The background features a blurred crowd of people, overlaid with a white network diagram consisting of interconnected nodes and lines. The nodes are semi-transparent circles, and the lines are thin white lines connecting them.

# **TUCULART STUDENT SCIENTIFIC JOURNAL**

**December 10, 2023**

**CURRENT ISSUES OF SCIENCE:  
STUDENT THOUGHT**

**ISSN 2788-0699**

**DOI 10.47451/col-tss-03-2023**

**TSSS**



THE YOUNGER GENERATION IN THE NAME OF DARING ACHIEVEMENTS

# **TUCULART STUDENT SCIENTIFIC**

ISSN 2788-0699

ISSUE 3

**CURRENT ISSUES OF SCIENCE: STUDENT THOUGHT**

European Institute for Innovation Development

EU, Czech Republic

2023



Current Issues of Science: Student Thought. The Collection of Student Articles.  
Tuculart Student Scientific, 3. Ostrava: Tuculart Edition & European Institute  
for Innovation Development, 2023. – 114 p.

ISSN 2788-0699

DOI 10.47451/col-tss-03-2023

Editor-in-Chief of the Issue  
Maxim Bakhtin (Italy)  
Professor, Doctor of Science in Philosophy

Chief Reviewer of the Issue  
Ivan Pfanenstiel (Germany)  
Professor, Doctor of Science in Philosophy

Deputy Reviewer of the Issue  
Nina Gontar  
Associate Professor, Ph.D. in Law

Director of the Issue  
Anisiia Tomanek (Czechia)  
Master of Social Sciences and Cultural Studies

Designed by Daria Kuzmenko

Design Partner: International Design School





# Table of Contents

<i>Kovalenko, D. A.</i> Legal regulation of the Pension and Social Insurance Fund of the Russian Federation	7
<i>Olnev, M. M.</i> Characteristics of the legal regulation of the Central Bank of the Russian Federation	14
<i>Kamilova, N. U., Muslimov, N. Yu.</i> Analysis of the Nizhny Novgorod Region's budget execution	22
<i>Pushnyakov, D. V.</i> Analysis of the financial system of Japan	33
<i>Krushina, A. A.</i> Analysis of the Kamchatka Krai's budget for 2021	42
<i>Morgunova, A. D.</i> On the Kabardino-Balkar Republic's budget execution for 2021	52
<i>Fasylova, A. V.</i> Analysis of Penza Region's budget execution of 2022 comparing with the plans of 2023 and 2024	61
<i>Tenishchev, A. V., Masheva, Ya. P.</i> Analysis of Moscow Region's budget execution in 2022	80
<i>Kiryanova, D. A.</i> Analysis of the Voronezh Region's budget execution for 2021	90
<i>Chubarova, M. V.</i> Analysis of Zabaikalsky Krai's budget execution in 2021	98
Authors	107
Supervisors	109
Citations in APA	111





*Dmitry A. Kovalenko*<sup>[1]</sup>

*Scientific supervisor: Nina N. Gontar*<sup>[1]</sup>

## **Legal regulation of the Pension and Social Insurance Fund of the Russian Federation <sup>[1]</sup>**

*Abstract:* The Russia's pension system is currently in a state of reform and modernisation. New institutions are being formed: basic pensions, pension insurance, accumulative, and occupational pensions. This entails a change in the parameters and structure of the pension system, the content of legal relations and requires the creation of new financial and organisational mechanisms. In legal regulation, the ratio of public and private principles is being transformed with reference to issues of ownership, pension savings, acquisition, and realisation of pension rights, just like the activities of an expanding circle of subjects. In these circumstances, it is necessary to pay increased attention to international standards, compliance with which is an obligation of Russia, as well as the positive experience of foreign states. The economic stability and social efficiency of the pension system are directly affected by both long-term demographic processes and medium-term macroeconomic trends, as well as short-term purely subjective political decisions. In turn, this objectively requires permanent updating of specific legal, economic, and organisational conditions of interaction between insured persons, employers as policyholders (legal entities and individuals) with the state insurer (Social Fund of the Russian Federation). The study purpose was to analyse the legal regulation of the Pension and Social Insurance Fund of the Russian Federation and the directions of its reform. To achieve the purpose and solve the tasks set, such methods as analysis of information and legal sources, generalisation, comparison, historical and logical methods were used. In the course of the study, regulatory legal acts and a number of research works by specialists in this field were used. The author concludes that the Federal Law No. 236-FZ On the Pension and Social Insurance Fund of the Russian Federation dated June 14, 2022 left an imprint on the organisation and activities of this Fund, defined the procedure for its formation in a new way, regulated its main functions and powers in more detail.

*Keywords:* legal regulation, pension system of Russia, Pension and Social Insurance Fund, federal law, Russian Federation.



*Дмитрий Андреевич Коваленко*

*Научный руководитель: Нина Николаевна Гонтарь*

## **Правовое регулирование Фонда пенсионного и социального страхования Российской Федерации**

*Аннотация:* Пенсионная система России в настоящее время находится в состоянии реформирования и модернизации. Происходит формирование новых институтов: базовых пенсий, пенсионного страхования, накопительных и профессиональных пенсий. Это влечёт за собой изменение параметров и структуры пенсионной системы, содержания правоотношений и требует создания новых финансовых и организационных механизмов. В правовом регулировании трансформируется соотношение публичного и частного начал применительно к вопросам собственности, пенсионных накоплений приобретения и реализации пенсионных, прав, а также деятельности расширяющегося круга субъектов. В этих условиях необходимо

повышенное внимание к международным стандартам, соблюдение которых является обязательством России, а также позитивному опыту иностранных государств. На экономическую стабильность и социальную эффективность пенсионной системы оказывают непосредственное воздействие как долгосрочные демографические процессы и среднесрочные макроэкономические тенденции, так и краткосрочные чисто субъективные политические решения. В свою очередь это объективно требует перманентного обновления конкретных правовых, экономических и организационных условий взаимодействия между застрахованными лицами, страхователями-работодателями (юридическими и физическими лицами) с государственным страховщиком (Социальным Фондом РФ). Целью работы являлся анализ правового регулирования Фонда пенсионного и социального страхования Российской Федерации и направлений его реформирования. Для достижения цели исследования и решения поставленных задач были использованы такие методы как анализ информационно-правовых источников, обобщение, сравнение, исторический и логический методы. В ходе исследования использовались нормативные правовые акты и ряд исследовательских работ специалистов в данной области. Автор приходит к выводу, что Федеральный закон «О Фонде пенсионного и социального страхования Российской Федерации» от 14 июля 2022 года № 236-ФЗ наложил отпечаток в организации и деятельности данного Фонда, по-новому определил порядок его образования, более детально регламентировал основные его функции и полномочия.

*Ключевые слова:* правовое регулирование, пенсионная система России, Фонд пенсионного и социального страхования, федеральный закон, Российская Федерация.



### **Abbreviations:**

SFR – Social Fund of the Russian Federation

PFR – Pension Fund of the Russian Federation

### **Introduction**

The Russia's pension system is currently in reform and modernisation state. New institutions are being formed: basic pensions, pension insurance, accumulative, and occupational pensions. This entails a change in the parameters and structure of the pension system, the content of legal relations and requires the creation of new financial and organisational mechanisms. In legal regulation, the ratio of public and private principles is being transformed with reference to issues of ownership, pension savings, acquisition, and realisation of pension rights, as well as the activities of an expanding circle of subjects. In these circumstances, it is necessary to pay increased attention to international standards, compliance with which is an obligation of Russia, as well as the positive experience of foreign states.

The economic stability and social efficiency of the pension system are directly affected by both long-term demographic processes and medium-term macroeconomic trends, as well as short-term purely subjective political decisions (*Starovoitova, 2017*). In turn, this objectively requires permanent updating of specific legal, economic and organisational conditions of interaction between insured persons, employers as policyholders (legal entities and individuals) with the state insurer (Social Fund of the Russian Federation). It is worth adding that at the moment there is a connection between the Pension Fund of the Russian Federation and the

Social Insurance Fund into the Pension and Social Insurance Fund of the Russian Federation (the Social Fund of Russia), so this issue also requires additional study (*Sazanova, 2022*).

The study purpose was to analyse the legal regulation of the Pension and Social Insurance Fund of the Russian Federation and the directions of its reform.

To achieve the study purpose, the following tasks were set:

- study theoretical issues of the formation of the Social Fund of the Russian Federation;
- characterise the legal status of the Social Fund of the Russian Federation;
- consider the main functions and powers of the Social Fund of the Russian Federation;
- determinate the budget of the Social Fund of the Russian Federation.

To achieve the study purpose and solve the tasks set, such methods as analysis of information and legal sources, generalisation, comparison, historical, and logical methods were used.

In the course of the study, regulatory legal acts and a number of research works by specialists in this field were used.

## **The results of the study**

### ***1. Pension and Social Insurance Fund of the Russian Federation, the procedure for its formation, reorganisation and liquidation***

The Pension and Social Insurance Fund of the Russian Federation is created by reorganising a state institution – the Pension Fund of the Russian Federation with the simultaneous accession of the Social Insurance Fund of the Russian Federation to it, which follows from Article 18 of Federal Law No. 236-FZ *On the Pension and Social Insurance Fund of the Russian Federation* (2022).

It follows from the same article that the date of the Foundation's creation is January 1, 2023. The Fund retains the main state registration number, taxpayer identification number, the code of the reason for registration, the code according to the All-Russian classifier of enterprises and organisations, the code according to the all-Russian classifier of administrative-territorial division objects assigned to the Pension Fund of the Russian Federation until the day of the Foundation's creation.

According to Article 2 of Federal Law No. 236-FZ *On the Pension and Social Insurance Fund of the Russian Federation*, the fund is created by the Russian Federation for the purpose of state pension provision, compulsory pension insurance, compulsory social insurance in case of temporary disability and in connection with maternity, compulsory social insurance against industrial accidents and occupational diseases, social security, provision of social protection (support) measures to certain categories of citizens, and also for the purpose of exercising other state functions and powers assigned to the Fund in accordance with the legislation of the Russian Federation. According to Article 17 of the Federal Law, the Fund may be reorganised or liquidated because of federal law (*On the Pension and Social Insurance Fund...*, 2022).

## ***2. Legal status of the Pension and Social Insurance Fund of the Russian Federation***

According to part 2 of Article 7 of the Constitution of the Russian Federation, people's work and health are protected in the Russian Federation, a guaranteed minimum wage is established, state support for family, motherhood, fatherhood and childhood, disabled and elderly citizens is provided, a system of social services is being developed, state pensions, benefits and other guarantees of social protection are being established. According to part 2 of Article 39 of the Constitution of the Russian Federation, state pensions and social benefits are established by law (*The Constitution of the Russian Federation, 2014*).

According to part 1 of Article 2 of Federal Law No. 167-FZ "On Compulsory Pension Insurance in the Russian Federation", the legislation of the Russian Federation on compulsory pension insurance consists of the Constitution of the Russian Federation, the Federal Law No. 167-FZ, Federal Law No. 165-FZ dated July 16, 1999, *On the Basics of Compulsory Social Insurance*, Federal Law N 400-FZ dated December 28, 2013, *On Insurance Pensions*, Federal Law No. 424-FZ dated December 28, 2013, *On Accumulative Pension* and Federal Law No. 27-FZ dated April 1, 1996, *On Individual (Personalised) Accounting in the System of Compulsory Pension Insurance and Compulsory Social Insurance*, other federal laws and regulatory legal acts of the Russian Federation adopted according to them (*On Compulsory Pension Insurance..., 2001*). Also, since January 1, 2023, Federal Law No. 236-FZ dated July 14, 2022 *About the Pension and Social Insurance Fund of the Russian Federation* has been put into effect, which directly regulates the activities of the Pension and Social Insurance Fund of the Russian Federation.

Therefore, this new Federal law will be analysed next. It is necessary to explain the main provisions of Article 2 of this federal law.

The Fund is created under the Government of the Russian Federation in the organisational and legal form of the state extra-budgetary fund, which is a type of state institution.

The functions and authority of the founder of the Foundation on behalf of the Russian Federation are exercised by the Government of the Russian Federation.

The coordination of the Fund's activities is performed by the federal executive authority responsible for the development and implementation of state policy and regulatory regulation in pension provision and social insurance, i.e., the authorised federal executive authority.

The Fund, in accordance with this Federal Law and federal laws regulating issues of compulsory social insurance, is an insurer for compulsory pension insurance, compulsory social insurance in case of temporary disability and in connection with maternity, compulsory social insurance against industrial accidents and occupational diseases, and also provides, according to the legislation of the Russian Federation, individual categories of citizens of social protection (support) measures (*On the Pension and Social Insurance Fund..., 2022*).

## ***3. Competence of the Pension and Social Insurance Fund of the Russian Federation***

Article 5 of Federal Law No. 236 *On the Pension and Social Insurance Fund of the Russian Federation* provides an exhaustive list of the Fund's functions and powers, which had not actually been enshrined in any normative legal acts before. These include:

- 1) appointment and payment of pensions for compulsory pension insurance and state pension provision;

- 2) provision of other types of security established in addition to insurance pensions and pensions for state pension provision, as well as other payments and compensations in accordance with the legislation of the Russian Federation;
- 3) appointment and payment of state benefits, compulsory social insurance security, and other types of security established by federal laws on specific types of compulsory social insurance;
- 4) organisation and maintenance of individual (personalized) accounting in the systems of compulsory pension insurance and compulsory social insurance;
- 5) organisation of investment of pension savings;
- 6) actuarial assessment of the financial condition of mandatory pension insurance and mandatory social insurance systems, long-term forecasting of their development;
- 7) provision of state guarantees, measures of social protection (support), social services to certain categories of citizens, including within the framework of state social assistance;
- 8) organisation of events in medical, social, and professional rehabilitation of insured persons;
- 9) other functions and powers provided for by international treaties of the Russian Federation, federal laws and other regulatory legal acts of the Russian Federation (*On the Pension and Social Insurance Fund...*, 2022).

The Fund also organises and conducts in the central office of the Fund, territorial bodies of the Fund, institutions subordinate to the Fund measures for mobilisation training, civil defense and protection of employees of the Fund and material assets from dangers arising from military conflicts or as a result of these conflicts, as well as in emergency situations of natural and man-made nature, fulfills the requirements for anti-terrorist protection of objects of the Fund and ensures their fire safety, which proceeds from part 2 of Article 5 of this federal law.

And according to Article 3, the Foundation performs functions and authority to ensure the protection of information constituting a state secret and other information, access to which is restricted by federal laws.

#### ***4. Budget of the Pension and Social Insurance Fund of the Russian Federation***

V.D. Roik's textbook was taken as the basis for consideration of this issue, which most briefly described the procedure for drawing up the budget of the Pension Fund of the Russian Federation (*Roik, 2022, p. 85*). However, it will also be suitable for newly formed Fund, since in fact, its name will only change in the legislation in the issue considered.

The procedure for developing, reviewing, and approving budgets of state extra-budgetary funds is based on the legally established procedure for drawing up, submitting and approving them. Thus, for the Social Fund of the Russian Federation (hereinafter SFR), this procedure is regulated by law and is defined by Article 145 of the Budget Code of the Russian Federation, Article 10 of Federal Law No. 236-FZ, Chapter IV of Federal Law No. 167-FZ *On Compulsory Pension Insurance in the Russian Federation* dated December 13, 2001 and other legislative and regulatory acts.

In particular, the norms of Article 145 provide that the draft budget is created by the Board of the SFR, submitted for approval to the Ministry of Labor and Social Protection of the Russian Federation, which is the coordinator of the activities of state extra-budgetary funds, which submits the document to the Russian Federation Government.

After considering the draft budget at its meeting, the Russian Federation Government the submits a document in the form of a draft federal law to the State Duma, where it is reviewed and adopted according to the existing procedure for reviewing and adopting draft federal laws.

According to paragraph 2 of Article 145 of the Budget Code of the Russian Federation, the budget of the SFR must be considered and approved by the Federal Assembly of the Russian Federation in the form of a federal law, simultaneously with the adoption of the federal law on the federal budget for the next fiscal year.

The Social Fund of the Russian Federation as a subject of budgetary legal relations according to Articles 13 and 144 of the Budget Code of the Russian Federation is a state extra-budgetary fund, i.e., a money fund formed outside the federal budget and budgets of the Russian Federation regions. Its purpose and functions are to implement the constitutional rights of citizens to pension provision.

The budget execution report according to the norms of Article 149 of the Budget Code of the Russian Federation is compiled by the Board of the SFR and undergoes a similar procedure as when considering the draft budget for the planning year. Such a legislative procedure makes it possible to fix the most important parameters of the actual execution of the budget, which is an important source of objective information in the dynamics of the structure of the budget of the SFR, which is a set of revenues and expenditures for a number of years. Unfortunately, a SFR code will appear only in 2023, when it is formed.

So far, e.g., Federal Law No. 250-FZ *On the Execution of the Budget of the Pension Fund of the Russian Federation for 2021* dated July 14, 2022, can be cited. He approved the revenues of the PFR for 2021 in the amount of 9,794.3 billion rubles, expenses in the amount of 10,125.1 billion rubles, budget deficit in the amount of 330.7 billion rubles. The data record not only the financial position of the PFR, but are a legally confirmed fact of the organisation of the PFR budget process for 2021, confirming compliance with the legislative establishment of the procedure for collecting and spending funds for pension insurance.

### **Conclusion**

*Thus*, we have considered the emergence of a new Pension and Social Insurance Fund of the Russian Federation. The Federal Law No. 236-FZ *On the Pension and Social Insurance Fund of the Russian Federation* dated July 14, 2022, left an imprint on the organisation and activities of this Fund, defined the procedure for its formation in a new way, regulated its main functions and powers in more detail.

In the first part of the study, the procedure for the formation of the Pension and Social Insurance Fund, identified ways to reorganise and liquidate it, was analysed. In the second part of the study, the materials of studying the legislation regulating the activities of not only the Social Fund of the Russian Federation itself, but also the entire system of compulsory pension insurance in general, are presented. In the third part, the author highlights the main powers of the Pension and Social Insurance Fund according to the new Federal Law No. 236-FZ dated July 14, 2022. The fourth part briefly describes the budget process of the Pension and Social Insurance Fund of the Russian Federation.

It should also note that the educational literature has not yet adapted to the new changes in legislation, as it still appeals to the old regulations and norms of articles. Therefore, the

provisions of the current Constitution of the Russian Federation were taken as the basis, as well as other Federal laws regulating the activities of the Fund, including, now the main Federal Law No. 236-FZ *On the Pension and Social Insurance Fund of the Russian Federation*.



#### References:

- Budget Code of the Russian Federation. (1998). Legislative Assembly of the Russian Federation, 31. (In Russian)
- Legal Regulation of the Pension Fund of the Russian Federation. (2022, August 10). A Wise Lawyer. (In Russian). <https://wiselawyer.ru/poleznoe/7035-pravovoe-regulirovanie-deyatelnosti-pensionnogo-fonda-rossijskoj-federacii>
- On Compulsory Pension Insurance in the Russian Federation. (2001). Federal Law No. 167-FZ dated December 15, 2001. Legislative Assembly of the Russian Federation, 51. (In Russian)
- On Non-State Pension Funds. (1998). Federal Law No. 75-FZ dated May 07, 1998. Legislative Assembly of the Russian Federation, 19. (In Russian)
- On the Execution of the Budget of the Pension Fund of the Russian Federation for 2021. (2022). Federal Law No. 250-FZ dated July 14, 2022. Legislative Assembly of the Russian Federation, 29. (In Russian)
- On the Pension and Social Insurance Fund of the Russian Federation. (2022). Federal Law No. 236-FZ dated July 14, 2022. Legislative Assembly of the Russian Federation, 29. (In Russian)
- Roik, V. D. (2022). *Organisation of work of bodies and institutions of social protection of the population, bodies of the Pension Fund of the Russian Federation (FIU)*. Moscow: Yurayt Publishing House. (In Russian)
- Sazanova, N. V. (2022). Pension fund of the Russian Federation, modern problems of its functioning. *The Eurasian Scientific Journal*, 14(1), 33ECVN122. (In Russian). <https://esj.today/PDF/33ECVN122.pdf>
- Starovoitova, L. I. (2017). Pension Fund of Russia, modern problems of its functioning. *Actual Problems of Society, Science and Education: Current State and Prospects of Development*, 158-162. (In Russian)
- The Constitution of the Russian Federation: adopted by popular vote on December 12, 1993 (2020). Legislative Assembly of the Russian Federation, 31. (In Russian)



*Miron M. Olnev*<sup>[2]</sup>

*Scientific supervisor: Nina N. Gontar*<sup>[1]</sup>

## **Characteristics of the legal regulation of the Central Bank of the Russian Federation** <sup>[2]</sup>

*Abstract:* A key element of the financial system of any developed state today is the Central Bank, which acts as the official conductor of monetary policy. In turn, monetary policy forms the basis of all state regulation of the economy along with budgetary policy. Therefore, the effective operation of the central bank is one of the conditions for the effective functioning of the market economy. The Bank of Russia is a legal entity and has a seal with the image of the State Emblem of the Russian Federation and its name. The Bank of Russia has passed a special historical path. He has survived many cataclysms and reorganisations. Nevertheless, it has been at the head of the Russian banking system for more than 160 years. The study object was the Central Bank of Russia and its management structure. The study subject was the norms regulating the relations developing in financial activity, as well as the theoretical developments of scientists on this issue. The study purpose was to examine the essence, functions, goals and objectives of the Central Bank of the Russian Federation. The methodological basis was the dialectical method, as a general scientific method of cognition, and separate private scientific methods such as logical, formal-legal, comparative-legal, and historical-legal. In the course of the study, regulatory legal acts and a number of research works by specialists in this field were used. The author concludes that the Central Bank is a key link in the entire banking system of Russia. It performs a monopoly issue of money; it is the bank of banks, the banker of the Government, the main settlement center of the country and the body regulating the economy by monetary methods. They are the functions of the Bank of Russia. Its status, tasks, functions, powers, and principles of organisation of activities are defined by the law On the Central Bank of the Russian Federation (Bank of Russia) dated July 10, 2002.

*Keywords:* Central Bank of Russia, legal regulation, Bank of Russia, Russian Federation.



*Мирон Михайлович Ольнев*

*Научный руководитель: Нина Николаевна Гонтарь*

## **Характеристика правового регулирования деятельности Центрального Банка Российской Федерации**

*Аннотация:* Ключевым элементом финансовой системы любого развитого государства сегодня является Центральный Банк, выступающий официальным проводником денежно-кредитной политики. В свою очередь, денежно-кредитная политика, наряду с бюджетной, составляет основу всего государственного регулирования экономики. Поэтому эффективная деятельность центрального банка является одним из условий эффективного функционирования рыночной экономики. Банк России является юридическим лицом и имеет печать с изображением Государственного герба Российской Федерации и со своим наименованием. Банк России прошел особый исторический путь. Он пережил много катаклизмов и реорганизаций, тем не менее, уже более 160 лет он стоит во главе банковской системы России. Объектом исследования являлся Центральный Банк России и его структура управления. Предметом исследования являлись нормы, регулирующие отношения, складывающиеся в сфере осуществления финансовой деятельности, а также теоретические разработки ученых по данной проблематике. Целью



исследования было рассмотреть сущность, функции, цели и задачи ЦБ РФ. Методологической основой являются диалектический метод, как общенаучный метод познания, и отдельные частно-научные методы: логический, формально-юридический, сравнительно-правовой, историко-правовой. В ходе исследования использовались нормативные правовые акты и ряд исследовательских работ специалистов в данной области. Автор делает заключение, что Центральный Банк является ключевым звеном во всей банковской системе России. Он осуществляет монопольный выпуск денег, является банком банков, банкиром Правительства, главным расчётным центром страны и органом регулирования экономики денежно-кредитными методами. Все перечисленное и является функциями Банка России. Его статус, задачи, функции, полномочия и принципы организации деятельности определены законом «О Центральном банке РФ (Банке России)» от 10 июля 2002 года.

*Ключевые слова:* Центральный Банк России, правовое регулирование, Банк России, Российская Федерация.



## Introduction

A key element of the financial system of any developed state today is the Central Bank, which acts as the official conductor of monetary policy. In turn, monetary policy forms the basis of all state regulation of the economy along with budgetary policy. Therefore, the effective operation of the central bank is one of the conditions for the effective functioning of the market economy.

The Bank of Russia is a legal entity and has a seal with the image of the State Emblem of the Russian Federation and its name. The Bank of Russia has passed a special historical path. Although he is younger than the Bank of England and the Swedish Riksbank and, unlike them, has experienced many cataclysms and reorganisations. Nevertheless, it has been at the head of the Russian banking system for more than 160 years. The State Bank of the Russian Empire was established in 1860. Its main tasks were to streamline monetary circulation and promote the development of the economy. Since 1894, with the adoption of the new version of the charter, the State Bank became the center of the financial system of Russia. After the monetary reform of 1895-1897, the State Bank received the right to issue banknotes (from that moment it became a real central bank).

After 1917, the Russian banking system underwent significant transformations. The People's Bank of the RSFSR was liquidated on January 19, 1920, and Russia did not have a State Bank until November 1921. During the Soviet period, the State Bank of the USSR was at the same time the issuing center of the country, the center of short-term lending, the institute of cash and settlement services of enterprises and organisations. The monopoly position in the banking system and complete subordination to the government contributed to the transformation of the USSR State Bank into a state management and control body. When Russia acquired sovereignty on December 20, 1991, the State Bank of the USSR was abolished, and all its functions were transferred to the Central Bank of the RSFSR (Bank of Russia).

The study object was the Central Bank of Russia and its management structure.

The study subject was the norms regulating the relations developing in financial activity, as well as the theoretical developments of scientists on this issue.

The study's purpose was to consider the essence, functions, goals and objectives of the Central Bank of the Russian Federation, the monetary policy of the Central Bank.

Based on the study's purpose, the following tasks were formulated:

- analyse the state regulation of the Russian Federation banking system;
- study the Russian Federation banking system;
- give a legal description to the Bank of Russia;
- analyse the functions and powers of the Central Bank;
- present a conclusion on the transformation of the Central Bank of Russia at the current historical stage of Russia's development.

The methodological basis is the dialectical method, as a general scientific method of cognition, and separate private scientific methods such as logical, formal-legal, comparative-legal, and historical-legal.

In the course of the study, regulatory legal acts and a number of research works by specialists in this field were used.

## **The results of the study**

### ***1. Legal characteristics of the Bank of Russia***

The Bank of Russia is a legal entity. It has a seal with the image of the State Emblem of the Russian Federation and its name. The main elements of the status of the Bank of Russia as a federal bank laid down in the Constitution of the Russian Federation are:

- 1) "Protection and ensuring the stability of the ruble is the main function of the Central Bank of the Russian Federation, which it performs independently of other state authorities" (*The Constitution...*, 2020);
- 2) The State Duma is responsible for the appointment and dismissal of the Chairman of the Central Bank of the Russian Federation.

For the first time, the main bank of Russia as a state bank with the function of issuing banknotes was formed in 1860 with the name of the State Bank of Russia. In its modern form, the Bank of Russia began to operate in 1990, when the RSFSR's Law *On the Central Bank of the RSFSR (Bank of Russia)* was adopted. In 1993, the new Constitution of the Russian Federation established the constitutional and legal status of the Bank of Russia.

Currently, the activities of the Bank of Russia are regulated by the *Law on the Bank of Russia*. Nevertheless, this Law is constantly being improved. From January 10, 2003 to January 1, 2018, 5,172 changes and additions were made to it. This Law is the main law regulating the activities of the Bank of Russia. However, in addition to it, the activities of the Bank of Russia are regulated by other laws concerning its activities – the *Law on Banks*, the *Law on the Bank of Russia of the Russian Federation*, the *Law on Payments of the Bank of Russia on Deposits of Individuals* and a number of other laws.

The *Law on the Bank of Russia* defines the following features of the status of the Bank of Russia, which are manifested in the fact that the Bank of Russia:

- 1) performs the functions provided for by law, independently of other authorities (art. 1);
- 2) is a legal entity (Article 1);

- 3) making a profit is not the purpose of its activities (Article 3);
- 4) disposes independently of its authorised capital and other property, which, meanwhile, are not owned by the Bank of Russia, like other legal entities, but are state property (Article 2);
- 5) is not liable for the obligations of the state, and the state is not liable for the obligations of the Bank of Russia, if they themselves do not assume such obligations (art. 2);
- 6) carries out banking supervision and supervision in other areas of the financial market (Articles 4 and 76.1, respectively);
- 7) has the right to apply measures of influence to credit organizations and other financial market organisations (Articles 74 and 76.5, respectively);
- 8) is not liable for the obligations of credit institutions, and credit institutions are not liable for the obligations of the Bank of Russia, if they themselves do not assume such obligations (Article 79);
- 9) organises and implements currency regulation (Article 4);
- 10) has the right to issue normative acts binding on other persons and bodies (art. 7);
- 11) regulates, controls and supervises compliance by issuers with the requirements of the Russian Federation legislation on joint-stock companies and securities, as well as regulation, control and supervision in corporate relations in joint-stock companies (Article 76.2) (*Ruchkina et al., 2022, p. 26*).

*The Constitution of the Russian Federation* and the *Law on the Bank of Russia* do not give an unambiguous definition of the legal status of the Bank of Russia. Nevertheless, an analysis of the legislation allows to researchers to determine that the legislation classifies the Bank of Russia into the category of authorities. Such a conclusion can be drawn based on the literal interpretation of Article 75 of *the Constitution of the Russian Federation*, which assigns to the Bank of Russia the main function such as “Protection and ensuring the stability of the ruble is the main function of the Central Bank of the Russian Federation, which it performs independently of other state authorities” (*The Constitution..., 2020*), as well as Article 1 of the *Law on the Bank of Russia*, which contains the norm that “The functions and powers provided for by the Constitution of the Russian Federation and this Federal Law, the Bank of Russia exercises independently of other federal state authorities, state authorities of the subjects of the Russian Federation and local self-government bodies” (*On the Central Bank of the Russian Federation, 2002*).

In these provisions, the key to the status of the Bank of Russia is the following wording of the legislator – “regardless of other authorities.” It is she who makes it possible to classify the Bank of Russia into the category of authorities. In addition, the legal position of the Bank of Russia is supported by the authority of the Bank of Russia, provided for in Article 7 of the *Law on the Bank of Russia*, to give its own conclusions on draft federal laws and regulatory legal acts of federal executive authorities concerning the performance of the Bank of Russia’s functions. Thus, the Bank of Russia ensures the adoption of laws and regulations necessary for its activities.

