

Evolution and Peculiarities of Tax Regulation in Anglo-Saxon States

Vladimir Alexandrovich Slepov¹; Mikhail Evgenievich Kosov²; Alexey Igorevich Grishin³; Tatyana Rogova⁴;
Andrew Evgenyevich Zotov⁵

^{1,2,3,4}Plekhanov Russian University of Economics, Moscow, Russia.

²Financial University under the Government of the Russian Federation, Moscow, Russia.

⁵Financial University under the Government of the Russian Federation, Moscow, Russia.

Abstract

The purpose of the article is to study trends and changes in the tax policy of the Anglo-Saxon countries. The article covers the analysis of tax regulation, the trends of historical development, and the features of the implementation of tax reforms in certain periods. The key results of the study are the absence of a direct relationship between the tax policy of countries and the development of scientific schools. The reforms contain mixed approaches typical of several academic trends. The key features of tax regulation are the relatively high tax burden on the economy, the predominance of individual income tax in the structure of tax revenues to the budget.

Key-words: Taxes, Tax System, State, Reforms, Regulation, Management System.

1. Introduction

The development of the tax systems of the countries of the Anglo-Saxon tradition dates back more than one century. Therewith, the "depth" of the historical process in these countries differs significantly. Thus, the tax system of Great Britain (more precisely, the countries that formed this country in 1707) dates back more than 800 years. The beginning of its formation is usually dated to 1203 when Edward I of England introduced a tax on the export of wool. The tax systems of other English-speaking countries do not have such a long history due to the later formation of statehood in the modern sense on their territory. Thus, the beginning of the history of the US tax system is usually dated to the expression of the colony's dissatisfaction with the UK's tax policy (1760) and the subsequent War of Independence (Smit, 2016). In the works of Canadian authors, the tax history of the country dates back to the adoption of the Constitution (Constitutional Act) in 1867.

Almost all member countries of the Commonwealth of Great Britain have their specific history of the formation and development of the tax system. When the economic literature raises the question of the Anglo-Saxon tradition, it usually refers to the United States and Great Britain, and to a lesser extent to Canada, Australia, and New Zealand (Kosekby, 2017). It was the United States and the United Kingdom (to a somewhat lesser extent) that were characterized by the active use of theoretical developments in the framework of the current tax policy (Adamsson, 2018). This was partly due to the presence of well-known theoretical economists in the administration of a particular US president. In this study, we will focus on the use of some provisions of theoretical concepts in the formation of the tax systems of the United States, Great Britain, and Canada, and the implementation of tax reforms in the United States (Perez, 2011; Kohn, 2015; Ricardo 2009).

2. Methodology

The period from the second half of the twentieth century to the present is of greatest interest for the analysis of conceptual models of tax systems of this group of countries, when the main theoretical trends and concepts have largely taken shape, on which, to a greater or lesser extent, the tax policies of countries are based and based on which their tax systems are designed (Christos, 2019; Allen, Arcolakis 2014). Let us consider the main features of the tax systems of this group of countries in statics, as they had developed by the twenties of the 21st century from the point of view of:

- a) revenue structures of the consolidated (expanded) budgets of these countries (Balsalobre, 2019);
- b) dynamics of various categories of budget revenues in these countries (Koseven, 2016).;
- c) individual elements of the tax system (the procedure for forming tax bases);
- d) features of tax reforms in these countries (Slavich, 2016).

Features of the structure and dynamics of tax systems. From the point of view of the revenue structure of consolidated (expanded) budgets of countries, certain elements that distinguish the group of countries under consideration can be identified.

