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Tax Stimulation of Innovative Enterprises of the Industry

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Abstract: In industry, tax incentives for innovative enterprises are relevant. This article shows the essence of tax incentives for innovative enterprises, analyzes the current situation, as well as the experience of developed countries. In addition, conclusions and recommendations on the problem were developed.

Key words: tax, tax incentives, innovation, innovative enterprises, industry, privilege.

INTRODUCTION

Innovative enterprises, starting from 2015, despite the fact that they are not prevailing in the total production of the Republic of Uzbekistan (their share is less than 1%), are among the priority areas of state policy, since it is related to the livelihood of the population and the saturation of the domestic market with safe , efficient and high-quality products and means of production.

The Republic of Uzbekistan adopted a strategy for the development of the country until 2026, aimed at increasing the competitiveness of the domestic industry, stimulating the development and production of innovative products (services), increasing the protection of the domestic market from unfair competition [1].

Main part

Currently, the market of the Republic of Uzbekistan is characterized by a high level of imports. The share of domestic producers in value terms, despite the upward trend, is only no more than 30.0%, which does not provide the necessary level of national security of the country. In order to reduce the share of imports for goods and means of production, it is necessary to adopt the "State for the development of import-substituting production of goods and means of production for 2020-2030 and for the period up to 2035", in accordance with which the priority should be the creation of the production of quality goods that will not be inferior to foreign analogues or samples.

At present, the share of high-quality innovative products in the domestic market of the Republic of Uzbekistan is more than 30%. At the same time, mainly products produced at enterprises where the means of production (equipment, technologies, machines) expired 20 years ago predominate [7].

Therefore, the development of innovative products requires significant costs on the part of enterprises. At the same time, state policy should be aimed at supporting the development of innovatively developing enterprises, enterprises that have begun to modernize their activities, including with the help of tax incentives.

Currently, innovatively developing industrial enterprises can take advantage of a number of generally established tax incentives.

Since 2017, a benefit has been provided in the form of exemption from taxation of profits received directly from the sale of innovative products of our own production. The list of such products is determined by the Cabinet of Ministers, and the profit from the sale is privileged in the prescribed amount.

An important stage in the creation of new innovative products is the stage of research and development (R&D). In order to stimulate R&D, the costs of research and development work (R&D) registered in the state register in the manner determined by the decision of the Government of the Republic of Uzbekistan (if their implementation did not result in the creation of depreciable property) should be reflected in the costs of production and sale goods (works, services) with the application of a multiplying factor up to 1.5 inclusive.

This mechanism will stimulate the relationship between science and production, the allocation of funds for the creation of science-intensive industries, science-intensive types of products.

Innovative enterprises, when registered in rural areas, should receive a number of significant benefits. To do this, it is required to adopt a government decision "On the stimulation of innovative development of entrepreneurial activity in the territory of small towns and rural areas." Commercial organizations registered in this territory, carrying out activities for the production of innovative goods (performance of work, provision of services) in this territory, within seven calendar years from the date of state registration, must be exempted from paying income tax (if there is a separate accounting for revenue and costs and submission to the tax authority of a certificate of products (works, services) of own production). Without which it will be impossible to more effectively stimulate domestic innovation-developing enterprises.

In the coming years, it is necessary to plan the creation of a specialized technopark in the field of pharmaceuticals, nano- and biotechnologies in the Republic of Uzbekistan. This, in turn, will require the provision of preferential tax treatment for 20 years. At the same time, the residents of the technology park for 10 years from the date of their registration should be exempt from paying basic taxes (on profit, on real estate, on land), and over the next 10 years, the tax rate should be reduced by 50%. In addition, residents should be entitled to a full VAT deduction for goods, services, property rights used for the design, construction and equipping of buildings and structures located on the territory of the technopark. However, until the corresponding decree of the President is adopted, the start of work in this area should not be postponed.

As mentioned earlier, the domestic market for goods and production of capital goods is still dominated by old-style goods (services), while the number of activities or tests necessary for the production of high-performance import-substituting goods and production of capital goods is insufficient. State support for the development of the industry can be aimed at enhancing the incentive effect of tax incentives, especially for the stages of research and development of new technologies. At the same time, to identify new incentive tools, one can refer to the experience of developed countries.

