doctrinal analysis was used, which allows to study the tax legislation of Kazakhstan. The work is an analysis of the tax legislation of the Republic of Kazakhstan. The authors have given criteria for determining tax benefits, conducted a doctrinal analysis that allowed determining the tax benefits in force in Kazakhstan. The classification of tax benefits and the assessment of compliance of tax benefits with the principles of taxation established by tax legislation have also been carried out.
Key words: taxes, benefits, government support, incentives, tax policy, tax code

Аңдатпа. Салықтық жеңілдіктер-бұл әлеуметтік-экономикалық процестерді реттеу үшін белсенді қолданылатын мемлекеттік басқарудың кең таралған құралы. Оларды қолдану тиісті басқару қағидаттарына сәйкес қатаң реттеледі, бұл қойылған мақсаттарға қол жеткізуде тиімділік пен ашықтықты қамтамасыз етеді. Бұл жеңілдіктер әртүрлі қоғамдық қажеттіліктерді қанағаттандыруға және әлеуметтік-экономикалық мәселелерді жеңуге бағытталған көптеген міндеттерді шеше алады. Бұл бап Қазақстандағы салық жеңілдіктерін саралауға және жүйелеуге бағытталған. Зерттеу жүргізу кезінде Қазақстанның салық заңнамасын зерттеуге мүмкіндік беретін доктриналық талдау әдісі қолданылды. Жұмыс Қазақстан Республикасының салық заңнамасын талдау болып табылады. Авторлар салықтық жеңілдіктерді айқындау өлшемдерін берді, Қазақстанда қолданылып жүрген салықтық жеңілдіктерді айқындауға мүмкіндік беретін доктриналық талдау жүргізді. Сондай-ақ салық жеңілдіктерін жіктеу және салық жеңілдіктерінің салық заңнамасында бекітілген салық салу қағидаттарына сәйкестігін бағалау жүргізілді.
Түйінді сөздер: салықтар, жеңілдіктер, мемлекеттік қолдау, ынталандыру, салық саясаты, салық кодекс

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Аннотация. Налоговые льготы представляют собой распространённый инструмент государственного управления, который активно используется для регулирования социально-экономических процессов. Их применение строго регламентируется в соответствии с принципами надлежащего управления, что обеспечивает эффективность и прозрачность в достижении поставленных целей. Эти льготы способны решать широкий спектр задач, направленных на удовлетворение различных общественных нужд и преодоление социально-экономических проблем. Данная статья нацелена на дифференциацию и систематизацию налоговых льгот в Казахстане. При проведении исследования применен метод доктринального анализа, позволяющий исследовать налоговое законодательство Казахстана. Работа представляет собой анализ налогового законодательства Республики Казахстан. Авторами даны критерии определения налоговых льгот, проведен доктринальный анализ, позволивший определить налоговые льготы, действующие в Казахстане. Также произведена классификация налоговых льгот и оценка соответствия налоговых льгот принципам налогообложения закрепленным налоговым законодательством.

Ключевые слова: налоги, льготы, государственная поддержка, стимулирование, налоговая политика, налоговый кодекс

Introduction

In the context of increasing globalization and the significant impact of external factors on country development, measures of public administration and state support come to the fore [1]. Tax instruments of public administration, including tax incentives, are used quite widely and can be effective. Most modern states aim to create more attractive tax conditions to stimulate investment activity, attract investment in scientific research, produce innovative products, reform and sustainable development of the economy [1]. Tax incentives, as a tool for stimulating economic development and a tool for overcoming the crisis, are used both in developed countries and in countries classified as fast growing [2,3].Thanks to the use of tax incentive measures, several countries have seriously intensified economic growth, especially in the development of innovative technologies [4].

At the same time, assessing the effectiveness of tax incentives remains a rather serious problem. A good tax policy must meet a number of principles that can ensure a balanced and fair tax system[5]. Such a policy should take into account various aspects of social, economic and political development of society[6] . Tax incentives can be tools to ensure the implementation of the principles of proper tax regulation (policy). Of particular note is the importance of tax incentives in ensuring the principle of fairness, reducing income gaps between various unevenly developing industries [7]. Tax incentives for small businesses and individual entrepreneurs can be vital in promoting fair access to public goods and reducing income inequality. However, research on this topic presents conflicting views, resulting in different evaluations of the effectiveness of tax regulations. [8]. Experts unanimously agree that the use of specific instruments is significantly influenced by national characteristics and the way companies generate income. Additionally, there is always a risk of abusing benefits, which can render them ineffective. On the other hand, excessive withdrawals may encourage the growth of the shadow economy [9].

