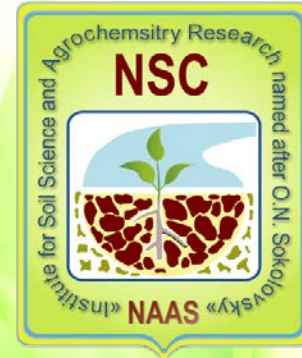




**V. N. Karazin Kharkiv National University
National Scientific Center
«Institute for Soil Science and Agrochemistry Research
named after O. N. Sokolovsky»**



IMPROVEMENT OF THE TAXATION SYSTEM IN THE CONTEXT OF REPRODUCTION OF SOIL FERTILITY IN UKRAINE

СОВЕРШЕНСТВОВАНИЕ СИСТЕМЫ НАЛОГООБЛОЖЕНИЯ В КОНТЕКСТЕ ВОСПРОИЗВОДСТВА ПЛОДОРОДИЯ ПОЧВ В УКРАИНЕ

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Presentation plan

1

Current state and trends of the system of taxation of agrarian enterprises in Ukraine

2

Mechanism and financing support of sustainable soil management based on program-oriented approach

3

Potential sources of soil protective measures funding by various variants



1. Current state and trends of the system of taxation of agrarian enterprises in Ukraine

1. Rates of the single tax of fourth group by the types of agricultural land (in % to normative monetary value of agricultural land), in Ukraine

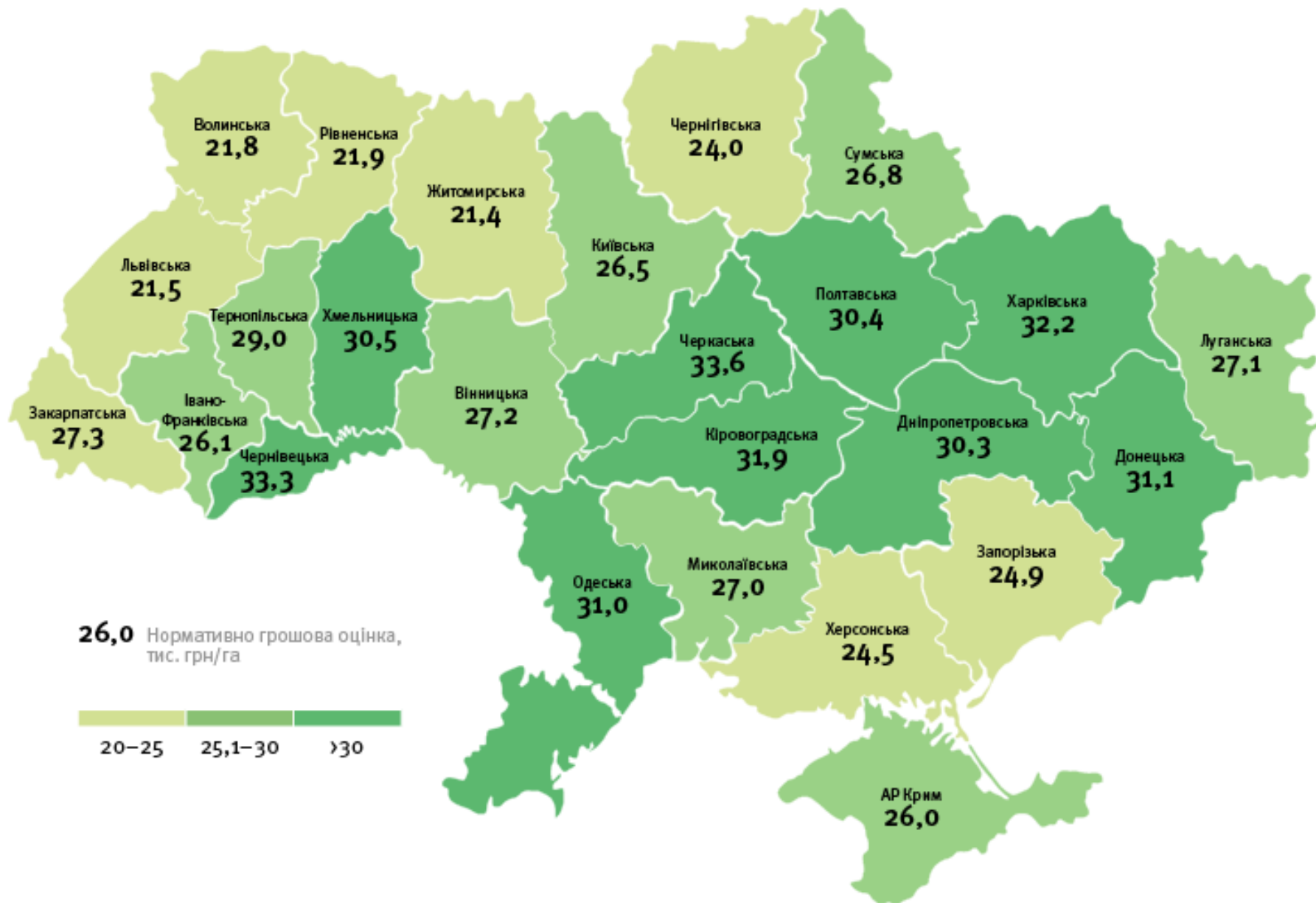
Types of agricultural land	2010–2014	2015	2016	2017–2019
Arable land, hayfields and pastures (arable land, hayfields and pastures (except for arable land, hayfields and pastures located in mountain zones and in the Polissya areas, as well as agricultural land in closed ground)	0.15	0.45	0.81	0.95
Arable land, hayfields and pastures located in mountain zones and in the Polissya areas	0.09	0.27	0.49	0.57
Agricultural land in closed ground	1.00	3.00	5.40	6.33
Perennial plantations (except for perennial plantations located in mountain zones and in the Polissya areas)	0.09	0.27	0.49	0.57
Perennial plantations located in mountain zones and in the Polissya areas	0.03	0.09	0.16	0.19