Many European countries are striving to create more favorable tax conditions to attract investment in research, development, production of innovative goods (services) or new medicines, to transfer industrial enterprises to an innovative development path. For example, the research and development (R&D) tax credit, which allows firms to deduct part of their research and development (R&D) costs from income tax, has become widespread in many countries. There are various mechanisms for applying this deduction in different countries, but the main differences lie in two components - the percentage rate of the tax credit and the base amount of R&D expenses of the firm, which in turn is taken either in full in the base year, or as an increase in R&D expenses

by relative to baseline spending. The most widespread are the full-volume and mixed forms (the addition of an incremental NIK to the full-volume tax credit).

For example, in Ireland, from January 1, 2014, companies can take advantage of a full NIC of 25% on the first €300,000 (2012: €100,000) of qualifying expenses and an incremental NIC for expenses above the 2003 total qualifying expenses. This credit is in addition to the 12.5% R&D expense deduction for income tax purposes. At the same time, qualifying expenses include wages of research workers, expenses for materials, buildings, machinery and equipment subject to depreciation, capital investments in scientific research, royalties [5].

Noteworthy is the experience in France, where the NQI accounts for 30% of the first €100 million of qualifying R&D expenses incurred during the tax year, plus 5% of the amount in excess of €100 million [4].

Of no small importance is the experience of creating preferential tax conditions in Belgium, where, starting from January 1, 2012, the taxpayer can choose a one-time deduction in the amount of 15.5% of all R&D expenses reflected in the balance sheet (tangible and intangible), or 22, 5% of the total depreciation of the same expenses. This deduction is applied in addition to the standard depreciation deduction for such expenses, resulting in a total deduction of 122.5% of the depreciation of capital assets used in R&D. Excess deductions can be carried forward indefinitely or converted into a tax credit that is refundable after 5 years [4].

In many European countries, the tax salary research credit is also actively used. It is designed to compensate for the high costs of remuneration of scientific staff.

It is also appropriate to mention the experience of Ireland and the Netherlands. Starting from 2012, in Ireland, key employees who actively participated in IR received benefits in the form of exemption from tax of part of their wages [4]; in the case of the Netherlands, it should be noted that in 2013 the deduction from income tax and social security contributions was 38% (up to 50% for start-ups) on the first 200,000 euros of payroll expenses and 14% on the remainder of expenses with a maximum deduction of 14,000 euros per taxpayer [4].

South Korea, Singapore, the Netherlands) actively use various schemes for granting tax incentives in their scientific, technical and industrial policy, while others (Germany, Finland, Poland) have abandoned them or apply them to a limited extent [6].

Similar tax regimes apply in Belgium. In Belgium, 80% of the salaries of qualified R&D researchers are exempt from taxation. At the same time, employees must have a master's degree or higher. This incentive allows to reduce the cost of wages of such workers by 20-25% [4].

Significantly new is the method of tax incentives used in European countries, i.e. method "Patent Box" mode. It is especially attractive for innovative developing domestic enterprises and allows the application of a lower tax rate on income from intangible property (ie patents for medicines and other intellectual property). The importance lies in the fact that this mode is available to enterprises that own patents directly or an exclusive license to use the patent, subject to its further development. "Patent Box" mode stimulates the development of original innovative products (goods, drugs), and can also provide attractive conditions for the placement of foreign patents in the country. All this is logical and deserves attention.

Conclusion

But we should think about whether, based on the importance of such innovative tax incentive mechanisms and the experience gained abroad, which is of direct interest, we should not improve the legislation of the Republic of Uzbekistan in the field of tax incentives for innovative industrial enterprises. The introduction of new methods of tax incentives will increase the interest

of business entities in conducting R&D and will create prerequisites for the activation of the innovation process. At the same time, when choosing tax instruments to stimulate innovation, it is necessary to take into account their compliance with the general tax system of the country, the level of profitability of enterprises and R&D expenditures.

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