Taxes serve as the primary source of income for governments, enabling them to provide essential services such as healthcare, education, social protection, and infrastructure. While tax policy needs to be adaptable, it should not be excessively dynamic unless it fails to address changing economic conditions and social needs. Taxes can generate revenue, but they also play specific roles in regulating economic activity, incentivizing investment, redistributing income, and promoting environmental sustainability.

In the context of globalization and the digitalization of tax policy, tax instruments have become crucial tools in combating tax evasion and avoidance, while also ensuring a fair distribution of the tax burden among different population groups and businesses. Additionally, tax policy can contribute to the achievement of sustainable development goals by incorporating social and environmental considerations into economic growth. Thus, tax instruments play a vital role in public administration by delivering public goods and facilitating sustainable development.

This study aims to define and classify tax incentives within the national laws of the Republic of Kazakhstan.

The subject of tax benefits is extensively discussed in the literature. Many sources highlight that tax benefits are typically utilized during economic downturns, crises, and

periods of recession. The challenge of stimulating investment activity and innovation through tax benefits is contentious, particularly in light of the increasing budget deficit. Nevertheless, in many instances, tax incentives prove to be an effective means of encouraging environmentally friendly consumption and mitigating negative environmental impacts. [10]. Tax benefits in the form of income tax credits for low-income groups seem to be an effective way for the government to provide support, yielding positive results [11].

Research emphasizes the importance of maintaining a balance when utilizing tax incentives, as excessive reliance on these incentives can lead to abuse and be misused as a means to reduce tax obligations. Moreover, distinguishing between a normal tax regime with generally lower rates and tax benefits intended for specific policy goals remains an unresolved issue in national legislation.

Assessing the effectiveness of incentive-based tax policies is quite challenging due to the numerous related factors involved. It is important to note that there are few works dedicated to justifying the need to differentiate between tax benefits and a standard tax regime, as well as to establish criteria for such differentiation. This gap is particularly evident in developing countries with lower basic tax burdens. In Kazakhstan, for instance, the analysis of tax benefits and the criteria for distinguishing these benefits in order to evaluate their effectiveness is largely underexplored.

The concept of tax benefits is widely discussed in academic and practical literature; however, it varies significantly between jurisdictions and among different authors. This divergent approach and ambiguous interpretation stem from the fact that tax benefits can differ greatly across various tax systems and theoretical frameworks. The definition of tax benefits warrants careful consideration, as it is often broadly interpreted in literature. Researchers frequently define tax benefits according to the specific characteristics of individual tax systems. Additionally, difficulties arise in separating genuine tax benefits from various exemptions and deductions that form part of the overall taxation mechanism. [12]. A large proportion of works devoted to tax incentives note that tax incentives are, first of all, special

favorable conditions established to attract investment [13]

Howell H. Zee, Janet G. Stotsky, and Eduardo L. describe a special tax provision that is granted to qualified investment projects (as defined by the relevant criteria). This provision represents a legally favorable exception to the general tax rules that apply to investment projects. Some researchers emphasize that tax incentives can be viewed as tax regimes that support export activities. [14]. Tax benefits, also known as special rates, are implemented by companies as part of specific regimes. In today's global landscape, tax incentives are utilized in nearly every country, each with its unique characteristics. The forces of globalization and intense competition for attracting investment have led many nations to use tax policies as a means to enhance their competitiveness.

However, developed countries, major economic unions, and international organizations are actively working to limit the use of tax incentives aimed at making jurisdictions more attractive for investment. The Organisation for Economic Co-operation and Development (OECD) has established guidelines intended to create a fair balance among different jurisdictions in the competition for capital. Consequently, several nations are restructuring their tax incentive systems to ensure compliance with the OECD's Global Anti-Base Erosion (GloBE) rules and the Pillar Two framework.

Moreover, developed countries with stable economies that significantly export capital often use tax incentives to promote "green" initiatives and foster innovation. [15], while providing limited benefits in corporate tax and individual income taxation for regular taxpayers, considering these taxes as the main sources of replenishment of government revenues. Countries that do not export capital but actively compete to attract foreign investment often seek to offset inadequate infrastructure, legal frameworks, and heightened risks by offering extensive benefits to foreign investors.

In developed countries, tax incentives are primarily a component of social or environmental policies. Conversely, in developing and underdeveloped countries, tax incentives frequently serve as the main tool for attracting capital and stimulating economic activity. In nations with unstable

economies, tax incentives may function as a mechanism to address weak legal, economic, and social infrastructures, as well as to mitigate increased risks and political instability.

In this study, we analyzed the tax laws of countries with varying economic levels.

Specifically, we selected five states with the highest GDP per capita, classified as developed by the UN, five developing countries (including those from the CIS), and five least developed countries with incomes of less than $10 GDP per capita.