The function of protecting and ensuring the stability of the ruble, provided for in Article 75 of the *Constitution of the Russian Federation*, which the Bank of Russia performs on behalf of the state, is not limited only to the issue of banknotes. It also covers a broader process of regulating monetary circulation. According to Article 71 of *the Constitution of the Russian Federation*, financial and credit regulation is under the Russian Federation jurisdiction. However, this function on behalf of the state on the basis of Article 4 of the *Law on the Bank of Russia* is

implemented by the Bank of Russia, which develops and implements a unified state monetary policy in cooperation with the Russian Federation Government.

It should note that since 2013, after the adoption of the Federal Law No. 251-FZ *On Amendments to Certain Legislative Acts of the Russian Federation in Connection with the Transfer to the Central Bank of the Russian Federation of Powers to Regulate, Control and Supervise Financial Markets*, dated July 23, 2013, The Bank of Russia performs that “Documents and information on transactions, accounts and deposits, as well as information on specific transactions of individuals, individuals persons engaged in entrepreneurial activity without the formation of a legal entity and legal entities are represented by credit organisations to the Bank of Russia when the Bank of Russia performs the functions of, defined by federal laws” (*On Amendments to Certain Legislative Acts of the Russian Federation, 2013*).

Based on this, the main function of the Bank of Russia is to become the financial regulation of the entire financial market of Russia as a whole, regulating not only banking activities and the activities of credit institutions, but also the activities of other financial market participants – non-credit financial organisations. At the same time, the Bank of Russia is not part of the Russian Federation Government and does not form a separate ministry.

## ***2. Analysis of the functions and powers of the Central Bank***

It is worth starting with the fact that the term “function” is interpreted differently in economic and legal science. If a function is considered to be a specific, permanent interaction of the bank as a whole with the external environment in the theory of banking, then the function expresses the main activities of the monetary institution from the viewpoint of banking law. Hence, the function of the central bank is its activity as a separate entity, a separate legal entity in relation to other entities (*Krymova, 2022, p. 46*).

The Bank of Russia performs its functions in accordance with the *Constitution of the Russian Federation*, Federal Law No. 86-FZ *On the Central Bank of the Russian Federation (Bank of Russia)* and other federal laws.

*The Law on the Central Bank* establishes a list of functions of the Bank of Russia, which does not exclude the implementation of other functions according to federal laws. These functions can be classified into five groups:

- 1) monetary regulation functions,
- 2) regulatory regulation functions,
- 3) operational function,
- 4) information and analytical function,
- 5) supervisory and control function (*Alekseeva et al., 2022, p. 87*).

Within the first group of functions, the Bank of Russia, being the center of the domestic banking system. In this aspect, the Bank of Russia performs the following sub-functions:

- develops and implements a unified state monetary policy jointly with the Russian Federation Government;
- develops and implements a policy of development and ensuring the stability of the functioning of the Russian financial market jointly with the Russian Federation Government;
- monopolistically issues cash and organises cash circulation;

- acts as a lender of last resort for credit institutions, organises their refinancing system.

In this function, the role of the bank, designed to regulate money turnover, is viewed. Being an issuing center, acting as an organiser of cash circulation, an institution for supporting the liquidity of commercial banks in case of a short-term need for additional funds, the Central Bank of the Russian Federation, which performs this function, implements its purpose in the economy.

Within the second group of functions, the Bank of Russia has normative activities. This function provides:

- developing rules for conducting banking operations;
- determining the rules of settlement in the Russian Federation;
- determining the order and rules of accounting and reporting not only for the banking system, but also for the entire financial market;
- developing rules for settlements with international organizations, states, as well as with legal entities and individuals.

The activity of the Bank of Russia in creating regulations regulating banking operations, accounting and reporting procedures for the activities of all economic entities of the financial market of the country gives it the opportunity to streamline and develop their work, create a common methodological base, uniform standards of their activities, allowing them to serve their customers within the framework of current legislation.

Within the third group of functions, the Bank of Russia has the authority to:

- performing independently or on behalf the Government of the Russian Federation all types of banking operations and other transactions;
- effectively managing the gold and foreign exchange reserves of the Bank of Russia;
- servicing budget accounts of all levels of the budget system of the Russian Federation.

The powers defined by this function allow the Bank of Russia to conduct a wide range of activities, serve a diverse list of needs of economic entities, and, if necessary, act as an authorised agent of the state for conducting settlements on financial transactions.

Within the fourth group of functions, the Bank of Russia:

- analyses and forecasts the state of the Russian economy as a whole and by region, primarily monetary, monetary, financial and price relations, publishes relevant materials and statistics;
- participates in the development of the forecast of the balance of payments of the Russian Federation and organises its compilation;
- sets and publishes official exchange rates of foreign currencies against the ruble, etc.

For the Bank of Russia, this function is of particular importance. Without its implementation, it is almost impossible to regulate money turnover based on material and financial flows. The analysis and forecasting of the country's economic development are the intellectual basis that makes it possible to determine the dynamics and structure of monetary relations.

Within the 5<sup>th</sup> group of functions, the Bank of Russia is the supervisory authority over all points of the banking system. He analyses the activities of individual banks.

The main task of this function is to preserve the Russian Federation banking system stability. The supervisory functions are performed by the Banking Supervision Committee. The

Banking Supervision Committee of the Bank of Russia is a permanent body through which the Bank of Russia performs regulatory and supervisory functions established by the Russian Federation legislation.

Thus, within this group, the Central Bank exercises the following powers:

1. Making a decision on the state registration of credit organizations, non-state pension funds.
2. Approves the standards for the issue of securities, establishes the procedure for registration of issues (additional issues) of equity securities, securities prospectuses, reports on the results of the issue (additional issue) of equity securities, as well as the procedure for admission of securities of foreign issuers to placement and (or) public circulation in the Russian Federation and the procedure for registration of securities prospectuses securities of foreign issuers (*On the Securities Market, 2022*).
3. Implementation of “supervision of the activities of a credit institution” (*On Banks and Banking Activities, 2022*) and banking groups. It is worth noting here that the Central Bank “has the right to conclude agreements with credit organisations, according to which the Central Bank of the Russian Federation undertakes to compensate such credit organisations for part of the losses (expenses) incurred by them on transactions with other credit organisations made from the date of entry into force of this Federal Law and until December 31, 2010 inclusive who have had their banking license revoked” (*On Additional Measures..., 2008*)
4. Implementation of regulation, control and supervision of the activities of non-credit financial organisations.
5. Supervision and supervision in the national payment system;

These powers allow the Bank of Russia to fulfill targets aimed at developing and strengthening not only the banking sector of the country, but also the entire financial market of Russia.

In present days, the central bank acts as a key element of the financial and credit system of any developed state. Like any bank, the central bank operates in exchange. By creating its product in the form of cash and non-cash means of payment, issuing them into circulation, it provides an opportunity for continuous circulation and turnover of capital of economic entities, a continuous process of production, distribution, redistribution, and consumption of public product. He acts as the conductor of the official monetary policy. In turn, monetary policy, along with budgetary policy, forms the basis of the entire state policy of the country.

### Conclusion

*Thus*, the Central Bank is a key link in the entire banking system of the country. It performs a monopoly issue of money. It is the bank of banks, the banker of the Government, the main settlement center of the country and the body regulating the economy by monetary methods. All of the above are the functions of the Bank of Russia. Its status, tasks, functions, powers, and principles of organisation of activities are defined by the Law *On the Central Bank of the Russian Federation (Bank of Russia)* dated July 10, 2002.

The Central Bank of Russia is primarily interested in the state and stability of the country's banking system. It analyses the degree of compliance by banks with economic regulations, the



frequency of contributions to centralised funds and determines the effectiveness of state regulation of banking activities.

In the modern world, the Central Bank of Russia is a key element of the country's financial and credit system. It acts as a conductor of monetary policy, which is designed to influence the exchange rate, interest rates, the total amount of liquidity of the banking system and, consequently, the economy. Achieving these goals makes it possible to achieve stable economic growth, reduce unemployment and inflation. As a result of operations conducted by the Central Bank on the open market, the volume of own resources of commercial banks individually and the banking system as a whole change, which entails a change in the cost of credit and, as a consequence, the demand for money.

In addition, the Central Bank of Russia conducts direct and holistic control and supervision of the activities of commercial banks in Russia. This is done in order to ensure the stability of individual banks and the banking system as a whole. Therefore, the correct performance of the functions of the Bank of Russia is of great importance for our country.



#### References:

- The Constitution of the Russian Federation: adopted by popular vote on December 12, 1993 (2020). Legislative Assembly of the Russian Federation, 31. (In Russian)
- On the Securities Market. Federal Law No. 39-FZ dated April 22, 1996 (as amended on July 14, 2022). (In Russian)
- On Additional Measures to Support the Financial System of the Russian Federation. Federal Law No. 173-FZ dated October 13, 2008 (with amendments and additions). (In Russian)
- On Amendments to Certain Legislative Acts of the Russian Federation in Connection with the Transfer to the Central Bank of the Russian Federation of Powers to Regulate, Control and Supervise Financial Markets. Federal Law No. 251-FZ dated July 23, 2013. (In Russian)
- On Banks and Banking Activities. Federal Law No. 395-I dated December 2, 1990 (with amendments and additions, intro. effective from July 14, 2022). (In Russian)
- On the Banking Supervision Committee of the Bank of Russia. Regulation of the Bank of Russia No. KBN-2017 dated July 18, 2017 (approved by the decision of the Board of Directors of the Bank of Russia (Minutes No. 14 dated June 29, 2017). (In Russian)
- On the Central Bank of the Russian Federation (Bank of Russia). Federal Law No. 86-FZ dated July 10, 2002 (as amended on December 30, 2021) (with amendments and additions, intro. effective from 29.05.2022). (In Russian)
- Alekseeva, D. G., Efimenko, E. N., Pykhtin, S. V., Filippova, T. V., Falkovskaya, Ya. M. (2022). *The modern banking system of the Russian Federation*. Moscow: Yurayt Publishing House. (In Russian)
- Krymova, I. P. (2022). *Organisation of the activities of the Central Bank*. Moscow: Yurayt Publishing House. (In Russian)
- Ruchkina, G. F., Ashmarina, M., & Gizatullin, F. K. (2022). *Structure and functions of the Central Bank of the Russian Federation*. Moscow: Yurayt Publishing House. (In Russian)

*Nilufar U. Kamilova*<sup>[3]</sup>, *Nariman Yu. Muslimov*<sup>[4]</sup>

*Scientific supervisor: Nina N. Gontar*<sup>[1]</sup>

### **Analysis of Nizhny Novgorod Region's budget execution** <sup>[3]</sup>

*Abstract:* The budget and tax policy of Nizhny Novgorod Region's Government in the medium term retains the continuity of the policy of the previous planning period. First of all, it will be focused on the implementation of the main tasks set by the President of the Russian Federation. Considering the high uncertainty in assessing, the consequences of the difficult economic situation in 2020 associated with the introduction of restrictive measures aimed at combating the spread of a new coronavirus infection, the main task of the budget policy for 2021-2023 will be the formation of a realistic forecast of revenue receipts, preventing the adoption of new spending commitments that are not secured by sources of financing, the efficiency of the use of budget funds, as well as ensuring the balance and sustainability of the consolidated and Nizhny Novgorod regional budgets. The study subject was Nizhny Novgorod region's budget. The study object was Nizhny Novgorod Region's budget execution. The study's purpose was to analyse Nizhny Novgorod Region's budget execution. To achieve this purpose and solve the study tasks, such methods as historical, statistical, logical, and comparative analysis were used. In the course of the study, regulatory legal acts of the legislative power of the Nizhny Novgorod Region, the work of specialists, and publications in the mass media were used. The authors conclude that the priority areas of work of the Nizhny Novgorod Region's Government in inter-budgetary relations in 2022-2024 will be the control over the implementation by local self-government bodies of Nizhny Novgorod Region's municipal districts, municipal districts and urban districts of priority areas of budget spending within the framework of the implementation of state policy at the local level and responsible financial policy.

*Keywords:* Nizhny Novgorod region, budget policy, tax policy, budget execution, budget deficit, debt policy.



*Нилуфар Уткировна Камилова, Нариман Юсупович Муслимов*

*Научный руководитель: Нина Николаевна Гонтарь*

### **Анализ исполнения бюджета Нижегородской области**

*Аннотация:* Бюджетная и налоговая политика правительства Нижегородской области на среднесрочную перспективу сохраняет преемственность политики предыдущего планового периода. Она будет ориентирована, в первую очередь, на реализацию основных задач, поставленных Президентом РФ. Учитывая высокую неопределенность в оценке последствий сложной экономической ситуации в 2020 году, связанной с введением ограничительных мер, направленных на борьбу с распространением новой коронавирусной инфекции, основной задачей бюджетной политики на 2021-2023 годы будет формирование реалистичного прогноза поступления доходов, недопущения принятия новых расходных обязательств, не обеспеченных источниками финансирования, эффективности использования бюджетных средств, а также обеспечение сбалансированности и устойчивости консолидированного и областного бюджетов Нижегородской области. Предметом исследования был бюджет Нижегородской области. Объектом исследования было исполнение бюджета Нижегородской области. Целью



исследования был анализ исполнения бюджета Нижегородской области. Для достижения поставленной цели и решения задач исследования были использованы такие методы как исторический, статистический, логический и сравнительный анализ. В ходе исследования были использованы нормативные правовые акты законодательной власти Нижегородской области, работы специалистов по данному субъекту Российской Федерации и публикации в средствах массовой информации. Автор приходит к выводу, что приоритетными направлениями работы Правительства Нижегородской области в сфере межбюджетных отношений в 2022-2024 годах будет являться контроль за осуществлением органами местного самоуправления муниципальных районов, муниципальных округов и городских округов Нижегородской области приоритетных направлений расходования бюджетных средств в рамках реализации государственной политики на местном уровне и за проведением ответственной финансовой политики.

*Ключевые слова:* Нижегородская область, бюджетная политика, налоговая политика, исполнение бюджета, дефицит бюджета, долговая политика.



## Introduction

Nizhny Novgorod Region's Government budget and tax policy in the medium term retains the continuity of the policy of the previous planning period. It will be focused, first of all, on the implementation of the main tasks set by the President of the Russian Federation.

Considering the high uncertainty in assessing the consequences of the difficult economic situation in 2020 associated with the introduction of restrictive measures aimed at combating the spread of a new coronavirus infection, the main task of the budget policy for 2021-2023 will be the formation of a realistic forecast of revenue receipts, preventing the adoption of new spending commitments that are not secured by sources of financing, the efficiency of the use of budget funds, just like ensuring Nizhny Novgorod Region's balance and sustainability consolidated and regional budgets.

In the medium term, the following priorities of budget expenditures remain:

- ensuring the preservation of the parameters for the level of wages of certain categories of social workers established by the Decrees of the President of the Russian Federation;
- implementation of social support measures for the population, including by expanding the practice of social contracts;
- ensuring the withdrawal of citizens from a difficult life situation, including by increasing the targeting of social support measures, employment promotion;
- support for families with children;
- provision of residential premises to orphans and persons from among them, implementation of other housing programmes operating in the Nizhny Novgorod Region;
- co-financing of socially significant expenses of local self-government bodies of Nizhny Novgorod Region's municipal districts, municipal, and urban districts;
- implementation of state programs aimed at promoting the sustainable development of the economy of the Nizhny Novgorod Region, including support for priority sectors of the economy, as well as small businesses;

- implementation of measures to ensure the availability of transport services for privileged categories of citizens, students, students;
- implementation of measures to ensure environmental safety;
- implementation of measures to create a comfortable urban environment (*The Budget of the Nizhny Novgorod Region for 2022..., n.d.*).

To achieve the study's purpose, the following tasks were developed:

- analyse Nizhny Novgorod Region's budget revenues and expenditures;
- monitor the Nizhny Novgorod Region's budget deficit in 2022 and the planned budget for 2023;
- determine the main directions of Nizhny Novgorod Region's tax policy for 2023-2024;
- determine the main directions of Nizhny Novgorod Region's debt policy for 2023-2024.

To achieve this purpose and solve the research tasks, such methods as historical, statistical, logical, and comparative analysis were used.

In the course of the study, regulatory legal acts of Nizhny Novgorod Region's legislative power, the work of specialists on this Russian Federation' region and publications in the mass media were used.

### **Analysis of Nizhny Novgorod Region's budget revenues and expenditures**

According to the regional Ministry of Finance, the amount of tax and non-tax revenues in the consolidated budget revenues amounted to 221.7 billion rubles and increased by 21.4%. As Nizhny Novgorod Region's governor noted, the growth of tax and non-tax revenues occurred mainly due to an increase in corporate income tax revenues by 21 billion rubles, personal income tax by 6.6 billion, excise taxes by 4.5 billion rubles. Gleb Nikitin said, "In 2020, in the Nizhny Novgorod Region, as in the whole country, there was a decrease in income tax receipts due to the pandemic. However, already in 2021, business began to recover, and deductions for corporate income tax increased 1.5 times as a result. At the same time, the wage fund has increased, thanks to which personal income tax receipts to the budget have increased."

According to the regional Ministry of Finance, in 2021, region's consolidated budget expenses amounted to 283.7 billion rubles. The largest share is spending on education by 74.2 billion rubles (26.2% of total expenditures), social policy by 60.4 billion rubles (21.3%), and healthcare by 27.5 billion rubles (9.7%).

According to the Financial Minister Olga Sulima, the region has fulfilled all the budget obligations, ensuring the implementation of 34 state programs, including within the framework of national projects. In 2022, the social orientation of the budget remains, it is provided for the social sphere at least 70 percent of expenditures. Nizhny Novgorod Region's budget revenues in 2021 increased by 15.7% and reached 245.1 billion rubles. Tax and non-tax revenues increased by 24.1%, to 178.4 billion rubles. The expenditures of the regional budget amounted to 241.3 billion rubles. All existing expenditure obligations have been fulfilled, including on national projects, decrees and the President's message. Within the framework of various national projects, in particular, thousands of children in the region took advantage of new opportunities to gain knowledge, nine municipal libraries were modernised according to the model standard, 120 public spaces and 179 courtyards were landscaped for residents. Funds were also allocated

to support the economy, prevention and elimination of the consequences of the spread of coronavirus infection.

It is worth noting that the regional budget for 2022 and for the planning period of 2023 and 2024 was adopted in the second reading at a meeting of the Legislative Assembly on December 21, 2021. It provides for Nizhny Novgorod Region's budget revenues for 2022 in the amount of 228.4 billion rubles, 236.9 billion rubles of expenses, 8.5 billion rubles of deficit, of which 3.4 billion rubles are an infrastructure budget loan and 5.1 billion rubles are account balances. Gratuitous receipts to the regional budget are calculated in the amount of 51 billion rubles, of which 47.4 billion rubles are funds from the federal budget, 3.6 billion rubles are funds of the State Corporation "Fund for Assistance to Housing and Communal Services Reform".

The formation of expenditures of the regional budget for 2022 and for the planning period of 2023 and 2024 was performed on the basis of 34 state programmes in the region, which account for 94.6% of the total expenditures of the regional budget.

Nizhny Novgorod Region's consolidated budget expenditures in 2020 were executed in the amount of 261.6 billion rubles and increased by 75.4 billion rubles or 40.5% in 2019-2020. The largest their share is occupied by expenditures on social sectors, i.e., annually more than 65% of total expenditures.

Nizhny Novgorod Region's Government has ensured the timely and full fulfillment of all expenditure obligations, including the preservation of the targets for salaries of public sector employees established by the Decrees of the Russian Federation President of May 7, 2012. Starting in 2019, measures are being implemented within the framework of 12 national projects, for which 54.6 billion rubles of federal and regional funds have been allocated over two years. In addition, with the involvement of federal budget funds, measures have been implemented to develop education, healthcare, agriculture, small business, and programmes have been implemented to provide housing for certain categories of citizens. The real sector of the economy was supported by subsidising the costs of industrial enterprises for modernisation and expansion of production, subsidising interest rates on loans from commercial banks of agricultural organisations and other industries, as well as by providing Nizhny Novgorod Region's tax benefits and state guarantees. An effective debt policy, including by attracting credit resources in the form of renewable credit lines, short-term loans from Nizhny Novgorod Region's Federal Treasury Department, just like budget loans from the federal budget, was performed.

The improvement of the situation with the receipt of income sources in 2018-2019, the receipt of additional revenues to Nizhny Novgorod Region's budget, the formation of a budget with a surplus made it possible to significantly reduce the debt burden by 12.4 percentage points (from 63.5% to 51.1%).

The execution of the regional and consolidated budget in 2020 is performed in the context of the deteriorating economic situation associated with the introduction of restrictive measures in connection with the spread of a new coronavirus infection (COVID-19). Measures aimed at preventing the spread of a new coronavirus infection (COVID-19) have led to a decrease in Nizhny Novgorod Region's budget tax and non-tax revenues.

By the end of 2020, tax and non-tax revenues to the regional consolidated budget were received at the level of execution for 2019 in the amount of 182.6 billion rubles. The main losses

in tax and non-tax revenues were formed by the regional budget – a decrease of 8.4 billion rubles to the initial forecast, and 2.4 billion rubles to the level of 2019. Under these conditions, the support of the regional budget from the Russian Federation was significant, including for compensation of losses on tax and non-tax revenues and for the implementation of measures to eliminate the consequences of the spread of a new coronavirus infection (COVID-19).

The improvement of the situation with the execution of the regional budget by the end of 2020 was most influenced by measures of federal and regional support to the most affected industries, including within the framework of the Decree of the Governor of the Nizhny Novgorod Region No. 53 (*On Measures to Support Organisations...*, 2020).

The need to fulfill the Decrees of the Russian Federation President dated May 7, 2012, social obligations to Nizhny Novgorod Region's population, including the obligations established by the Messages of the President of the Russian Federation to the Federal Assembly of the Russian Federation, as well as increased spending to support the economy and prevent the spread of a new coronavirus infection (COVID-19), led to the execution of the regional budget with a deficit and increase in the volume of public debt. By the end of 2020, the regional budget deficit amounted to 12.6 billion rubles, the debt burden increased from 51.1% to 59.5% compared to the beginning of the year. However, at the same time, it is at an economically safe level and within the limits set by the terms of the agreements on the restructuring of budget loans concluded with the Ministry of Finance of the Russian Federation.

To improve the quality of budget planning, increase the effectiveness and efficiency of the use of funds in 2018-2020, work was performed in the following areas:

- formatting and executing the regional budget in a programme format based on Nizhny Novgorod Region's state programmes;
- formatting and executing the regional budget using the unified integrated budget process management system of *State Information System for Public Finance Management of the Ministry of Finance of the Nizhny Novgorod Region*;
- assessing the effectiveness of tax expenditures of the Nizhny Novgorod Region and regional municipalities;
- conducting an assessment of the effectiveness of Nizhny Novgorod Region's state programmes, which provides for an integrated approach to evaluating programmes, considering the quality of their formation and the effectiveness of implementation;
- annual formation of state tasks for the provision of public services (performance of works) in relation to Nizhny Novgorod Region's state institutions;
- maintaining a safe level of debt burden and unconditional fulfillment of the assumed Nizhny Novgorod Region's debt obligations;
- applying the system of encouragement of the chief administrators of the regional budget funds who have shown the best results based on the results of the ongoing monitoring of the quality of financial management, as well as encouragement of Nizhny Novgorod Region's municipal districts, municipal districts, and urban districts, achieving the best results in improving the efficiency of budget expenditures;

- implementing financing of expenses using the mechanism of approval of the maximum amounts of financing for each quarter in order to prevent the formation of overdue accounts payable;
- ensuring openness and transparency of information on the budget process, on the execution of the regional budget, on Nizhny Novgorod Region's budgetary and socio-economic indicators through the Internet information and telecommunications network;
- annual public hearings on the annual report on the execution of the regional budget and on the draft regional budget for the next financial year and for the planning period in order to identify public opinion on the formation and execution of the regional budget.

In 2021, the regional and consolidated budget execution is proceeding at a higher pace than in 2020. It amounted to 118.0 billion rubles in revenue for the first half of 2021, or 116% compared to the same period in 2020, and 110.1% in expenses of 114.3 billion rubles. The receipt of tax and non-tax revenues to the consolidated budget amounted to 97.3 billion rubles, which is 15.1 billion rubles or 18.5% higher than the receipts of the same period in 2020.

Depending on Nizhny Novgorod Region's economic development conditions in 2021, which may be affected by the further implementation of measures aimed at preventing the spread of a new coronavirus infection (COVID-19), the risk of non-fulfillment of the forecast of budget indicators remains until the end of the year (*The deputies supported the main directions..., 2020*).

### **The deficit in 2022 and 2023 Nizhny Novgorod Region's planned budget**

After the changes were made, the regional budget revenues were approved in the amount of 231.1 billion rubles, 260.7 billion rubles of expenditures, the deficit amounted to 29.6 billion rubles, or 11.4% of expenditures. It is reported that one billion rubles of budget funds will be allocated to compensate part of the interest rate on loans from commercial banks received by small and medium-sized businesses. "It is important that in the difficult economic conditions that have arisen due to unprecedented sanctions pressure, in addition to federal support measures, we provide assistance at the regional level. The changes made to the budget today have been adopted precisely for this purpose. Small and medium-sized businesses always have more expensive borrowings than large enterprises, so we are sending one billion rubles from the regional budget to compensate for part of the interest rate of 5% on loans from commercial banks received by small and medium-sized businesses," the words of the chairman of the Regional Legislative Assembly Yevgeny Lyulin are quoted in the message.

Also in 2023, gratuitous receipts from the Housing and Communal Services Reform Assistance Fund will be increased by 606 million rubles to provide measures for the resettlement of citizens from emergency housing stock. An additional 200 million rubles will be allocated from the regional budget for the provision of medicines to regional beneficiaries, more than 560 million rubles will be allocated for road repairs, 123 million rubles will be allocated to compensate bakery industry enterprises for the production and sale of bakery products at the expense of federal and regional budgets.

Prior to the latest changes, the regional budget revenues were approved in the amount of 229 billion rubles, 257 billion rubles of expenditures, 28 billion rubles of deficit, or 10.9% of expenditures. According to the data on the website of the Ministry of Finance of the region,

Nizhny Novgorod Region's state debt as of April 1, 2022 amounted to 105.44 billion rubles, including 55.7 billion rubles accounted for budget loans, 49.6 billion rubles for government securities, 139.7 million rubles for state guarantees. There were no commercial bank loans.

The revenues of the regional budget for 2023 are projected to amount to 240.6 billion rubles. The project provides for gratuitous receipts in the amount of 32.5 billion rubles, including 30.9 billion rubles from the federal budget and 1.6 billion rubles from the Fund for Assistance to Housing and Communal Services Reform. Currently, not all federal funds have been distributed, another part will be sent to the regions for the second reading of Russian Federation's budget (*Budget deficit of Nizhny Novgorod Region..., n.d.*).

### **The main directions of 2023-2024 Nizhny Novgorod Region's tax policy**

As in previous years, the 2022-2024 tax policy of Nizhny Novgorod Region's Government will be aimed at ensuring the receipt to the regional consolidated budget of all revenue sources in the planned amounts, as well as additional income, including due to the repayment by taxpayers of arrears on mandatory payments to the regional consolidated budget. The priorities of the tax policy of Nizhny Novgorod Region's Government will be the effective and stable functioning of the tax system, ensuring fiscal sustainability in the medium and long term in the next three years.

The main directions of 2022-2024 Nizhny Novgorod Region's tax policy are defined as:

- increasing Nizhny Novgorod Region's tax potential through tax incentives for business activity in the Nizhny Novgorod Region, attracting investment, implementing highly effective investment and innovative projects;
- continuing the policy of validity and effectiveness of the application of tax benefits, the abolition of ineffective and unclaimed benefits;
- state support for priority sectors of the economy and organizations of small and medium-sized businesses;
- mutually beneficial cooperation with organisations forming the Nizhny Novgorod region tax potential, including within the framework of agreements concluded between Nizhny Novgorod Region's Government and the largest regional organisations;
- further improving tax administration, increasing the level of responsibility of chief revenue administrators for the qualitative forecasting of Nizhny Novgorod Region's consolidated budget revenues and the full implementation of approved annual assignments for the revenues of the regional budget and local budgets of the Nizhny Novgorod Region, activation of claim and claim activities;
- performing measures to improve the efficiency of Nizhny Novgorod Region's management of state and municipal property, natural resources, including the identification of land plots that are not used for their intended purpose (*On the Approval of the Main Directions of the Budget and Tax Policy..., 2021*).

In 2022-2024, work will continue to assess the effectiveness of tax expenditures of the Nizhny Novgorod Region and its municipalities, the abolition of inefficient tax benefits. According to the results of the assessment for 2020, all Nizhny Novgorod Region's tax expenditures were recognised as effective.

Tax and non-tax revenues formation will be based on the following legislative changes coming into force at the federal and regional levels, as well as the planned adoption from 2022:

- from January 1, 2022, excise tax rates on alcoholic beverages with a volume share of ethyl alcohol over 9% will increase by 4.1%, wines, fruit wines by 3.1%, beer by 4.3%, gasoline, diesel fuel and motor oils by 4.0%;
- for 2022 and 2023, the reduced corporate property tax rate is extended (1.6% instead of 2.2%) with respect to public railways and structures that are an integral technological part of them;
- starting from 2022, uniform deadlines for the payment of corporate property tax (no later than March 1 of the year following the expired tax period) and advance tax payments (no later than the last day of the month following the expired reporting period) will be introduced;
- for 2022-2024, the standard for crediting excise taxes on motor gasoline, straight-run gasoline, diesel fuel, engine oils for diesel and (or) carburetor (injection) engines to the budgets of the constituent entities of the Russian Federation is set at the level of 2021 in the amount of 74.9%;
- it is planned to extend until December 31, 2024, when calculating corporate income tax, the effect of a 50% restriction on the transfer of losses received by taxpayers in previous tax periods;
- it is planned to introduce a tax deduction mechanism for corporate income tax, corporate property tax, transport tax and land tax for organisations that have concluded agreements on the protection and promotion of capital investments from January 1, 2022 (if the Nizhny Novgorod Region's municipal entity is a party to the agreement, among others);
- from July 1, 2021 to July 1, 2031 there are reduced tax rates on the tax levied in connection with the application of the simplified taxation system in the amount of 1% if the object of taxation is income, and in the amount of 5% if the taxation object is income reduced by the amount of expenses for legal entities and individual entrepreneurs registered in the Nizhny Novgorod Region, whose main economic activity is the development of computer software, consulting services in this field and other related services, provided, if for the relevant tax period at least 70% of the income was income from the implementation of the specified type of economic activity, and if the average salary of the taxpayer for the relevant tax period was at least 55,000 rubles;
- from January 1, 2023, the right is established for the taxpayer to apply an investment tax deduction for corporate income tax in the Nizhny Novgorod Region for organisations that are subjects of investment activity implementing priority investment or innovative projects of the region. It is also planned to extend the right to apply the investment tax deduction from January 1, 2022, for all taxpayers engaged in certain types of economic activity included in section C "Manufacturing" of the All-Russian Classifier of Types of Economic Activity OK 029-2014;
- establishment for the corresponding year of the coefficients of indexation of rent for land plots owned by the Nizhny Novgorod Region's state, and land plots for which state ownership is not delimited, as well as rent for objects of non-residential fund of regional



property at the level of the planned average annual consumer price index (*On the Approval of the Main Directions of the Budget and Tax Policy...*, 2021).

