Single Agricultural Tax as an Instrument of State Support of Agribusiness in the National Agro-Industrial Complex

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Abstract. The urgency of the studied issue is due to the fact that the single agricultural tax (SAT) is an advantageous taxation system: there is one tax that replaces several other taxes, due to which the burden on business is significantly reduced. The purpose of the article is to solve the task of developing a system of state support for the agro-industrial complex of Russia in the direction of developing effective approaches to the taxation of agricultural producers. The practice of applying SAT and managing its further improvement is controversial, but the need for further economic and tax incentives for business entities in the agricultural sector is obvious. In the process of research, important theoretical and practical results were obtained. On the basis of the analysis of existing mechanisms in the agro-industrial complex, areas requiring scientific and methodological comprehension were identified: risks in agriculture, the specifics of financial relations, the level of tax burden, the relevance of the application of differentiated approaches to taxation. The paper outlines the role of the state as the main regulator of the agro-industrial complex in the process of implementing the national policy on food security. The paper identifies the characteristics of the tax base and SAT accruals in Russia in 2007-2016, analyzes the modern practice of SAT application by agricultural producers of Russia, investigates the advantages and disadvantages of SAT, the problematic aspects of SAT. The study presents conceptually new methodological approaches for the further development of SAT.

The practical significance of the study lies in the possibility of using its materials and results by the Ministry of Finance of the Russian Federation and the Federal Tax Service for the purposes of tax planning and forecasting the amount of tax revenues from organizations belonging to the agro-industrial complex; by the Ministry of Agriculture of the Russian Federation for the purpose of studying the optimal combination of a set of instruments of state financial support for the agro-industrial complex, distribution of subsidies and tax burden on its subjects.

The results of the research can be used to prepare educational materials for the disciplines: "Taxes and the tax system of the Russian Federation", "Taxation of organizations", etc.

1. Introduction

Agriculture, being one of the most important branches of the national economy, has a complex impact on the development dynamics of the territory. The development of agriculture in Russia is the main priority of the state policy of ensuring food security and stimulating the development of rural areas. The current policy of supporting agriculture in Russia is aimed at increasing its profitability, financial stabilization and accumulation of financial resources for the implementation of investment projects and the introduction of innovative technologies to increase the volume of marketable products and overcome the dependence on food imports. However, the current instability of the financial and economic system adversely affects the activity of organizations of the agro-industrial complex.
The basis of the agro-industrial complex is agriculture, which includes crop and animal husbandry. At the same time, it is agriculture that represents the most "problematic" sphere of the agro-industrial complex. Although additional financial assistance is required by the other branches of the agro-industrial complex: light and food industries, enterprises for storing and stocking agricultural raw materials and agricultural machine building [9].

The positive trend in the development of agricultural production in the 1970-1990ies was replaced by increasing depression at the end of the 20th century. Overcoming the recession in the mid-2000s did not fully ensure the restoration of the previously achieved results. The current situation is largely explained by the reduction in the quantitative characteristics of the factors of production. Thus, if in 1970 the availability of tractors was 7.8 pcs. per 1000 hectares of arable land, in 2013 this figure was 4 pcs, almost half of the previous number. The depressing impact on the quality of life of the rural regions in general and entrepreneurs in particular is caused by a reduction in the number of employees (12,237 thousand people to 6,500 thousand people) and low wages - 52% of the average monthly wage in the Russian economy (a decrease from 1970 (74%) is 21 percentage points) [5]. These negative factors should be taken into account when developing the state policy of support and development of agriculture.

The specific nature of financial relations in the agro-industrial complex differs from other branches of the economy and is determined by the natural-biological cycle of production, which determines the circulation of financial resources in accordance with the development of biological assets, as well as the seasonality of spending and income generation [17, 18]. In addition, the financial results of the agricultural organizations are closely dependent on the natural and climatic conditions that affect not only crop yields, but also predetermine the differentiation of profitability due to the heterogeneity of the costs of economic entities for agricultural activities, including the need for insurance for weather and other risks [19]. These features of the agricultural sector and the current tax system lead to a steady accumulation of debts of agricultural entrepreneurs due to fines and penalties, despite their repeated write-offs and restructuring.

Minimization of risk factors in the development of agriculture in Russia is possible only with the active participation of the state. The role of the state as the main regulator of agricultural industries is, first of all, in creating conditions for the functioning and development of the industry organizations. At the same time, the strengthening of the financial situation of the agricultural complex largely depends on administrative intervention, on the use of various methods to support the development of the agro-industrial complex, aimed at increasing its financial sustainability and competitiveness.