Table 1 presents a summary of our analysis, highlighting the main trends in tax policy across countries with developed, developing, and underdeveloped economies.

**Table 1. Application of tax incentives in the global economy
(taking into account the level of development of the country)**

Level of development of states	Taxes for which benefits are provided	Content of benefits
Developed countries (for example, USA, China, Japan, Germany, UK) [26,27,28,29,30]	Corporate tax	Deductions for children, educational loans, military personnel, microbusinesses, Exemption for R&D costs, for start-ups, for employers
	Property tax	Mainly social benefits
	Customs duties	For electric cars
Developing countries (Belarus, Russia, Armenia, Azerbaijan, Uzbekistan) [31, 32,33,34,35]	Income tax	Socially vulnerable groups, for foreign employers in high-tech industries, for expenses on medicine and education
	Corporate tax	For foreign investors, for certain industries, for certain regions, benefits for agricultural producers, tax holidays for certain areas of activity
	VAT	For import of equipment, for certain goods, for export
	Customs duties	For the import of equipment for high-tech production, certain raw materials
	Property tax	Socially vulnerable segments of the population, agricultural producers, SEZ small businesses
Underdeveloped countries (Angola, Niger, Afghanistan, Bangladesh, Somalia) [36,37,38,39,40]	Income tax	Property tax Exemption for ultra-low incomes, standard deductions, for socially vulnerable groups of the population
	Corporate tax	For investors, for special zones, for agriculture, a wide range of benefits for foreign investors
	VAT	For foreign investors, for certain regions

	Customs duties	For import of raw materials, machinery equipment
	Property tax	Agriculture, certain sectors
Note: The table was compiled by the authors based on source [16]		

According to Table 1, it is evident that developed countries primarily focus on social benefits and incentives aimed at enhancing technological efficiency. In contrast, developing and underdeveloped countries pay special attention to benefits designed to stimulate specific sectors of the economy and attract investments.

Tax policy, used as a stimulation method, is prevalent in both highly industrialized nations and underdeveloped countries, but its application is tailored to align with each country's policy priorities.

In general, tax benefits represent favorable conditions within the taxation mechanism that provide users with advantages not available under the standard tax regime. Different jurisdictions may have preferential tax regimes that are accessible to all taxpayers, often characterized by lower rates than the global average—these are typically referred to as offshore regimes or those similar to them. In other instances, countries may provide specific tax incentives that diverge from the general regime, aimed at reducing the tax burden in particular situations.

It is crucial to not only define these benefits but also to classify and differentiate them accurately. Our research contributes to the current understanding of how to distinguish between standard tax treatment and tax incentives based on various criteria, particularly in Kazakhstan, a Central Asian country recognized as a major source of raw materials in the global extractive sectors.

Methodology

To conduct the research, the method of doctrinal analysis of normative legal acts is used. The use of doctrinal analysis is justified by the need to obtain specific doctrinal grounds for the category of tax benefits [17]. Doctrinal analysis allows one to effectively contribute to the development of decisions in the field of law because it provides systematic justification [18]. Doctrinal research provides certain conclusions based on rational observations and analysis of legal information. The Tax Code of the Republic of Kazakhstan dated December 25, 2017 was used as a data source [16]. To carry out the analysis, all norms in the Tax Code that could lead to budget losses and (or) provide certain advantages for certain categories of taxpayers were selected. Based on reasonable criteria, these norms were grouped to separate tax benefits and provisions that are the basic tax regime (not a benefit), norms that can be classified as tax benefits, as well as those that are not benefits but represent tax calculation methods that have an impact for budget revenues. In addition, all norms defined as benefits are classified according to several criteria.

Results

An analysis of the tax legislation of the Republic of Kazakhstan, in force as of January 1, 2024, showed that there is a need to differentiate the tax legislation for benefits and non-benefits. This task is difficult because today the concept of "Tax benefit" is not enshrined in regulatory legal acts, and therefore there are no criteria that allow us to identify the presence or absence of a benefit [19]. In determining tax benefits, government bodies, researchers, auditors, and other interested parties primarily rely on their judgment about what constitutes a benefit. Throughout the history of sovereign Kazakhstan, public administration has utilized various measures that enable individual taxpayers to utilize alternative taxation mechanisms when developing and implementing fiscal policy. However, the lack of clear differentiation between types of tax benefits and the criteria for defining them often complicates the assessment of the adequacy of tax policy and the impact of specific tax instruments.

