

THE IMPACT OF FISCAL PRESSURE IN THE VITI-VINICULTURAL SECTOR AND ITS ROLE IN THE DEVELOPMENT OF RURAL AREA IN THE REPUBLIC OF MOLDOVA

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Abstract

The wine sector is one of the strategic branches of the national economy of the Republic of Moldova. In this respect, ensuring a dynamic and balanced development of it, increasing the competitiveness and economic efficiency of the wine products, increasing the export potential of the country - all these need to be regulated by an effective and easily applicable legislative and normative framework. The absence of a coherent strategy at national level in the field of winemaking, in order to penetrate the product and promote it on the EU market, leads to the need to examine the impact of taxes on the financial situation of entities in the wine sector, to study the processes of taxation of entities in correlation with various indicators that characterizes economic and financial activity. All decisions in the field of the entity's economic policy, the modification of the product range, the replacement of the retail market and the deployment of other important measures require the forecasting of possible fiscal aspects. The underestimation of the expected fiscal consequences can lead to unpredictable situations for businesses in the wine sector. However, it is important for the entity not only to know the size of future tax payments, in the event of any changes in the indicators of its economic activity, but also to take measures to obtain economic indicators of the activity that would ensure its optimal taxation.

Key words: fiscal pressure, viti-vinicultural sector, rural area.

Maintaining a decent standard of living and employment capacity in rural areas and improving the quality of rural life should be one of the main priorities of the Republic of Moldova. In this process, an important role is the viability of the wine sector, the consolidation of the local economy and local communities in the rural areas, the development of villages and peasant households. The sector in which Moldova enjoys international renown is the wine sector as well as the wine industry which is traditionally the strongest sector of the national economy. The cultivation of vines in the Republic of Moldova is a traditional activity of great economic importance, developed harmoniously, as a result of the favorable natural conditions that the vines have on the territory of our country.

MATERIAL AND METHOD

From the series of scientific research methods were used: comparative and structural analysis, synthesis, induction, deduction, historical and logical method, methods of statistical data processing, and other methods. The information

base used in the drafting of the article includes national legislative and normative, data from the National Bureau of Statistics, State Tax Service of Republic of Moldova, websites of international organizations.

RESULTS AND DISCUSSIONS

The wine complex, being a functional subset of the country's economy, has a special impact on the social, economic, ecological. The wine complex includes not only economic agents, but also directly contributes to the increase of the quality of life.

By studying, analyzing and treating the problems in the wine complex of the Republic of Moldova, it is necessary to achieve certain scientific results, to materialize certain aspects of the concept of the development of the complex, to highlight the factors and the circumstances that underlie some successes, unsuccessful in the economy of the producer of grapes, the processor requires thorough investigations into the theoretical and practical aspects of the demand for grapes, the supply of wines. (Băncilă, N., Mihalachi, R. 2015). Grape prices in the Republic

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of Moldova are distorted, they are shifted from equilibrium prices. Consumers of grapes being smaller in number, through certain informal contracts is a monopsony. Grape producers, through the informal monopsony, are forced to market their grapes below the level of productive expenses. In addition, the grape producer is pressured by unjustified high costs to the

production factors

Currently, wine companies face some difficulties: outdated assets, lack of investments, lack of diversification of the export market, insufficient quantity of quality marketing wine and inefficient management.

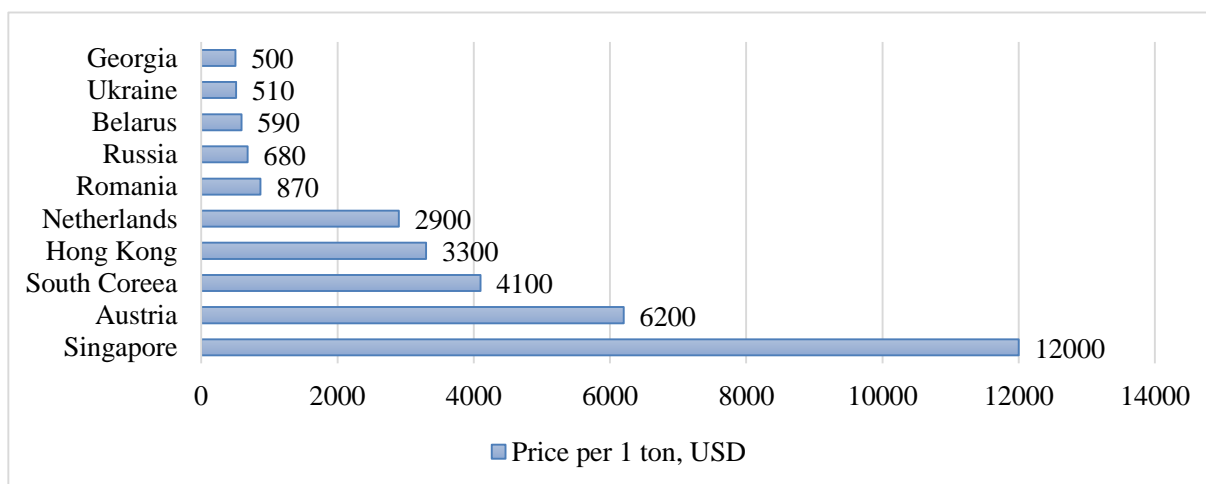


Figure 1 The level of Moldovan wine prices on foreign markets

Source: National Bureau of Statistics

The economy of the wine-growing complex of the Republic of Moldova in the context of European integration must undergo certain quantitative, qualitative, structural changes. In this context variants of development of the country's agriculture are needed, changing some accents. The wine-growing complex must develop differently compared to the situation when the Republic of Moldova provides the population of some countries with sweet alcoholic beverages, with a high degree of alcohol.