2. Calculations of the amount of the single tax of fourth group per 1 ha of agricultural land in Ukraine (using average normative monetary value), UAH

Types of agricultural land	2014	2015	2016	2017– 2018	2019
Arable land	31.0	116.0	250.5	293.9	261.3
Hayfields	7.2	27.1	58.6	68.8	61.8
Pastures	5.7	21.3	45.9	53.8	48.5
Perennial plantings	32.3	121.2	263.9	307.0	301.0

3. Indicators of normative monetary value of agricultural land in the regions of Ukraine, 01.01.2019

Region	Assessment by the types of agricultural land, UAH/ha			
	Arable land	Hayfields	Pastures	Perennial plantings
Crimea	26005	10146	4285	58460
Vinnitsya	27184	3140	1558	47053
Volyn	21806	6039	4479	41350
Dnipro	30251	7972	6232	55608
Donetsk	31111	7247	6038	58460
Zhytomyr	21411	5073	4090	35646
Zakarpattia	27268	6522	5259	37072
Zaporizhya	24984	6039	4869	41350
Ivano-Frankivsk	26087	4831	4479	37072
Kyiv	26531	6281	4479	42776
Kirovohrad	31888	8696	6038	67015
Luhansk	27125	8213	5843	47053
Lviv	21492	5798	4090	27091
Mykolayiv	27038	8213	5843	47053
Odesa	31017	8938	7011	62738
Poltava	30390	5556	4285	64163
Rivne	21938	5073	3700	37072
Sumy	26793	6522	4674	49905
Ternopil	29035	6281	5648	57034
Kharkiv	32237	6281	6427	67015
Kherson	24450	5314	4285	37072
Khmelnyskiy	30477	6764	5259	52757
Cherkasy	33646	8455	5648	74144
Chernivtsi	33264	5556	5064	62738
Chernihiv	24065	8696	5064	55608



Cartogram of normative monetary value of arable land in Ukraine (Agropolit, 2019)

4. Calculations of the amount of the single tax of fourth group per 1 ha of agricultural land in the regions of Ukraine, 2019