A tax benefit refers to a tax concession that the tax system grants to a specific entity or activity, allowing for a reduced tax rate or amount. This concession can be seen as a favor or privilege. The key difference between tax benefits and the mechanisms for determining the tax base is that tax

benefits are specified under special terms that enable certain entities to lower their tax liabilities. In contrast, the tax base is determined by general rules and principles that establish what income or property is taxable and how it will be assessed.

Tax incentives are generally characterized by their targeted nature, clear conditions for eligibility, limited duration, and defined methods and procedures for their allocation. These benefits may focus on encouraging specific sectors of the economy, promoting innovation, supporting small and medium-sized enterprises, or

providing social protection for certain groups within the population.

Overall, these tax system benefits play a vital role in regulating economic activity and addressing social issues. They aim to balance the tax burden and promote desired behaviors within society. [20]

To carry out the analysis, criteria were previously determined that made it possible to separate the norms of tax legislation that are benefits and those that provide certain discounts and reduce the tax base and can be applied by all taxpayers.

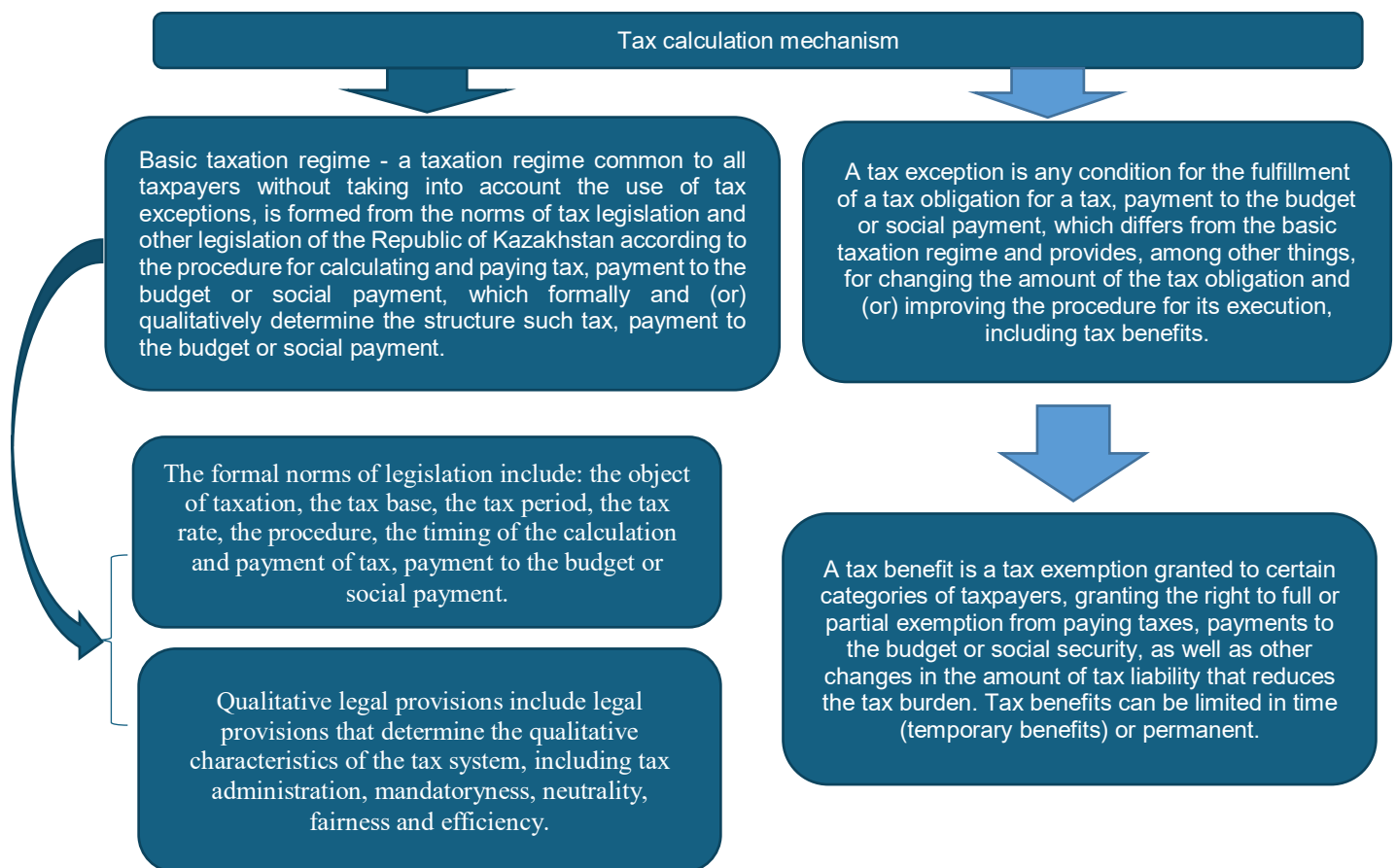The diagram below shows the separation obtained as a result of the analysis (fig.1)

Figure 1. Tax calculation mechanism

Note: compiled by the authors

Following the established tax calculation mechanism, an analysis was conducted on the provisions of tax legislation that result in budget losses. This analysis identified a total of 737 instances, which are categorized into a standard regime and tax exceptions. Additionally, specific tax benefits are highlighted within the tax exceptions. The findings from this analysis of tax legislation are presented in Table 2.