3. Results and Discussion

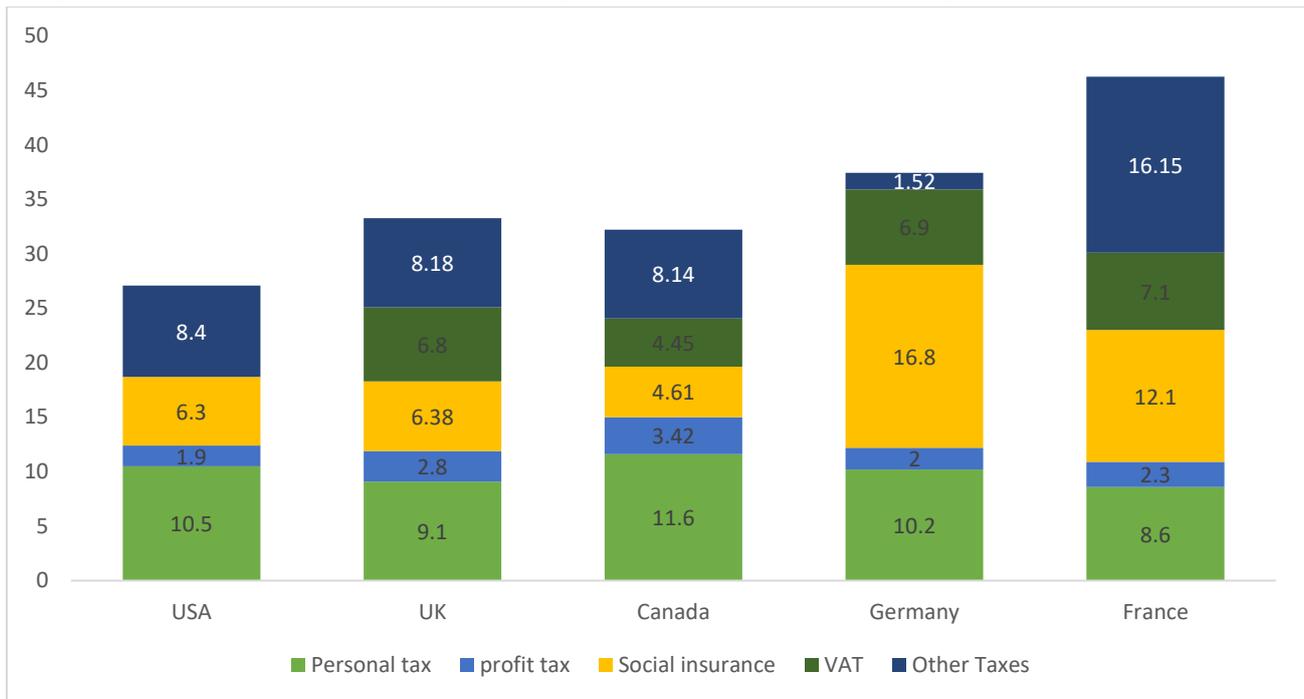
First. Relatively low indicators of the tax burden on the economy. Thus, the revenues of the US budget system in 2019 amounted to 27.1% of GDP, in Canada – 32.2%, and in the UK – 33.3%. In key European countries, the tax burden was slightly higher, at 37.5% in Germany and 46.2% in France.

Second. A high share of individual income tax in the structure of consolidated budget revenues, even though relative to GDP, there is no significant excess of tax revenues in this group of countries compared to the countries of the continental tradition. Thus, while individual income tax in the United States is 10.49% of GDP, and in Germany, 10.2%, its share in the structure of budget revenues in the first case is 38.7% of total income, and in the second case is 10 percentage points less (27.2%) (Tazi, 2019). A similar pattern is observed in Canada (36.0% of total budget revenues). According to this indicator, the UK is closer to European countries – here the share of income tax is 27.4% (Davis, 2019), and relative to GDP, its value is even lower than in Germany (9.11% compared to 10.2%).

Third. The countries of the New World are characterized by a relatively low share of taxes on goods and services (and in particular, VAT) relative to GDP. For example, in the United States, VAT is not applied, and other types of general taxes on goods and services account for 2% of GDP (sales taxes that apply at the state level). For Canada, the share of VAT in GDP is also relatively small, amounting to 4.45% of GDP (and the total amount of all total taxes on goods and services is 4.64% of GDP). At the same time, VAT receipts account for 6.9% of GDP in Germany and 7.1% in France (Barbero, 2018; Akamah 2018). Accordingly, in the structure of the consolidated budget revenues of the countries, the receipts of this tax make up different shares – 13.8% in Canada and 18.5% in Germany. Comparing individual indicators of the revenue structure of consolidated budgets of different countries is not always correct, since this indicator in some cases may have a significant (often decisive) impact on other taxes that are not considered in the framework of a specific analysis, for example, parafiscal payments in France (Kosov, 2016).