Region	Amount of the single tax by the types of agricultural land, UAH/ha			
	Arable land	Hayfields	Pastures	Perennial plantings
Crimea	247,0	96,4	40,7	333,2
Vinnytsya	258,2	29,8	14,8	268,2
Volyn	207,2	57,4	42,6	235,7
Dnipro	287,4	75,7	59,2	317,0
Donetsk	295,6	68,8	57,4	333,2
Zhytomyr	203,4	48,2	38,9	203,2
Zakarpattia	259,0	62,0	50,0	211,3
Zaporizhya	237,3	57,4	46,3	235,7
Ivano-Frankivsk	247,8	45,9	42,6	211,3
Kyiv	252,0	59,7	42,6	243,8
Kirovohrad	302,9	82,6	57,4	382,0
Luhansk	257,7	78,0	55,5	268,2
Lviv	204,2	55,1	38,9	154,4
Mykolayiv	256,9	78,0	55,5	268,2
Odesa	294,7	84,9	66,6	357,6
Poltava	288,7	52,8	40,7	365,7
Rivne	208,4	48,2	35,2	211,3
Sumy	254,5	62,0	44,4	284,5
Ternopil	275,8	59,7	53,7	325,1
Kharkiv	306,3	59,7	61,1	382,0
Kherson	232,3	50,5	40,7	211,3
Khmelnyskiy	289,5	64,3	50,0	300,7
Cherkasy	319,6	80,3	53,7	422,6
Chernivtsi	316,0	52,8	48,1	357,6
Chernihiv	228,6	82,6	48,1	317,0

5. Calculations of the amount of the land tax per 1 ha of agricultural land in the regions of Ukraine, 2019

Region	Amount of the land tax by the types of agricultural land, UAH/ha							
	Arable land		Hayfields		Pastures		Perennial plantings	
	min	max	min	max	min	max	min	max
Crimea	78,0	260,1	30,4	101,5	12,9	42,9	175,4	584,6
Vinnitsya	81,6	271,8	9,4	31,4	4,7	15,6	141,2	470,5
Volyn	65,4	218,1	18,1	60,4	13,4	44,8	124,1	413,5
Dnipro	90,8	302,5	23,9	79,7	18,7	62,3	166,8	556,1
Donetsk	93,3	311,1	21,7	72,5	18,1	60,4	175,4	584,6
Zhytomyr	64,2	214,1	15,2	50,7	12,3	40,9	106,9	356,5
Zakarpattia	81,8	272,7	19,6	65,2	15,8	52,6	111,2	370,7
Zaporizhya	75,0	249,8	18,1	60,4	14,6	48,7	124,1	413,5
Ivano-Frankivsk	78,3	260,9	14,5	48,3	13,4	44,8	111,2	370,7
Kyiv	79,6	265,3	18,8	62,8	13,4	44,8	128,3	427,8
Kirovohrad	95,7	318,9	26,1	87,0	18,1	60,4	201,0	670,2
Luhansk	81,4	271,3	24,6	82,1	17,5	58,4	141,2	470,5
Lviv	64,5	214,9	17,4	58,0	12,3	40,9	81,3	270,9
Mykolayiv	81,1	270,4	24,6	82,1	17,5	58,4	141,2	470,5
Odesa	93,1	310,2	26,8	89,4	21,0	70,1	188,2	627,4
Poltava	91,2	303,9	16,7	55,6	12,9	42,9	192,5	641,6
Rivne	65,8	219,4	15,2	50,7	11,1	37,0	111,2	370,7
Sumy	80,4	267,9	19,6	65,2	14,0	46,7	149,7	499,1
Ternopil	87,1	290,4	18,8	62,8	16,9	56,5	171,1	570,3
Kharkiv	96,7	322,4	18,8	62,8	19,3	64,3	201,0	670,2
Kherson	73,4	244,5	15,9	53,1	12,9	42,9	111,2	370,7
Khmelnyskiy	91,4	304,8	20,3	67,6	15,8	52,6	158,3	527,6
Cherkasy	100,9	336,5	25,4	84,6	16,9	56,5	222,4	741,4
Chernivtsi	99,8	332,6	16,7	55,6	15,2	50,6	188,2	627,4