The analysis highlighted several benefits that have not been utilized at all. This underutilization can be attributed to the introduction of these benefits in the tax legislation specifically for certain groups of taxpayers or for particular social and economic circumstances. For example, an exemption from value-added tax (VAT) on the import of raw materials was granted in the framework of a single investment

contract in 2022, which covers the period from 2019 to 2023. However, this type of benefit is not expected to be utilized in the future.

Additionally, the benefits designated for the state Islamic special finance company have never been applied, as this company was never established in the Republic of Kazakhstan. Another example of a one-time

benefit is the exemption from taxation on income generated from the cancellation of obligations under a loan (including microcredit) issued by a bank or microfinance organization, specifically in the form of forgiveness of principal debt. This benefit has been utilized only once by a single taxpayer throughout its existence. [21, 22]

Table 2. Summary results of the analysis of the tax code of the Republic of Kazakhstan

Distinction between tax code norms	Quantity, units	Specific gravity,%
In total, the norms of the Tax Code that entail budget losses when applied are analyzed	737	100
Basic mode	218	29,58
Exceptions	519	70,42
Tax benefits	485	65,8
Note: The table was compiled by the authors based on [35]		

It is important to highlight that benefits introduced into tax legislation targeting specific groups significantly violate the principle of fairness in taxation, which prohibits the granting of individual benefits.

In our view, other benefits that should be reduced include those lacking incentive characteristics, which lead to direct losses for the state while negatively affecting the socio-economic situation in the country. One such benefit is the deductibility of provisions created by second-tier banks to ensure the stability of their loan portfolios. The rules governing these provisions are outlined in methodologies that each bank develops independently, in coordination with the regulatory authority overseeing banking operations. However, while the deductible amount of expenses related to provisions is established for banks, there is no legal requirement for these methodologies to be coordinated with the authority responsible for tax policy formulation or with the body that implements it. This lack of mandated coordination is practically non-existent.

Overall, the challenges associated with the mechanism for deducting provisions in Kazakhstan extend beyond increased budgetary losses and complicated administrative processes; they also inadvertently encourage reckless lending practices by financial institutions, which worsens the problem of public indebtedness. Therefore, these incentives should undergo

a thorough analysis in collaboration with relevant stakeholders.

Additionally, our legislative analysis has revealed certain incentives aimed at promoting industrial development. However, these incentives come with extended validity periods, and no assessment has been conducted by the responsible authorities to determine whether their continuation is justified. For instance, tax exemption privileges granted to private medical organizations deserve scrutiny. Currently, the cost of medical services is notably high and continues to rise. According to the Office for National Statistics, the number of private legal entities in the health and social services sector increased by 3.6 times from 2013 to 2023. During the same period, the gross value added by these entities rose by 7.09 times. Similar examples can be found across various other industries [24].

The analysis also revealed benefits that violate existing conventions. These benefits include several provisions within the Tax Code that exempt non-residents from taxation on income at the source. In our opinion, these provisions allow for the complete exemption of non-resident income from taxation, even though such income is subject to taxation in Kazakhstan under the Tax Conventions.

At the same time, one cannot deny the positive effects of the applied privileges. The existing preferential taxation system for entities in the agro-industrial complex

contributes to the development of agriculture and addresses current challenges in the industry, including inadequate technical equipment, difficulties in accessing financing, a low level of cooperation, and other related issues.

According to data from the Bureau of National Statistics of the Agency for strategic planning and Reforms of the Republic of Kazakhstan for 2018-2022, the volume of average annual receipts from taxes and other mandatory payments to the budget for the agricultural sector amounted to 62 billion The tenge accounts for only 0.7% of the total average annual revenue across all sectors of the economy. This suggests that the agricultural sector plays a relatively minor role in contributing to the revenue of the state budget and extra-budgetary funds. for the past five years reflect an annual increase in accruals for taxes and other mandatory payments to the budget. Specifically, in 2018, these payments totaled 55.1 billion tenge, rising to 98.3 billion tenge in 2022, which corresponds to a growth of 78.4%.