### **The main directions of 2023-2024 Nizhny Novgorod Region's debt policy**

Nizhny Novgorod Region's Government policy in 2022-2024 public debt management will be based on the Concept of Public Debt Management of the Nizhny Novgorod Region for the period up to January 1, 2025, approved by the Decree of the Government of the Nizhny Novgorod Region (*On the Concept of Public Debt Management...*, 2011).

The debt policy will be aimed at ensuring sustainable and balanced execution of the regional budget and is aimed at maintaining a safe level of debt burden, unconditional fulfillment of the assumed Nizhny Novgorod region debt obligations, which will contribute to improving the Nizhny Novgorod region credit rating and reducing the cost of borrowing.

The main objectives of the debt policy implementation are:

- maintaining the volume of public debt at an economically safe level of debt sustainability (taking into account possible risks) in the amount of no more than 75% of the total revenue of the regional budget approved by Nizhny Novgorod Region's law for the next financial year and planning period, excluding the approved number of gratuitous receipts;
- active using the mechanism for attracting Nizhny Novgorod Region's state securities as a source of long-term financing of the regional budget deficit;
- improving the efficiency of government borrowing, reducing the risks associated with their implementation
- optimising the structure of public debt in order to minimise the cost of servicing it;
- ensuring openness and transparency of Nizhny Novgorod Region's state debt information (*On the Approval of the Main Directions of the Budget and Tax Policy...*, 2021).

### **Conclusion**

The formation of inter-budgetary relations with 2022-2024 Nizhny Novgorod Region municipalities will be performed according to the Law of the Nizhny Novgorod Region No. 177-Z (*On Inter-Budgetary Relations...*, 2011).

The creation of conditions for the execution by local self-government bodies of Nizhny Novgorod Region's municipalities of the powers assigned to them will be performed by fixing the standards of deductions from taxes for local budgets, equalising the budgetary provision of Nizhny Novgorod Region's municipalities, ensuring the balance of local budgets and co-financing issues of local importance according to a single established level.

To improve the efficiency of equalising the budgetary provision of Nizhny Novgorod region municipal districts, urban districts, and settlements, it is planned to continue the practice of distributing 2022-2024 inter-budget transfers, considering the model expenditures of Nizhny Novgorod Region's municipalities, which represent the estimated amount of expenditures, considering the specifics of Nizhny Novgorod Region's municipalities as much as possible and estimating the amount of funds necessary for the full implementation of their own powers.

Bringing the ratio of the estimated deficit of Nizhny Novgorod Region's municipal district consolidated budget (municipal district, city district), model expenditures up to a single



minimum possible level for all Nizhny Novgorod Region's municipal districts, municipal districts, and urban districts will be performed by providing subsidies to ensure budget balance.

For the purpose of socio-economic development and improvement of municipal finances, agreements will be concluded with local self-government bodies of Nizhny Novgorod Region's municipal districts, municipal districts, and urban districts, which are recipients of subsidies from the regional budget in 2022-2024, providing for obligations on priority spending of local budget funds and the achievement of certain indicators aimed at stabilising the financial and economic situation of Nizhny Novgorod Region's municipal district, municipal district, and city district.

It is planned to maintain the mechanism of collecting subsidies from the budgets of over-secured settlements ("negative transfers") to the regional budget for further distribution among highly subsidised settlements within one municipal district.

To increase the interest of local self-government bodies of Nizhny Novgorod Region's municipalities in increasing the tax base, it is planned:

- continue the practice of applying, when determining the tax potential of the territory, the growth rate of the taxable base of Nizhny Novgorod Region's municipalities, which does not exceed the average values for Nizhny Novgorod Region's municipalities;
- establish differentiated standards for deductions from income collected in connection with the application of the simplified taxation system for the budgets of Nizhny Novgorod region municipal districts, municipal districts, and urban districts;
- impelling measures aimed at the development of initiative budgeting in the Nizhny Novgorod region.

The priority areas of work of Nizhny Novgorod Region's Government in 2022-2024 inter-budgetary relations will be monitoring the implementation by local self-government bodies of Nizhny Novgorod Region's municipal districts, municipal districts, and urban districts of priority areas of budget spending within the framework of the implementation of state policy at the local level and responsible financial policy.



#### References:

- Budget deficit of Nizhny Novgorod Region for 2022 increased from 10.9% to 11.4% of expenses. (n.d.). (In Russian). <https://www.interfax-russia.ru/volga/news/deficit-byudzheta-2022-nizhegorodskoy-oblasti-uvlichen-s-10-9-do-11-4-ot-rashodov>
- Kabanov, S. S. (2022). Assessment of threats to the economic security of the Nizhny Novgorod Region. *Bulletin of Science*, 8(53), 15-18. (In Russian)
- Nizhny Novgorod Budget 2023: Security is more expensive, healthcare is cheaper. (2022, November 1). (In Russian) NewsNN.RU. <https://newsnn.ru/news/2022-11-01/nizhegorodskiy-byudzhet-2023-bezopasnost-dorozhe-zdravoohranenie-desheвле-2575158>
- Nizhny Novgorod projects to improve literacy are among the best regional practices (2022, November 11). Nizhny Novgorod Pravda. (In Russian). <https://pravda->

- [nn.ru/news/nizhegorodskie-proekty-po-povysheniyu-fingramotnosti-voshli-v-chislo-luchshih-Regionalnyh-praktik/](https://nn.ru/news/nizhegorodskie-proekty-po-povysheniyu-fingramotnosti-voshli-v-chislo-luchshih-Regionalnyh-praktik/)
- Serebryakova, V. S. (2019). Analysis of the investment policy of the Nizhny Novgorod Region. *Scientific and Practical Electronic Journal Alley of Science*, 11(38). (In Russian). <https://elibrary.ru/item.asp?id=41878772>
- Sochkov, A. L., Soloviev, A. E. (2022). Neural network forecasting of real monetary incomes of the population of the Nizhny Novgorod Region. *Mathematical and Computer Modelling and Business Analysis in the Conditions of Digitalisation of the Economy. Collection of Scientific Articles Based on the Results of the II All-Russian Scientific and Practical Seminar*, 162-167. Nizhny Novgorod. (In Russian)
- On the Concept of Public Debt Management of the Nizhny Novgorod Region for the Period up to January 1, 2025. (2011). Resolution of the Government of the Nizhny Novgorod Region No. 817 of October 12, 2011. (In Russian)
- On Inter-Budgetary Relations in the Nizhny Novgorod Region. (2011). The Law of the Nizhny Novgorod Region No. 177-Z dated December 6, 2011. (In Russian)
- On Measures to Support Organisations and Individuals Affected by the Spread of a New Coronavirus Infection (COVID-19). Decree of the Governor of the Nizhny Novgorod Region No. 53 dated April 7, 2020. (In Russian)
- On the Approval of the Main Directions of the Budget and Tax Policy of the Nizhny Novgorod Region for 2022 and for the Planning Period of 2023 and 2024. (2021). Decree of the Government of the Nizhny Novgorod Region No. 793 dated September 6, 2021. (In Russian)
- The deputies supported the main directions of the 2021 Nizhny Novgorod Region budget and tax policy and the planning period of 2022 and 2023. (2020, September 19). (In Russian) <https://www.zsno.ru/press-service/news/147996/>
- The Budget of the Nizhny Novgorod Region for 2022 has been adopted. (n.d.). (In Russian) <https://nn.rbc.ru/nn/freenews/61c2ab449a7947bee0acb2d6>

*Dmitry V. Pushnyakov*<sup>[5]</sup>

*Scientific supervisor: Nina N. Gontar*<sup>[1]</sup>

### **Analysis of the financial system of Japan** <sup>[4]</sup>

*Abstract:* Japan is a unitary state with a constitutional monarchy. The emperor is a symbol of the state, but his activities are performed in coordination with the parliament. Japan is a unitary state that consists of 47 prefectures. Many researchers also highlight the democratic and national features of the Land of the Rising Sun. At the present time, Japan is a highly developed country of technological progress and innovation. Japan's rapid growth after World War II is due not only to its technical innovations, but also to the complex interaction of technology and technology, economic, and socio-political factors. The majority of public investments were directed to the development of industrial infrastructure, and only a small part of them was directed to the social sphere. New construction and modernisation of production capacity contributed to GDP growth. The relevance and problematics of the study is due to the emerging controversial issues in legal science. The study subject was the norms governing the relations developing in financial activity, as well as the theoretical developments of scientists on this issue. The study object was legal relations arising in financial activity in Japan and in international financial relations with the participation of the named country. The study's purpose was to identify the main components of the Japanese financial system, the relationship between them, and the legal regulation of financial activity in this country. The methodological basis is the dialectical method, as a general scientific method of cognition, and separate private scientific methods: logical, formal-legal, comparative-legal, and historical-legal. This study contains the main theoretical provisions, reasoned on the basis of Japanese legislation and scientific literature, arguments, and conclusions that can be applied in practice. The author concludes that the financial crises of 1998 and 2008 forced the Japanese government to switch to strict regulation of the country's financial system. In Japan, the concept of an integrated approach to the regulation of the financial system was retained. In 2014, a special mechanism for managing financial crises was created in Japan. The peculiarity of Japan's financial model is the relationship between public financing and significant private capital in the implementation of national programs. Interaction and interpenetration of state and corporate financial planning contribute to coordinated economic development and ensuring the stability of the economic system.

*Keywords:* Japan, Japan's financial system, international financial relations, financial regulators, financial crises.



*Дмитрий Викторович Пушняков*

*Научный руководитель: Нина Николаевна Гонтарь*

### **Анализ финансовой системы Японии**

*Аннотация:* Япония является унитарным государством с конституционной монархией. Император – символ государства, но его деятельность осуществляется по согласованию с парламентом. Япония представляет собой унитарное государство, которое состоит из 47 префектур. Многие исследователи выделяют ещё демократические и национальные особенности Страны восходящего солнца. В нынешнее время Япония – высокоразвитая страна технологического прогресса и инноваций. Стремительный рост Японии после Второй Мировой войны обусловлен

не просто ее техническими инновациями, но и сложным взаимодействием техники и технологий, экономическими и социально-политическими факторами. Преимущественная часть государственных инвестиций направлялась на развитие промышленной инфраструктуры и лишь незначительная их часть – в социальную сферу. Новое строительство и модернизация производственного потенциала способствовало росту ВВП. Актуальность и проблематика исследования обусловлена возникающими спорными вопросами в юридической науке. Предметом исследования были нормы, регулирующие отношения, складывающиеся в сфере осуществления финансовой деятельности, а также теоретические разработки ученых по данной проблематике. Объектом исследования были правоотношения, возникающие в сфере осуществления финансовой деятельности на территории Японии и в международных финансовых отношениях с участием названной страны. Целью исследования было определение основных компонентов финансовой системы Японии, взаимоотношения между ними, правовое регулирование финансовой деятельности в данной стране. Методологической основой являются диалектический метод, как общенаучный метод познания, и отдельные научно-научные методы: логический, формально-юридический, сравнительно-правовой, историко-правовой. Данная работа содержит основные теоретические положения, аргументированные на основе законодательства Японии и научной литературы рассуждения и выводы, которые можно применить в практической деятельности. Автор приходит к заключению, что финансовые кризисы 1998 г. и 2008 г. заставили правительство Японии перейти к жесткому регулированию финансовой системы страны. В Японии была сохранена концепция комплексного подхода к регулированию финансовой системы. В 2014 г. в Японии был создан специальный механизм по управлению финансовыми кризисами. Особенностью финансовой модели Японии является взаимосвязь государственного финансирования и значительного частного капитала в реализации общегосударственных программ. Взаимодействие и взаимопроникновение государственного и корпоративного финансового планирования способствуют согласованному экономическому развитию и обеспечению стабильности экономической системы.

*Ключевые слова:* Япония, финансовая система Японии, международные финансовые отношения, регуляторы финансовой деятельности, финансовые кризисы.



## Introduction

Japan is a unitary state with a constitutional monarchy. The emperor is a symbol of the state, but his activities are performed in coordination with the parliament. Japan is a unitary state that consists of 47 prefectures. Many researchers also highlight the democratic and national features of the Land of the Rising Sun (*Balashov & Belova, 2019*).

At the present time, Japan is a highly developed country of technological progress and innovation. Japan's rapid growth after World War II is due not only to its technical innovations, but also to the complex interaction of technology and technology, economic, and socio-political factors. The majority of public investments were directed to the development of industrial infrastructure, and only a small part of them was directed to the social sphere. New construction and modernisation of production capacity contributed to GDP growth.

The relevance and problematics of the study is due to the emerging controversial issues in legal science.

The study subject was the norms governing the relations developing in financial activity, as well as the theoretical developments of scientists on this issue.

The study object was legal relations arising in financial activity in Japan and in international financial relations with the participation of the named country.

The study's purpose was to identify the main components of the Japanese financial system, the relationship between them, and the legal regulation of financial activity in this country.

Based on the study purpose, the following tasks were developed:

- determine the path of formation of the modern Japanese financial system based on the study of literature;
- determine the structure of the financial system of Japan, as well as the mechanism for regulating financial crises in the country using the analysis of special economic and legal literature and the provisions of legislative and by-laws.

The methodological basis is the dialectical method, as a general scientific method of cognition, and separate private scientific methods: logical, formal-legal, comparative-legal, and historical-legal.

This work contains the main theoretical provisions, reasoned on the basis of Japanese legislation and scientific literature, arguments and conclusions that can be applied in practice.

### **Formation of the modern financial system of Japan**

Before World War II, the Japanese economy was dominated by large family conglomerates called Zaibatsu. Zaibatsu, meaning “money clan” or conglomerate. It was used from the 19th to the first half of the 20<sup>th</sup> century to name large families controlling banking and industrial associations (cartels, syndicates). The four main zaibatsu began their history back in the Edo period. These are Mitsubishi, Mitsui, Sumitomo, and Yasuda. The controls remained in the family holding company, and the financing was performed internally. During the American occupation, attempts were made to reform Zaibatsu. However, civic support and the need for rapid reindustrialisation of the war-torn country left most of these companies untouched, although control passed from families to shareholders. Today, companies like Mitsubishi and Sumitomo can trace their history.

The Japanese yen was created according to the New Currency Act of 1871, and in 1882 the Bank of Japan was formed to centralise the issue of currency. The Bank of Japan initially acted as the government, implementing economic policy, controlling the pace of economic growth through quotas for the growth of lending to commercial banks.

It is generally accepted in science that the financial and banking system of Japan has gone through several major stages in its development in less than a hundred years: from 1882 to the present (*Drysdale & Gower, 1999, p. 32*). In total, four such stages can be distinguished, each of which is unique in its own way and important for understanding the current situation in the legal regulation of banking in the country (*Karpov, 2017*).

The first stage from the second half of the 19<sup>th</sup> century to 1930 became a turning point for the future fate of Japan and its banking law. So, only in 1858, Japan was forced to open its ports to foreign countries by signing trade agreements with Russia, the United States and other countries. Emperor Mutsuhito (Mei ji), who took the throne in 1867, paid special attention to bringing the country out of isolation and joining the Western legal system.

In 1882, on the basis of the law on the Bank of Japan, which entered into force on October 10 of the same year, the central bank of this country was established. This decision was necessary

for the Japanese authorities, since further industrialisation and economic development are impossible without the available money that went to support entrepreneurs.

At the second stage of the formation of the financial system (from 1930 to 1945), financial resources are being mobilised to support wars.

The third, so-called post-war stage (from 1945 to 1997), began with the surrender of the Japanese Empire on September 2, 1945. This period in the history of Japan was accompanied by reindustrialisation and lending to enterprises, a new round in the development of the economy, liberal reforms of the 1970s, the integration of the national banking system into the world banking system.

The fourth stage (from 1997 to the present century) characterises the development of the Japanese banking system in the modern historical period of time. The beginning of this stage can be counted from 1997, when a new law on the Bank of Japan was adopted, which proclaimed two new principles of the central bank: independence from the Ministry of Finance and transparency of the Bank of Japan.

*Thus*, the formation of the financial system of Japan took place through the reform of the banking system, the definition of the competence of the central bank of this country, the reorganization of enterprises, various actions in finance (mobilisation of financial resources, lending to enterprises, integration into the world banking system, etc.).

## Structure of Japan's financial system

### **1. Competence of financial activity regulators**

Before revealing who are the regulators of financial activities in Japan and their competence, it is worth mentioning the regulatory framework of financial activities and the financial system.

The main source is the Constitution of Japan. There are more than thirty tax laws in force in Japan, as the country itself is interested in creating the most elaborate system of tax legislation (*Karpov, 2019, pp. 2-7*). The modern legal regulation of Japan's financial system began with the adoption of the New Currency Act of 1871, and the Bank of Japan was formed to centralise the issue of currency in 1882 (*Ermakova, 2018*). In 1948 In Japan, the Law No. 25 (*On Securities and Stock Exchanges, 1948*) was adopted, which was based on the US securities legislation. In the following decades, numerous amendments were made to this law, and in 2006 the law was adopted under a new name – the Law *On Financial Instruments and Stock Exchanges* (*Rusakova, 2017*). The main source of banking regulation is the Banking Law No. 59 of 1981, as amended in 2006 (*On Banks, 1981*). The Law on Banks also regulates the activities of holding companies whose subsidiaries include banks. Investment banking (as opposed to commercial banking) is regulated by Law No. 25 of 1948 (*On Investment Banking, 1948*).

Among other laws it should note:

- Law on Insurance Activities No. 105 dated June 7, 1995 (*On Insurance Activities, 1995*);
- Law on Deposit Insurance No. 34 dated 1971 (*On Deposit Insurance, 1971*);
- Law on Electronic Registration of Monetary Claims No. 102 dated 2007 (*On Electronic Registration..., 2007*);



- Law on Certified Public Accountants No. 99 dated 2007 (*On Certified Public Accountants, 2007*).

After the global financial crisis of 2008 and the catastrophic scale of regulatory violations, governments began to pay great attention to various concepts of regulation of financial systems. Of the four currently existing concepts of financial regulation, Japan has a concept of an integrated approach. The Japanese financial regulatory structure is headed by the Financial Services Agency, while the Ministry of Finance and the Bank of Japan continue to play an important role. The Japan Deposit Insurance Corporation is responsible for implementing practical measures such as reimbursement of insured deposits and financial assistance for the reorganization of insolvent banks.

It is necessary to consider the role of each financial regulator separately. The Ministry of Finance is responsible for managing the government's budget and maintaining confidence in the Japanese currency and the stability of foreign exchange markets. The Ministry's supervisory role is limited as a result of the creation of the Financial Services Agency, although the Ministry retains its role within the Crisis Management Council. In addition, the Ministry of Finance is responsible for the budgets of all state bodies of the country, including the previously named agency.

The Financial Services Agency is a Japanese government agency responsible for overseeing banking, insurance, securities and exchanges (*Frolova, 2018*). The agency's role is to ensure the stability of Japan's financial system; to protect depositors, insurance policy holders and securities investors; and to inspect and oversee the transparency of the financial system. It was established in July 2000 under the jurisdiction of the *Financial Reconstruction Commission* by reorganising the *Financial Supervision Agency*. After the reorganisation of the ministries of the central Government of Japan, the Agency became an organ of the Cabinet of Ministers. The functions of the Agency include:

- planning and policy development for the Japan's financial system;
- supervision of private sector financial institutions;
- development of trading rules in the markets;
- development of accounting standards;
- supervision of certified auditors and audit firms;
- supervision of compliance with the rules in the financial markets.

Part of the Agency's powers has been delegated to the *Securities and Exchange Commission* in relation to on-site and off-site monitoring of investment banking and other securities transactions. She is authorized to conduct inspections, but not to take administrative measures. Fines are imposed by the Agency based on the recommendations of the Commission. The Commission is governed by a chairman and two commissioners who are appointed by the Prime Minister of Japan for a three-year term.

The Bank of Japan is a legal entity established according to the Bank of Japan Act of 1882. The organisational principles of the Bank of Japan represent a set of fundamental values that it must adhere to as the central bank of Japan (*Gorbakova, 2020*). The main task of the bank is to contribute to maintaining the stability of the financial system by:

- issuance of banknotes and implementation of currency and monetary control;

- ensuring uninterrupted settlements between banks and other financial institutions.

He controls the money supply mainly by controlling the discount rate. The government owns 55% of the bank's shares, the remaining 45% belong to private investors. However, supervision of banks is seen as the role and responsibility of the country's government. The Bank of Japan is not a government agent and has no right to control the activities of banks. However, as a lender of last resort, it can support banks in the event of their insolvency. At the same time, the Bank of Japan may enter into agreements with banks to audit banks.

The *Deposit Insurance Corporation of Japan* is a quasi-governmental organization established according to the Deposit Insurance Act of 1971, as amended in 2014, in order to control the deposit insurance system in Japan (*Deposit Insurance Act, 1971*). If the bank becomes insolvent, the main role of the Corporation is to protect the rights of depositors and the entire financial system of the country. Its governing council consists of a chairman, four deputies, an auditor and eight members. The heads and members of the Corporation's Board are appointed by the Prime Minister of Japan. It may provide for the payment of insurance claims on bank deposits for the principal amount of ten million yen per depositor.

*Thus*, in Japan there are four regulators of financial activity, among which two are state authorities of Japan, and the other two are quasi-governmental structures that are formed by specific legislative acts.

## ***2. Elements of Japan's financial system***

The main components of the Japanese financial system are financial institutions (banks and non-bank financial institutions) and the financial market. Today, Japan's banking system is dominated by Mitsubishi UFJ Financial Group, Mizuho Bank and Sumitomo Mitsui Financial Group; these three banks can trace their roots to *Zaibatsu* (*The Japanese Finance System, 2012*). There are 12 city commercial banks operating in Japan, which accumulate the savings of the population and use them to provide medium-term financing for business, industry and agriculture. City banks are not allowed to manage trusts or pension funds. Most of the other city banks were created according to the *Zaibatsu* concept, e.g., the banks Mitsui Bank (1876), Fuji Bank (1880), Mitsubishi Bank (1880) and Sumitomo Bank (1895). There are also 63 regional local banks in Japan. About two-thirds of the lending of these banks is performed in the prefecture in which they are located.

The first Industrial Bank of Japan was established by the Meiji government in 1902 to provide long-term financing for heavy industry. After the Second World War, this bank became private. At that time, two more industrial banks were created – the Bank of Long-term Loans of Japan and the Nippon Credit Bank. There are also seven trust banks in the country, which are allowed to manage trusts, pension funds, etc. Trust banks receive about half of their funds by selling trust certificates for a period of two to five years. The rest is income from trust management. The largest trust banks are Mitsubishi Trust & Banking and Sumitomo Trust & Banking. A specific type of savings bank in Japan is the *Postal Savings Bureau*, which is serviced by the postal service through 23,000 post offices of the country. At the end of the 1980s, this bank had a deposit of more than 500 billion US dollars and was the largest savings institution in the world. The Japanese Postal Bank is in the process of privatisation. Norinchukin Bank is



a bank owned by workers of farming and fishing cooperatives in Japan. It is a major supplier of funds for city banks.

The group of non-bank credit and financial institutions in Japan includes 71 savings and credit institutions: they are mainly designed to serve small retail, wholesale and construction firms. Insurance companies in Japan have the largest life insurance market in the world, because Japanese people buy significantly more insurance policies than residents of other countries. There are 41 insurance companies operating in the life insurance industry, of which 12 are foreign companies and four are branches of foreign companies. The total assets owned by 25 Japanese insurance companies (excluding reinsurance companies) amount to about 35 trillion yen. Six insurance companies, called the *Big Six*, control about 90% of all assets.

Japan's financial system also includes stock markets. The Tokyo Stock Exchange is the largest stock exchange in the world, handling over 80% of stocks in Japan. The Osaka Stock Exchange ranks third in the world, just behind the New York Stock Exchange. One of the most popular indices in the world is the Nikkei 225, compiled by the Japanese daily economic newspaper Nihon Keizai Shimbun. The Nikkei 225 index is one of the most important Asian indices. It is calculated based on the shares of the 225 largest companies by capitalisation of the Tokyo Stock Exchange. The Nikkei 225 index was first calculated in 1949.

Historically, securities companies in Japan operate primarily as dealers (including retail stock subscriptions and transactions). In the 1980s, the Big Four Japanese securities firms – Nomura, Daiwa, Nikko, and Yamaichi accounted for 80% of the operations of the Tokyo Stock Exchange. The market value of the assets of these firms was greater than that of most banks.

*Thus*, the structure of the Japanese financial system is represented by financial regulators, the banking system, non-bank financial institutions and stock markets. The banking system of Japan, in fact, reflects the administrative and territorial division of this country.

### **Financial crisis management**

In 2014, a special mechanism for managing financial crises was created in Japan. The Deposit Insurance Law No. 34 of 1971, as amended in 2014, authorises the Deposit Insurance Corporation to take measures to rescue financial institutions if the insolvency of a financial institution may cause systemic risks (*Deposit Insurance Act, 1971*). The Corporation is obliged to take these measures not only in case of international and national financial crises, but also in case of bankruptcy of regional banks. Amendments to the 1971 Law entered into force on March 6, 2014, and they introduced a regime for making orderly decisions in case of insolvency of financial institutions. The regime comes into effect if its introduction is considered necessary to prevent serious market shocks. These financial institutions are considered as de facto systemically significant financial institutions.

The *Financial Stability Board of Japan* has identified a group of 30 global systemically important banks to which amendments to the 1971 Law on the introduction of an “orderly decision-making regime” should apply. As of November 2016, these systemically significant banks include three Japanese banks: Mitsubishi UFJ FG, Mizuho FG, and Sumitomo Mitsui FG. The Financial Services Agency is authorised to require these banks to submit their recovery plans at least once a year.

The mechanism of financial crisis management in Japan is truly a unique phenomenon focused on eliminating the risks of bankruptcy of systemically important financial institutions to avoid a systemic financial crisis.

### Conclusion

Currently, Japan is the country that still actively preserves its political traditions in decision-making (*Pashikhina & Tyurina, 2021*). For example, until the end of World War II, a number of ministries in the Cabinet of Ministers were subordinate to the emperor himself, and at the moment these ministries have some independence. In the process of forming the budget process during those years, the main role was played by the peculiarity in which power was constantly in the hands of one party. This phenomenon revealed the process of pressure of the deputy corps and, on the contrary, revealed the peculiarities of coordinating complex issues while maintaining parity between the opposition and the party that was in power.

The financial crises of 1998 and 2008 forced the Japanese government to switch to strict regulation of the country's financial system. In Japan, the concept of an integrated approach to the regulation of the financial system was retained. There are three main financial regulators in the country: the Financial Services Agency, the Ministry of Finance and the Bank of Japan. In 2014, a special mechanism for managing financial crises was created in Japan.

The peculiarity of Japan's financial model is the relationship between public financing and significant private capital in the implementation of national programs. Interaction and interpenetration of state and corporate financial planning contribute to coordinated economic development and ensuring the stability of the economic system.



### References:

- Balashev, N. B., & Belova, N. G. (2019). On the issue of comparative analysis of financial systems and budgets of Russia and Japan. *Economic Sciences*, 4(2), 129-137. (In Russian)
- Deposit Insurance Act dated 1971.
- Drysdale, P., & Gower, L. (1999). *The Japanese economy. Part 2. Volume V. Capital markets*. Routledge London and New York.
- Ermakova, E. P. (2018). Legal regulation of the financial system of Japan. *Gaps in Russian Legislation*, 3, 172-175. (In Russian)
- Frolova, E. E. (2018). Japan's financial system: legal regulation of disputes between suppliers and consumers of financial services. *MIR (Modernization. Innovation. Research)*, 9(1), 67-73. (In Russian)
- Gorchakova, M. E. (2020). Monetary policy of the Bank of Japan in the context of the global crisis. *Asia-Pacific Region: Economics, Politics, Law*, 30-38. (In Russian)
- Karpov, K. A. (2017). Legal regulation of the Japanese banking system. *Actual Problems of Russian Law*, 1(74), 209-214. (In Russian)
- Karpov, K. A. (2019). *Legal foundations of the financial system of Japan*. Moscow. (In Russian)
- On Banks. Law No. 59 dated 1981.
- On Certified Public Accountants. Law No. 99 dated 2007.