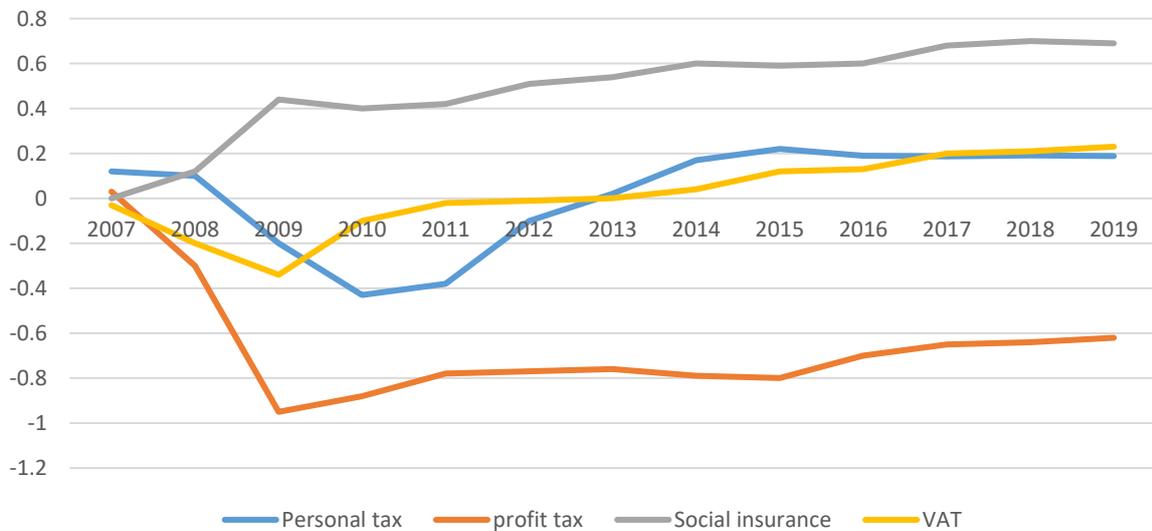
Fourth. Attention is drawn to the significantly higher values of social insurance contributions relative to GDP in continental countries than in the considered group of countries of the Anglo-Saxon tradition. Thus, if the share of social security contributions in the US is 6.26% of GDP, in Canada – 4.61%, in the UK – 6.38%, then in Germany this value is already 16.8% of GDP, and in France 12.1% of GDP. Therewith, the average value of this indicator for all OECD countries is 9.2%. There are also some differences in the structure of taxes, contributions, and social security payments, although they are not as significant as the indicators relative to GDP. The tax burden of payments is shifted towards employers in all countries, but this shift is less pronounced in the countries of the Anglo-Saxon tradition. Thus, if the share of employers in the US in the structure of the considered payments is 55%, in Canada 58%, then in France – already 74%.

Figure 1 – Revenue structure of consolidated budgets of several economically developed countries, 2019, % of GDP