**2. Mechanism and
financing support of
sustainable soil
management based
on program-oriented
approach**

Strategic priorities of sustainable use of soil resources in agriculture:



suspending the humus- content decrease and regaining its deficit- free balance sheet



soils protection from erosion



enriching the soils with nutrient substances



rehabilitating acidic and solonets soils

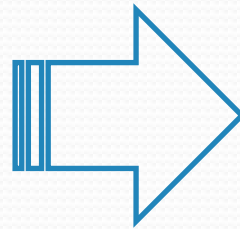
Components of the economic mechanism of conservation and restoration of soil fertility:

- Economic stimulus and economic sanctions
- The price submechanism
- Financial and credit submechanism
- Tax submechanism
- The insurance submechanism
- Submechanism of investment support

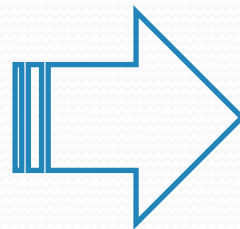
7. Projected amount of expenditures by Program according to funding sources

Funding sources	Projected amount of expenditures, mln UAH					
	2020–2024		2025–2029		2020–2029	
	Total	Average per year	Total	Average per year	Total	Average per year
Budget funds (State and local budgets)	5570.6	1114.1	5528.6	1105.7	11099.2	1109.9
Costs of land users and landowners and other sources	240701.9	48140.4	351326.9	70265.4	592028.8	59202.9
including without mineral fertilizers	20701.9	4140.4	21326.9	4265.4	42028.8	4202.9
Total	246272.5	49254.5	356855.5	71371.1	603128.0	60312.8
including without mineral fertilizers	26272.5	5254.5	26855.5	5371.1	53128.0	5312.8

The total cost of total work complex for 10 years is 603.128 bln UAH, of which 11.099 bln UAH – the state budget and local budgets, the average total funding of 60.313 bln UAH. Without the cost of mineral fertilizers the total amount of financing of the Program for 10 years equals 53.128 bln UAH (average – 5.313 bln UAH), including funds:



at the expense of landowners and land users – 42.029 bln UAH, accounting for 79.1 % (average – 4202.9 bln UAH)



state and local budgets – 11.099 bln UAH, representing 20.9 % (average – 1109.9 bln UAH)



**3. Potential sources of
soil protective
measures funding by
various variants**

8. Potential sources of funding soil protective measures envisaged by the National programme of soil protection of Ukraine

№	Variants of potential funding sources	Indicators			
		The estimated annual revenues, million UAH	The average annual budget requirement for the Programme, million UAH	The level of the possible financing of the budget of the Programme, %	Specific weight funds to be directed to finance Programs through budget, %
1	Targeting of part of the funds (30%) of the single tax of fourth group	813.9	1109.9	73.3	100.0
2	Introduction duty on soil protection in the amount of 0.5% from the normative monetary assessment of agricultural land	2474.8	1109.9	223.0	44.8
3	Targeting of part of the funds (30%) from the land tax, provided the increase of its stake to 1% of normative monetary assessment of arable land	703.5	1109.9	63.4	100.0
4	Concomitant use of variants № 1 and 3	1517.4	1109.9	136.7	73.1
5	Concomitant use of variants № 1 and 2	3288.7	1109.9	296.3	33.7
6	Concomitant use of variants № 2 and 3	3178.3	1109.9	286.4	34.9
7	Concomitant use of variants № 1, 2 and 3	3992.2	1109.9	359.7	27.8

A necessary condition for of building effective mechanism of reproduction of soil fertility is to develop the regulatory framework, namely the need to:

1.

- adopt and put into practice a draft Law of Ukraine «On conservation of soil and the protection of their fertility»

2.

- approve the «National Program for soil Protection in Ukraine» and to attract specialized scientific institutions to its implementation and to find appropriate sources of its financing

3.

- develop and implement regional programs of soil protection and restoration of their fertility on the basis of the «Concept of reforming the local self-government and territorial organization of power in Ukraine»

4.

- adopt the improved «Concept of development of land monitoring in Ukraine» and «Soil monitoring methodology» and implement it in practice

5.

- adopt and put into practice «Procedure of economic incentives rational use and protection of land and improve soil fertility», which should include economic stimulus and sanctions



Благодаря ви за вниманието!

THANK YOU FOR YOUR
ATTENTION!