Not every state can be characterized by the existence of a rational fiscal policy and an efficient mechanism for its implementation. One of the indicators that allow to evaluate the effectiveness of the fiscal policy implementation at the macro level is the fiscal pressure index.

Currently, an important component of effective financial management within institutions is fiscal planning and efficient management of fiscal pressure.

The fiscal policy has a special role in stimulating the social-economic activity by having a significant influence on the process of attracting investments, especially in developing countries, of which the Republic of Moldova is also a part, which grants to foreign investors numerous tax facilities, such as: tax exemptions for the first years and proportional reductions in the following years; reductions in consumption taxes if the resulting

goods are sold on the domestic market; advantageous depreciation regime etc. (Batîrmurzaev, E. 2005)

It is important to note that the tax system of the Republic of Moldova also provides for the possibility of offering taxpayers significant exemptions and tax preferences, including in the form of tax exemptions, tax deferrals, regardless of the level of income obtained. Often, such preferences are received only by entities with a relatively high income. If the state expresses its initiative to support the entrepreneur, we can confirm a correct behavior, but for the purpose of uniform distribution of fiscal pressure - on the contrary. Therefore, it is necessary to adjust the aggregate indicator of fiscal pressure. (Griciuc, P. 2017.)

Taxpayers who do not have privileged taxation conditions, pay more to the budget than the average calculated value of the taxpayer. Carrying out the activities regarding the reduction of the fiscal pressure, I emphasize the need to improve the fiscal administration, as well as the new qualitative level of the relations between the tax authorities and taxpayers.

The fiscal pressure indicator has an essential value for solving a series of tasks, which refers to:

- elaboration of the fiscal policy;
- conducting comparative analysis of fiscal pressure in different countries;

-formation of the social policy of the state;
 -forecasting the economic behavior of the economic subject. (Bulgac, C 2014)
 Therefore, the problem of defining,

establishing and maintaining optimal fiscal pressure on the economy plays an important role in the construction and improvement of the fiscal system of any state.

Table 1

The taxes paid by the economic agents in the wine sector during the years 2013-2017, lei

N/o	Name of payment	2013	2014	2015	2016	2017
1	Real estate tax, including:					
	- of legal entities	345878.32	349838.06	407808.90	325702.08	466206.02
	- paid by the legal and natural persons registered as an entrepreneur from the estimated value of real estate	1369160.69	1156681.61	997766.55	1356621.15	2841333.94
2	Land tax, including:					
	-on agricultural land except tax from peasant households (farmer)	2151191.05	1982722.77	1940439.10	1802987.31	1624383.32
	-on land other than agricultural land	236747.06	202835.13	172894.75	234064.23	169968.30
3	The tax for spatial planning	1058726.34	985895.71	843604.83	1024343.73	891435.32
4	The application fee of the local symbolism	578724.39	683898.43	700758.46	929684.75	1644488.33
5	The fee for commercial and/or service units	564516.87	594211.08	611999.08	752465.06	650731.02
6	The accomodation fee	174576.00	122514.00	27431.34	170910.00	113271.00
7	The fee for advertising devices	53450.87	642557.48	637881.17	704233.19	423418.88
8	The fee for water	288687.39	277475.19	238275.87	269675.01	239858.54
9	The fee for the exploitation of underground constructions for the purpose of performing the entrepreneurial activity, other than those for the extraction of useful minerals	1800.68	2204.49	-	313.38	1058.75
10	The tax for the use of roads by vehicles registered in the Republic of Moldova	1899199.68	1784331.33	2130634.93	2364012.61	2332654.48
11	The tax for the use of roads by motor vehicles whose total mass axle or whose dimensions exceed the permissible limits	48332.14	-44683.97	3265.52	1414.39	14728.90
12	Value added tax	42111675.90	44633315.36	55903508.22	59924249.89	80159239.52
13	Excise	61924602.27	44089077.00	44962153.66	63813912.32	80198384.04
14	Income tax	22680866.29	14826864.99	21557246.00	41443238.49	44940167.77

The source: State Tax Service of Republic of Moldova

CONCLUSIONS

Analyzing the fiscal pressure at the economic units in the wine sector and identifying the mutual relation between the level of fiscal pressure and the financial indicators regarding the activity of the economic subjects, we find that it is necessary to determine the possibilities of reducing the fiscal pressure for the entities, in order to increase the net profit obtained by economic agents operating in the wine sector. This is possible through so-called tax planning or tax optimization.

The administration of the tax rate constitutes the well-determined impact on the entities in order to orient their actions, through tax payments, towards all the economic and organizational relations - legal between the state and the entities. Fiscal planning is a key element of the institution's management, which is achieved through the reduction of fiscal pressure with the help of legal actions in the interest of the taxpayer, the state and other persons. Most specialists in the field consider that the main direction of tax planning is to optimize (reduce) the entity's tax payments.

In order to ensure a sustainable growth of entities in the wine sector, to assign them the status of competitive enterprises, to make investments in their development, it is advisable to highlight, the influence of financial performance on the level of fiscal pressure generated by the results of economic activity, and conversely, the influence generated by the level of taxation on the results of the economic and financial activity of the entity.

In particular, the need to introduce the term "critical point" of the optimal fiscal pressure in each branch is outlined in the fiscal methodology, which would allow the possibility to solve a wide spectrum of problems faced by the entities in the real sector of the economy in Republic of Moldova. And if the level of fiscal pressure of the company exceeds the critical point established for the sector to which this entity belongs, then an objective argument for requesting the postponement or cancellation of a part of the fiscal obligations appears.

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