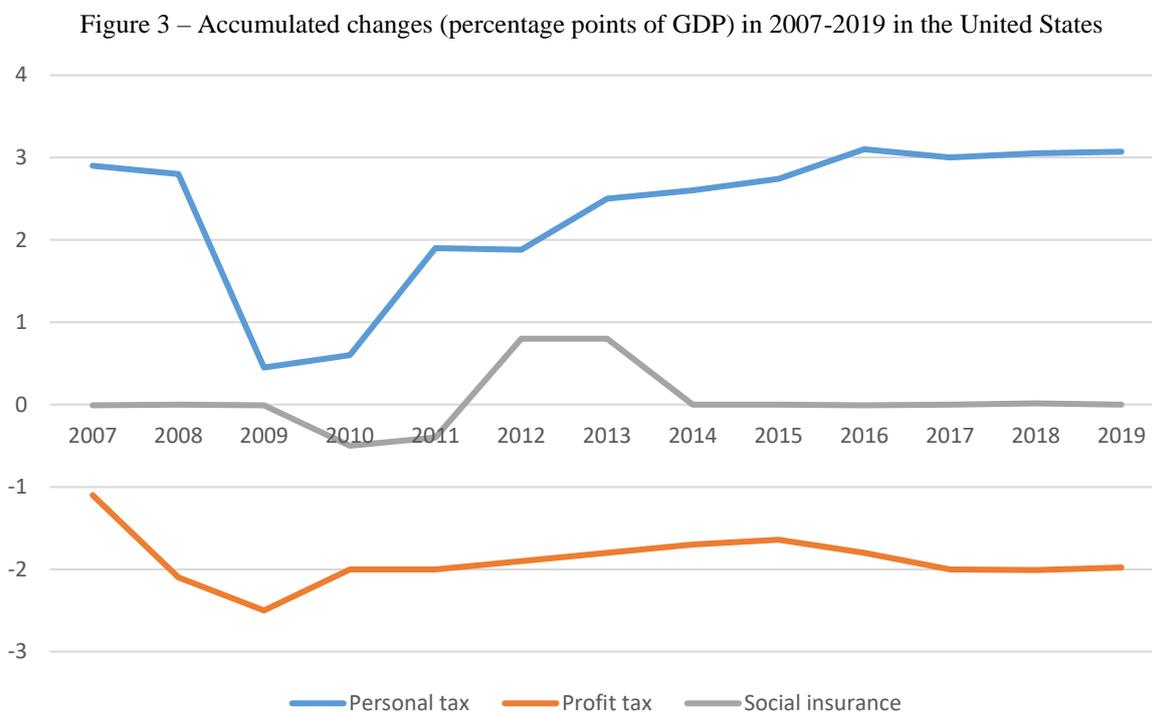


The dynamics of the main categories of tax income within the group of countries under consideration over the past decade also differed slightly from the general trend of the OECD member countries. For a more visual representation of the current trends, the indicator of accumulated changes in the volume of key income categories in % of GDP since 2007 was used (Figures 16-19).

Figure 2 – Accumulated changes (percentage points of GDP) in 2007-2017 on average for OECD countries

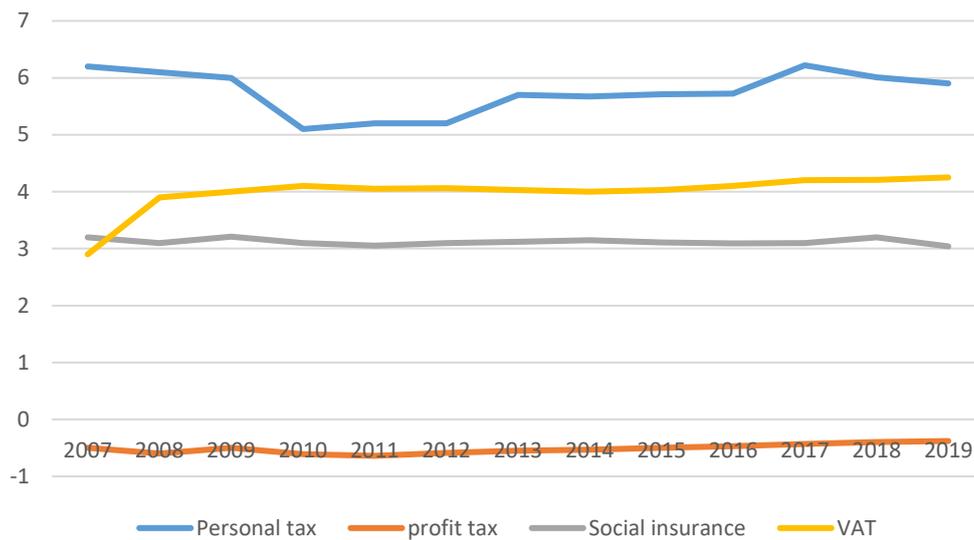


As can be seen from the above data, there was a pronounced upward trend in social insurance contributions. Individual income tax and profit tax after a pronounced decline in 2009-2010 began to increase. Herewith, the growth in profit tax receipts was extremely insignificant and in the aggregate as of 2016 (the latest available data for the average indicator) remains in the region of negative values. Against this background, VAT receipts look relatively stable – they show an upward trend (also insignificant) after a slight decline in 2008-2009.