Moreover, there has been an increase in accrued corporate income tax: in 2018, it was 5.9 billion tenge; in 2019, 4.1 billion tenge; in 2020, 5.7 billion tenge; in 2021, 6.7 billion tenge; and in 2022, 9.7 billion tenge. Thus, the growth over the past five years amounted to 64.4% [25].

The increase in support for the industry can primarily be attributed to state initiatives aimed at renewing fixed assets, constructing new facilities, modernizing existing ones, and creating new job opportunities while preserving current jobs.

Consequently, tax incentives—vital tools for state management that can impact the socio-economic system—should be introduced only after careful analysis.

For tax benefits to be applied effectively, it is essential to systematize and categorize these benefits. This approach will simplify the process of assessing the outcomes of tax incentives. Drawing from global experience, we have proposed a classification, which is illustrated in Figure. 2.

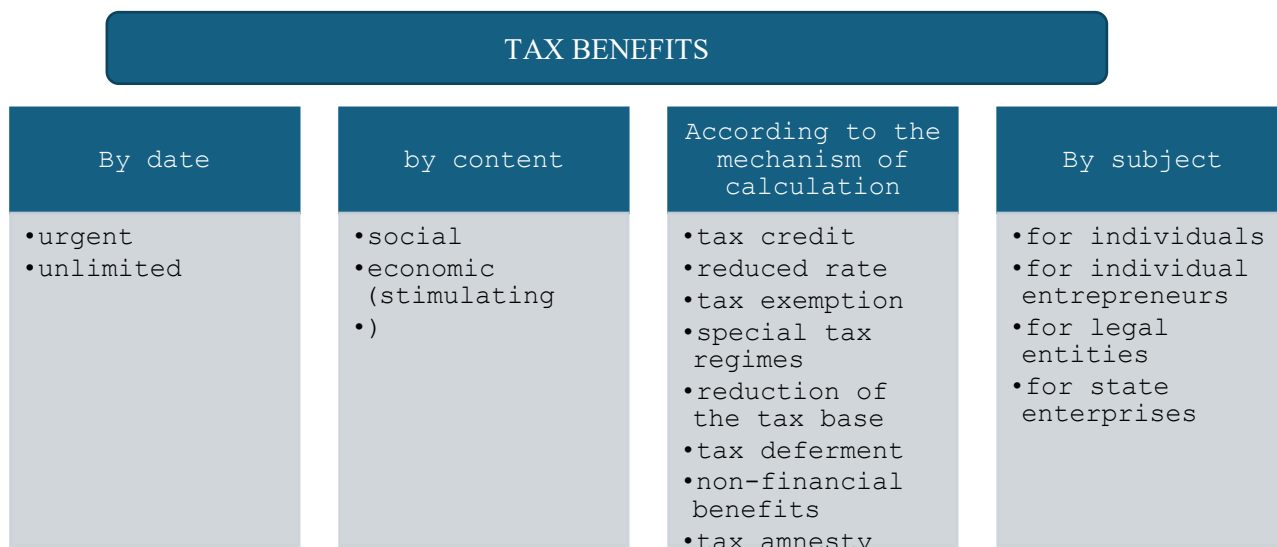| TAX BENEFITS			
By date	**by content**	**According to the mechanism of calculation**	**By subject**
• urgent • unlimited	• social • economic (stimulating)	• tax credit • reduced rate • tax exemption • special tax regimes • reduction of the tax base • tax deferment • non-financial benefits • tax amnesty	• for individuals • for individual entrepreneurs • for legal entities • for state enterprises

Figure 2. Classification of tax benefits (Note: compiled by the authors)

The classification of tax incentives is important for understanding their purposes and assessing their effectiveness. This issue is still controversial and various authors propose different approaches to such classification [26].

The division of benefits into fixed-term and indefinite is justified by the fact that benefits used to achieve long-term goals, having a socially oriented nature, can be provided indefinitely and act constantly as a built-in

mechanism of public administration. Perpetual benefits are usually aimed at solving long-term problems, such as supporting education, health care, and other social programs [27].

Incentive benefits should be limited in duration and regularly assessed for their effectiveness. These incentives are introduced to achieve short-term goals, such as stimulating the economy during a crisis or supporting specific sectors during their initial

development. It is important to evaluate the impact of these benefits when they are valid for a limited period. This evaluation can involve analyzing changes that occur before and after the benefits expire.

Social benefits aim to improve the well-being of specific groups within the population, such as low-income individuals, the elderly, and people with disabilities. These benefits help reduce economic inequality by ensuring access to essential goods and services for those who need them the most. Consequently, social benefits are crucial instruments for providing support to the population. Measuring their impact can be challenging, and any assessment of their effectiveness should be conducted alongside a broader evaluation of the state's social policies.