- On Deposit Insurance. Law No. 34 dated 1971.
- On Electronic Registration of Monetary Claims. Law No. 102 dated 2007.
- On Investment Banking. Law No. 25 dated 1948.
- On Insurance Activities. Law No. 105 dated June 7, 1995.
- On Securities and Stock Exchanges. Law No. 25 dated April 13, 1948.
- Pashikhina, E. V., & Tyurina, Yu. G. (2021). The possibility of applying Japan's experience in organising the budget process in the practice of the Russian Federation. *REiU*, 1(65), 3. (In Russian)
- Rusakova, E. P. (2017). Alternative settlement of financial disputes in Japan. *Comparative Legal Aspects of Legal Relations of Civil Turnover in the Modern World. Collection of Articles of the International Scientific and Practical Conference in Memory of prof. V.K. Puchinsky (2017, October 13)*, 69-77. Moscow. (In Russian)
- The Japanese Finance System. (2012, March 8). Embassies Asia. <http://www.embjapan.org/the-japanese-finance-system/>

*Anastasia A. Krushina*<sup>[6]</sup>

*Scientific supervisor: Nina N. Gontar*<sup>[1]</sup>

### **Analysis of the Kamchatka Krai's budget for 2021** <sup>[5]</sup>

*Abstract:* Kamchatka Krai is a peripheral and isolated from the main territory of the Far East region with a unique natural resource potential. It is one of the least developed and economically developed Russian Federation regions located in the Far East. The main challenges and problems facing Kamchatka are the growth of global and interregional competition, the dependence of the region on external supply of goods and resources that provide basic life processes, low infrastructural security of fishing and transport and communication activities, weak involvement of Kamchatka in the world markets of goods and services. In this regard, an annual overview analysis of the budget of the region is necessary in order to draw correct conclusions on the trends of its development. The study subject was the economy of the Kamchatka Krai. The study object was the 2021 Kamchatka Krai's budget. The study's purpose was to analyse 2021 Kamchatka Krai's budget. Logical, analytical, comparative, historical, and statistical methods were used to achieve the study purpose and solve the tasks. In the course of the study, materials of All-Russian and regional normative legal acts, the works of researchers in socio-economic transformations of the Russian Federation regions were used. The author concludes that the actual revenue figure in the regional budget exceeded the projected one in 2021. The actual amount of expenses became less than expected. According to the results of the budget execution, a budget deficit was planned, but there is a surplus in reality. The main share of budget revenues in 2021 was made up of gratuitous receipts. Their amount exceeds the indicator of the previous year. The second place in the formation of the budget is occupied by tax revenues. The main expenditures in 2021 and 2020 were directed to the national economy, education, social policy, housing and communal services and healthcare. In 2021, expenses became less than revenues.

*Keywords:* Kamchatka Krai, budget, tax revenues, non-tax revenues, budget expenditures.



*Анастасия Алексеевна Крушина*

*Научный руководитель: Нина Николаевна Гонтарь*

### **Анализ бюджета Камчатского края за 2021 год**

*Аннотация:* Камчатский край является периферийным и изолированным от основной территории Дальнего Востока регионом, обладающим уникальным природно-ресурсным потенциалом. Это один из наименее освоенных и экономически развитых субъектов Российской Федерации, расположенных на Дальнем Востоке. Основными вызовами и проблемами, стоящие перед Камчаткой, можно выделить рост глобальной и межрегиональной конкуренции, зависимость региона от внешнего снабжения товарами и ресурсами, обеспечивающими базовые процессы жизнедеятельности, низкая инфраструктурная обеспеченность рыбопромышленной и транспортно-коммуникационной деятельности, слабая включенность Камчатки в мировые рынки товаров и услуг. В связи с этим, необходим ежегодный обзорный анализ бюджета региона, чтобы сделать корректные выводы по тенденциям его развития. Предметом исследования была экономика Камчатского края. Объектом исследования был бюджет Камчатского края за 2021 год.

Целью исследования был анализ бюджета Камчатского края за 2021 год. Для достижения цели исследования и решения задач были использованы логический, аналитический, сравнительный, исторический и статистический методы. В ходе исследования были использованы материалы всероссийских и краевых нормативных правовых актов, а также труды исследователей в области социально-экономических трансформаций регионов Российской Федерации. Автор делает вывод, что В 2021 году в краевом бюджете фактический показатель доходов превысил прогнозируемый. Фактический же объём расходов оказался меньше предполагаемого. По итогам исполнения бюджета планировался дефицит бюджета, однако в реальности имеет место его профицит. Основную долю в доходах бюджета в 2021 году составили безвозмездные поступления. Их сумма превышает показатель предшествующего года. Второе место в формировании бюджета занимают налоговые доходы. Основные расходы в 2021 и 2020 годах были направлены на национальную экономику, образование, социальную политику, жилищно-коммунальное хозяйство и здравоохранение. В 2021 году расходы оказались меньше доходов.

*Ключевые слова:* Камчатский край, бюджет, налоговые доходы, неналоговые доходы, бюджетные расходы.



## Introduction

Kamchatka Krai is a peripheral and isolated from the main territory of the Far East region with a unique natural resource potential. It is one of the least developed and economically developed Russian Federation's regions located in the Far East.

The main challenges and problems facing Kamchatka can be distinguished:

- growth of global and interregional competition;
- uncertainty of the regional and Far Eastern policy of the Russian Federation;
- Kamchatka's weak involvement in the world markets of goods and services;
- geographical and transport remoteness of the region from the basic communications and markets of the country;
- dependence of the region on external supply of goods and resources that provide basic life processes;
- low infrastructural security of fishing and transport and communication activities;
- low population density against the background of migration uncertainty and a shortage of modern qualified personnel;
- the energy isolation of the region and the high cost of energy supply to its economy and social sphere.

In this regard, an annual overview analysis of the region's budget is necessary to draw correct conclusions on the trends of its development.

The study subject was the Kamchatka Krai's economy.

The study object was the 2021 Kamchatka Krai's budget.

The study's purpose was to analyse the 2021 Kamchatka Krai budget.

Based on the study purpose, the following tasks were developed:

- give a general description of the Kamchatka Krai;

- analyse the projected and actual characteristics of the Kamchatka Krai's budget revenues in 2021;
- analyse the projected and actual characteristics of Kamchatka Krai's budget expenditures in 2021;
- make a conclusion on the state of the 2021 Kamchatka Krai's budget.

Logical, analytical, comparative, historical, and statistical methods were used to achieve the study purpose and solve tasks.

In the course of the study, materials of All-Russian and regional normative legal acts, the works of researchers in socio-economic transformations of the Russian Federation regions were used.

## **The results of the study**

### **General characteristics of the Kamchatka Krai**

Kamchatka Krai is a subject of the Russian Federation, located on the Kamchatka peninsula, including Karaginsky Island and the Commander Islands, and is part of the Far Eastern Federal District. This entity was formed in July 2007 by the merger of the Kamchatka Region and the Koryak Autonomous Okrug. It borders the Chukotka Autonomous Okrug in the north, the Sakhalin Oblast in the south, and the Magadan Oblast in the northwest. It is washed by the waters of the Pacific Ocean from the east.

The Kamchatka Krai area is 464.3 thousand square kilometers (2.7% of the Russian Federation area). The population was 312,700 people by the end of 2021, the density is 0.7 people per 1 sq. km, i.e., 13 times lower than in the Russian Federation as a whole. Residents are placed unevenly on the territory of the subject from 0.02 to 500.6 people per 1 sq. km. The majority of the population lives in the cities of Petropavlovsk-Kamchatsky, Yelizovo, Vilyuchinsk and the valleys of the Avacha and Kamchatka rivers. The City of Petropavlovsk-Kamchatsky is the administrative center, an international sea port and airport of the Kamchatka Krai.

It is necessary to highlight some features of the Kamchatka Krai, which certainly affect the financial and economic development of this subject, the planning and execution of its budget. Kamchatka is a peninsula that is part of the Pacific Fire Belt, which includes volcanoes, so there are constantly processes of relief changes, e.g., the formation of mountains, which result in volcanic eruptions and earthquakes. The climate of the peninsula is more severe than in the European part of Russia. Thus, the combination of climatic and physical-geographical features leads to such natural phenomena as typhoons, tsunamis, landslides, mudslides, and snow avalanches, as well as large amounts of precipitation. Another feature is the strong remoteness of the region from the most developed Russian Federation parts, which indicates the need to create conditions for expanding ties with other subjects of the state. According to Article 13 of the Charter of the Kamchatka Krai (*The Charter of the Kamchatka Krai, 2008*), the Constitution of the Russian Federation, federal constitutional laws, federal laws, other regulatory legal acts of the Russian Federation, the Charter of the Kamchatka Krai, laws and other regulatory legal acts constitute the legal basis for the activities of the highest official, public authorities, Kamchatka Krai state bodies, contracts and agreements of this subject. The highest official of the subject is

the governor, who is elected for a term of 5 years (cannot hold office for more than 2 consecutive terms). The Kamchatka Krai state authorities include the Legislative Assembly of the Kamchatka Krai, the Kamchatka Krai Government and judicial authorities.

According to the Resolution of the Government of the Kamchatka Krai No. 436-P dated December 19, 2008, *On Approval of the Regulations on the Ministry of Finance of the Kamchatka Territory*, the Ministry of Finance of the Kamchatka Krai is the executive body of state power of this subject, which performs the following functions on its territory:

- development and implementation of regional policy;
- regulatory legal regulation in budget process in the Kamchatka Krai and in contract system in procurement of goods, works, services to meet the needs of the Kamchatka Krai;
- internal state financial control;
- regulation of the contract system in procurement (*On the Approval of the Regulations..., 2008*).

One of the tasks of the Ministry is “drafting and organising the execution of the regional budget, preparation of Kamchatka Krai’s budget reports, reporting on the execution of the Kamchatka Krai’s consolidated budget and the budget of the territorial state extra-budgetary fund” (*On the Approval of the Regulations..., 2008*).

It is worth noting that from September 2001 to January 2008, the financial body was called the Department of Finance and Budget Policy of the administration of the Kamchatka Region.

To analyse the 2021 Kamchatka Krai budget, it was necessary to study Kamchatka Krai Law No. 109, dated June 21, 2022 (*On the Execution of the Regional Budget for 2021, 2022*), Kamchatka Krai Law No. 521 dated November 26, 2020 (*On the Regional Budget for 2021 and for the Planning Period..., 2020*), Kamchatka Krai Law No. 521 dated November 26, 2020 (*On the Execution of the Regional Budget for 2020, 2021*).

### **Analysis of projected and actual characteristics of 2021 Kamchatka Krai’s budget revenues**

It is worth noting that the law on the regional budget for 2021, as well as for the planning period of 2022 and 2023, was adopted by the Legislative Assembly of the Kamchatka Krai on November 24, 2020, and the last changes were made to it on December 17, 2021.

So, according to the forecast, the total revenue of the regional budget was supposed to be 99,451,275.76 thousand rubles, in fact, the regional budget received income in the amount of 100,306,316.06 thousand rubles.

The projected total expenditure of the regional budget amounted to 103,400,184.91 thousand rubles. In fact, during the execution of the budget, expenses amounted to 99,476,720.98 thousand rubles.

The budget deficit was supposed to be in the amount of 3,948,909.15 thousand rubles (excluding the approved number of gratuitous receipts). In fact, revenues exceed expenditures (budget surplus) by 829,595.08 thousand rubles.

The actual total 2021 Kamchatka Krai’s budget revenue amounted to 100,306.32 million rubles, which exceeds the 2020 figure of 9,2038.99 million rubles by 8,267.32 million rubles, or approximately 8.24%.



Income consists of: tax income, non-tax income and gratuitous income. In the previous year, the tax revenues of the budget were distributed as follows: tax revenues in the amount of 24,354.25 million rubles, including arrears and recalculations on canceled taxes, fees and other mandatory payments, non-tax revenues in the amount of 979.04 million rubles, gratuitous receipts in the amount of 66,705.70 million rubles. In 2021, the budget tax revenues amounted to 28,204.83 million. Rubles, including arrears and recalculations on canceled taxes, fees and other mandatory payments, non-tax revenues amounted to 1,353.72 million rubles, gratuitous receipts amounted to 70,747.77 million rubles. The graph shows the income ratio in 2020 and 2021 (*Figure 1*).

If to consider it in shares, then in 2021 tax revenues amounted to 28.12%, which is an increase of 1.66% compared to 2020 (the share of tax revenues was 26.46%). Non-tax revenues have an insignificant share in 2021 Kamchatka Krai's budget – only 1.35% (this indicator did not differ much and amounted to 1.06% in 2020). And the share of gratuitous receipts in 2021 compared to 2020 (72.48%), on the contrary, decreased to 70.53%, i.e., by 1.95%. The diagram shows the share of each type of income in the total budget income of the region in 2021 (*Figure 2*).

The main tax revenues are:

- personal income tax (16,403.81 million rubles),
- corporate income tax (4928.63 million rubles),
- property tax (2,899.79 million rubles).

It is worth remembering that the corporate property tax rates are established by the law of the Russian Federation region, but cannot exceed 2.2%. In the Kamchatka Krai, the tax rate on the enterprise's property is 2.2%. To understand the size of the tax and its role in the formation of budget revenues, it is necessary to turn to the economic activity of the region. Kamchatka is the leader in terms of the extraction of aquatic biological resources, therefore, the share of enterprises engaged in the extraction and breeding of fish is large. Currently, there are about 800 enterprises operating in the Kamchatka Krai, performing this activity. Agriculture and forestry occupy the second place in the structure of the region's economy.

Non-tax revenues have relatively changed characteristics compared to 2020. Income from the use of state and municipal property in 2021 amounted to 135.47 million rubles. This figure was 206.38 million rubles in 2020. Revenues from the provision of paid services and compensation of state costs are equal to 724.72 million rubles (such non-tax income amounted to 335.01 million rubles in 2020), which demonstrates a significant gain (about 53.8%). The payment of fines, sanctions, and damages brought 334.86 million rubles to the budget in 2021, which also exceeded the 2020 indicator, which was 273.64 million rubles.

Speaking of gratuitous receipts, it is worth noting that such receipts from other budgets of the Russian Federation budgetary system are approximately equal (59,939.15 million rubles in 2021, 58,177.52 million rubles in 2020). In turn, gratuitous receipts from state (municipal) organisations have changed. They amounted to 700.16 million rubles in 2021 and only 337.33 million rubles in 2020, i.e., in 2021, this type of gratuitous income exceeded last year's figure by 362.83 million rubles, or 51.8%. However, the share of gratuitous receipts in 2021 (70.53%) was less than in 2021 (72.48%). This is due, among other things, to the fact that the budget received more revenue in total in 2021.

## **Analysis of projected and actual characteristics of 2021 Kamchatka Krai's budget expenditures**

In 2021, the Kamchatka Krai budget of the was executed for expenditures in the amount of 99,476.72 million rubles, which exceeds last year's indicator (94,176.32 million rubles) by 5,300.4 million rubles or 5.33%.

In 2021, the main expenses went to:

- the national economy (27,408.64 million rubles),
- education (16,249.68 million rubles),
- social policy (15,661.77 million rubles),
- housing and communal services (14,114.69 million rubles),
- healthcare (10,449.5 million rubles).

In 2020, the same areas took the leading positions.

It is necessary to consider the specific weight of each category of expenses in their total volume in 2021. Expenditures on solving national issues amounted to 3.46% (3,441.43 million rubles), about 0.02% (17.96 million rubles) for national defense, 1.34% (1,330.27 million rubles) for national security and law enforcement, 27.55% (27,408.64 million rubles) for the national economy, 14.19% (14,114.69 million rubles) for housing-utilities, 0.72% (713.1 million rubles) for environmental protection, 16.34% (16,249.68 million rubles) for education, 1.02% (1,011.42 million rubles) rubles) for culture and cinematography, 10.5% (10,499.5 million rubles) for healthcare, 15.74% (15,661.77 million rubles) for social policy, 2.01% (1,999.47 million rubles) for physical culture and sports, 0.1% (100.15 million rubles) for mass media, 0.22% (219.48 million rubles) for servicing state and municipal debt, 6.74% (6,709.16 million rubles) for inter-budgetary transfers of a general nature to the budgets of the Russian Federation's budgetary system. These data are clearly presented in the diagram (*Figure 3*).

Expenditures on solving national issues decreased by 10.27% compared to 2020 (3,835.13 million rubles). Spending on national defense in 2021 increased by 6.63% (16.77 million rubles in 2020). Spending on national security and law enforcement decreased by 10.54% in 2021 (1,487.02 million rubles in 2020). In 2021, the number of expenditures on the national economy is 7.67% higher than last year, equal to 25,306.96 million rubles. Expenditures on housing and communal services also increased by 4.77% (13,441.64 million rubles in 2020). The amount of environmental protection expenses has increased significantly – by 38.73%, or 276.14 million rubles. Spending on education increased slightly in 2021 (15,810.54 million rubles in 2020) – by 2.7%, as well as on culture and cinematography – by 3.08%. Healthcare expenses increased by 13.53% compared to the previous year (9079.1 million rubles in 2020). The number of expenditures on social policy also increased by 9.15%, on physical culture and sports – by 6.69%, on mass media – by 31.6%, on servicing state and municipal debt – by 45.18%. And expenditures on inter-budgetary transfers of a general nature to the budgets of the Russian Federation budgetary system in 2021 decreased by 790.19 million rubles or by 10.54%.

It is worth paying attention to the percentage of execution of each expenses category in 2021:

- national issues – 82.3%,

- national defense – 98.9%,
- national security and law enforcement – 99.3%,
- national economy – 97.4%,
- housing and communal services – 93.5%,
- environmental protection – 98.8%,
- education – 99.3%,
- culture and cinematography – 99.6%,
- healthcare – 89.0%,
- social policy – 98.7%,
- physical culture and sports – 99.7%,
- mass media – 100%,
- servicing of state and municipal debt – 98.5%,
- inter-budgetary transfers of a general nature to the Russian Federation budgetary system budgets – 99.7%.

In 2021, part of Kamchatka Krai's expenses was directed to the implementation of various state programmes. It is necessary to highlight some of them with an indication of the number of expenses for each:

- 4.18 million rubles for Kamchatka Krai's state programme *Development of Healthcare of the Kamchatka Krai*, 98.2% of execution;
- 4.32 million rubles for Kamchatka Krai's state programme *Development of Education in the Kamchatka Krai*, 99.9% of execution;
- 3.72 million rubles for Kamchatka Krai's state programme *Development of Culture in the Kamchatka Krai*, 100% execution;
- 4.18 million rubles for Kamchatka Krai's state programme *Social Support of Citizens in the Kamchatka Krai*, 96.3% of execution;
- 4.11 million rubles for Kamchatka Krai's state programme *Employment Promotion of the Kamchatka Krai Population*, 100% execution;
- 3.88 million rubles for Kamchatka Krai's state programme *Development of Physical Culture and Sports in the Kamchatka Krai*, 90.1% of execution;
- 7.59 million rubles for Kamchatka Krai's state programme *Development of the Economy and Foreign Economic Activity of the Kamchatka Krai*, 100% execution;
- 3.96 million rubles for Kamchatka Krai's state programme *Development of agriculture and Regulation of Agricultural Products, Raw Materials and Food Markets of the Kamchatka Krai*, 99.6% of execution;
- 4.26 million rubles for Kamchatka Krai's state programme *Development of the Kamchatka Krai Fisheries Complex*, 97.9% of execution;
- 13.66 million rubles for Kamchatka Krai's state programme *Information Society in the Kamchatka Krai*, 100% of execution;
- 110.1 million rubles for Kamchatka Krai's state programme *Public Finance Management of the Kamchatka Krai*, 99.6% of execution.

In 2021, expenses were less than revenues by 829.6 million rubles, which indicates a budget surplus. In the preceding 2020, expenditures, on the contrary, exceeded revenues by 2,137.33 million rubles, therefore, there is a budget deficit.

### Conclusion

Having analysed 2021 Kamchatka Krai's budget comparing to 2020, the following conclusions can be drawn.

In 2021, the actual revenue figure in the regional budget exceeded the forecast by 855.04 million rubles. The actual volume of expenses became less than the estimated 3,923.46 million rubles. According to the results of the budget execution, a budget deficit was planned, but there is a surplus in reality.

The main 2021 budget revenues share was made up of gratuitous receipts. Their amount exceeds the indicator of the previous year. However, the share has decreased compared to 2020, but only slightly (the share of 2021 gratuitous receipts is 70.53%, and 72.48% in 2020). The second place in the formation of the budget is occupied by tax revenues. Their share was 28.12%. Non-tax revenues occupy only 1.35% of the total 2021 Kamchatka Krai's budget revenues.

The main expenditures in 2021 and 2020 were directed to the national economy, education, social policy, housing and communal services, and healthcare. In 2021, expenses became less than revenues. Analysing the percentages of execution of at least state programmes, it is seen that not all programmes are executed at 100% although the percentage of execution of each is quite high. Consequently, it can be assumed that it was the unspent funds that made up the budget surplus. Again, do not forget that the actual budget revenues exceeded the estimated ones, which may indicate the effectiveness of budget execution in 2021.



### References:

- Budget Code of the Russian Federation. (1998). Law No. 145-FZ dated July 31, 1998. *Collection of Legislation of the Russian Federation*, 31, 3823. (In Russian)
- On the Approval of the Regulations on the Ministry of Finance of the Kamchatka Krai. (2008). Resolution of the Government of the Kamchatka Krai, No. 436-P, dated December 19, 2008. (In Russian). <https://minfin.kamgov.ru/polozenie-o-minfine>
- On the Execution of the Regional Budget for 2020. (2021). Kamchatka Krai's Law No. 615, dated June 21, 2021. (In Russian). <https://docs.cntd.ru/document/571026884>
- On the Execution of the Regional Budget for 2021. (2022). Kamchatka Krai's Law No. 109, dated June 21, 2022. (In Russian). <https://docs.cntd.ru/document/406101986>
- On the Regional Budget for 2021 and for the Planning Period of 2022 and 2023. (2020). Kamchatka Krai's Law No. 521 dated November 26, 2020. (In Russian). <https://minfin.kamgov.ru/budzet-2021>
- Rassanova, O. E., & Galiev, M. S. (2019). Study of features and problems restraining socio-economic development of Kamchatka Krai. *Bulletin of the Russian University of Cooperation*, 4(38), 86-89. (In Russian)

Sheremet, A. P., & Galiev M. S. (2022). Monitoring of the socio-economic development of the Kamchatka region in 2021. *Problems of Management, Economics and Law on a National and Regional Scale. Collection of Articles of the 9th All-Russian Scientific and Practical Conference*, 232-238. Penza. (In Russian)

Solovyova, A. V. (2022). The impact of the pandemic on Kamchatka business. anti-crisis support provided by the state. *Economics, Finance, and Management. Topical Issues of Theory and Practice Collection of Articles of the 2nd International Scientific and Practical Conference*, 59-61. (In Russian)

The Charter of the Kamchatka Krai. (2008). Kamchatka Krai Law No. 141 dated December 4, 2008. (In Russian) <https://docs.cntd.ru/document/819079312>

Veprikova, E. B., Novitskii, A. A., & Gulidov, R. V. (2020). Problems of fiscal capacity increasing in the regions of the Russian Far East. *Regionalistics*, 6(7), 23-38. (In Russian)



### Appendix

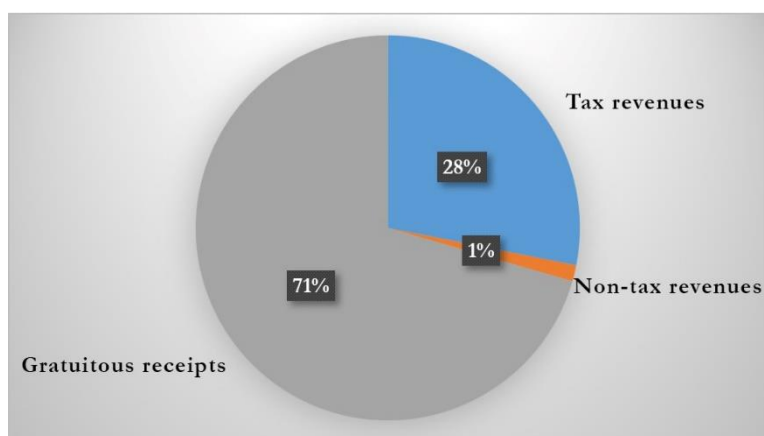


Figure 1. Kamchatka Krai budget revenues for 2020 and 2021 (in mln. of rub.)

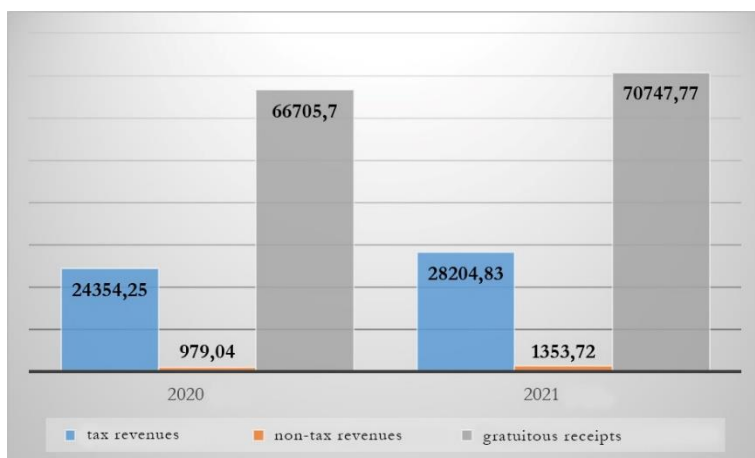


Figure 2. The share of various types of income in 2021 Kamchatka Krai's budget

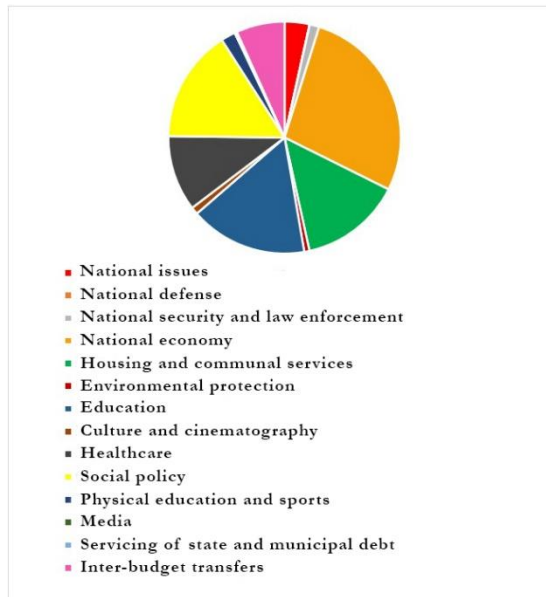


Figure 3. The share of each category of expenses in the total amount of 2021 Kamchatka Krai's expenses

*Anastasia D. Morgunova*<sup>[7]</sup>

*Scientific supervisor: Nina N. Gontar*<sup>[1]</sup>

### **On Kabardino-Balkar Republic's budget execution for 2021** <sup>[6]</sup>

*Abstract:* In the regions of the Russian Federation, just like in Russia as a whole, profound social and economic changes are taking place, transformations in all spheres of life of the population, due to the transition to market relations. The process of searching and forming new mechanisms of economic management is going on intensively. At the same time, it is very important not only to have a general understanding of the patterns and trends in the development of the market economy, but also to identify problems, as well as to search and develop an optimal model for the most complete, effective use of them for the stabilisation and development of the economy in the interests of community development. Currently, the economy of the Kabardino-Balkar Republic is one of the least competitive in Russia. The reasons for this are due to the miscalculations of the Soviet period, which were largely exacerbated by the country's transition to the market. The accumulated problems are systemic in nature and require a comprehensive, targeted solution. The prospects and effectiveness of the socio-economic development of the country are largely determined by the solution of regional problems in the economy. In the Development Strategy of the Kabardino-Balkar Republic, it is proposed to concentrate the efforts of the authorities on the development of those sectors of the economy in which high labor productivity is in demand and which are able to produce products with high added value, provide decent wages to the workers employed in them and an adequate amount of taxes to the republic's budget system. Therefore, in order to understand the economic transformations in the region, an annual analysis of the execution of the regional budget is necessary. The study subject was the economy of the Kabardino-Balkar Republic. The study object was the republican budget of the Kabardino-Balkar Republic in 2021. The study's purpose was to analyse Kabardino-Balkar Republic's budget execution for 2021. Logical, statistical, comparative, and historical methods were used to achieve the study purpose and solve its problems. In the course of the study, the materials of regulatory legal acts and the works of specialists in economics and regionalism of the Russian Federation were used. The effectiveness of public finance management has been highly appreciated at the federal level. According to the assessment of the Ministry of Finance of the Russian Federation conducted in 2021 by the end of 2020, the Kabardino-Balkar Republic entered the group of leading regions characterised by high quality of regional finance management. This efficiency is also confirmed in 2022. In 2021, significant work was performed to adjust the republican budget items to balance the risk zones of losses and more harmonious use of revenues in expenditure items.

*Keywords:* Kabardino-Balkar Republic, republican budget, revenues, expenses, analysis of budget execution.



*Анастасия Дмитриевна Моргунова*

*Научный руководитель: Нина Николаевна Гонтарь*

**Об исполнении республиканского бюджета Кабардино-Балкарской Республики  
за 2021 год**



*Аннотация:* В регионах Российской Федерации, как и в целом в России, происходят глубокие социально-экономические перемены, преобразования во всех сферах жизнедеятельности населения, обусловленные переходом к рыночным отношениям. Интенсивно идет процесс поиска и формирования новых механизмов управления экономикой. При этом очень важно не только общее понимание закономерностей и тенденций развития рыночной экономики, но и выявление проблем, а также поиск и разработка оптимальной модели наиболее полного, эффективного их использования для стабилизации и развития экономики в интересах развития сообщества. В настоящее время экономика Кабардино-Балкарской Республики является одной из наименее конкурентоспособных в России. Причины этого обусловлены просчетами советского периода, которые были во многом усугублены переходом страны к рынку. Накопившиеся проблемы имеют системный характер и требуют комплексного, целенаправленного решения. Перспективы и эффективность социально-экономического развития страны во многом определяются решением региональных проблем в экономике. В Стратегии развития Кабардино-Балкарской Республики предложено сконцентрировать усилия власти на развитии тех секторов экономики, в которых востребована высокая производительность труда и которые способны выпускать продукцию с высокой добавленной стоимостью, обеспечивать занятым в них работникам достойную заработную плату и поступление в бюджетную систему республики адекватного объема налогов. Следовательно, для понимания экономических трансформаций в регионе, необходим ежегодный анализ исполнения регионального бюджета. Предметом исследования была экономика Кабардино-Балкарской Республики. Объектом исследования был республиканский бюджет Кабардино-Балкарской Республики 2021 года. Целью исследования был анализ исполнения республиканского бюджета Кабардино-Балкарской Республики за 2021 год. Для достижения цели исследования и решения её задач были использованы логический, статистический, сравнительный и исторический методы. В ходе исследования были использованы материалы нормативных правовых актов и труды специалистов в области экономики и регионалистики Российской Федерации. Эффективность работы по управлению государственными финансами получила высокую оценку на федеральном уровне. По оценке Министерства финансов Российской Федерации, проведенной в 2021 году по итогам 2020 года, Кабардино-Балкарская республика вошла в группу регионов-лидеров, характеризующихся высоким качеством управления региональными финансами. Данная эффективность подтверждается и в 2022 году. За 2021 год была проведена существенная работа по корректировке республиканских бюджетных статей с целью уравнивания рисков зон потерь и более гармоничного использования доходов в статьях расходов.