The problems of agricultural development have always been in the focus of attention of economists. Physiocrats (F. Quesnay and his followers) already considered the regulation of economic processes in agriculture through the prism of mechanisms and instruments of land taxation. Modern scientists (G.A. Goncharenko, A.N. Chekavinsky, V.L. Andrushchenko, E.V. Serova, T.N. Medvedeva) associate the development of the agricultural sector of the economy with the use of effective tax incentives. The works of other authors (V.B. Kukharenko, N.N. Tyutyuryukova and others) reveal the essence of the taxation of the agricultural sector of the economy. Despite a comprehensive and in-depth study, these works do not disclose the role of the special tax treatment operating in Russia - the single agricultural tax (SAT) as an instrument of state support for the entrepreneurship of the country's agro-industrial complex.

In modern conditions of financial instability, the limited budgetary resources do not allow to ensure the sustainable development of the Russian agro-industrial sector through direct budget subsidies. Besides, the possibilities of budget support are constrained by the requirements set by the World Trade Organization for granting budgetary subsidies [20]. These factors necessitate the activation of indirect methods of state influence on the development of the agro-industrial complex sectors, among which an important role is played by taxes [15, 16]. In his works, Medvedev T.N. also notes that positive changes in agriculture occur only when economic methods are at the heart of the changes [7].

With the help of the taxation system, the state affects the amount of financial resources available to enterprises [8]. For agriculture, the level of tax burden is of paramount importance. The tax policy of
the state with respect to the agricultural complex must take into account the specific features associated with differential rent, the efficiency of additional investments, the general favorable conditions of production that condition the formation of monopoly rent.

Tax regulation in relation to individual sectors of the economy is carried out with the goal of maximizing the public benefits within the overall tax policy, and while influencing the production relations, can suppress or develop them depending on the nature of the measures implemented by the state. At the same time, the application of tax regulation measures is conditioned by the use of a purposeful control action that focuses on one of the possible conceptual approaches: neutralistic and interventionist.

The neutralistic approach implies a minimal impact of the tax system on the economic decisions of taxpayers in the field of production, consumption, investment, achieved by setting low tax rates. The lack of targeted tax benefits at low tax rates promotes the expansion of the tax base and, because of the lack of incentives for evasion, does not violate budget interests. The interventionist approach is based on a wide differentiation of taxation conditions and the multiplicity of tax incentives with the purpose of selective impact on certain types of economic activity against the background of general high tax rates. With regard to tax regulation of agriculture in Russia, the interventionist approach can be considered predominant. The existing preferential taxation conditions allow to reduce costs for the production of agricultural products and food products, have a positive impact on the level of profitability, and provide investment attractiveness.

Many researchers [10, 12, 13, 14] have raised the issue of the need for a differentiated approach to the taxation of agribusiness, depending on the prevailing climatic conditions, which would ensure equal conditions for economic entities. However, until now, the proposed mechanisms for differentiating the taxation conditions have not been worked out. Moreover, the multi-channel tax system puts organizations and individual agribusiness owners in unequal conditions in relation to taxpayers of other sectors of the country's economy. Gaps in tax legislation hamper the investment process in agriculture. When regulating the taxation of the agricultural sector, it is necessary to take into account the fact that the same tax elements have different effects on the financial and economic activity of the organization. It appears that the selective stimulation of agribusiness is essential for the achievement of stability in the industry, which should be based on a proportionate level of taxation of an economic entity, depending on the conditions and the results of its operations.

In order to create favorable conditions for the development of agriculture, a special tax treatment was introduced – the SAT, which was developed and introduced for producers of agricultural products. SAT is a federal tax and is applied voluntarily.

An analysis of the current tax practice of the Russian Federation makes it possible to conclude that the fundamental criterion for obtaining tax preferences in agriculture is the status of an "agricultural commodity producer". In Russia, agricultural producers are organizations and individual entrepreneurs engaged in the production of agricultural products, their primary and subsequent (industrial) processing (including leased fixed assets) in accordance with the list approved by the Government of the Russian Federation and the sale of these products, provided that in the income of agricultural producers from the sale of goods (work, services), the share of income from the sale of agricultural products is not less than 70% for the calendar year [1]. The agricultural products that are subject to taxation include crop production, agriculture and forestry, livestock, including the products obtained from fish breeding and other aquatic biological resources.