On the other hand, incentives are designed to encourage investment, innovation, and growth in specific sectors of the economy. These benefits can stimulate job creation and support the development of small and medium-sized businesses. By reducing the tax burden on certain industries, we can attract both domestic and foreign investment. However, when implementing these incentive benefits, it is essential to consider international regulations. These regulations may require corporations receiving tax benefits in certain jurisdictions to pay additional taxes in the country from which the investment originates, potentially undermining the investment appeal of low-income countries.

By type of tax benefits:

Tax credits can be used to encourage investment in certain industries or activities, such as research and development (R&D) or green energy. Credits can be provided to support specific groups of people, such as the child tax credit or training, which promotes social justice and reduces the tax burden on low-income families.

Reduced Rate - Reduced rates can help small businesses survive and grow, creating jobs and spurring economic growth. Lowering tax rates for particular parts of the economy (such as agriculture or technology) can help stimulate the growth and development of those.

Tax exemption - Tax exemption can be applied on basic goods & services high in nature, such as the like of essential food or health care services against tax burden on

the marginalized sections This kind of incitement can likewise spur speculation in strategically significant areas like environmentally friendly power or foundation ventures.

Special Tax Regimes — The emergence of special tax regimes in some regions to promote their economic development and attract investors to them. They can seed new technologies and start-ups with tax incentives in their early years .

Tax Base Reduction — The most common way in this area is the provision of incentives for the depreciation of assets, that is, companies enjoy the possibility of depreciation over 4 years, indicating (for say physical inventories), or additional spending required to replacing or even total modernization of their production facilities. Deducting certain expenses (e.g. for research and development) reduces the tax base, lowers the tax burden on companies, and encourages them to take on new ones. investments

Tax Deferral - Tax deferral may assist businesses in cash flow management; this is especially true during times of economic adversity or high capital investment Capital tax deferral may promote long-term investment and strategic planning by business.

Social or Environmental Tax Benefits Non-financial tax benefits provide other reasons for action. Providing incentives for patents or developments can stimulate innovation and technological progress.

Tax Amnesty - An amnesty can help bring part of the economy out of the shadows, which in the long term helps strengthen the tax base and improve tax administration.

Benefits are divided by subject depending on who is the recipient. Individuals (Tax incentives enjoyed by individuals are usually targeted at low- and middle-income sectors of the population to decrease social inequality and improve living standards. Individual Entrepreneurs Benefits Benefits to Small Business Development, Job Creation and Economic Growth This is essential for a healthy economy and low unemployment rate.

Legal Persons: Corporate tax breaks can help spur investment in targeted industries like technology and green energy

and can also support innovation through R&D tax incentives.

Benefits for companies help maintain their competitiveness on the international stage, attracting foreign investors and stimulating the expansion of local companies into foreign markets.

State-Owned Enterprises Tax incentives for state-owned enterprises are often aimed at supporting strategic industries such as infrastructure, energy, and transportation, which contribute to national security and sustainable development. This allows you to more effectively manage your resources and perform key functions in the economy, such as ensuring stable supplies and regulating markets.

Based on the above, it should be noted the need for regular assessment of tax benefits, which in Kazakhstan is not enshrined at the legislative level. Assessing the effectiveness of tax incentives is necessary to understand how appropriate and effective their application is. Tax benefits can be provided to stimulate economic growth, support certain industries, improve the social status of certain groups of the population and solve other important problems. However, without regularly assessing their effectiveness, it is difficult to determine whether their goals are being achieved and whether unforeseen negative consequences are arising. The assessment allows us to determine which benefits benefit the economy and society and which do not, which helps to allocate budget funds effectively. Regular assessment makes the process of granting tax benefits more transparent, which promotes trust on the part of taxpayers. Based on the assessment, it is possible to make changes to tax policy, adjust or cancel ineffective benefits and introduce new, more effective measures. Researchers and economists often recommend assessing the effectiveness of tax incentives regularly, usually every 2-3 years. This allows you to respond promptly to changes in the economic situation and adjust tax policy. However, in some cases, such as significant economic changes or the introduction of new benefits, it may be appropriate to conduct assessments more frequently.

This assessment allows us to evaluate whether the set goals (for example, investment growth, job creation, innovation) have been achieved. In addition, economic conditions and business needs may change. Regular reviews help make timely adjustments to benefits to ensure they remain effective. It is also very serious that without regular monitoring, incentive benefits may be misused, leading to a loss of public funds. Regular assessment of incentives for efficiency are important tools to ensure their targeted and effective application in the economy.In our opinion, when assessing the effectiveness of a tax benefit, a certain sequence of actions must be followed:

1. Identification of the characteristics of a tax benefit (tax - VAT, income tax, insurance premiums, etc.; category of benefit recipients - individuals or legal entities; type of benefit - exemption, tax reduction, tax credit, etc.; conditions for provision benefits; duration of benefits).