*Ключевые слова:* Кабардино-Балкарская Республика, республиканский бюджет, доходы, расходы, анализ исполнения бюджета.



## **Introduction**

In the regions of the Russian Federation, just like in Russia as a whole, profound socio-economic changes are taking place, transformations in all spheres of life of the population, due to the transition to market relations. The process of searching and forming new mechanisms of economic management is going on intensively. At the same time, it is very important not only to have a general understanding of the patterns and trends in the development of the market economy, but also to identify problems, just like to search and develop an optimal model for the most complete, effective use of them for the stabilization and development of the economy in the interests of community development. Currently, the economy of the Kabardino-Balkar

Republic is one of the least competitive in Russia. The reasons for this are due to the miscalculations of the Soviet period, which were largely exacerbated by the country's transition to the market. The accumulated problems are systemic in nature and require a comprehensive, targeted solution. The prospects and effectiveness of the social and economic development of the country are largely determined by the solution of regional problems in the economy. In the Development Strategy of the Kabardino-Balkar Republic, it is proposed to concentrate the efforts of the authorities on the development of those sectors of the economy in which high labor productivity is in demand and which are able to produce products with high added value, provide decent wages to the workers employed in them and an adequate amount of taxes to the republic's budget system. Therefore, an annual analysis of the execution of the regional budget is necessary to understand the economic transformations in the region.

The study subject was the economy of the Kabardino-Balkar Republic.

The study object was the 2021 Kabardino-Balkar Republic's budget.

The study purpose was to analyse Kabardino-Balkar Republic's budget execution for 2021.

To achieve the study purpose, the following tasks were developed:

- give a general description of the Kabardino-Balkar Republic;
- analyse the performance of the main characteristics of 2021 Kabardino-Balkar Republic's budget;
- analyse the execution of 2021 Kabardino-Balkar Republic's budget revenues;
- analyse the execution of 2021 Kabardino-Balkar Republic's budget expenditures;
- to give an opinion on 2021 Kabardino-Balkar Republic's budget execution.

Logical, statistical, comparative, and historical methods were used to achieve the study purpose and solve its problems.

In the course of the study, the materials of regulatory legal acts and the works of specialists in economics and regionalism of the Russian Federation were used.

### **General characteristics of the Kabardino-Balkar Republic**

The Kabardino-Balkar Republic is a subject of the Russian Federation, part of the North Caucasus Federal District and part of the North Caucasus Economic Region. The capital is the city of Nalchik. In this area there is the highest mountain in Europe, Mount Elbrus, with a height of 5,642 m. Mount Elbrus has 22 glaciers that feed three rivers – Baksan, Malka, and Kuban. The mountain is covered with snow all year round.

It was established as the Kabardian Autonomous Region on September 01, 1921. Since January 16, 1922, the Kabardino-Balkar Autonomous Region. On December 05, 1936, it was transformed into the Kabardino-Balkar ASSR. Since 1992 it has been the Kabardino-Balkar Republic.

Kabardino-Balkar Republic's borders with the Karachay-Cherkessian Republic in the west, the Stavropol Krai in the north, the Republic of North Ossetia-Alania in the east and southeast, and Georgia in the south.

The official languages of the Kabardino-Balkar Republic throughout its territory are Kabardian, Balkar and Russian.

The area of the subject is 12,500 sq. km.

Population – 904,200 people (2021).

Population density – 72.51 people/sq. km (2021).

The system of Kabardino-Balkar Republic's state authorities. It is defined by the Constitution of the Russian Federation and the Constitution of the Kabardino-Balkar Republic (1997). State power in the Republic is exercised by the Head of the Kabardino-Balkar Republic, the Parliament, the Government, and other state authorities formed in accordance with the Constitution of the Republic.

The basis of Kabardino-Balkar Republic's economy is agriculture (grain crops: wheat, corn, millet), industrial crops (sunflower), animal husbandry (dairy and meat), as well as logging (*Kazharov, 2020*).

As part of the development of infrastructure and support for small and medium-sized businesses in the Kabardino-Balkar Republic, a network of business incubators was created, the purpose of which is to provide small and medium-sized businesses of the Kabardino-Balkar Republic with equipped office and industrial premises for rent on preferential terms.

Today, Kabardino-Balkar Republic's industry is a dynamically developing industry, which includes enterprises of various areas of manufacturing.

There are more than 100 industrial enterprises operating in the republic. In Maysky, Sevkavrentgen-D LLC is one of the leading manufacturers of X-ray equipment in Russia. In Terek, the Terekalmaz plant has established its own production of synthetic diamonds and high-quality diamond tools based on them. In the city of Tyrnyauz there is a Kabbalkgips factory for the production of products of the GIPSELL trademark, based on the production and sale of construction and finishing materials.

### **Analysis of the execution of the main characteristics of Kabardino-Balkar Republic's budget**

The projected total republican budget revenue in the amount of 51,709.9 million rubles. The actual volume of republican budget revenues in the amount of 51,910.9 million rubles.

The projected total republican budget expenditure the amount of 51,112 million rubles. The actual volume of republican budget expenditures in the amount of 50221 million rubles.

The projected republican budget surplus in the amount of 597.9 million rubles. The actual republican budget surplus in the amount of 1,689.9 million rubles (*On the Execution of the Republican Budget..., 2022*).

Thus, the 2021 budget for was executed with a surplus of 1,690 million rubles. Total revenues amounted to 51,911 million rubles and expenses amounted to 50,221 million rubles.

### **Analysis of Kabardino-Balkar Republic's budget revenues execution**

The priority areas of activity of the Ministry of Finance of the Kabardino-Balkar Republic in 2021 were:

- 1) development and implementation of a responsible budget policy that ensures the balance and stability of the budget system in the face of restrictive measures related to the prevention of the spread of the new coronavirus infection COVID-19;
- 2) improving the efficiency of budget expenditures;
- 3) effective public debt management;

- 4) improving the system of inter-budgetary relations;
- 5) ensuring control over compliance with budget legislation;
- 6) ensuring openness and transparency of public finance management.

To assess republican executive authorities' effectiveness, including the Ministry of Finance of the CBD, On February 10, 2021, Prime Minister A.T. Musukov approved the plan of main activities and targets for 2021.

As a result of the implementation of the approved plan, the Ministry of Finance of the Kabardino-Balkar Republic ensured the implementation of all planned activities and achieved performance targets.

The actual execution of the revenue part of 2021 Kabardino-Balkar Republic's budget amounted to 51,910.9 million rubles. For 2020, the actual execution of the budget revenue part amounted to 50,830.2 million rubles. Thus, we can observe an increase of 1,080.7 million rubles, which is 2.08%

The budget revenue part consists of tax and non-tax revenues, just like gratuitous receipts. In the total amount of republican budget revenues, the share of tax revenues amounted to 24.2%, or 12,567.6 million rubles, non-tax revenues amounted to 2.2%, or 1,145.2 million rubles, gratuitous receipts amounted to 73.6%, or 38,198.1 million rubles. The 2021 republican budget tax revenues receipt is more than the volume of receipts for 2020 by 1203.6 million rubles (110.6%) (*On the Main Results of the Activities..., 2022*).

In 2021, the republican budget tax revenues receipt is provided by the following sources:

- 1) corporate income tax – 1,910.2 million rubles;
- 2) personal income tax – 3,882.6 million rubles;
- 3) tax on total income – 1,118.3 million rubles;
- 4) corporate property tax – 1,508.7 million rubles;
- 5) taxes, fees and regular payments for the use of natural resources – 6.9 million rubles;
- 6) state duty – 76.6 million rubles (*Figure 1*).

Among the tax revenues, the most important are corporate income tax, corporate property tax and personal income tax.

Many industrial enterprises of the republic are leading in the Russian market, produce competitive, high-tech, export-oriented products, including tools made of natural and synthetic diamonds, road controllers, traffic lights with LED emitters, cable products of a wide range of applications, high-voltage switches, copper wire rod, light industry products, radio electronics devices, noise mufflers for passenger cars and trucks, complex medical equipment and construction materials, goods for the country's military-industrial complex.

Kabardino-Balkar Republic's industrial production index is the main indicator characterising the state and development of the economy, in 2021 compared to 2020 amounted to 111%, including by type of activity "Manufacturing" (formed by 22 manufacturing industries of all industries) – 109.3%. The increase in output compared to January-December, 2020 is observed in the production of textiles (109.1%), clothing (129.6%), leather and leather products (121.3%), wood processing and the production of wood and cork products, except furniture (1.6 p.), other non-metallic mineral products (127.2%), computers, electronic and optical products (145.9%), electrical equipment (123.1%), motor vehicles, trailers and semi-trailers (in 4 times), furniture (101.3%).

In January-May, 2021, Kabardino-Balkaria took the 3<sup>rd</sup> place in the Russian Federation in terms of industrial production growth.

2021 republican budget non-tax revenues amounted to 1,145.2 million rubles (141.5%) (*Figure 2*).

Gratuitous receipts to the republican budget amounted to 38,198.1 million rubles with a plan of 38,590.9 million rubles (execution was 99%), which were formed due to:

- 1) subsidies in the amount of 15,882.4 million rubles, the rate is 97%;
- 2) subsidies in the amount of 14,130.8 million rubles growth rate 108.1%;
- 3) subventions in the amount of 3,575.3 million rubles, rate 73.0%;
- 4) Other inter-budget transfers in the amount of 4552.9 million rubles, the growth rate of 106.2% (*Figure 3*).

### **Analysis of Kabardino-Balkar Republic's budget expenditures execution**

2021 Kabardino-Balkar Republic's budget was executed in the amount of 50,221 million rubles. Comparing 2020, the pace of execution of the republican budget expenditure part increased by 2,634 million rubles.

Socially significant and priority expenses of the republic (wages, social benefits, medicines, food, compulsory health insurance, inter-budget transfers, utilities) amounted to 39,718.9 million rubles or 79% of the total amount of expenses incurred and were as follows:

- 1) remuneration (including incentive payments to medical and other employees of medical and other organisations providing medical care (participating in the provision, providing medical care) for the diagnosis and treatment of a new coronavirus infection) – 6,844.5 million rubles (growth rate of 102.4%);
- 2) social payments to the population – 13,880.8 million rubles (growth rate of 105.5%);
- 3) payment for utilities and communications – 435.0 million rubles, (growth rate of 127.9%);
- 4) purchase of medicines – 982.5 million rubles, (growth rate of 111.6%);
- 5) food – 223.9 million rubles (growth rate of 130.2%);
- 6) provision of inter-budget transfers to municipal budgets – 13,371.3 million rubles (growth rate of 127.1%);
- 7) compulsory medical insurance of the unemployed population – 3,980.9 million rubles (growth rate of 103.4%) (*Figure 4*).

50,149.5 million rubles were allocated in Kabardino-Balkar Republic's budget for the implementation of republican state programmes in 2021, including 23,222.2 million rubles from the federal budget, 26,927.3 million rubles from the republican budget.

The actual financing of republican state programmes amounted to 49,117.6 million rubles, or 97.9% of the planned amount of funding, including 22,572.3 million rubles (97.2%) from the federal budget, and 26,545.2 million rubles (98.6%) from the republican budget. The cash execution of 2021 regional projects amounted to 8,337.1 million rubles, or 96% of the planned assignments established by the updated budget list.

By the end of 2021, Kabardino-Balkar Republic's budget was executed with a surplus of 1689.9 million rubles.

## Conclusion

The effectiveness of public finance management has been highly appreciated at the federal level. According to the assessment of the Ministry of Finance of the Russian Federation performed in 2021 by the end of 2020, the Kabardino-Balkar Republic entered the group of leading regions characterised by high quality of regional finance management. This effectiveness is also confirmed in 2022 (*On the Main Results of the Activities ..., 2022*). In 2021, significant work was carried out to adjust the republican budget items to balance the risk zones of losses and more harmonious use of revenues in expenditure items.



## References:

- Kagermazov, Ts. B., Shakhmurzova, A. V., & Kozhokov, M. K. (2021). Organizational and economic foundations of the development of agricultural cooperation. *Agrarian Russia*, 9, 38-42. (In Russian). <https://doi.org/10.30906/1999-5636-2021-9-38-42>
- Kazharov, A. G. (2020). Modern Russian historiography of the problem of formation of the Kabardino-Balkar Autonomous Region. *Scientific Thought of the Caucasus*, 14-21. Karabulak. (In Russian)
- On the Approval of the Strategy of Social and Economic Development of the Kabardino-Balkar Republic until 2040. Order of the Government of the Kabardino-Balkar Republic No. 384-rp dated September 17, 2021. (In Russian). <https://docs.cntd.ru/document/574893299>
- On the Execution of the Republican Budget of the Kabardino-Balkar Republic for 2021. (2022). Law of the Kabardino-Balkar Republic No. 23-RZ dated June 14, 2022. (In Russian). <https://docs.cntd.ru/document/406084401>
- On the Main Results of the Activities of the Ministry of Finance of the Kabardino-Balkar Republic for 2021 and Tasks for 2022. (2022). Reference. (In Russian). <https://minfin.kbr.ru/upload/medialibrary/f48/>
- Pashko, T. Yu., & Bashiev, A. M. (2022). Organizational and economic aspects of social protection in the Kabardino-Balkar Republic in 2020-2021. *Bulletin of the Bashkir Institute of Social Technologies*, 3(56), 94-101. (In Russian). <https://doi.org/10.47598/2078-9025-2022-3-56-94-101>
- Social and economic situation of the KBR in 2021. (2022, February 22). *Economy. Kabardino-Balkarian Truth*. (In Russian). <https://kbpravda.ru/node/10342>
- The Budget Code of the Russian Federation (as amended on November 21, 2022). Law of the Russian Federation No. 145-FZ dated July 31, 1998. (In Russian). <https://base.garant.ru/12112604/>
- The 2021 Kabardino-Balkar draft budget was formed with a deficit of over 1 billion rubles (2020, November 23). *Finance. Rambler*. (In Russian). [https://finance.rambler.ru/economics/45294205/?utm\\_content=finance\\_media&utm\\_medium=read\\_more&utm\\_source=copylink](https://finance.rambler.ru/economics/45294205/?utm_content=finance_media&utm_medium=read_more&utm_source=copylink)
- The main macroeconomic indicators of the republic for 2021 were announced at the board of the Ministry of Economic Development of the KBR. BEZFORMATA. (In Russian).





## Appendix

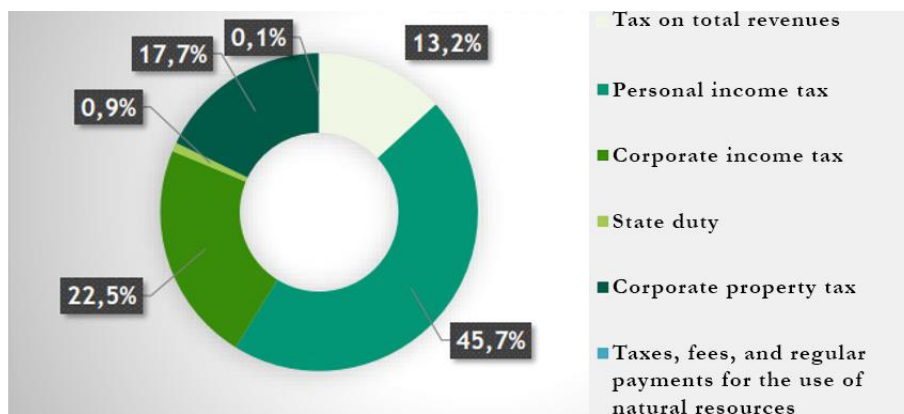


Figure 1. Structure of Kabardino-Balkar Republic's budget tax revenues



Figure 2. Structure of Kabardino-Balkar Republic's budget non-tax revenues



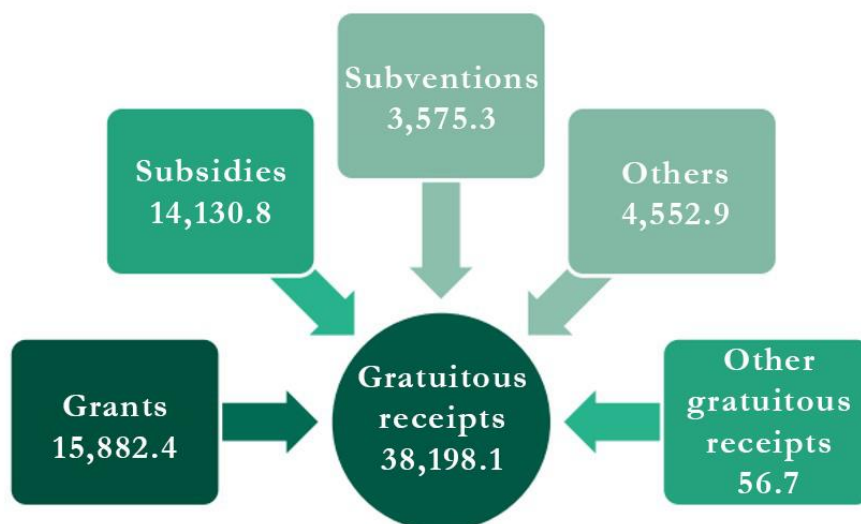


Figure 3. Composition and structure of gratuitous receipts as of January 1, 2022, million rubles

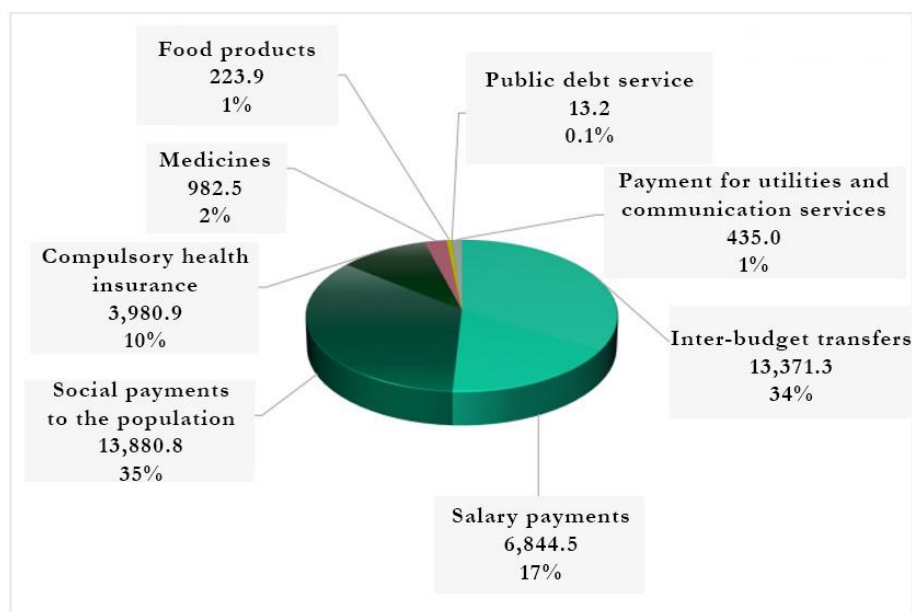


Figure 4. Structure of socially significant and Kabardino-Balkar Republic's priority budget expenditures

*Anastasia V. Fazylova*<sup>[8]</sup>

*Scientific supervisor: Nina N. Gontar*<sup>[1]</sup>

### **Analysis of Penza Region's budget execution of 2022 comparing with the plans of 2023 and 2024** <sup>[7]</sup>

*Abstract:* The relevance of the topic of the work is determined by the fact that each subject of the Russian Federation has its budget, designed to fulfill the expenditure obligations of the Russian Federation subject. At the same time, it is worth noting that any budget, regardless of its level, always consists of three elements – formation, distribution and execution. The study object was the social relations developing in the sphere of budgetary legal relations in the Penza Region. The study subject was the legal norms fixing the principles of forming subject's budget of the and budgetary legal relations, just like the study of the actual regional budgets of the Russian Federation for 2021 and 2022, the budget plan of the region for 2023. The study purpose was to research Penza Region's budget and compare the budget of 2021 and 2022 with the budget plan for 2023. The practical significance of the study lies in the author's formulation of conclusions. These proposals can be used in standard-setting activities to improve the legal regulation of the organisation and functioning, budgeting of the Penza Region, considering the specific features of the subject. Together with the above suggestions and recommendations, the conclusions can be used in teaching the disciplines of Financial Law to students in the areas of training and specialties of the legal profile.

*Keywords:* Penza region, revenue budget, expenditure budget, tax policy of the Russian Federation.



*Анастасия Владимировна Фазылова*

*Научный руководитель: Нина Николаевна Гонтарь*

### **Анализ исполнения бюджета в Пензенской области в 2022 году в сравнении с планами 2023-2024 годов**

*Аннотация:* Актуальность темы работы определяется тем, что каждый субъект Российской Федерации имеет собственный бюджет, который предназначен для исполнения расходных обязательств субъекта Российской Федерации. При этом стоит заметить, что любой бюджет независимо от его уровня всегда состоит из трех элементов: формированием, распределением и исполнением. Объектом исследования являлись общественные отношения, складывающиеся в сфере бюджетных правоотношений в Пензенской области. Предметом исследования являлись правовые нормы, закрепляющие принципы формирования бюджета субъекта и бюджетных правоотношений, а также изучение фактических бюджетов Пензенской области Российской Федерации за 2021, 2022 год, бюджетный план Пензенской области на 2023. Целью исследования было изучение бюджета Пензенской области и сравнения бюджета 2021, 2022 года с планом бюджета на 2023 год. Практическая значимость исследования заключается в формулировании автором выводов. Данные предложения могут быть использованы в нормотворческой деятельности по совершенствованию правового регулирования организации и функционирования, составления бюджета Пензенской области с учетом специфических особенностей субъекта. Выводы в совокупности с указанными предложениями и рекомендациями могут быть использованы в преподавании дисциплин «Финансовое право» обучающимся по направлениям подготовки и специальностям юридического профиля.

*Ключевые слова:* Пензенская область, бюджет доходов, бюджет расходов, налоговая политика Российской Федерации.



## **Introduction**

The relevance of the topic of the work is determined by the fact that each subject of the Russian Federation has its budget, which is designed to fulfill the expenditure obligations of the Russian Federation subject. At the same time, it is worth noting that any budget, regardless of its level, always consists of three elements – formation, distribution, and execution.

The study object was the social relations developing in the sphere of budgetary legal relations in the Penza Region.

The study subject was the legal norms fixing the principles of forming the budget of the subject and budgetary legal relations, just like the study of Penza Region's actual budgets for 2021 and 2022, the budget plan of the region for 2023 and 2024.

The study's purpose was to study Penza Region's budget and compare the budget of 2021 and 2022 with the budget plan for 2023 and 2023.

Based on the study purpose, the following tasks were identified:

- give a brief administrative description of Russian Federation's subject;
- analyse Penza Region's budget financial indicators;
- analyse Penza Region's planned budget;
- assess the main directions of Penza Region's tax policy for 2022 and for the planning period of 2023 and 2024;
- assess the debt obligations of the state subject.

The practical significance of the study lies in the author's formulation of conclusions. These proposals can be used in standard-setting activities to improve the legal regulation of the organization and functioning, budgeting of the Penza Region, considering the specific features of the subject. In addition, together with the above suggestions and recommendations, the conclusions can be used in teaching the disciplines of Financial Law to students in the areas of training and specialties of the legal profile.

### **Brief administrative description of the Penza Region**

Penza Region is a subject of the Russian Federation. The region is located in the Middle Volga region, part of the Volga Federal District. It borders on the Ulyanovsk, Saratov, Tambov, Ryazan regions and the Republic of Mordovia. The Penza Region within the modern borders was formed on February 4, 1939. It is located on the East European (Russian) plain and occupies the middle and western part of the Volga Upland. The territory of the region from west to east is 330 km, from north to south – 204 km; the area is 43.3 thousand square kms.

The administrative center of the region is the city of Penza (524.6 thousand inhabitants).

Region's population is 1,331.7 thousand people (as of January 1, 2018). It includes representatives of more than 100 peoples and nationalities. According to the All-Russian Population Census of 2010, there were 84.1% of Russians, 6.2% of Tatars, 4.0% of Mordvins,

0.6% of Ukrainians, 0.4% of Chuvash, on 0.2% of Armenians and Gypsies, on 0,1% of Belarusians, Azerbaijanis, and Uzbeks.

The Penza Region consists of 318 municipalities, including 3 urban districts, 27 municipal districts, 24 urban and 264 rural settlements. It lies in a temperate geographical zone, at the junction of forest, forest-steppe and steppe natural zones.

The proximity of large industrial centers, convenient transport and geographical location allow the use of imported raw materials and fuel, provide links for cooperation, sales of finished products.

The geopolitical position of the region is quite favourable, due to its proximity to regions that are politically stable, with similar ethnic and religious composition of the population, remoteness from external borders. Due to the relatively small size of the territory and the high availability of transport routes, the region is characterized by the permeability of space for investment. Due to the favourable combination of natural conditions for the development of agriculture, it is quite independent in terms of food.

Since 1961, the region has been part of the Volga Economic Region. Penza Region's budget is an estimate of the revenues and expenditures of the region approved for a three-year period.

#### **Analysis of financial indicators of Penza Region's budget**

Budgetary revenue is money received in the budget, excluding funds that are sources of financing of budget deficit according to the Budget Code (*Budget Code ... , Art. 6*).

State revenue is that part of a country's national income circulated in the process of its distribution and redistribution through various types of cash receipts into the ownership and disposal of the state for the purpose of creating the financial base necessary to perform its tasks of implementing social and economic policy, ensuring national defence and security, and for the functioning of state bodies (*Belousov, 2007*).

Revenues refers to money or material goods received in the form of wages, remuneration or gifts for work, service or any other activity performed. All funds received constitute total income.

When analysing the budget of any region, in particular, the Penza Region, it is necessary to divide all revenues into two large groups according to the sources of revenue – tax and non-tax. All measurements will be made in thousands of rubles, thus the total income tax and non-tax revenues in millions of rubles:

2020 – 36,385.6,

2021 – 43,108.9.

Tax revenues total in millions of rubles:

2020 – 35,392.5,

2021 – 41,877.6;

including:

corporate income tax:

2020 – 6,582.9,

2021 – 10,137.4;

personal income tax:

2021 – 12,404.1,

2021 – 13,554.0;  
excise taxes:  
2020 – 7,780.2,  
2021 – 8,264.0;  
tax levied in connection with the simplified taxation system:  
2020 – 3,245.1,  
2021 – 4,260.8;  
corporate property tax:  
2020 – 3,554.2,  
2021 – 3,817.2;  
professional income tax:  
2020 – 0.5,  
2021 – 33.4;  
transport tax:  
2020 – 1,652.9,  
2021 – 1,618.4;  
gambling tax:  
2020 – 4.3,  
2021 – 4.3;  
taxes, fees, and regular payments for the use of natural resources:  
2020 – 31.8,  
2021 – 37.3;  
state fee:  
2020 – 136.5,  
2021 – 150.8.

All non-tax revenues total in millions of rubles:

2020 – 993.1,  
2021 – 1,231.3;

including:

income from the use of state-owned and municipally-owned property:  
2020 – 42.9,  
2021 – 203.9;  
payments for the use of natural resources:  
2020 – 44.5,  
2021 – 86.8;  
revenues from paid services and reimbursement of public expenditure:  
2020 – 165.2,  
2021 – 156.9;  
income from the sale of tangible and intangible assets:  
2020 – 7.1,  
2021 – 122.2;  
administrative fees and charges:  
2020 – 17.0,

2021 – 19.9;  
fines, sanctions, damages:  
2020 – 702.1,  
2021 – 633.2;  
other non-tax income:  
2020 – 14.3,  
2021 – 8.4.

Free receipts in millions of rubles:

2020 – 34,759.4,  
2021 – 33,117.3.

Subsidies to the budgets of Russian Federation's budget system:

2020 – 14,087.4,  
2021 – 11,985.2.

Subsidies to the budgets of Russian Federation's budgetary system (inter-budgetary subsidies):

2020 – 8,235.3,  
2021 – 8,835.3.

Subventions to the budgets of Russian Federation's budget system:

2020 – 4,304.6,  
2021 – 3,637.0.

Other inter-budgetary transfers:

2020 – 7,815.7,  
2021 – 8,246.5.

Other gratuitous receipts:

2020 – 316.4,  
2021 – 413.3.

Budget revenues:

2020 – 71,145.0,  
2021 – 76,226.2 (*Maslona, 2021*).

Forecast of characteristics Penza Region's consolidated budget, budget 18 of the region, local Penza Region's budgets.

Indicator 2020 (report) 2021 (report).

I. Penza Region's consolidated budget

Income – total

2020 – 81,380.6;  
2021 – 88,691.4.

including tax, non-tax:

2020 – 46,573.6;  
2021 – 55,971.2.

Free receipts:

2020 – 34,807.0;  
2021 – 32,720.2.

Expenses – total:

2020 – 81,673.1;

2021 – 83,918.1.

Deficit (surplus):

2020 – (-292.5);

2021 – 4,773.3.

II. Penza Region's budget consists of the following columns.

Income – total:

2020 – 71,145.0;

2021 – 77,094.7,

including tax and non-tax:

2020 – 36385.6;

2021 – 44385.6.

Free receipts:

2020 – 34,759.4;

2021 – 32,709.1.

Expenses – total:

2020 – 71,287.0;

2021 – 72,700.9.

Inter-budgetary transfers to municipal budgets:

2020 – 31,753.4;

2021 – 33,282.4.

Deficit (surplus):

2020 – (-142);

2021 – 4,393.8 (*Maslova, 2021*).

Penza Region's local budgets:

Income – total:

2020 – 41388.1;

2021 – 44879.4,

including:

tax, non-tax:

2020 – 10,188.4;

2021 – 11,585.8;

gratuitous receipts:

2020 – 31,199.8;

2021 – 33,293.6.

Expenses – total:

2020 – 41,538.8;

2021 – 44,499.9;

including expenses due to inter-budgetary transfers:

2020 – 31753.4;

2021 – 33282.4.

Deficit (surplus):

2020 – (-150.5);



2021 – 379.5.

Budget expenditures are funds paid from the budget, with the exception of funds that, according to this Code, are sources of financing the budget deficit (*Budget Code ..., Art. 6*).

