

Directions of Improvement of Fiscal Regulation in Forestry

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The article presents the current problems of taxation in forestry, analyzed scientists offers in the question of the necessity of reforming forestry industry. Discovered the basic directions of improvement of fiscal regulation in forestry. In order to enhance the rental orientation of payments for forest resources and promote reforestation processes proposed special taxes, fines for land for forestry purposes and other components of forest ecosystems

Key Words: fiscal regulations, forest resources, taxes and fines, sustainable development.

Introduction

The growing crisis in society is accompanied by catastrophic climate change because of anthropogenic actions and uncontrolled using of natural resources. The critical state of the problem of human survival causes the necessity of scientific study and assessment of tendencies, patterns and causes of aggravation of contradictions in the system “man - environment”.

Functioning of forest industry is directed on satisfying the needs in the produc-

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tion of wood products to enhance the influence of forest ecosystems to social and environmental parameters of social life. In this context the issue economic stimulation of rational land use of forestry, effective forest management, extended reproduction of forest resources, increasing productivity of forest plantations, their full involvement in economic circulation and proper regulation of environmental management are an issues of national and regional levels. One of the ways to ensure sustainable forestry development is solving problems by improving fiscal regulation.

Related Literature

The works of leading scientists such as. V. Mishchenko, O. Vekluch, B. Danylyshyn, M. Hvesyk [1, 4–8] is dedicated to strengthening the fiscal management of natural resources, expansion of collection of natural-resource payments and the search paths of their solution. The rationale for promising areas of necessary tools of fiscal regulation, in particular in forestry over a long period is reflected in the writings of such scientists as N. Betz, A. Bobko, V. Holan, O. Drebot, B. Zozula, Y. Koval, A. Karpuk, I. Lyzur, S. Melnyk, O. Furdychko, A. Subalyj and others.

The Problem

Institutional preconditions for the formation of incentive systems business of forestry in Ukraine are not formed enough. Also there is one more issue of the formation of the required system of financing costs associated with the restoration of forest plantations, their cultivation, protection and conservation. They must ensure resource conservation and revitalization of complex processing of raw materials. It is not institutionalized and other fiscal charges, which will force entities economical use of natural resources. It is therefore necessary create a modern framework of fiscal adjustment in forestry. The above causes necessity of this study.

Research Results

Nowadays forest policy needs reform. The task of improving the practice of paid use of components of forest ecosystems, including the economic turnover maximum number and at the same time preserving the conditions of sustainable use should be set for central and regional levels. The development of any sector of the economy is impossible without the development of strategic directions, as the national environmental policy. Fiscal adjustment is one of the major parts of it.

Fiscal regulation in forestry today, is caused by the need to strengthen the function of filling the budget, what is responsible for attracting natural resources into production, the feasibility of mass introduction of perspective forms of forest management and multiple use of forest resources in various fields of activity [3]. So, Professor I. Lytsur things that providing own independent financial basis economically forestry possible by switching to the rental industry relations. Payment for using of forest resources and land for forestry purposes have rental basis and should be set by the rules of a competitive market. Rental payment for the resources has become a major source of budget and forming the necessary funds to cover the costs of restoration of forest plantations, their cultivation, protection and preservation [5].

Forest users pay a fee for special use forest resources under current law today. The object of taxation is wood. However, this payment is economically unprofitable for the state, because the sum of expenditures in the consolidated budget of Ukraine for the development of forestry is much higher than the income of the fee directly from the use of forests as a renewable natural resource. Develop a indicators of income and expenses for forest production is hard because of the mismatch of land and forest law and without legislative consolidation subject of labor in forestry which is land. It is the main natural resources and wealth of the Ukrainian

Directions of Improvement of Fiscal Regulation in Forestry

people. Agreeing with the opinion of A. Bobko, that defining the subjects land use in forestry and implementation payment for land regardless of the number of seized wood land users, and given the natural productivity forest land, what is estimated in classes of bonitet is one of the ways of reforming the forest sector [1]. One of the supporters of expanding the range of basic components of fiscal regulation of forest management Professor A. Karpuk [4]. It offers the following components highlight special forest management fees, fines for unsustainable forest management, forest fees and transaction fees for the right to forest management. The fundamental aspect of the reform of the system today is to provide a stimulating effect of fiscal levers on natural resources to limit the environmental impact and overuse of natural resource component of national wealth. [3] This issue should be resolved at the legislative level.

Every researcher offers his vision of the transformation mechanism of fiscal regulation in forestry. Based on research and analysis of international experience summarized and singled out the following areas of improvement of fiscal adjustment in forestry:

- broadening the tax base by changing the tax object;

- industry's transition to the rental relationship;

- strengthening of economic incentives for sustainable use of forest ecosystems and expansion of the types of fees for special use forest resources;

- provide funding restoration, cultivation, protection and conservation of forest resources, increasing productivity of forest plantations;

- facilitate deep processing wood at small and medium businesses (especially in depressed areas of the Carpathians and Polesie, where there is no other work except forestry).

Conclusions

Taking into account the achievements of scientists and experience of foreign countries in Ukraine for a complex solution of these problems, in our opinion, it should be better to use the methods of fiscal regulation, strengthening the role of taxation as a regulator of relations in forestry. According to the results the study, the problem of taxation in the forestry sector is expedient to solve by special taxes, fines for land use of forestry and other components of forest resource potential. These payments should provide sufficient financing of works on protection and improvement of the national wealth of Ukraine - forest ecosystems.

Further research in that direction should dedicate optimal grounding the rates of payments for forest resources and their impact both on the financial condition of its taxpayers and the income of local budgets.

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Directions of Improvement of Fiscal Regulation in Forestry

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