The status of the agricultural producer is confirmed by compliance with the following characteristics:
- actual implementation of activities for the production (cultivation) of agricultural products;
- compliance of agricultural products and their processed products with a normatively established closed list;
- an annual mandatory confirmation by the producers of the level of income from the sale of agricultural products of their own production and products of processing (at least 70% of the total level of income).
2. Materials and methods
During the research and the composition of the paper, the authors used general methods of cognition (deduction and induction, analysis and synthesis, analogy, observation, description and generalization) and particular scientific methods of cognition (factor analysis, comparison method, grouping method, graphical and tabular methods of data representation).

The methodological basis of the study was the fundamental works of Russian scientists in the field of the theory and methodology of taxation, and the economy of agriculture. Among these authors are: T.N. Medvedeva, V.I. Nechaev, A.V. Tikhonova, A.G. Kazmin, I.V. Orobinskaya.

3. Results
The existence of such a special tax treatment is largely due to the desire to support small and medium-sized business owners by reducing the tax burden and simplifying the procedure for tax collection. Since the agro-industrial complex is characterized by labor-intensive production and has an unstable profitability, special tax treatments become priority factors for improving the business owners' financial condition. Moreover, the activation and growth of entrepreneurial activity in the agricultural sector contributes to the improvement of the level and quality of life of the rural population. In this connection, the increase in the number of taxpayers applying SAT in recent years is understandable and logical (Table 1).

Analysis of statistical data shows that for the period of 2007-2016, the number of SAT payers increased from 69,771 to 99,716 or 42.9%, the significant increase in the number of such taxpayers being in 2010-2011. SAT is especially attractive for individual entrepreneurs and peasant (farmer) households. The number of individual SAT payers increased from 35,715 thousand in 2007 to 76,929 in 2016, i.e. by 115.4%.

At the same time, the number of taxpayers-organizations decreased from 34,056 to 22,787 or by 33.1% [3], which is confirmed by a general decrease in the number of organizations working in the agricultural sector and the orientation of large commodity production, including the agro-industrial complex for export, with the application of the value-added tax, which is not paid when using SAT.

At present, the policy of the state aimed at import substitution of agricultural products is supposed to lead to an increase in the number of legal entities in the agrarian sector. From the data of the table it follows that the SAT payers’ income taxable (by 230.5%) increased significantly in 2007-2016. Thus, the growth of organizations' incomes amounted to 190.4%, individuals - 836.9%.

SAT accruals per 1 individual in the period of 2007-2011 had negative dynamics, which as a whole can be explained by the general crisis phenomena in the country's economy. Since 2012 there has been a trend of a stable increase in tax charges per 1 individual (from 9.1 thousand rubles in 2007 to 37.5 thousand rubles in 2016, or by 312.1%, with the growth of a similar indicator in case of organizations by 658.2%).

Obviously, a low tax burden as a whole has a positive effect on the functioning of agrarian organizations [11].

The composition of compulsory payments paid by agricultural producers within SAT is significantly reduced. Thus, among the taxes that they are obliged to transfer to the budget are: the tax on personal income (from the income of the employees of the organization), insurance payments to extrabudgetary contributions, resource payments, transport tax, land tax, the single agricultural tax (6%).

The list of taxes from which SAT taxpayers are exempt is established by Article 346.1 of the Tax Code of the Russian Federation (Figure 1).

Other positive factors are the reduction in the amount of taxes paid by small and medium-sized entrepreneurs, the optimization of the timing of tax payment (given that the first half of the year is costly, SAT will be paid once a year), the principle of voluntariness in choosing a tax treatment. Obviously, the choice of this tax treatment will allow agricultural organizations and individual entrepreneurs to optimize the burden of paying taxes and direct their efforts to solving other problems.
### Table 1: Characteristics of the tax base and SAT accruals in the Russian Federation in 2007-2016