Budget expenditures of a constituent entity of the Russian Federation are funds allocated from the budget fund to financially support the tasks and functions of a constituent entity of the Russian Federation (*Bogdanova, 2014*).

Penza Region's budget expenditures are funds paid from Penza Region's budget for the implementation of Penza Region's expenditure obligations stipulated by laws, other regulations, treaties or agreements of the Penza Region.

The purposes, for which budget funds are spent, are

- on wages for public sector employees;
- for construction (reconstruction), major repairs and equipment of social facilities;
- for the development of healthcare, education, culture, physical culture and sports;
- for social security of the population;
- provide housing for certain categories of citizens;
- provide subsidies to local budgets for the modernisation and reconstruction of municipal infrastructure, stimulating housing construction;
- for repairs, overhaul of the road network, organisation of passenger transportation; to subsidize agricultural sectors;
- for the development of forestry, water management, environmental protection;
- for social support for unemployed citizens and promotion of employment;
- for the development of innovation activities and investment potential;
- for financial assistance to cities and regions.

Penza Region's public regulatory obligations are public obligations to an individual that are subject to execution in monetary form in the amount established by the relevant law or other regulatory legal act or have an established procedure for its indexation.

For 25 functional sections and a subsection in total in millions of rubles, the dynamics of Penza Region's budget expenditures was:

2020 – 71,287.0;

2021 – 72,700.9.

Plan:

2022 – 76,034.4;

2023 – 68,682.8;

2024 – 67,859.60.

National issues:

2020 – 2,194.0;

2021 – 2,196.7;

2022 – 4,522.1;

2023 – 3,584.7;

2024 – 4,283.2.

National Defense:

2020 – 59.5;

2021 – 60.8;  
2022 – 86.3;  
2023 – 64.1;  
2024 – 66.3.

National Security and Law Enforcement:

2020 – 122.3;  
2021 – 172.1  
2022 – 242.6;  
2023 – 262.2;  
2024 – 153.6.

National economy:

2020 – 13,652.9;  
2021 – 13,621.2;  
2022 – 14,211.0;  
2023 – 13,799.5;  
2024 – 12,592.9.

Department of Housing and Utilities:

2020 – 2,085.6;  
2021 – 1,692.8;  
2022 – 2,000.4;  
2023 – 1,481.1;  
2024 – 1,502.3.

Environmental protection:

2020 – 26.4;  
2021 – 40.7;  
2022 – 48.3;  
2023 – 35.2;  
2024 – 28.3.

Education:

2020 – 13,903.1;  
2021 – 15,785.7;  
2022 – 17,813.7;  
2023 – 18,721.4;  
2024 – 18,025.8.

Culture, cinematography:

2020 – 1,707.6;  
2021 – 1,604.4;  
2022 – 1,905.4;  
2023 – 1,536.4;  
2024 – 1,381.0.

Healthcare:

2020 – 12,005.1;  
2021 – 10,762.4;

2022 – 8,395.3;  
2023 – 7,653.1;  
2024 – 8,074.3.

Social politics:

2020 – 18,151.5;  
2021 – 18,708.3;  
2022 – 19,500.4;  
2023 – 14,475.0;  
2024 – 14,676.1.

Physical Culture and sport:

2020 – 972.2;  
2021 – 1,037.8;  
2022 – 915.2;  
2023 – 1,267.3;  
2024 – 1,421.9.

Mass Media:

2020 – 192.9;  
2021 – 229.4;  
2022 – 284.3;  
2023 – 229.5;  
2024 – 236.3.

Service of state and municipal debt:

2020 – 823.0;  
2021 – 592.4;  
2022 – 403.5;  
2023 – 405.2;  
2024 – 6,333.9.

Inter-budgetary tariffs of a general nature for the budgets of Russian Federation's budget system (*Maslova, 2021*).

Total expenses incurred in millions of rubles:

completed:

2022 – 71,287;  
2021 – 72,700.9;

planned:

2022 – 76,469.3;  
2023 – 68,688.8;  
2024 – 67,880.

Budget deficit is the excess of budget expenditures over its revenues (*Budget Code..., Art. 6*). Budget deficit is the amount by which government expenditures exceed revenues (*Sharkova, 2015*). Calculation of Penza Region's budget deficit and surplus have the following sources for 2022 for 2023 for 2024:

Incoming sources:

2022 – 4,963.9;

2023 – 2,979.2;

2024 – 423.7.

Commercial loans:

2022 – none;

2023 – 1,345.0;

2024 – 423.7.

Budget loans:

2022 – 4,963.2;

2023 – 1,634.2;

2024 – none.

Repayment of budget loans from local budgets:

2022 – 0.7;

2023 – none;

2024 – none.

Payments by source:

2022 – 2,883.7;

2023 – 1,948.4;

2024 – 1,411.2.

Repayment of commercial loans:

2022 – none;

2023 – 1,520;

2024 – 803.7.

Repayment of budget loans:

2022 – 2,883.7;

2023 – 428.4;

2024 – 607.5.

Change in balances of funds in budget accounts (decrease in “+” / increase in “–” balances compared to the beginning of the year):

2022 – 4,466.9;

2023 – 200;

2024 – 200.

In this case, the result of budget execution:

2022 – (-6,547.1);

2023 – (-1,230.8);

2024 – 787.5.

### **Analysis of Penza Region’s planned budget**

Penza Region’s consolidated budget in revenue items in millions of rubles assumes:

2022 – 79,821.8,

2023 – 82,105.1,

2024 – 86,912.3.

These data include the following items in millions of rubles:

tax and non-tax:

2022 – 54,025.3,  
2023 – 56,625.9,  
2024 – 59,747.5;

gratuitous receipts:

2022 – 25,796.5,  
2023 – 25,479.2,  
2024 – 27,164.8.

At the same time, expenses are included in millions of rubles:

2022 – 83,259.0,  
2023 – 82,325.9,  
2024 – 85,963.3.

The deficit (surplus) planned for 2022-2024 is in millions of rubles:

2022 – (-3,437.2);  
2023 – (-220.8);  
2024 – 949.0.

Thus, only 2024 should become surplus (*Boryaeva, 2022*).

2022-2024 Penza Region's budget in millions of rubles is planned as follows:

1) Income:

2022 – 69,010.4,  
2023 – 71,060.6,  
2024 – 75,378.8;

including:

a) tax, non-tax:

2022 – 43,281,  
2023 – 45,583.5,  
2024 – 48,267.1;

b) gratuitous receipts:

2022 – 25,729.4,  
2023 – 25,477.1,  
2024 – 27,111.7;

2) Expenses:

2022 – 72,540.8,  
2023 – 71,437.2,  
2024 – 74,603.4;

3) Inter-budgetary transfers to municipal budgets:

2022 – 35,376.7,  
2023 – 35,677.3,  
2024 – 35,405.2;

4) Shortage:

2022 – 3,530.4,  
2023 – 376.6;

5) Surplus:

2024 – 775.4.

Penza Region's local budgets present the following promising indicators in millions of rubles:

1) Income:

2022 – 46,121.0,

2023 – 46,719.7,

2024 – 46,885.6;

including:

a) tax, non-tax:

2022 – 10,744.3,

2023 – 11,042.4,

2024 – 11,480.4;

b) gratuitous receipts:

2022 – 35,376.7,

2023 – 35,677.3,

2024 – 35,405.2;

2) Expenses:

2022 – 46,027.8,

2023 – 46,563.9,

2024 – 46,712;

3) Expenses due to inter-budgetary transfers:

2022 – 35,376.7,

2023 – 35,677.3,

2024 – 35,405.2;

4) Surplus:

2022 – 93.2,

2023 – 155.8,

2024 – 173.6 (*Boryaeva, 2022*).

For 25 functional sections and subsections, the dynamics of Penza Region's planned budget expenditures amounted to millions of rubles:

1) Plan:

2022 – 76,034.4,

2023 – 68,682.8,

2024 – 67,859.6;

2) National issues:

2022 – 4,522.1,

2023 – 3,584.7,

2024 – 4,283.2;

3) National defense:

2022 – 86.3,

2023 – 64.1,

2024 – 66.3;

4) National security and law enforcement:

2022 – 242.6,

- 2023 – 262.2,  
2024 – 153.6;
- 5) National economy:  
2022 – 14,211,  
2023 – 13,799.5,  
2024 – 12,592.9;
- 6) Housing and communal services:  
2022 – 2,000.4,  
2023 – 1,481.1,  
2024 – 1,502.3;
- 7) Environmental protection:  
2022 – 48.3,  
2023 – 35.2,  
2024 – 28.3;
- 8) Education:  
2022 – 17,813.7,  
2023 – 18,721.4,  
2024 – 18,025.8;
- 9) Culture, cinematography:  
2022 – 1,905.4,  
2023 – 536.4,  
2024 – 1.381;
- 10) Healthcare:  
2022 – 8,395.3,  
2023 – 7,653.1,  
2024 – 8,074.3;
- 11) Social policy:  
2022 – 19,500.4,  
2023 – 14,475,  
2024 – 14,676.1;
- 12) Physical culture and sports:  
2022 – 915.2,  
2023 – 1,267.3,  
2024 – 1,421.9;
- 13) Media:  
2022 – 284.3,  
2023 – 229.5,  
2024 – 236.3;
- 14) Service of state and municipal debt:  
2022 – 403.5,  
2023 – 405.2,  
2024 – 6,333.9 (*Boryaeva, 2022*).
- Total spending plan:



2022 – 76,469.3,  
2023 – 68,688.8,  
2024 – 67,880.

When analysing the budget of any region, in particular, the Penza Region, it is necessary to divide all income into two large groups according to sources of income: tax and non-tax. Total income is

2022 – 43,281;  
2023 – 45,583.5;  
2024 – 48,267.1.

Thus, based on the above data, already when calculating the budget for 2022, 2023, the legislator assumed that the regional budget would be in deficit. According to Penza Region's government calculations, a surplus can only be achieved in 2024 due to an increase in tax revenues; in this regard, it is necessary to refer to Penza Region's tax policy plan to find out the mechanism for increasing revenues through taxes.

### **Main directions of Penza Region's tax policy for 2022 and for the planning period 2023-2024**

The main directions of Penza Region's budget and tax policy for 2022 and for the planning period of 2023 and 2024 were developed in accordance with articles 172, 184.2 of the Budget Code of the Russian Federation, articles 25, 30, 37 of the Law of the Penza Region No. 463-ZPO dated 04/07/2003 (*On the Budget Structure..., 2003*), considering the results of the implementation of the Penza region budget and tax policy for the period 2021-2023.

In the context of the ongoing fight against coronavirus infection, the main tasks of Penza Region's tax policy are to support taxpayers, aimed at quickly restoring the business activity of organizations and individual entrepreneurs, employment of the population, and reducing the fiscal burden.

To provide support to legal entities and individual entrepreneurs in the region, the tax preferences established in 2020 and 2021 have been retained. The main ones are:

- reduction of the tax rate for the tax levied in connection with the use of the simplified taxation system (from 6% up to 2% in 2021 and 4% in 2022 if the object of taxation is "income"), for certain sectors of the economy (including those most affected as a result of the introduced "quarantine" restrictions) to ensure a smooth and "painless" transition of business entities to other special tax regimes in connection with the abolition of the single tax on imputed income;
- extension until 2024 of the "tax holiday" in the form of a zero rate under the simplified and patent taxation systems for newly registered individual entrepreneurs working in agriculture, scientific, industrial, social spheres, as well as in the sphere of consumer services to the population;
- introducing amendments to the regional legislation on the patent tax system concerning the procedure for calculating the tax base for certain types of economic activity and differentiation of patents by cities and regions of the region;

- maximum reduction in rates under the simplified taxation system (up to 1% for the object of taxation “income”, up to 5% for the object of taxation “income reduced by the amount of expenses”) for legal entities and individual entrepreneurs who have transferred their business from other regions to Penza region;
- in the Penza Region, the special tax regime “Professional Income Tax” introduced on July 1, 2020 continues to operate, allowing the self-employed to legally run a business, receive income from additional earnings without the risk of a fine for illegal business activities (*On the Main Directions..., 2021*).

In addition, to create conditions for the rapid development of domestic companies, starting from 2021, for organizations and individual entrepreneurs operating in the field of information technology, at the regional level, under the simplified taxation system, the tax rate has been reduced if the object of taxation is “income” (from 6% to 1%), at the federal level, a zero rate has been established for IT companies for corporate income tax, credited to the budgets of the constituent entities of the Russian Federation.

For the property tax of organizations, calculated on the basis of cadastral value, in 2020-2021, preferences are provided in the form of the application of reduced tax rates (respectively 1.6% in 2020 and 1.8% in 2021) with an increase by 2022 rates up to the maximum level (2%). In addition, in relation to public railway tracks and structures that are their integral technological part, the specified tax (calculated on the basis of the residual book value) for 2022-2023 retained a reduced tax rate of 1.6% (with a maximum of 2.2%).

In 2022, the coefficient reflecting the regional characteristics of the labour market in the Penza Region, used in calculating personal income tax on the income of foreign citizens working in the Russian Federation on the basis of a patent, will increase from 1.8 to 1.9.

At the federal level, changes have been made to tax legislation:

- 1) the application of the simplified taxation system has been expanded by increasing the income thresholds (from 150 million rubles to 200 million rubles) and the average number of employees (from 100 to 130 people);
- 2) under the patent taxation system, a reduction in the amount of tax on insurance premiums is provided, and the scope of application of the tax on certain types of business activities is expanded;
- 3) for personal income tax, a new social tax deduction has been introduced in the amount of expenses for physical education and health services actually incurred starting from January 1, 2022;
- 4) for corporate income tax:
  - libraries, archives, museums and other cultural objects, just like organizations engaged in creative activities, no later than March 28, 2022;
  - the fifty percent limitation on accounting for losses from previous years has been extended until the end of 2024;
  - from 2023, the institution of consolidated groups of taxpayers is abolished; previously registered agreements are valid no later than January 01, 2023;

- 5) religious organisations are exempt from paying land tax from 2021 in relation to the land plots they own on which buildings, structures and structures for religious and charitable purposes are located.

To stimulate investment activity and create comfortable conditions for attracting new investors to the region, tax preferences continue to apply for organizations that have concluded investment agreements with Penza Region's Government, just like for residents of territories of rapid socio-economic development.

The use of tax preferences introduced in the region is under state control. In accordance with the requirements established by Decree of the Government of the Russian Federation No. 796 dated June 22, 2019 (*On the General Requirements..., 2019*), just like Decree of the Government of the Penza Region No. 679-pP dated October 31, 2019 (*On Approval of the Procedure..., 2019*), an assessment of the effectiveness of tax incentives in force in the Penza region for 2020 was carried out, according to the results of which all incentives were recognised as effective. Information on the results of the assessment was sent to the Ministry of Finance of Russia as part of the fulfillment of the obligation under Agreement No. 01-01-06/06-6 dated January 21, 2021, on measures for socio-economic development and improvement of Penza Region's public finances (*On Agreements..., 2020*).

Excise tax rates and standards for their transfer by budget levels are changing:

- the increase in rates for all excisable products is:
- from 3.1% up to 5.2% in 2022;
- from 3.0% up to 4.9% in 2023-2024;
- when distributing excise taxes on strong alcohol in regional incomes, the share of revenues from retail sales continues to increase, reaching 100%: from 80% (in the current year) up to 90% in 2022, 100% from 2023, with a simultaneous decrease in 2021-2022 and the abolition from 2023 of the standard for transferring specified excise taxes to the regions to compensate for the decrease in budget revenues of the constituent entities of the Russian Federation on the territory of which manufacturing plants are located (respectively 20% in 2021, 10% in 2022, 0% from 2023).

### **Information on Penza Region's debt obligations**

State (municipal) debt is obligations arising from state (municipal) borrowings, guarantees for the obligations of third parties, other obligations in accordance with the types of debt obligations established by the Budget Code, assumed by the Russian Federation, a constituent entity of the Russian Federation or a municipal entity (*Budget Code...*) of the Russian Federation, Art. 6).

State (municipal) internal debt is debt obligations of a public legal entity arising in the currency of the Russian Federation (*Budget Code..., Art. 6*).

State (municipal) external debt is debt obligations of a public legal entity arising in foreign currency (*Budget Code..., Art. 6*).

Information on Penza Region's public debt as of November 01, 2022 and its maturity dates. In total, it is 23,182,539 thousand rubles. Repayment schedule in thousands of rubles:

2022 – 428,412;

2023 – 1,773,412;  
2024 – 957,735;  
2025-2037 – 20,022,980.

Debt calculation columns:

- 1,218,082 thousand rubles are for construction, reconstruction, overhaul, repair and maintenance of public roads (except for federal roads);
- 7,454,451 thousand rubles are for partial financing of the budget deficit;
- 380 million rubles are to repay the budget loan to replenish the balance of funds in the budget account;
- 5,272,066 thousand rubles are to repay loans from credit institutions;
- 2,451,458 thousand rubles are to repay the debt obligations of municipalities of the region on market borrowings;
- 1,478,360 thousand rubles are for financial support for the implementation of infrastructure projects.

*Based on the data provided above,* it follows that the estimated period for repaying Penza Region's public debt at the time of writing this work is fifteen years, however, it is worth considering that based on the above data, Penza Region's budget is often in deficit. The budget deficit leads to an increase in Penza Region's debt, so we can conclude that repayment will take a longer period than indicated in the calculations.

### **Discussion**

Analysis of the results of planning regional budgets is of great strategic importance for further comparative research and generation of materials for subsequent analysis of trends in the economic development of the region. Therefore, it is important to subsequently compare the results of Penza Region's budget execution with financial planning indicators of consolidated indicators for these time periods and planning indicators for subsequent years.

### **Conclusion**

Having examined the main characteristics of Penza region's consolidated budget, we can conclude that the formation of budget expenditures is based on available funds, that is, income and expenses are closely interrelated. Conducting an analysis of the main characteristics of budget execution at the end of the financial year is necessary for carefully developing the draft budget for the next year and determining further actions of the state authorities of the subject.

When considering the tax policy of the region, we can conclude that it is being adapted to Russian tax conditions, but at the same time it is obvious that there remains a fairly large number of unresolved problems. Such as: problems with the application of the tax on the gambling business; excise taxes, etc.

To eliminate numerous problems, it is necessary in the medium term to move away from the huge number of subsidies, subsidies, and other forms of inter-budgetary transfers, replacing them with existing government programs. This toolkit has similar performance indicators, and inter-budgetary transfers largely duplicate their main activities, complicating the financing procedure, control and activity of budget expenditures. However, the budget, which is currently

significantly weakened due to the spread of coronavirus infection, and the unplanned expenses that came with it from the regional budget.

Based on the data provided above, it follows that the estimated period for repaying the Penza region public debt at the time of writing this work is fifteen years, however, it is worth considering that based on the above data, Penza Region's budget is often in deficit. The budget deficit leads to an increase in the region's debt, so we can conclude that repayment will take a longer period than indicated in the calculations.

Under normal conditions, development is not always stable, which is confirmed by Penza Region's large debt, a deficit budget, and a long-planned period for debt repayment. Based on the above data, already when calculating the budget for 2022, 2023, the legislator assumed that the regional budget would be in deficit. According to the calculations of Penza Region's Government, a surplus can only be achieved in 2024 due to an increase in tax revenues; in this regard, it is necessary to refer to Penza Region's tax policy plan to find out the mechanism for increasing revenues through taxes.



#### References:

- Belousov, D. S. (2007). Financial law: A course of lectures. (In Russian). <https://profspo.ru/books/1303>
- Bogdanova, L. V. (2014). Theoretical foundations of the assessment of regional budget expenditures. *Regional Economics and Management: Electronic Scientific Journal*, 4(40), 17-22. (In Russian)
- Boryaeva, T. F. (2022). Analysis of the structure of tax revenues of the budget Penza Region. *Agro-Industrial Complex: Status, Problems, Prospects. Collection of Articles of the 17<sup>th</sup> International Scientific and Practical Conference*, 676-679. Penza: Penza State Agrarian University. (In Russian)
- Budget Code of the Russian Federation. Federal Law No. 145-FZ dated July 31, 1998 (as amended on November 4, 2022). (In Russian)
- Maslova, E. V. (2021). Forecasting the revenue side of Penza Region's budget. *E-SCIO*, 3(54), 69-75. (In Russian)
- On Agreements that Provide for Measures for Social and Economic Development and Improvement of Public Finances of the Subjects of the Russian Federation. Decree of the Government of the Russian Federation No. 2196 dated December 21, 2020 (with amendments and additions). (In Russian)
- On Amendments to the Law of the Penza Region "On the Penza Region Budget of the for 2022 and the Planning Period of 2023 and 2024". The Law of the Penza Region No. 3932-ZPO dated November 25, 2022. (In Russian)
- On Amendments to the Law of the Penza Region "On the Penza Region Budget of the for 2022 and the Planning Period of 2023 and 2024". The Law of the Penza Region No. 3952-ZPO dated December 16, 2022. (In Russian)

- On Approval of the Procedure for Forming a List of Tax Expenditures and Assessment of Tax Expenditures of the Penza Region. Resolution of the Government of the Penza Region No. 679-pP dated October 31, 2019. (In Russian)
- On the Budget of the Penza Region for 2023 and for the Planning Period of 2024 and 2025. The Draft Law of the Penza Region. (2022). (In Russian). <https://www.zspo.ru/legislative/budget/91825/>
- On the Budget Structure and Budget Process in the Penza Region. The Law of the Penza Region No. 463-ZAO dated April 7, 2003. (In Russian)
- On the General Requirements for the Assessment of Tax Expenditures of the Subjects of the Russian Federation and Municipalities. Resolution of the Government of the Russian Federation No. 796 dated June 22, 2019. (In Russian)
- On the Main Directions of the Penza Region Budget and Tax Policy for 2022 and the Planning Period of 2023 and 2024. Order of the Government of the Penza Region No. 620-rP dated October 29, 2021. (In Russian)
- On the Penza Region budget for 2022 and the planning period of 2023 and 2024. The Law of the Penza Region No. 3775-ZPO dated 20.12.2021. (In Russian)
- Sharkova, A. V. et al. (2015). Dictionary of financial and economic terms. Moscow: Dashkov & Co. (In Russian)
- The Penza Region budget for 2023-2025 has been approved. (2022, December 16). (In Russian). <https://www.zspo.ru/pressroom/news/93217/>

### **Analysis of Moscow Region's budget execution in 2022 <sup>[8]</sup>**

*Abstract:* The relevance of the research topic is determined by the fact that each subject of the Russian Federation has its own budget designed to fulfill the expenditure obligations of the subject of the Russian Federation. The study object is the social relations developing in the field of budgetary legal relations in the Moscow Region. The study subject is the legal norms that consolidate the principles of forming the budget of the subject and budgetary legal relations, just like the study of the Moscow region actual budgets for 2021, 2022, Moscow Region' budget plan for 2023. The study's purpose is to research Moscow Region's budget and compare the budget of 2021, 2022 with the budget plan for 2023. The study's practical significance is in the formulation of conclusions by the authors. Based on the analysed data from the budget of the Moscow Region, it was concluded that the formation of budget expenditures is based on available funds, that is, income and expenses are closely interrelated. Conducting a comparative description of the budget for 2021 and the current 2022, a significant difference in income and expenditure funds of the executed and designated budget was noted, which indicates significant calculations and unplanned spending of funds from the regional budget. The conclusions, together with the above suggestions and recommendations, can be used in teaching the disciplines of Financial Law to students in the areas of training and specialties of the legal profile.

*Keywords:* Moscow region, regional budget, subject budget, income and expenses of the executed and assigned budget.



*Алексей Вячеславович Тенишев, Яна Петровна Машеро*

*Научный руководитель: Нина Николаевна Гонтарь*

### **Анализ исполнения бюджета Московской области в 2022 году**

*Аннотация:* Актуальность темы исследования определяется тем, что каждый субъект Российской Федерации имеет собственный бюджет, предназначенный для исполнения расходных обязательств субъекта Российской Федерации. Объектом исследования являются общественные отношения, складывающиеся в сфере бюджетных правоотношений в Московской области. Предметом исследования являются правовые нормы, закрепляющие принципы формирования бюджета субъекта и бюджетных правоотношений, а также изучение фактических бюджетов Московской области Российской Федерации за 2021, 2022 год, бюджетный план Московской области Российской Федерации на 2023. Практическая значимость исследования заключается в формулировании авторами выводов. На основании анализируемых данных бюджета Московской области, был сделан вывод, что формирование расходов бюджета основывается на имеющихся средствах, то есть доходов и расходов тесно взаимосвязанных между собой. Проводя сравнительную характеристику бюджета за 2021 и текущий 2022 года, отмечена значительная разница средств доходов и расходов исполненного и назначенного бюджета, что говорит о значительных исчислениях и незапланированных тратах денежных средств из бюджета области. Выводы в совокупности с указанными предложениями и рекомендациями могут быть



использованы в преподавании дисциплин «Финансовое право» обучающимся по направлениям подготовки и специальностям юридического профиля.

*Ключевые слова:* Московская область, региональный бюджет, бюджет субъекта, доходы и расходы исполненного и назначенного бюджета.



## Introduction

The relevance of the study topic is determined by the fact that each subject of the Russian Federation has its own budget designed to fulfill the expenditure obligations of the Russian Federation subject. It is worth noting that any budget, regardless of its level, always consists of three elements: formation, distribution and execution.

The study object is the social relations developing in the field of budgetary legal relations in the Moscow region.

The study subject is the legal norms that consolidate the principles of forming the budget of the subject and budgetary legal relations, just like the study of Moscow Region's actual budgets for 2021, and 2022, Moscow Region's budget plan for 2023.

The study's purpose is to research Moscow Region's budget and compare the budget for 2021, and 2022 with the budget plan for 2023.

The study's practical significance is in the formulation of conclusions by the authors.

These proposals can be used in standard-setting activities to improve Moscow Region's legal regulation of the organisation and functioning, and budgeting, considering the specific subject characteristics.

In addition, the conclusions, together with the above suggestions and recommendations, can be used in teaching the disciplines of Financial Law to students in the areas of training and specialties of the legal profile.

The Moscow Region is a constituent entity of the Russian Federation, part of the Central Federal District. The administrative centre of the Moscow Region is the city of Moscow (not part of the region), and part of the regional administrative authorities is located in Krasnogorsk. In terms of population, it surpasses all other federation subjects, second only to Moscow.

It borders the Tver, Vladimir, Ryazan, Tula, Kaluga, and Smolensk regions, a small northern section of the border with the Yaroslavl Region, just like in the center with the city of federal significance, the capital of Russia, Moscow. Historically, the region was preceded by the Moscow Governorate, formed in 1708. On January 14, 1929, the Central Industrial Region was formed, and on June 3, 1929, it received its modern name – the Moscow Region. Region's territory from north to south is 310 km; from west to east – 340 km, the area is 44.3 thousand square kilometres.

The regional administrative center is Moscow (de facto), and Krasnogorsk (part of the state authorities). As of 2021, region's population is 8,524,665 people. There is a steady increase in the population (e.g., from 2002 to 2019, the increase was 14.8%) due to an increase in the number of urban residents, in particular, due to external migration.

By nationality, the majority of the population (92.92%, 6202 thousand people) are Russians; the second largest population is Ukrainians (119.4 thousand people), and in third place are

Tatars (56.2 thousand people). The Moscow Region is also home to a large number of illegal migrant workers, mainly from neighboring countries.

The region consists of 52 cities of regional subordination (with their administrative territories), three urban-type settlements of regional subordination (with their administrative territories) and five closed administrative-territorial entities. From the point of view of municipal division, the region consists of 60 urban districts.

The Moscow Region is located within the forest belt and the forest-steppe zone; infertile, sod-podzolic soils prevail.

It is worth noting the unique geographical and geopolitical position of the region, having a diversified industrial, scientific, technical and agricultural potential.

The Moscow Region has strong economic, financial and social potential, which has been formed due to its advantageous economic and geographical location near the capital, a well-developed transport network and the availability of highly qualified labor resources. The integrated development of the economy and social sphere allowed the Moscow Region to maintain its leading position in the ratings of regions in various areas of socio-economic development by the end of 2020.

The draft budget of the Moscow region is drawn up and approved for three years (the next financial year and the planning period).

## **The results of the study**

### ***1. Analysis of Moscow Region's budget revenues***

First, it is necessary to turn to the data for the current and previous years to track changes in budget indicators and reflect the full picture of this issue. The table shows the indicators of budget revenues of the Moscow region from 2021 to 2022. As can be seen, over the annual budget period, income indicators are increasing, which demonstrates the dynamic development of the region. It is worth noting that not in all categories of budget revenues does the assigned income for the period November 1, 2022, exceed the executed income for the current period, e.g., income from the use of property owned by the state and municipal is assigned for a specific period of 4,322.42 million rubles, while budget execution for this category of income has significantly exceeded, amounting to 12,521.36 million rubles.

When analysing the budget of any region, in particular, the Moscow region, all revenues are divided into two large groups according to sources of income: tax and non-tax (*Table 1*).

From the presented table, the growth rate of budget execution by revenue has a stable turnover is drawn as generalised conclusions. Thus, for the designated period from November 2021 to November 2022:

- the income growth rate is 18.39% (from 581,555.28 to 688,522.62);
- tax and non-tax budget revenues are 16.35% (from 519,895.73 to 604,897.42);
- tax revenues are 14.20% (from 502,523.22 to 573,878.03);
- non-tax income is 67.48% (from 15,878.06 to 26,591.91);
- the budget deficit is -103,988 million rubles;
- the surplus was 58.0 million rubles.

Gratuitous receipts from other Russian Federation's budget systems to Moscow Region's budget:

- amounted to 61,659.55 billion rubles in November 2021 and 83,625.20 billion rubles in November 2022, therefore, the total percentage of execution is 84.30%;
- inter-budget transfers amounted to 59,282.13 million rubles in November 2021 and 76,719.5 billion rubles in November 2022, the total percentage of execution was 82.11%;
- subsidies amounted to 997.74 billion rubles for the period 2021 and 1,140.32 billion rubles for 2022, the total percentage of execution was 96.89%;
- subsidies amounted to 20,001.92 billion rubles in November 2021 and 35,984.71 billion rubles for the period 2022, the total percentage of execution was 84.93%;
- subventions amounted to 15,681.10 billion rubles in November 2021 and 13,082.29 billion rubles for the period 2022, the total percentage of execution was 81.06%;
- other inter-budgetary transfers amounted to 22,652.65 billion rubles for November 2021 and 27,075.07 billion rubles for the period 2022, the total percentage of execution was 78.84%;
- other gratuitous receipts amounted to 545.68 billion rubles for November 2021 and 2,900.24 billion rubles for the period 2022, the total percentage of execution was 122.65% (*Table 2*).