2. Identification of the goals of introducing benefits established by law or other regulatory means. If objectives are not established, they should be determined based on the benefit language/characteristics. If such goals are established, then it is necessary to determine which group of goals they belong to. Determine whether the purpose of introducing the benefit was established by law or other regulatory means. If there were, then determine which group of goals they belong to. If not, determine goals based on the wording of the benefit.

3. The goals of introducing benefits are proposed to be divided into the following three groups:

a) elimination/reduction of counter financial flows, optimization of budget expenditures;

b) support for certain groups of the population;

c) stimulating the development of certain types of activities, projects, territories, etc. (including equalization of economic conditions).

Further assessment of effectiveness should be carried out depending on which group of goals is pursued by a given tax incentive. If the goal is to eliminate/reduce counter-financial flows and optimize budget expenditures, then the effectiveness of such benefits is determined by whether counter-financial flows are eliminated/reduced. If such a goal is achieved, then the benefit is considered effective. If the goal is material support for certain groups of the population

and, first of all, the socially vulnerable, then the effectiveness of such benefits is determined by an assessment of whether the standard of living of these population groups has increased. Accordingly, in the case where the goal is to stimulate certain types of activities, the effectiveness of such a benefit is recognized as an increase in the quantitative and qualitative indicators of the development of the relevant industry.

The question of assessment is both the validity of benefits for one or another category of benefit recipients and the feasibility of the existence of the benefit itself and the socio-economic
Based on the calculated indicators, a conclusion is made about the effectiveness or ineffectiveness of the tax benefit.

Discussion and conclusions

Currently, Kazakhstan has a fairly wide range of tax breaks, which are designed to stimulate economic development.

In its most general form, a system of tax benefits usually includes a reduction in tax rates or their differentiation, full or partial tax exemption, deferred payment, tax holidays and much more.

When developing and implementing tax policy, it is essential to consider various factors that impact taxpayers. Key factors that serve as economic justifications for tax benefits include political, socio-economic, natural-climatic, territorial, and others. These factors are often diverse and fluctuate in their level of influence depending on the industry and geographic location. Therefore, the goal of tax regulation is to mitigate such inequalities, often through tax incentives.

In Kazakhstan's current context, an important step towards improving the efficiency of tax regulation is to reduce the number of tax benefits, particularly individual ones. Tax incentives should now encourage taxpayers to make greater use of the existing economic potential.

The selection of optimal public administration methods and the implementation of effective tax regulation

tools depend on the structure of the tax system and the economic justification behind it. The state must balance two priorities: on one hand, it should optimize expenses and ensure maximum efficiency and long-term benefits from budget spending; on the other hand, it must also work toward establishing a socially oriented state, which requires adequate resources. However, an excessive increase in the tax burden could push businesses into the informal economy.

Consequently, the ongoing reforms of the domestic tax system must align with the current realities of the country's development stage. A tax system should be designed to promote, rather than inhibit, the diversification of the economy, stimulate the growth of manufacturing industries, reduce the prevalence of the shadow economy, and support sustainable economic development. The tools used should not only yield immediate results but should also be employed strategically to achieve a lasting positive impact.

After summarizing accumulated experience and research material, including a study conducted by European experts that assessed tax benefits for investors, we identified several criteria that are most relevant for evaluation. To be considered effective, a tax benefit must:

- Ensure long-term growth of tax revenues due to its stimulating effect.
- Encourage the expansion of production, leading to an increase in jobs.
- Improve the quality of working conditions.
- Increase individual income.
- Enhance the quality of goods and services.
- Promote environmental protection and increase safety.

In other words, if a tax benefit has positive outcomes, its use is generally justified. However, if several criteria are not met, the benefit should be further evaluated with the involvement of a broader range of experts to make an informed decision regarding its cancellation or continuation.

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МЕМЛЕКЕТТІК БАСҚАРУ ЖҮЙЕСІНДЕГІ САЛЫҚТЫҚ ЖЕҢІЛДІКТЕР – ҰЛТТЫҚ САЛЫҚ ЗАҢНАМАСЫН ТАЛДАУ

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НАЛОГОВЫЕ ЛЬГОТЫ В СИСТЕМЕ ГОСУДАРСТВЕННОГО УПРАВЛЕНИЯ - АНАЛИЗ НАЦИОНАЛЬНОГО НАЛОГОВОГО ЗАКОНОДАТЕЛЬСТВА

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