| Indicator | Years | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2016 to 2007 ratio | Sum | % |
|-----------|-------|------|------|------|------|------|------|------|------|------|------|-------------------|-----|----|
| 1. Revenues by ECCN, million rubles, total, including: |       |      |      |      |      |      |      |      |      |      |      |                   |     |    |
| - organizations |       | 454  | 562  | 592  | 698  | 778  | 828.3| 877  | 976  | 1.20 | 1.32 | 866               | 190.4 |    |
| - individual entrepreneurs and peasant farms |       | 30.0 | 42.9 | 53.6 | 73.7 | 95.1 | 119.7| 136  | 169  | 234  | 281  | 251               | 836.9 |    |
| 2. Accrued SAT, million rubles, total, including: |       | 1.99 | 1.75 | 2.33 | 3.28 | 3.28 | 3.673| 4.02 | 5.45 | 9.58 | 11.3 | 9.36             | 469.0 |    |
| - organizations |       | 1.67 | 1.37 | 1.84 | 2.60 | 2.52 | 2.692| 2.97 | 4.08 | 7.18 | 8.48 | 6.81             | 407.6 |    |
| - individual entrepreneurs and peasant farms |       | 326  | 372  | 489  | 682  | 762  | 981.9| 1.04 | 1.36 | 2.40 | 2.88 | 2.55             | 783.3 |    |
| 3. Number of SAT payers (unit / person), total, including: |       | 69.7 | 75.6 | 91.7 | 131  | 146  | 121.6| 98.7 | 94.0 | 98.3 | 99.7 | 29.9             | 42.9  |    |
| - organizations |       | 34.0 | 33.3 | 29.5 | 28.9 | 28.0 | 26.39| 24.2 | 23.5 | 23.3 | 22.7 | -11.2            | -33.1 |    |
| - individual entrepreneurs and peasant farms |       | 35.7 | 42.2 | 62.2 | 102  | 118  | 95.25| 74.4 | 70.4 | 74.9 | 76.9 | 41.2             | 115.4 |    |
| 4. Revenues per 1 payer, million rubles |       | 6.9  | 8.0  | 7.0  | 5.9  | 6.0  | 7.8  | 10.3 | 12.2 | 14.7 | 16.1 | 9.2              | 133.3 |    |
| - organizations |       | 13.4 | 16.8 | 20.0 | 24.1 | 27.7 | 31.4 | 36.2 | 41.4 | 51.7 | 58.0 | 44.6             | 332.8 |    |
| - individual entrepreneurs and peasant farms |       | 0.8  | 1.0  | 0.9  | 0.7  | 0.8  | 1.3  | 1.8  | 2.4  | 3.1  | 3.7  | 2.9              | 362.5 |    |
| 5. Accrued SAT per 1 payer, thousand rubles |       | 28.6 | 23.2 | 25.4 | 25.0 | 22.4 | 20.9 | 30.2 | 40.7 | 58.0 | 97.5 | 114              | 85.4  |    |
| - organizations |       | 49.1 | 41.3 | 62.4 | 90.0 | 89.9 | 102.0| 122  | 173  | 307  | 372  | 323              | 658.2 |    |
| - individual entrepreneurs and peasant farms |       | 9.1  | 8.8  | 7.9  | 6.7  | 6.4  | 10.3 | 14.0 | 19.4 | 32.1 | 37.5 | 28.4             | 312.1 |    |

1Calculated by the author on the basis of statistical tax reporting (open publication since 2007). URL: http://www.nalog.ru
At present, SAT application has both positive and negative factors. The main disadvantage of this tax treatment is the low interest of taxpayers in its application. The existence of significant benefits of taxation of agriculture has led to the fact that the main payments of agricultural organizations to the state is VAT and payments to social funds. By its nature, VAT cannot be included in SAT, since the source of its payment is the funds received from customers, but not the income of the taxpayer. As for insurance payments, the current design of mandatory payments to the Pension Fund and the Social Insurance Fund, based on the insurance principle, does not allow to include them in the single tax either. Thus, the complete consolidation of all taxes and payments into a single tax is problematic.

Another disadvantage of SAT is the inability to regulate certain processes in the production sphere with the help of this tax. SAT is not flexible enough for a branched tax system, and makes accounting more complicated.

Another reason for the fact that most of the agricultural producers have not switched to SAT is the heterogeneity of agricultural producers. A significant part of the industry's output is produced by large agricultural producers. At the same time, certain provisions of Ch. 26.1 of the Tax Code of the Russian Federation are more favorable for use by small business entities, in particular:

- exemption from VAT is preferable for agricultural producers selling their products to individuals; retail trade is the prerogative of small businesses;
- the criterion for the application of the SAT is the share from the sales of agricultural products in the amount of 70% of the total revenue; most large agricultural organizations do not comply with this criterion, since for such producers diversification of their activity is characteristic.