## ***2. Analysis of Moscow Region's budget expenditures***

Budget expenditures are monetary funds, paid from the budget, with the exception of funds that, in accordance with this Code, are sources of financing budget deficits (*Budget Code ...*).

Moscow Region's budget expenditures are funds paid from the Moscow region budget for the implementation of Moscow Region's expenditure obligations stipulated by laws, other regulatory legal acts, contracts or agreements of the Moscow Region.

Budget funds are spent on:

- salaries for public sector employees;
- construction (reconstruction), major repairs and equipping of social facilities;
- the development of healthcare, education, culture, physical culture and sports;
- social security of the population;
- providing housing for certain categories of citizens; on providing subsidies to local budgets for the modernisation and reconstruction of facilities municipal infrastructure, stimulation of housing construction;
- repair, overhaul of the road network, organisation of passenger transportation;
- subsidising agricultural sectors;
- the development of forestry, water management, environmental protection;
- social support of unemployed citizens and promotion of employment;
- the development of innovative activities, investment potential; for financial assistance to cities and districts.

From the table presented in the appendix, the expenditure figures for 2021 to the current 2022 are seen (*Table 3*) (*Regional Electronic Budget of the Moscow Region*).

Total expenses:

- 5,30761.11 completed in 2021;
- 893,390.83 scheduled for 2022;
- 630,474.90 completed in 2022.

### ***3. Moscow Region's planned budget for 2022***

Next, it is necessary to consider the forecast of the characteristics of Moscow Region's consolidated budget for 2022.

The indicators of the 2022 forecast of the consolidated budget of the Moscow Region show us the level of income, which is 861,182.51, which, compared with the budget of 2021, exceeds the growth rate of execution by 17.25%; expenditures for 2022 amount to 786,944.27, which is also significantly higher by 17.45% compared with expenditures for 2021.

In addition, the Law of the Moscow Region No. 251/2020-OZ "On the Budget of the Moscow Region for 2021 and for the Planning Period of 2022 and 2023", dated December 04, 2020, defines in what amount and to which areas of state regulation the budget of the region will be directed.

The Law of the Moscow Region No. 252/2021-OZ "On the Budget of the Moscow Region for 2022 and for the Planning Period 2023 and 2024", dated December 10, 2021 (hereinafter – the Law on the Budget of the Moscow Region) approves the main characteristics of the Moscow region budget for 2022:

- the total amount of Moscow Region's budget revenues in 759,497,629 thousand rubles, including the volume of inter-budget transfers received from other budgets of the Russian Federation budgetary system, in the amount of 6,812,013 thousand rubles;
- Moscow Region's total budget expenditures in 805,431,152 thousand rubles;
- Moscow Region's budget deficit in 4,5933,523 thousand rubles.

In addition, for the current 2022, additional standards for deductions to the urban districts' budgets of the Moscow Region from the personal income tax to be credited to Moscow Region's budget are being approved.

In particular, subsidies to non-profit organizations that are not government agencies are provided for in the budget expenditures of the Moscow Region. For 2022, the budget for expenses to organisations is provided in the amount of 4,182,905 thousand rubles as specified in article 17 of the Law on the Moscow Region Budget, including for events:

- 176,030 thousand rubles in social protection of the population,
- 20,000 thousand rubles in culture,
- 20,000 thousand rubles in physical culture and sports,
- 1,345,311 thousand rubles in education,
- 232,058 thousand rubles in tourism,
- 1,291,220 thousand rubles in entrepreneurship,
- 938,084 thousand rubles in housing and communal services,
- 150,000 thousand rubles in computer science and the use of information systems,
- 9,202 thousand rubles for the development of volunteerism (volunteerism),

- 1,000 thousand rubles in security.

*Thus*, based on the analysis of the legislation approving the budget for the current 2022, it can be concluded that, in comparison with the budget level for 2021, the costs of implementing expenditure obligations have significantly increased. At the same time, the main problem of the budget remains the public debt. The Russian government explains its low level, but even with a debt of about 20% of GDP, more and more funds are being spent on its maintenance: in 2021, interest payments cost the budget 1,156 trillion rubles, and in 2022 they will cost 1,403 trillion. It is also worth noting that Russian Federation's budget is in surplus: in 2022, 1,327 trillion rubles should remain in the treasury, which will be used to replenish the National Welfare Fund.

#### ***4. The main directions of Moscow Region's tax policy for 2023, for the planning period of 2024 and 2025***

Next, it is necessary to analyse Moscow Region's tax policy, planned for 2023, 2024 and 2025. Tax policy is formed considering the orientation towards stimulating investment attraction, levelling the socio-economic situation of Moscow Region's urban districts, expanding the revenue base of the budget and ensuring the establishment of regional tax benefits with a mandatory assessment of the effectiveness of their application (*On the Budget of the Moscow Region for 2022 and for the Planning Period 2023 and 2024*).

The main directions of Moscow Region's tax policy for 2023 and the planning period 2024-2025 are aimed at sustainable socio-economic development of the region and the creation of favourable conditions for entrepreneurship development in the Moscow Region.

Thus, the formation of the main directions was performed based on the forecast of socio-economic development of the Moscow region for 2022-2024, subject to the provisions of decrees of Russian Federation's head:

“On National Goals and Strategic Objectives for the Development of the Russian Federation for the period up to 2024” No. 204 dated May 7, 2018;

“On National Development Goals of the Russian Federation for the period up to 2030” No. 474 dated July 21, 2020.

Also, there are messages of the President of the Russian Federation to the Federal Assembly of the Russian Federation dated April 21, 2021, priority goals and objectives of national projects and state programmes of the Moscow Region.

The purpose of forming the main directions of Moscow Region's tax policy is to determine the conditions for the development of approaches to realise region's tax policy, approaches to the formation of the main characteristics and projected parameters of Moscow Region's budget for 2023 and the planning period 2024-2025.

The objectives of the Moscow region tax policy for 2021 and the planning period 2022-2023 are:

- increase the revenue base of Moscow Region's consolidated budget;
- stimulate the growth of investment in the economy of the Moscow Region;
- support socially vulnerable segments of the population in the form of providing tax benefits for transport tax;
- conduct an annual assessment of Moscow Region's tax expenditures effectiveness;

- preserve in Moscow region's effective tax benefits;
- establish an optimal tax burden on entrepreneurs applying the patent taxation system, just like on corporate property tax, which allows maintaining a balance between supporting the growth of entrepreneurial activity and replenishing the revenue side of Moscow Region's budget system;
- continue work on improving Moscow Region's tax legislation.

Based on the approved goals and objectives in Moscow Region's tax policy for 2023, for the planning period of 2024 and 2025, the policy of active tax support for entrepreneurial activity and adaptation of the region's economy to rapidly changing internal and external economic conditions will be continued.

To date, the Draft Law of the Moscow Region "On the Budget of the Moscow Region for 2023 and for the Planning Period 2024 and 2025" (hereinafter referred to as the Draft Law on the Budget of the Moscow Region) has already entered into force, which approves Moscow Region's budget main characteristics for 2023 and for the planning period 2024 and 2025. Thus, for 2023, the total amount of Moscow Region's budget revenues in the amount of 867,913,991 thousand rubles is presented, including the volume of inter-budget transfers received from other budgets of Russian Federation's budgetary system in the amount of 77,916,270 thousand rubles; the total regional budget expenditures in the amount of 946,551,879 thousand rubles; the Moscow region budget deficit in the amount of 78,637,888 thousand rubles.

For the planning period of 2024 and 2025:

- Moscow Region's total budget revenues for 2024 in the amount of 984,222,324 thousand rubles, including the volume of inter-budget transfers received from other budgets of Russian Federation's budgetary system in the amount of 80,469,717 thousand rubles, and for 2025 in the amount of 1,062,639,594 thousand rubles, including inter-budget transfers volume, received from other budgets of Russian Federation's budgetary system, in the amount of 42,488,037 thousand rubles;
- Moscow Region's total budget expenditures for 2024 in the amount of 1,036,481,972 thousand rubles, including conditionally approved expenses in the amount of 143,401,838 thousand rubles, and for 2025 in the amount of 1,068,936,591 thousand rubles, including conditionally approved expenses in the amount of 205,289,711 thousand rubles;
- Moscow Region's budget deficit for 2024 the amount of 52,259,648 thousand rubles and for 2025 in the amount of 6,296,997 thousand rubles.
- budget allocations for the fulfilment of public regulatory obligations for 2023 in the amount of 69,604,974 thousand rubles, for 2024 in the amount of 65,303,130 thousand rubles and for 2025 in the amount of 65,863,589 thousand rubles.

Thus, achieving the targets of national projects set for 2023-2025, ensuring the sustainability and stability of Moscow Region's budget system, focusing on the development of progressive directions in the social and economic spheres, including by increasing the level of digitalisation of events, will become the basis for forming Moscow Region's budget policy for a three-year period.

## Conclusion

Based on the analysed data from Moscow Region's budget, it was concluded that the formation of budget expenditures is based on available funds, i.e., income and expenses are closely interrelated. Conducting a comparative description of the budget for 2021 and the current 2022, a significant difference in income and expenditure funds of the executed and designated budget, indicating significant calculations and unplanned spending of funds from the regional budget, was noted.

Budget funds are the basis of the financial base for social transformation implementation and the transition to a new level of social services for the population. An analysis of the allocated budget funds, just like the main characteristics of budget execution, is necessary for the careful development of a draft budget for planned three-year periods, ensuring the stability and stability of the Moscow region budget system and focusing on the development of progressive directions in the social and economic spheres.



## References:

- Budget Code of the Russian Federation No. 145-FZ, dated July 31, 1998. (In Russian) [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_19702/](http://www.consultant.ru/document/cons_doc_LAW_19702/)
- On the Budget of the Moscow Region for 2022 and for the Planning Period of 2023 and 2024. Budget for Citizens on the Basis of the Law of the Moscow Region No. 252/2021-03. (In Russian) <https://budget.mosreg.ru/download/dostupnyj-byudzheth/utverzhdennyj-zakon-o-byudzhete/2022/BdG-2022-2024.pdf>
- On the Budget of the Moscow Region for 2023 and for the Planning Period of 2024 and 2025. The Draft Law of the Moscow region, dated October 20, 2022. (In Russian) <https://rg.ru/documents/2022/10/20/mosobl-proekt2025-reg-dok.html>
- On the National Goals and Strategic Objectives of the Development of the Russian Federation for the Period up to 2024. Decree of the President of the Russian Federation, dated May 07, 2018, No. 204. (In Russian) <http://publication.pravo.gov.ru/Document/View/0001201805070038>
- On the National Development Goals of the Russian Federation for the period up to 2030. Decree of the President of the Russian Federation No. 474, dated July 21, 2020. (In Russian) <http://publication.pravo.gov.ru/Document/View/0001202007210012>
- Regional Electronic Budget of the Moscow Region. The Open Budget of the Moscow Region in GIS. (In Russian) <https://budget.mosreg.ru/>





## Appendix

Table 1. Moscow Region budget execution in 2021-2022

Indicators	Executed on November 01, 2021	Scheduled for November 01, 2022	Executed on November 01, 2022
Budget revenues – Total	581,555.28	789,509.77	688,522.62
Tax and non-tax revenues of the budget	519,895.73	690,304.55	604,897.42
Tax revenues	502,523.22	664,259.96	573,878.03
Corporate income tax	206,232.41	265,920.13	229,751.14
Personal income tax	169,132.91	233,891.98	200,664.01
Corporate property tax	45,156.66	52,056.30	48,537.06
Excise taxes	44,461.09	57,466.26	50,144.56
Transport tax	8,541.06	17,106.18	9,194.22
Other tax income	28,999.09	37,819.12	35,587.03
Non-tax income	15,878.06	21,184.47	26,591.91
Income from the use of state and municipal owned property	3,492.82	4,322.42	12,521.36
Payments for the use of natural resources	391.83	638.25	412.87
Income from the sale of tangible and intangible assets	458.64	1,686.22	337.37
Fines, sanctions, damages	10,611.93	13,558.14	11,977.15
Other non-tax income	922.84	979.44	1,343.16

Table 2. Gratuitous receipts to the Moscow region budget

Indicators	Executed on November 01, 2021	Scheduled for November 01, 2022	Executed on November 01, 2022
Gratuitous receipts	61,659.55	99,205.22	83,625.20
Inter-budget transfers	59,282.13	93,433.00	76,719.50
Grants	997.74	1,176.89	1,140.32
Subsidies	20,001.92	42,369.75	35,984.71
Subventions	15,681.10	16,138.17	13,082.29
Other inter-budget transfers	22,652.65	34,340.88	27,075.07
Other gratuitous receipts	-545.68	2,364.61	2,900.24

Table 3. Expenditure indicators for the Moscow region budget for 2021-2022

<b>№</b>	<b>Indicator</b>	<b>Executed on November 01, 2021</b>	<b>Scheduled for November 01, 2022</b>	<b>Executed on November 01, 2022</b>
<b>Budget expenditures – Total</b>		530,761.11	893,390.82	630,474.90
1.	National issues	19,730.77	24,361.19	24,361.19
2.	National defense	93.92	481.13	481.13
3.	National security and law enforcement agencies	7,117.23	9,008.50	9,008.50
4.	National economy	92,683.03	124,045.53	124,045.53
5.	Housing and communal services	12,870.29	24,039.62	24,039.62
6.	Environmental protection	6,435.05	16,893.17	16,893.17
7.	Education	130,066.65	166,742.16	166,742.16
8.	Culture, cinematography	2,857.67	3,164.48	3,164.48
9.	Healthcare	93,712.27	83,043.54	83,043.54
10.	Social policy	143,102.91	157,330.53	157,330.53
11.	Physical education and sports	4,938.12	6,500.91	6,500.91
12.	Mass media	2,940.94	3,061.67	3,061.67
13.	Servicing of state and municipal debt	10,940.94	7,917.46	7,917.46
14.	Inter-budgetary transfers of a general nature to the budgets of the budgetary system of the Russian Federation	3,269.98	38,885.02	38,885.02

*Daria A. Kiryanova*<sup>[1]</sup>

*Scientific supervisor: Nina N. Gontar*<sup>[1]</sup>

### **Analysis of Voronezh Region's budget execution for 2021** <sup>[9]</sup>

*Abstract:* The Voronezh Region is one of the key agricultural and industrial regions of Central Russia. Therefore, the analysis of its budget policy is of particular interest in the framework of monitoring and forecasting the economic development of the Russian Federation. The study object is Voronezh Region's budget of the. The study subject is Voronezh Region's budget execution for 2021. The study's purpose is to analyse the financial statements of Voronezh region's Department for 2021. The study analysed the execution of the main characteristics of Voronezh Region's budget for 2021, Voronezh region's budget income and expenditure items for 2021, identified sources of financing the regional budget deficit and identified the main characteristics of the regional budget for 2022 and for the planning period 2023 and 2024. The author concludes that the approved and executed budget assignments for 2022 differ; there is a surplus in budget execution, the expense formation is based on available funds, i.e., revenues are closely related to expenses, forming budget execution characteristics analysis at the end of the financial year is a significant component necessary for the development of a draft budget for the next year and the definition of further areas of activity of public authorities.

*Keywords:* Voronezh Region, Voronezh Region's budget, revenues and expenditures of the regional budget, budget deficit and surplus.



*Дарья Александровна Кириянова*

*Научный руководитель: Нина Николаевна Гонтарь*

### **Анализ исполнения бюджета Воронежской области за 2021 год**

*Аннотация:* Воронежская область является одним из ключевых аграрно-промышленных регионов Центральной России, поэтому анализ её бюджетной политики представляет особый интерес в рамках мониторинга и прогнозирования экономического развития Российской Федерации. Объектом исследования является бюджет Воронежской области. Предметом исследования является исполнения бюджета Воронежской области за 2021 год. Целью исследования является анализ отчетности Департамента финансов Воронежской области за 2021 год. В ходе исследования был проведен анализ исполнения основных характеристик бюджета Воронежской области за 2021 год, статей доходов и расходов бюджета Воронежской области за 2021 год, выделены источники финансирования дефицита областного бюджета и определены основные характеристики областного бюджета на 2022 год и на плановый период 2023 и 2024 годов. Автор делает вывод, что утвержденные и исполненные бюджетные назначения на 2022 год, различаются, в исполнении бюджета наблюдается профицит, формирование расходов основывается на имеющихся средствах, то есть доходы тесно связаны с расходами, формирование анализа характеристик исполнения бюджета по завершении финансового года выступает важной составляющей, необходимой для разработки проекта бюджета на следующий год и определения дальнейших направлений деятельности органов государственной власти.

*Ключевые слова:* Воронежская область, бюджет Воронежской области, доходы и расходы областного бюджета, дефицит и профицит бюджета.



## Introduction

The budget is a form of formation and expenditure of a fund of funds intended for financial support of the tasks and functions of the state and local self-government (*Budget Code ...*). No entity can exist without its budget, the main function of which is the fulfilment of expenditure obligations.

The Voronezh Region is a subject of the Russian Federation, which is part of the Central Federal District and the Central Chernozem Economic Region. It borders the Luhansk region and the Rostov Region in the south, the Belgorod Region in the west, the Kursk Region in the northwest, Lipetsk Region in the north, Tambov Region in the northeast, Volgograd Region in the southeast and Saratov Region in the east.

The area of the subject is 52216 sq. kms (51<sup>st</sup> place in Russia), and the population is 2,308,792 inhabitants (22<sup>nd</sup> place in Russia). The population density of the Voronezh Region is 44.22 people per sq. km. The largest city is Voronezh, which is also Voronezh Region's administrative centre.

The main branches of economic activity are industry (food processing, mechanical engineering, metalworking), agriculture (animal husbandry, crop production and fruit growing), transport, and electric power industry.

The body ensuring the development and implementation of the state policy of the Voronezh Region in finance on the territory of the Voronezh Region and exercising the powers of the internal state financial control body is the executive body of state power – the Department of Finance of the Voronezh Region (hereinafter – the Department).

The Department exercises powers in the following main areas (areas):

- drafting regional and consolidated budgets for the next financial year and planning period;
- economically sound forecasting of income and expenses;
- organisation of the execution of the regional budget according to the Budget Code, the laws of the Voronezh Region based on a consolidated budget list and a cash plan approved by the head of the Department of Finance of the Voronezh Region;
- preparation and submission of reports on the execution of Voronezh Region's regional and consolidated budgets and the budget of the territorial state extra-budgetary fund;
- implementation of the regional strategy, achievement of relevant goals and indicators in the subordinate field of activity;
- Voronezh Region's public debt management; regulation of financial relations between the regional budget and budgets of other levels;
- creation of conditions for the effective exercise of powers by local governments; improvement of inter-budgetary relations;
- interaction with local governments in the field of finance;

- implementation of financial control according to budget legislation (*Regulations on the Department of Finance of the Voronezh Region*).

The study object is Voronezh Region's budget.

The study subject is Voronezh Region's budget execution for 2021.

The study's purpose is to analyse the financial statements of the Voronezh Region Department for 2021.

Based on the purpose of the study, the following tasks were solved:

- analyse the performance of the main characteristics of the Voronezh Region's budget for 2021;
- analyse the Voronezh Region's budget revenue items for 2021;
- analyse the Voronezh Region's budget expenditure items for 2021;
- identify sources of financing for the regional budget deficit;
- determine the main characteristics of the regional budget for 2022 and the planning period of 2023 and 2024.

### ***1. Analysis of the execution of the main characteristics of the Voronezh region's budget for 2021***

The main characteristics of the regional budget for 2021:

- the projected total regional budget revenue in the amount of 143,592,134.8 thousand rubles, including gratuitous receipts in the amount of 47,234,535.2 thousand rubles, of which:
  - gratuitous receipts from other budgets of Russian Federation's budgetary system in the amount of 46,471,234.4 thousand rubles, including:
    - 10,166,213.5 thousand rubles of grants,
    - 20,216,510.1 thousand rubles of subsidies,
    - 7,305,865.6 thousand rubles of subventions,
    - 8,782,645.2 thousand rubles of other inter-budgetary transfers with a special purpose;
  - gratuitous receipts from the state corporation – Fund for Assistance to Housing and Communal Services Reform in the amount of 756,580.5 thousand rubles;
- total expenditures of the regional budget in the amount of 15,4378,749.1 thousand rubles;
- the projected deficit of the regional budget in the amount of 10,786,614.3 thousand rubles (*Conclusion ...*).

The execution of the regional budget was carried out based on the Law of the Voronezh Region "On the regional budget for 2021 and for the planning period of 2022 and 2023" no. 129-OZ, dated December 26, 2020. During the year, the regional budget was adjusted to increase revenues by 12.6% (16,629.0 million rubles) and expenses by 17.8% (23,984.0 million rubles). The projected deficit of the regional budget increased by 3.1 times or by 7,355.0 million rubles as a result of the clarifications. The plan was clarified mainly due to an increase in gratuitous receipts from the federal budget.

In fact, budget revenues amounted to 163,944.6 million rubles (110.6% of the plan), and expenses were incurred in the amount of 144,702.6 million rubles (91.0%). The budget was executed with a surplus of 19,242.0 million rubles.

The growth trend in the revenue and expenditure side of the budget in the reporting year has been maintained. In 2021, compared to the previous year, revenues increased by 20,005.4 million rubles or 13.9%, expenses increased by 7,104.6 million rubles or 5.2%, and the surplus increased by 12,900.8 million rubles or 3.0 times.

Non-fulfillment of the expenditure part of the regional budget amounted to 14,318.0 million rubles or 9% in 2021. The main reason is the balance of reserved funds related to the specifics of budget execution within the framework of the state enterprise “Public Finance Management of the Voronezh Region” – 6,508.0 million rubles.

Also, the reasons for non-fulfilment of expenses are the declarative nature of payments, savings based on the results of bidding and contract execution, violation of contract terms, the introduction of restrictive measures to prevent the spread of new coronavirus infection, and others.

## ***2. Analysis of Voronezh Region’s budget revenue items for 2021***

The regional budget revenues amounted to 163944.6 million rubles (110.6% of the plan) in 2021, including tax and non-tax revenues – 113,070.1 million rubles (117.3%), gratuitous receipts – 50,874.5 million rubles (98.1%). Compared to the previous year, the budget revenue side increased by 20,005.4 million rubles or 13.9%.

In the structure of regional budget revenues, tax revenues amounted to 66.5%, non-tax revenues – 2.5%, and gratuitous transfers – 31.0%. The structure of regional budget revenues in 2021 has changed compared to the previous year: the share of tax and non-tax revenues increased by 3.4 points.

Compared with 2020, growth is noted for all types of income: tax revenues increased by 16,860.5 million rubles or 18.3%, non-tax revenues – by 1,817.7 million rubles or 78.6%, gratuitous receipts – by 1,327.2 million rubles or 2.7%.

Over 5 years, the revenues of the regional budget have increased by 67,706.2 million rubles or 1.7 times. In terms of growth rates of tax and non-tax revenues of the consolidated budget from 2017 to 2021, Voronezh Region ranks fourth in the Central Federal District with an indicator of 157.8% (average growth rate of 154.7%).

Tax revenues amounted to 108,938.8 million rubles (117.2% of the plan), which is 16,860.5 million rubles higher than in 2020. Over five years, tax revenues have increased by 43,097.8 million rubles or 1.7 times. The key taxes (over 87.7%) that form the budget revenue side are corporate income tax, personal income tax, excise taxes, and corporate property tax. The tax revenue plan execution was performed by 117.2%, the budget received an additional 15,975.8 million rubles. Compared to the previous year, there is an increase in all types of tax revenues.

The main reasons for the increase in revenues compared to the previous year and the over-fulfilment of the plan are:

- corporate income tax – improvement of financial and economic activities of organizations. According to ROSSTAT data, the net financial result of organizations’ activities in January – December 2021 increased by 1.7 times compared to the same period last year;

- personal income tax – an increase in the wage fund for 2021 by 7.4%;
- corporate property tax – growth of the tax base;
- taxes on goods (works, services) sold on the territory of the Russian Federation – an increase in the standard of excise taxes on petroleum products to the budgets of the subjects of the Russian Federation (8.5%), an increase in beer production (3.8%).

In recent years, there has been a positive trend towards reducing tax arrears credited to the regional budget. However, in 2021, it increased by 656.5 million rubles (35.2%), and as of January 1, 2022, the debt amounted to 2,521.5 million rubles.

Non-tax revenues came in the amount of 4,131.3 million rubles (121.7% of the plan), which is 1,817.7 million rubles (1.8 times) more than the level of 2020. The main share in the structure of non-tax income is income from the use of property, fines, sanctions and damages, and income from the sale of assets.

Revenues from the use of state-owned property amounted to 1,936.3 million rubles, which is 1,572.4 million rubles (5.3 times) higher than the level of the previous year. Planned appointments were also exceeded by 941.1 million rubles (1.9 times).

A quarter of non-tax revenues (25.0% or 1031.4 million rubles) are fines, sanctions, and damages. Compared to the previous year, they decreased by 196.4 million rubles (16.0%), and the plan was not fulfilled by 312.2 million rubles (23.2%). The reason is a decrease in the number of monetary penalties for traffic offences due to a decrease in the number of offences, including in connection with the unfavourable situation of the spread of coronavirus infection.

Revenues from the sale of tangible and intangible assets amounted to 595.9 million rubles, which is 1.9 times (by 281.3 million rubles) higher than the receipts of the previous year, the plan was fulfilled by 99.6%. At the same time, according to the subspecies of non-tax income, there is a significant deviation of the projected volume from the actual income: in terms of income from the sale of land plots, the plan was exceeded by 8.1% (44.1 million rubles), in terms of income from the sale of property, it was not fulfilled by 83.1% (46.5 million rubles).

Payments for the use of natural resources were formed in the amount of 145.4 million rubles (129.1% of the plan). The main part (85.2%) of these payments is the fee for the use of forests in the amount of 123.9 million rubles.

Other non-tax revenues amount to 163.8 million rubles, which is 2.8 times more than the receipts of the previous year (106.1 million rubles), the plan was fulfilled by 101.1%. More than half of other income comes from receipts for the issuance of permits for the use of land plots – 90.0 million rubles (an increase of 2.9 times or 58.7 million rubles compared to last year). This service is declarative in principle. A significant share of other income is accounted for by the fee for the installation of advertising structures – 66.5 million rubles, which increased by 29.3 million rubles (1.8 times) compared to 2020. In 2021, auctions were held, at which the object was an annual fee for 135 contracts for the installation and operation of advertising structures, payment was made in advance for the year.

Gratuitous receipts amounted to 50,874.5 million rubles (98.1% of the plan), which is 1,327.2 million rubles (2.7%) higher than in 2020.

Subsidies (38.9%), other inter-budgetary transfers and other gratuitous receipts (25.6%), and grants (20.6%) make up the main share of the total amount of gratuitous receipts.



### ***3. Analysis of Voronezh Region's budget expenditure items for 2021***

In 2021, 144,702.6 million rubles (91.0% of the plan) were allocated for the execution of the expenditure part of the regional budget, of which 142,078.5 million rubles (90.9% of the plan) were allocated for the implementation of Voronezh Region's state programmes, non-programme expenses amounted to 2,624.1 million rubles (96.3% of the plan). Compared to the previous year, expenses increased by 7,104.6 million rubles or 5.2%.

The share of programme expenses in the cost structure is 98.2%, non-programme expenses – 1.8%.

For 2021, the regional budget was formed based on 25 Voronezh region's state programmes. In the structure of expenditures, as in previous years, the main share is occupied by financing government programs implemented in the social sphere. Also, a significant part of the funds is directed to the implementation of Voronezh Region's state programmes "Development of the Transport System of the Voronezh Region", "Development of Agriculture of the Voronezh Region", and "Public Finance Management of the Voronezh Region".

Compared to the previous year, expenditures on state programme implementation increased by 7,415.9 million rubles or 5.5%.

The execution of the plan for state programmes and non-programme expenditures was carried out by 91.0%, and the volume of unfulfilled budget allocations amounted to 14,318.0 million rubles. To the greatest extent (more than 100.0 million rubles) was according to 12 state programmes.

### ***4. Sources of financing Voronezh Region's budget deficit***

For 2021, the regional budget was approved with a deficit of 10,786.6 million rubles, the execution was formed with a surplus of 19,242.0 million rubles.

As of January 1, 2021, the remaining funds of the regional budget, except the target ones, amounted to 11,630.1 million rubles, they were projected to be used to cover the deficit of the regional budget. As of January 1, 2023, their amount increased to 29,826.1 million rubles.

The key sources of the formation of balances at the end of 2021 are the over-fulfilment of tax and non-tax revenues and the non-fulfilment of the expenditure part of the regional budget.

At the first amendment to the Law of the Voronezh Region No. 2-OZ "On the Regional Budget for 2022 and for the planning period of 2023 and 2024", dated February 25, 2022, only 18,323.7 million rubles were allocated to cover the deficit.

According to paragraph 2 of Section IV of the minutes of the meeting of the Government Commission for Regional Development in the Russian Federation No. 1 "On tasks for the completion of the current financial year and the execution of budgets of the Subjects of the Russian Federation", dated September 23, 2021, and letter of the Ministry of Finance of the Russian Federation No. 06-09-09/89406, dated March 11, 2021, in order to effectively use additional income received in 2021 and it is recommended that the balances formed on January 1, 2022, be directed to the implementation of priority obligations, related to the increase in salaries of public sector employees in accordance with the decrees of the President of the Russian Federation, co-financing of the implementation of national projects, additional financing of capital works due to rising prices for construction materials, reduction of accounts

payable of healthcare institutions, reduction of debt on market borrowings of Russian Federation's subjects, just like the formation of a reserve of funds to finance expenses in 2022 year.

