

K. Kishkevich

Belarusian State University of Economics, Minsk, Belarus

CERTAIN ASPECTS OF TAX INCENTIVES FOR INNOVATION IN THE REPUBLIC OF BELARUS

The author analyzes the foreign experience of tax incentives in the field of science and innovation, as well as tax incentives for innovation in the Republic of Belarus, which is carried out within the generally accepted system of taxation.

Keywords: *tax incentives, innovation, Hi-Tech Park, HTP residents, tax benefits*

Today, innovative activity affects all spheres of public life (economic, social, health, etc.) and state activity. It should be noted that in the Republic of Belarus, the state promotes innovation through the implementation of appropriate fiscal, tax, monetary, customs and other policy.

Tax incentives for innovation are carried out within the framework of the generally accepted taxation system in the Republic of Belarus. Science and technology parks, technology transfer centers, residents of science and technology parks pay 10 percent income tax (with the exception of income tax calculated, withheld and transferred when performing the duties of a tax agent). This norm is applied provided that the activities of science and technology parks, technology transfer centers correspond to the areas of activity defined by the legislation, and the activities of residents of science and technology parks are innovative in accordance with the legislation [1, art. 184].

Tax incentives for innovation activity can be traced to a greater extent by the example of benefits and preferences provided to payers, including through the creation of zones with a special tax and legal regime (Hi-Tech Park). The Hi-Tech Park (HTP) was established on the territory of Minsk to develop software, information and communication, and other new and high technologies in the Republic of Belarus aimed at improving the competitiveness of the national economy. HTP residents enjoy a number of tax benefits and preferences.

HTP acts in the Republic of Belarus as an organization that is endowed by the legislator with the right to provide tax benefits on a systematic basis. HTP residents are exempt from:

- income tax (with the exception of income tax calculated, withheld and transferred when performing the duties of a tax agent);
- value added tax (VAT) on turnover from the sale of goods (works, services), property rights on the territory of the Republic of Belarus;
- offshore fee when paying for advertising, marketing, intermediary services, as well as when paying (transferring) dividends to their founders (participants), part of the profit accrued to the owner of their property [2, paragr. 27];
- the land within the boundaries of the Hi-Tech Park for the period of construction on them the capital buildings by residents of the HTP, intended for their activities, are exempt from land tax, but not for more than 3 years [2, paragr. 29];
- real estate tax for the buildings located on the territory of the Hi-Tech Park, for which residents of the Hi-Tech Park are recognized as payers (with the exception of such objects leased by them) [2, paragr. 30].

Regarding a number of purchases from foreign organizations not registered in Belarus:

1. VAT exemption. For example, when acquiring property rights to intellectual property objects; advertising, marketing, consulting services; information processing services; hosting services; other services (works) [2, paragr. 32].

2. The establishment of a zero-tax rate on the income of foreign organizations. In particular, when buying advertising services from non-residents, hosting services, advertising on the Internet, purchasing intermediary services, etc. [2, paragr. 33].

To increase the volume of investment, Decree No. 8 expands the benefits in taxation of dividends received from HTP residents and income from the sale of shares or parts thereof in the statutory fund (units, shares) of HTP residents.

– Income due to an individual participant (shareholder) from the sale of shares should be exempt from taxation, but only if the individual owns the shares sold continuously for at least 365 calendar days [3, paragr. 31].

– The Decree exempts the income of foreign organizations that do not operate in the Republic of Belarus through a permanent representation from the sale of shares (units) from taxation on the income of foreign organizations. But even in this case, the condition of continuous ownership of the sold share (unit) must be observed at least 365 calendar days. But the Decree requires non-residents' income in the form of dividends to be taxed, as now, at a rate of 5 % [3, paragr. 33, 36].

HTP residents' income from debt obligations (interest on loans, etc.) are subject to income tax at a rate of 9 %; if such amounts are paid to foreign companies not registered in Belarus, then the HTP resident does not withhold income tax on foreign organizations [3, paragr. 28].

HTP residents will be able to apply both the old and new benefits till January 1, 2049 [3, paragr. 1].

However, the benefits provided to HTP residents on the territory of the Republic of Belarus do not contribute to the extended development of HTP residents. It is necessary to analyze and adapt the practical experience of other countries.

According to the author, the practical experience of Germany is interesting. In particular, in Germany, University science provides a lot of developments, generates the latest ideas, however, often, scientists themselves do not have sufficient baggage of managerial knowledge and managerial features that allow them to bring projects to a logical conclusion, and do not really strive to implement their own developments. For this reason, the administrations of technology parks and business incubators are searching for residents. In case of success, scientists are provided with thirty percent of the profit from the license usage or a corresponding share in the authorized capital of the enterprise being created. If the authors of a workable idea wish to implement it independently, then they have the opportunity to obtain a state interest-free loan for this purpose [4].

It should be emphasized that Japan also has a whole set of state funds, commercial banks and corporations that provide long-term and zero-interest loans to firms that develop high-tech products. At the same time, the loan is required to be returned only in cases when the research ends successfully, and in case of failure, the money cannot be returned at all [4].

No less interesting is the experience of the Russian Federation in creating technology parks at large industrial enterprises. During the restructuring of production, large business forms integral clusters of both small and medium-sized companies that use the infrastructure of the main enterprise and coexist with it, i. e., receive benefits in the form of a powerful starting financial and material base, acting as suppliers and contractors. In addition, they begin to supply products to other business entities. Thus, stable high-tech networks are being formed. On the territory of the Russian Federation, the greatest success has been achieved in clustering enterprises of the machine-building industry, that KAMAZ, AvtoVAZ, etc. [4].

The analysis of the foreign experience of state support and the provision of benefits to HTP residents can be adopted to improve the legislation of the Republic of Belarus in the indicated direction. In particular, it is necessary to provide at the legislative level:

1. Mandatory creation by large business entities of the Republic of Belarus (for example, MAZ) their own HTP residents, who will be provided with funds and material base of the business entity.

2. Provide for exemption from all types of taxation of wages of research and technological staff, engineers for a period of five years, counting from the date of operation of the resident.

It is necessary to apply various mechanisms of tax incentives for innovation, which have been successfully tested in other countries. It is advisable to consider the introduction of preferential value-

added tax rates for the sale of certain types of innovative products (for example, electronic computing equipment, lasers, etc.), nanomaterials and products made from them, etc.

In order to determine the tax base for calculating income tax, expenses for the acquisition of intellectual property rights, as well as for the legal registration and protection of rights to them should be included in the costs. It is advisable to provide for the exemption of small innovative organizations from paying income tax during the first 3 years of the organization's operation, as well as the payment of 50 % of the tax amount in the next two years.

As an additional measure, it is possible to introduce income tax benefits for banks that provide loans to scientific and innovative organizations at preferential interest rates (provided that the share of loans for innovative organizations is at least 50 % of the total amount of all loans issued during the year).

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