In addition to the application of special taxation treatments, in order to optimize taxation, the agribusinesses have a variety of benefits that are applicable to specific activities. For example, under the general tax treatment of corporate income taxation for agricultural producers who have not switched to SAT, there are preferential rates for activities related to the sale of agricultural products produced by them, as well as the sale of agricultural products produced and processed by these organizations. At the same time, the zero rate of income tax for the organizations that have not switched to SAT is applied indefinitely.

When selling other products, as well as performing work, rendering services and enforcement of property rights, agricultural producers are obliged to pay the profit tax in full. Most farms are unprofitable and therefore do not pay income tax; consequently, the transition to SAT for such organizations is not attractive.

The main objective of this tax treatment is to increase the investment attractiveness of agriculture. At the same time, the analysis of SAT application shows that it is more economical for organizations or individual entrepreneurs that are going to attract investment resources to use a general taxation treatment that provides VAT refunds at zero corporate income tax rate. From which it can be
concluded that the existing version of Chapter 26.1 of the Tax Code does not promote the application of a special tax treatment by agricultural producers in the event of attracting large investment resources. In this connection, at the present stage of development, when agriculture needs investments, it seems rational to exclude VAT from the list of unpaid taxes for agricultural producers using SAT as a special taxation treatment.

In contrast to the shortcomings, the advantages of paying SAT should be highlighted, which include:

1. Minimization of taxes (excluding VAT, property tax, income tax) with absolute legitimacy and legal support for the transition to SAT (as a preferential tax treatment) without structural and operating conditions changes and maintaining the stability of revenue sources;

2. Capital cash investments are recognized in expenses on profits in full in the first year of their implementation (i.e., depreciation is not applied). In addition, the fixed assets purchased before the transition to SAT are recognized as expenditures quite fast (up to 3 years - within 1 year, up to 15 years - 50% in the 1st year, 30% in the 2nd year, 20% in the 3rd year, over 15 years - 10%). The write-off of expenses for the acquisition of fixed assets is made in equal shares for the accounting periods (half-year and year) within the amounts of the paid value of fixed assets purchased prior to the transition to SAT, with write-offs being made in equal shares for reporting periods (half-year and year) within the paid value of fixed assets;

3. There are no restrictions in the return to the general tax treatment (in the beginning of the new year);

4. VAT on non-depreciated fixed assets is not restored in SAT regime (but it also cannot be taken into account when returning to the general regime). This is an important advantage of SAT over other special tax treatments;

5. The positive difference between incomes and expenditures not related to agricultural production is taxed at the rate of 6%, while in the usual tax treatment it is 20%;

6. The tax return for SAT is granted once a year (not later than March 31).

Also, for SAT taxpayers, the following shortcomings and risks can be highlighted:

1. loss of a part of the market in the face of large processing industries and trade networks, which have are interested in VAT;

2. conducting double counting, which is due to the application of the cash method of accounting for income and expenses and the special procedure for recognizing the costs of acquiring fixed assets, i.e. the actual absence of unfinished production in the tax accounting does not exclude its calculation in accordance with accounting standards;

3. The need to monitor the level of revenues from the sale of agricultural products, since there is a risk of loss of the right to use SAT if this revenue is less than 70%. Law enforcement practice shows several typical problems for the taxpayers: 1) lack of income for SAT (for example, for a newly established organization that is going to implement agricultural production, but did not start it before the end of the tax period); 2) sales of agricultural products not of own production (goods); 3) receipt of income from the sale of products of primary processing, separate stages of which are carried out by outside organizations. To prevent the risk of development of tax conflicts, it is necessary to carefully plan the conditions of the production process and literally observe the condition of recognition of the status of a taxpayer-agricultural commodity producer;

4. Not all expenses (in comparison with the general tax treatment) can be recognized in the reduction of the tax base; the list of recognized expenses is closed, besides many expenses are counted incorrectly by taxpayers due to the inertia of applying 0% of the profit tax rate;

5. in case of sale (transfer) of fixed assets within 3 years, it is necessary to pay SAT and penalties, that is, the expenses for acquisition of depreciable property will be restored.

In addition, it is possible to formulate the problematic aspects of SAT, which must be taken into account by agricultural producers when justifying the decision of the voluntarily transition to the application of the special tax regime, namely:
1. one cannot voluntarily refuse to apply SAT within a year (only after the end of the calendar year);
2. in case of excess of the 30% limitation of income not related to the production of agricultural goods, within 30 days the entire tax period should be recalculated including VAT, income tax, insurance premiums and property tax, and these taxes should be paid with penalties;
3. with the loss of the right to apply SAT, a return can be made no earlier than one year from the current date.