#### ***5. The main characteristics of the regional budget for 2022 and for the planning period of 2023 and 2024***

The main characteristics of the regional budget for 2022 (*On the Regional Budget for 2022 ...*):

- (1) the projected total revenue of the regional budget in the amount of 154,529,705.0 thousand rubles, including gratuitous receipts in the amount of 44,362,072.9 thousand rubles, of which:
  - gratuitous receipts from other budgets of Russian Federation's budgetary system in the amount of 43,998,897.9 thousand rubles, including:
    - 10,749,030.1 thousand rubles of grants,
    - 20,871,485.6 thousand rubles of subsidies,
    - 6,133,091.4 thousand rubles of subventions,
    - 6,242,290.8 thousand rubles of other inter-budgetary transfers with a specific purpose;
  - gratuitous receipts from the state corporation – Fund for Assistance to Housing and Communal Services Reform in the amount of 321,975.4 thousand rubles;
- (2) the total amount of expenditures of the regional budget in the amount of 187,032,330.8 thousand rubles;
- (3) the projected deficit of the regional budget in the amount of 32,502,625.8 thousand rubles;

The main characteristics of the regional budget for 2023 and 2024:

- (1) the projected total revenue of the regional budget:
  - in the amount of 147,258,330.1 thousand rubles for 2023, including the number of gratuitous receipts in the amount of 32,437,783.9 thousand rubles, of which gratuitous receipts from other budgets of Russian Federation's budgetary system in the amount of 32,434,483.9 thousand rubles, including:
    - 2,400,631.1 thousand rubles of grants,
    - 19,930,740.9 thousand rubles of subsidies,
    - 6,383,474.3 thousand rubles of subventions,
    - 3,719,637.6 thousand rubles of other inter-budgetary transfers with a specific purpose;
  - in the amount of 153,400,370.0 thousand rubles for 2024, including the number of gratuitous receipts in the amount of 31,728,839.9 thousand rubles, of which gratuitous receipts from other budgets of Russian Federation's budgetary system in the amount of 31,725,539.9 thousand rubles, including:
    - 2,368,452.2 thousand rubles of grants,
    - 21,441,830.5 thousand rubles of subsidies,
    - 6,633,934.0 thousand rubles of subventions,

- 1,281,323.2 thousand rubles of other inter-budgetary transfers with a specific purpose;
- (2) total regional budget expenditures in the amount of 153,514,900.2 thousand rubles for 2023, including conditionally approved expenses in the amount of 3,088,261.0 thousand rubles, and in the amount of 158,015,764.7 thousand rubles for 2024, including conditionally approved expenses in the amount of 6,434,220.4 thousand rubles;
- (3) the projected deficit of the regional budget in the amount of 6,256,570.1 thousand rubles for 2023, the projected regional budget deficit in the amount of 4,615,394.7 thousand rubles for 2024.

### **Conclusion**

Based on the above, it can be concluded that the approved and executed budget assignments differ for 2022. There is a surplus in budget execution. The considered characteristics of Voronezh Region's budget allow us to conclude that the formation of expenses is based on available funds, i.e., income is closely related to expenses. The formation of an analysis of the characteristics of budget execution at the end of the financial year is a significant component necessary for the development of a draft budget for the next year and the definition of further areas of activity of public authorities. The report of the Department of Finance of the Voronezh Region allows us to gain a reliable and clear understanding of Voronezh Region's financial situation.



### **References:**

- Budget Code of the Russian Federation No. 145-FZ dated 07/31/1998 (as amended on 11/04/2022). (In Russian)  
[https://www.consultant.ru/document/cons\\_doc\\_LAW\\_19702/](https://www.consultant.ru/document/cons_doc_LAW_19702/)
- Conclusion on the Report on the Execution of the Regional Budget for 2021. Approved by the decision of the Board of the Control and Accounting Chamber of the Voronezh Region. Protocol No. 10(372), dated May 31, 2022. (In Russian)  
<https://ksp.r52.ru/ru/304/389/393/?nid=1068&a=entry.show>
- On the Regional Budget for 2021 and for the Planning Period of 2022 and 2023. The Law of the Voronezh Region No. 129-OZ, dated December 26, 2020. (In Russian)  
<http://publication.pravo.gov.ru/Document/View/3600202012290001>
- On the Regional Budget for 2022 and for the Planning Period of 2023 and 2024. The Law of the Voronezh Region No. 126-OZ, dated December 14, 2021. (In Russian)  
<http://publication.pravo.gov.ru/Document/View/3600202112160018>
- Regulations on the Department of Finance of the Voronezh Region. Approved by Decree of the Government of the Voronezh Region No. 930, dated 03.11.2010. (In Russian)  
<https://docs.cntd.ru/document/469712126>

*Marina V. Chubarova*<sup>[12]</sup>

*Scientific supervisor: Nina N. Gontar*<sup>[1]</sup>

### **Analysis of Zabaikalsky Krai's budget execution in 2021** <sup>[10]</sup>

*Abstract:* The Zabaikalsky Krai is one of the largest regions of the Russian Far East in terms of resource potential and mining. Therefore, it is relevant to analyse the economic indicators of the budget of this subject of the Russian Federation from the viewpoint of the effectiveness of its execution, considering the development of the subject's economy. The study object is Zabaikalsky Krai's budget in 2021. The study subject is Zabaikalsky Krai's budget execution. The study's purpose is to analyse Zabaikalsky Krai's budget execution effectiveness in 2021. The study analysed the Russian Federation budget system, items of income and expenses of Zabaikalsky Krai's budget in 2021, items of income and expenses of Zabaikalsky Krai's consolidated budget in 2021, and also revealed the features of the ratio of deficit and surplus of Zabaikalsky Krai's current and consolidated budget in 2021. The author concludes that in the reporting year 2021, and the year 2020 preceding it, Zabaikalsky Krai's budget and its consolidated budget are in deficit. However, in comparison with 2020, the indicators of 2021 indicate a significant decrease in the difference between revenues and expenditures of these budgets, which gives grounds for forecasting budget surpluses in the coming years.

*Keywords:* Zabaikalsky Krai, budget execution, consolidated budget, budget deficit and surplus.



*Марина Викторовна Чубарова*

*Научный руководитель: Нина Николаевна Гонтарь*

### **Анализ исполнения бюджета Забайкальского края в 2021 году**

*Аннотация:* Забайкальский край является одним из крупнейших регионов Дальнего Востока Российской Федерации по ресурсному потенциалу и добыче полезных ископаемых. Следовательно, актуальным является анализ экономических показателей бюджета данного субъекта Российской Федерации с точки зрения эффективности его исполнения с учетом развития экономики субъекта. Объектом исследования является бюджет Забайкальского края в 2021 году. Предметом исследования является исполнение бюджета Забайкальского края. Целью исследования является анализ эффективности исполнения бюджета Забайкальского края в 2021 году. В ходе исследований были проанализированы бюджетная система Российской Федерации, статьи доходов и расходов бюджета Забайкальского края в 2021 году, статьи доходов и расходов консолидированного бюджета Забайкальского края в 2021 году, а также выявлены особенности соотношения дефицита и профицита текущего и консолидированного бюджета Забайкальского края в 2021 году. Автор делает вывод, что в отчетном 2021 году, и в предшествующем ему 2020 году бюджет Забайкальского края и консолидированный бюджет Забайкальского края являются дефицитными. Однако в сравнении с 2020 г. показатели 2021 г. указывают на существенное уменьшение разницы между доходами и расходами указанных бюджетов, что дает основания для прогнозирования профицита бюджетов в ближайшие годы.

*Ключевые слова:* Забайкальский край, исполнение бюджета, консолидированный бюджет, дефицит и профицит бюджета.



## Introduction

The Zabaikalsky Krai is a subject of the Russian Federation in the eastern part of the Trans-Baikal Territory, as part of the Far Eastern Federal District. It is part of the Far Eastern Economic Region. The administrative centre is the city of Chita. The territory area is 43,1892 sq. km, which is 2.52% of the area of Russia (12<sup>th</sup> place in the country). The population is 1,004,125 people in 2021. It was formed on March 01, 2008, as a result of a referendum on the unification of the Chita Region and the Aginsky Buryat Autonomous Okrug.

The Trans-Baikal region belongs to the oldest mining region in Russia. Significant reserves of mineral resources have been discovered there. According to official data, there are reserves of almost all types of minerals in the depths of the Trans-Baikal Territory. There are enterprises in the fuel and energy and forestry industries, mechanical engineering, production of building materials, and light and food industries in the Zabaikalsky Krai, and an agro-industrial complex is developed.

It is characterised by an advantageous geographical location and is attractive for its resource potential (mineral, water, forest and land). Strategically significant railways and highways run through the territory of the region. All this contributes to the effective development of both interregional and foreign economic business, trade and cultural ties.

The executive body of Zabaikalsky Krai's state authority, which determines promising areas of development in the field of finance of the Zabaikalsky Krai, inter-budgetary relations, internal state financial control in the field of budgetary legal relations, control in the field of procurement of goods, works, services to meet state and municipal needs, except control in the field of procurement in terms of preparing documents for posting a notice of holding procurement, performing management in the established field of activity, functions for the adoption of regulatory legal acts, The Ministry of Finance of the Zabaikalsky Krai is responsible for the provision of public services. According to Article 87 of the Charter of the Zabaikalsky Krai, adopted by the Legislative Assembly of the Zabaikalsky Krai on February 11, 2009, the subject's budget execution is performed by the specified financial body of the Zabaikalsky Krai.

The budget is a form of education and spending of funds intended for financial support of the tasks and functions of the state and local government.

One of the main conditions for the effective implementation of budgetary activities is the inclusion of a specific budget in the budget system to distribute income and expenditure sources. The existence of the budget as a special category of a legal act allows us to compare the total amount of income with the total amount of expenses, classify expenses by items, and determine their relative importance and urgency.

The study object is Zabaikalsky Krai's budget in 2021.

The study subject is Zabaikalsky Krai's budget execution.

The study's purpose is to analyse Zabaikalsky Krai's budget execution effectiveness in 2021.

Based on the purpose of the study, the following tasks were developed

- conduct a brief analysis of the Russian Federation budget system;
- analyse the income and Zabaikalsky Krai’s budget expenditure items in 2021;
- analyse the items of income and expenses of Zabaikalsky Krai’s consolidated budget in 2021;
- identify the features of the deficit and surplus ratio of Zabaikalsky Krai’s current and consolidated budget in 2021.

## **The results of the study**

### ***1. Analysis of Russian Federation’s budget system***

The budget system of the Russian Federation is based on economic relations and the state structure of the Russian Federation, regulated by the legislation of the Russian Federation, the totality of the federal budget, budgets of Russian Federation’s subjects, local budgets and budgets of state extra-budgetary funds.

Russian Federation’s budget system (Article 10) (*Budget Code ...*) consists of budgets of the following levels:

- (a) the federal budget and budgets of state extra-budgetary funds;
- (b) budgets of the subjects of the Russian Federation and budgets of territorial state extra-budgetary funds;
- (c) local budgets, including budgets of municipal districts, budgets of urban districts, budgets of inner-city municipalities of federal cities of Moscow, St. Petersburg and Sevastopol; budgets of urban and rural settlements, budgets of inner-city districts.

The novel of the Budget Code of the Russian Federation is the inclusion of the budgets of state extra-budgetary funds in the budget system of the first and second levels. The state extra-budgetary fund is a form of education and spending of funds generated outside the federal budget and budgets of Russian Federation’s subjects. In practice, these funds perform the social function of the state since they are designed to implement the constitutional rights of citizens to pension provision, social insurance, social security in case of unemployment, health protection and medical care.

According to the federal form of the Russian state and the presence of local self-government, the following are distinguished as a relatively separate category: the federal budget, the budgets of Russian Federation’s subjects and local (municipal) budgets.

In the budget legislation of the Russian Federation, there is a “consolidated budget” concept, which means “a set of budgets of all levels of Russian Federation’s budgetary system in the relevant territory”, according to Article 6 (*Budget Code ...*).

The consolidated budget has two essential features:

- first, it represents a set of budgets of a certain territory, i.e., the budget of the corresponding state-territorial or municipal entity;
- secondly, the budget code of a certain territory is used as an economic tool for calculating the minimum social and financial norms and standards necessary for budget planning and analysis of budgetary activities.

In the Russian Federation, it is possible to distinguish:

- the consolidated budget of the entire state, formed by budgets of all levels of the budgetary system;
- the consolidated budget of the Russian Federation subjects, consisting of the budget of the Russian Federation subject and the budgets of municipalities located on the territory of the Russian Federation subject;
- the consolidated budget of a municipality, consisting of local budgets of the territories forming this municipality.

*Thus*, in this work, Zabaikalsky Krai's budget will be considered, just like Zabaikalsky Krai's consolidated budget, which includes Russian Federation's subject budget and the budgets of municipalities located on the territory of the Russian Federation subject.

## ***2. Analysis of Zabaikalsky Krai's budget revenue items in 2021***

It is known that budget revenues at any level consist of tax revenues, non-tax revenues and gratuitous receipts. Tax revenues, e.g., include corporate income tax, personal income tax, corporate property tax, etc. Non-tax income includes income from the use of state property, income from paid services, fines for violations of taxes and fees, etc. Gratuitous receipts include:

- gratuitous receipts from the federal budget (grants, subsidies, subventions, other inter-budgetary transfers),
- gratuitous receipts from other budgets of the budgetary system (Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation),
- gratuitous receipts from state organisations.

First, it is necessary to turn to the dynamics of Zabaikalsky Krai's budget tax and non-tax revenues (*Figure 1*). It is worth noting that the continuous growth in the amount of revenues to the regional budget is during the 5 years preceding the reporting year. As of 2021, most of them are personal income tax and corporate income tax. Excise taxes and property taxes make up a much smaller part of the revenue and are approximately equal. The remaining part of the proceeds is distributed among other income.

Next, it is necessary to look at the dynamics of gratuitous receipts for the 4 years preceding the reporting period (*Figure 2*). It is also worth noting that the annual increase averaged 49% in the period from 2017 to 2019. From 2019 to 2021, the number of receipts decreased significantly, to an average of 14.5%, but the number of gratuitous receipts amounted to 52,907.7 million rubles.

In general, gratuitous receipts from the federal budget in 2021 increased by 7,168.2 million rubles compared to 2020 (by 15.7%), including subsidies increased by 4,061.7 million rubles. But subsidies and subventions decreased by 2024.9 million rubles and 616.9 million rubles, respectively.

Summing up the consideration of the revenues of the Zabaikalsky Krai in 2021, it is necessary to note that Zabaikalsky Krai's budget revenues dynamics for the period from 2017 to 2021. On average, the region's revenues increased by 20% annually. Budget revenues for 2021 amounted to 101,504.4 million rubles (*Figure 3*).



### ***3. Analysis of Zabaikalsky Krai's budget expenditures in 2021***

The largest budget part is directed to the areas of social policy, education and the national economy. The main priorities of the budget policy of the region in the reporting period were ensuring the payment of wages, fulfilment of public regulatory obligations, payment for utilities, transfer of inter-budget transfers, fulfilment of debt obligations, provision of subsidies for the fulfilment of state tasks, implementation of measures of the Social Development Plan for Economic Growth Centers and regional projects in the territory of the Zabaikalsky Krai and other goals. In 2021, the regional budget expenses were fulfilled in the amount of 10,2849.1 million rubles. The increase in total expenditures compared to the same period last year amounted to 15.2%, or 13,585.5 million rubles, which is mainly due to the inclusion of the Zabaikalsky Krai in the implementation of National Projects and the Social Development Plan for Economic Growth centres in the territory of the region.

Next, it is necessary to look at the information about the expenses of the regional budget. 598.8 million rubles were allocated for environmental protection, including the protection of flora and fauna and their habitat, and applied scientific research in environmental protection, which exceeds the indicated figure for the previous year by 23%. 22,786.7 million rubles were allocated for education (+12% compared to the previous year). 1,394.7 million rubles were allocated for the field of cinematography and culture (-38% compared to 2020). Healthcare (inpatient, outpatient, sanitary and wellness care, etc.) was 9,371.2 million rubles (+13%). Social policy (pension provision, protection of family and childhood, etc.) was 32,346.2 million rubles (+ 22%). Physical culture and sports were 1,212.5 million rubles (+ 38%). Mass media was 29.0 million rubles (+8%).

*Summing up the presented expenses*, it is determined that Zabaikalsky Krai's budget expenditures are 102849.1 million rubles in 2021. The increase is 15% compared to the year preceding the reporting one (*Figure 4*).

### ***4. Features of Zabaikalsky Krai's budget deficit and surplus ratio in 2021***

Analysing the actual Zabaikalsky Krai's budget execution in 2021, it is necessary to pay attention to the following indicators: revenues for the specified year amounted to 101,504.4 million rubles, of which 48,619.2 million rubles were tax and non-tax and 52,885.2 million rubles were gratuitous receipts. Expenses in the reporting year amounted to 102,849.1 million rubles, thereby exceeding revenues by 1,344.7 million rubles. Thus, Zabaikalsky Krai's budget in 2021 is in deficit.

Here it is necessary to show the same figures for 2020. Revenues amounted to 85,606.3 million rubles, including 39,750.1 million rubles of tax and non-tax revenues, and 45,856.2 million rubles of gratuitous receipts. Expenses in the specified year amounted to 89,263.6 million rubles. The regional budget deficit amounted to 3,657.3 million rubles in 2020.

*Thus*, comparing the reporting year with the previous one, it can be concluded that revenues and expenses increased, but revenues in 2021 exceeded revenues in 2020 by 18%, and expenditures by 15%, and therefore the budget deficit decreased.

### ***5. Analysis of Zabaikalsky Krai's consolidated budget revenues in 2021***

To analyse Zabaikalsky Krai's consolidated budget revenues, it is necessary to pay attention to Zabaikalsky Krai's revenues dynamics in the years preceding the reporting period (*Figure 5*).

It is obvious that Zabaikalsky Krai's incomes are regularly increasing, and annual growth is noticeable. As of 2017, the region's income amounted to 58,800.3 million rubles, and 113925.1 million rubles in 2021. Thus, comparing these values, it is worth noting that Zabaikalsky Krai's budget income increased by 94%, i.e., almost 2 times! In general, revenue receipts to the region's consolidated budget increased by 17,300.6 million rubles (by 17.9%) in 2021 compared to 2020. Including tax and non-tax revenues increased by 10132.3 million rubles (by 19.9%), gratuitous receipts increased by 7168.2 million rubles (by 15.7%).

Zabaikalsky Krai's consolidated budget consists of the regional budget and local budgets, including the budgets of municipal districts, urban districts, budgets of municipal districts, and budgets of urban and rural settlements. Having studied the consolidated budget tax and non-tax revenues dynamics in recent years, it can be concluded that the largest amount of income goes to the regional budget, and the least – to the budgets of urban and rural settlements.

To balance and sustain Zabaikalsky Krai's budgetary system, work was performed aimed at preserving and developing the region's revenue potential. As a result, 3.2 billion rubles (6.6% of total tax and non-tax revenues) were additionally mobilised to Zabaikalsky Krai's consolidated budget. This result was achieved using the following indicators:

- (1) development of economic and tax potential, increase in investment and business activity of business entities, increase in the number of registered taxpayers, interaction with major taxpayers within the framework of concluded Agreements on Mutual Cooperation (899.0 million rubles);
- (2) the work of regional and municipal interdepartmental commissions on revenue mobilisation, control over compliance with tax discipline, wage issues, control over the execution of decisions on the collection of state duties, administrative fines, and other penalties (283.5 million rubles);
- (3) interaction with the chief administrators of budget revenues on the execution of budgetary powers and established tasks for mobilising tax and non-tax revenues (2,062.4 million rubles);
- (4) tax revenues: identification of tax offences, legalisation of taxable objects, increase in the collection of tax revenues, reduction of arrears in taxes and fees (2,027.5 million rubles);
- (5) non-tax income: increase in income from leasing property, payments for the use of natural resources, penalties, other non-tax income, and repayment of debts (34.9 million rubles).

### ***6. Analysis of Zabaikalsky Krai's consolidated budget expenses in 2021***

Zabaikalsky Krai's budgetary funds are allocated to the following areas:

- (1) national issues;
- (2) national defense;
- (3) national security and law enforcement;
- (4) national economy;
- (5) housing and communal services;
- (6) environmental protection;

- (7) education;
- (8) culture, cinematography;
- (9) healthcare;
- (10) social policy;
- (11) physical education and sports;
- (12) mass media;
- (13) servicing of state and municipal debt;
- (14) inter-budgetary transfers of a general nature to the budgets of the subjects of the Russian Federation and municipalities.

Turning to the dynamics of expenses, we note their fairly stable growth (on average, about 17% growth for each year). Compared to 2017, consolidated budget expenditures increased by 89%. Expenses of Zabaikalsky Krai's consolidated budget increased by 14,761.9 million rubles in 2021 in comparison with 2020 as a whole (by 14.7%). Main expenditure share is directed to education, social policy, health care and the national economy in 2020-2021.

### ***7. Features of Zabaikalsky Krai's consolidated budget deficit and surplus ratio in 2021***

Analysing the Zabaikalsky Krai's actual consolidated budget execution in 2021, it is necessary to pay attention to the following indicators: revenues for the specified year amounted to 113,925.1 million rubles, of which 61,023.4 million rubles were tax and non-tax and 52,901.7 million rubles were gratuitous receipts. Expenses in the reporting year amounted to 115,032.8 million rubles, thereby exceeding revenues by 1,107.7 million rubles. Thus, Zabaikalsky Krai's consolidated budget is in deficit in 2021.

Revenues amounted to 96,624.5 million rubles, including 50,891.0 million rubles of tax and non-tax revenues and 45,733.5 million rubles of gratuitous receipts. Expenses amounted to 100,270.9 million rubles in the specified year. The consolidated budget deficit amounted to 3,646.4 million rubles in 2020.

*Thus*, comparing the reporting year with the previous one, it can be concluded that revenues and expenses increased, but revenues in 2021 exceeded revenues in 2020 by 17%, and expenditures by 14%, and therefore the deficit of the consolidated budget decreased.

### **Conclusion**

Based on the above, it can be concluded that both in the reporting year 2021 and in the preceding year 2020, Zabaikalsky Krai's budget and the consolidated budget are in deficit. However, in comparison with 2020, the indicators of 2021 indicate a significant decrease in the difference between revenues and expenditures of these budgets, which gives grounds for forecasting budget surpluses in the coming years.

### **References:**

Boltinova, O. V. (2019). *Budget law: Textbook for secondary vocational education*. Moscow: Norma, INFRAM. (In Russian)

Budget Code of the Russian Federation, No. 145-FZ, dated July 31, 1998. (In Russian)

Krokhina, Yu. A. (2022). *Budget law of Russia: textbook for universities* (7th ed.). Moscow: Yurayt Publishing House. (In Russian)

On the Execution of the Zabaikalsky Krai's Budget for 2020. The Law of the Zabaikalsky Krai, No. 1972-ZZK, dated October 13, 2021. (In Russian)

On the Execution of the Zabaikalsky Krai's Budget for 2021. The Law of the Zabaikalsky Krai, No. 2095-ZZK, dated October 10, 2022. (In Russian)

Ruchkina, G. V. (2022). *Financial Law: Textbook and workshop for universities*. Moscow: Yurayt Publishing House. (In Russian)



## Appendix

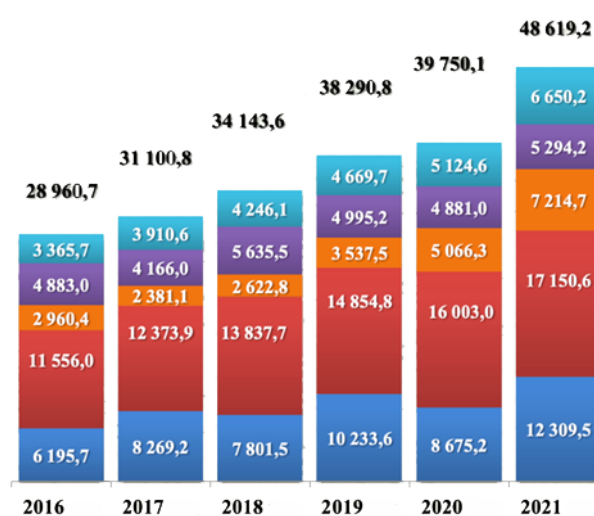


Figure 1. Income from Zabaikalsky Krai's budget tax and non-tax revenues

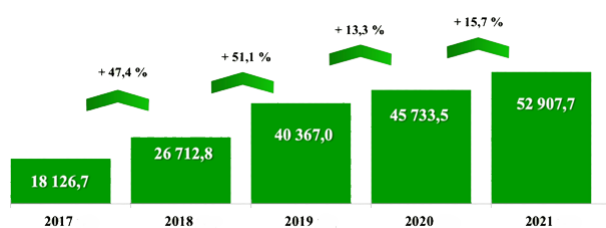


Figure 2. Dynamics of gratuitous receipts from the federal budget

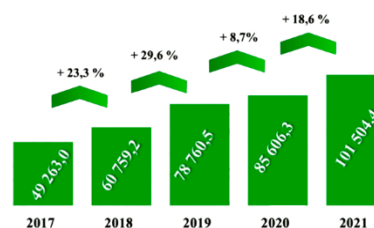


Figure 3. Dynamics of Zabaikalsky Krai's budget revenues

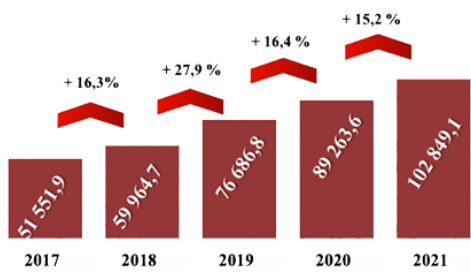


Figure 4. Dynamics of Zabaikalsky Krai's budget expenditures

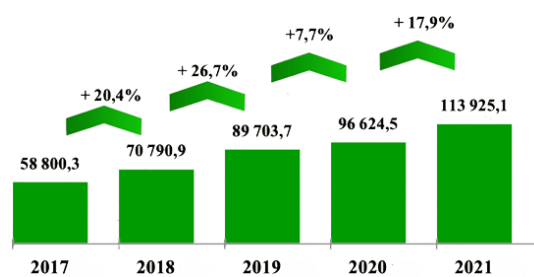


Figure 5. Analysis of the dynamics of Zabaikalsky Krai's consolidated budget revenues

## Authors

- <sup>[1]</sup> Dmitry A. Kovalenko, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[2]</sup> Miron M. Olnev, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[3]</sup> Nilufar U. Kamilova, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[4]</sup> Nariman Yu. Muslimov, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[5]</sup> Dmitry V. Pushnyakov, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[6]</sup> Anastasia A. Krushina, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[7]</sup> Anastasia D. Morgunova, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[8]</sup> Anastasia V. Fasylova, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[9]</sup> Aleksei V. Tenishev, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[10]</sup> Yana P. Mashero, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[11]</sup> Daria A. Kiryanova, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.
- <sup>[12]</sup> Marina V. Chubarova, Undergraduate Student, Russian State University of Justice. St. Petersburg, Russia.



## Supervisors

<sup>[1]</sup> Nina N. Gontar, Candidate of Science in Law (Ph.D.), Associate Professor, Russian State University of Justice. St. Petersburg, Russia.





## Citations in APA

- [<sup>1</sup>] Kovalenko, D. A. (2023). Legal regulation of the Pension and Social Insurance Fund of the Russian Federation. *Current Issues of Science: Student Thought. Tuculart Student Scientific*, 3, 7-13. Ostrava: Tuculart Edition, European Institute for Innovation Development.
- [<sup>2</sup>] Olnev, M. M. (2023). Characteristics of the legal regulation of the Central Bank of the Russian Federation. *Current Issues of Science: Student Thought. Tuculart Student Scientific*, 3, 14-21. Ostrava: Tuculart Edition, European Institute for Innovation Development.
- [<sup>3</sup>] Kamilova, N. U., & Muslimov, N. Yu. (2023). Analysis of the Nizhny Novgorod Region's budget execution. *Current Issues of Science: Student Thought. Tuculart Student Scientific*, 3, 22-32. Ostrava: Tuculart Edition, European Institute for Innovation Development.
- [<sup>4</sup>] Pushnyakov, D. V. (2023). Analysis of the financial system of Japan. *Current Issues of Science: Student Thought. Tuculart Student Scientific*, 3, 33-41. Ostrava: Tuculart Edition, European Institute for Innovation Development.
- [<sup>5</sup>] Krushina, A. A. (2023). Analysis of the Kamchatka Krai's budget for 2021. *Current Issues of Science: Student Thought. Tuculart Student Scientific*, 3, 42-51. Ostrava: Tuculart Edition, European Institute for Innovation Development.
- [<sup>6</sup>] Morgunova, A. D. (2023). On the Kabardino-Balkar Republic's budget execution for 2021. *Current Issues of Science: Student Thought. Tuculart Student Scientific*, 3, 52-60. Ostrava: Tuculart Edition, European Institute for Innovation Development.
- [<sup>7</sup>] Fasylova, A. V. (2023). Analysis of Penza Region's budget execution of 2022 comparing with the plans of 2023 and 2024. *Current Issues of Science: Student Thought. Tuculart Student Scientific*, 3, 61-79. Ostrava: Tuculart Edition, European Institute for Innovation Development.
- [<sup>8</sup>] Tenishev, A. V., & Mashero, Ya. P. (2023). Analysis of Moscow Region's budget execution in 2022. *Current Issues of Science: Student Thought. Tuculart Student Scientific*, 3, 80-89. Ostrava: Tuculart Edition, European Institute for Innovation Development.
- [<sup>9</sup>] Kiryanova, D. A. (2023). Analysis of the Voronezh Region's budget execution for 2021. *Current Issues of Science: Student Thought. Tuculart Student Scientific*, 3, 90-97. Ostrava: Tuculart Edition, European Institute for Innovation Development.
- [<sup>10</sup>] Chubarova, M. V. (2023). Analysis of Zabaikalsky Krai's budget execution in 2021. *Current Issues of Science: Student Thought. Tuculart Student Scientific*, 3, 98-106. Ostrava: Tuculart Edition, European Institute for Innovation Development.



# Tuculart Student Scientific

EU, Czech Republic, Ostrava

Publisher

Tuculart Edition & European Institute for Innovation development

Right to conduct publication activities


IČ: 14207052

Date of Issue

December 10, 2023





The background of the image is a blurred, high-angle shot of a large crowd of people, likely at a public event or conference. Overlaid on this background is a complex network of thin white lines connecting numerous circular nodes. The nodes are semi-transparent and have a textured, slightly grainy appearance. The overall aesthetic is modern and digital, suggesting themes of connectivity, data, or community.

**December 10, 2023**

**ISSUE 3**