Awareness and consideration of the above risks and restrictions will ensure a minimum level of the tax burden. Particularly noteworthy is the fact that the reduction in the tax burden for the SAT payers is determined by the continuous improvement of the conditions for recognizing the costs that are objective for the agricultural sector and clarifying the rules for the formation of the tax base. These circumstances should help increase the number of taxpayers, increase their incomes and raise the level of tax liabilities.

Table 1 shows the data for different categories of SAT taxpayers. In order to improve this tax treatment, it is proposed at the level of the constituent entities of the Russian Federation to establish differentiated tax rates for certain categories of taxpayers, primarily peasant (farmer) households. These tax rates should depend on the produce (crop production, livestock and other agricultural activities) and activities in the field of infrastructure support of the agro-industrial complex. The study of the proposed innovations can stimulate the active development of small and medium-sized agricultural and farming enterprises that can compete with manufacturers of the industrial type of business organization.

4. Discussion

The practice of applying and guiding the further improvement of the SAT is controversial, but the need for further economic and tax incentives for business entities in the agricultural sector is not questioned. These measures may be as follows:

1. Decrease in the tax base for SAT, by including in the expenses the amounts of contributions paid in accordance with the Federal Law "On additional insurance contributions to the funded part of the labor pension and state support for the formation of pension savings"; under contracts of voluntary life insurance of workers (contracts of non-state pension provision); under contracts of voluntary medical insurance of workers, providing payment by insurers of medical expenses of the insured workers.

The adoption of these expenses will reduce the inequality of the rights of employers using different tax treatments, and increase the interest of workers in obtaining social protection in the conditions of instability of the country's financial and economic system. These factors will make it possible to work out a tax treatment aimed at improving the quality of life of rural workers.

2. Determination of the recovery parameters in the tax base of material costs in the event of revealing in the calculation of irrational expenses and other losses in excess of the norms of natural loss. The current practice of recognizing material costs for SAT reduces the tax base when there are two conditions - the acceptance of the acquired materials and their actual payment to the supplier. Thus, SAT does not take into account the fact of transfer to production and the reliability of the use of the acquired material resources. Therefore, the provision on the recognition by taxpayers of expenses in the form of losses from natural disasters, fires, accidents and other emergencies, including costs of livestock deaths and epidemics of poultry and animals, does not respond to the correctness criterion, since when forming the cost of production, the taxpayer, de facto, recognizes all the costs (material costs, as well as labor costs, costs of services, etc.).

SAT does not provide for the tax accounting for the cost of production and accounting for work in process, but the difference from the mandatory requirements of the general taxation treatment in terms of calculation of the tax base requires mandatory recording of direct costs. When using the general taxation treatment, it is proposed to specify the conditions for recognizing the expenses from losses at the legislative level in accordance with which expenditures in the form of losses in excess of natural loss rates or expenses that do not meet the criteria for their recognition established by Art. 252 of the
Tax Code, where the taxpayer is obliged to reduce the taxable base by the amount of expenses when calculating profits, in the period when such expenses were incurred.

3. Granting to the SAT taxpayers the right to voluntarily choose to apply VAT, for the subsequent invoicing of the products sold with the allocation of VAT, and a deduction of the VAT amount claimed by the suppliers for the goods (works, services) purchased, not including VAT in the expenditures. This will lead to a reduction in the cost of products sold and improve competitiveness, since the sales market is oriented to purchasing agricultural products from business entities - VAT payers.

Differentiation of the conditions of the agro-industrial complex, taking into account natural, economic, financial and emergency situations, makes irrational the establishing of a zero rate, the right to deduct and reimburse VAT, since the zero rate is mandatory. The decision on the voluntary application of VAT is formalized by filing a notice to the tax authority. The decision that most closely takes into account the interests of commodity producers of the country's agro-industrial complex seems to be optimal.

Ways of improving the terms of SAT functioning should be focused on the development of specific provisions of the tax legislation and the improvement of the taxation mechanism in the agro-industrial sphere. Today, the existence of a taxation system favorable for agricultural producers is of great importance for the development of entrepreneurship in this field. All over the world, the farmers are subsidized from state budgets and have many tax privileges. The objective difficulties of the agrarian economy compel Russia to implement state support measures. The rapidly developing agriculture contributes to the growth of social and economic development of the country, its regions and the standard of living of the rural population.

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