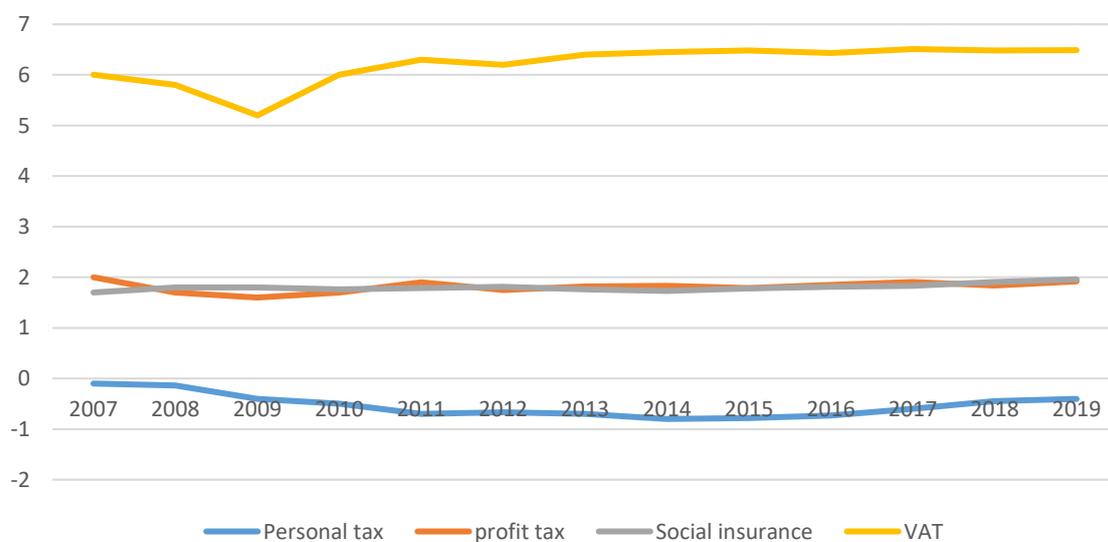
The dynamics of the indicators under consideration in the United States are different (Figure 3). There is no pronounced upward trend in taxes and social insurance contributions. For individual income tax, while there was a marked drop in 2009, its indicators remained in the zone of positive values with a pronounced increase by 2017. Profit tax receipts show a less pronounced decline (this is partly since the decline in these tax receipts relative to GDP had begun before the start of the time interval under consideration).

Figure 4 – Accumulated changes (percentage points of GDP) in 2007-2019 in Canada



The dynamics of the considered indicators in Canada also did not show significant (as in the OECD average) declines and pronounced growth. Profit tax receipts remained fairly stable (with a slight decrease compared to 2007) and social insurance contributions. A slight increase was observed in VAT receipts (more pronounced in 2007-2010). Individual income tax receipts were slightly more volatile, but without a pronounced upward or downward trend within the time interval under consideration.

Figure 5 – Accumulated changes (percentage points of GDP) in 2007-2017 in the UK



The dynamics of the considered indicators in the UK were quite close to that in Canada, but VAT receipts were more responsive to the crisis of 2008-2009 (largely due to changes in the values

of the standard tax rate). Both the individual income tax and the profit tax and social security contributions and, to a relatively lesser extent, the individual income tax have shown stability.

Thus, from the point of view of dynamics, the tax systems of the considered countries of the Anglo-Saxon tradition within the decade 2007-2017 showed less significant fluctuations in income relative to GDP than was the average for the OECD countries. From the point of view of the formation of individual elements of the tax system (the order of formation of tax bases, setting tax rates, and administration), each of the countries is unique and it is possible to distinguish both a significant number of common features and differences. This applies to both countries with the Anglo-Saxon tradition, and continental countries, countries belonging to the Scandinavian tax (and budget) model, etc. One of the elements that significantly distinguishes this group of countries from most others is the massive use of tax benefits provided in the form of "tax credits" (more correctly, in the form of tax deductions from the amount of the accrued tax payment). The result of this model is a significant amount of tax expenditures of budgets at all levels (federal, sub-federal, local in the United States and Canada, as well as the state in the United Kingdom). In the United States and Canada (less in the United Kingdom), this type of tax relief is used to finance medical and educational institutions and institutions that provide social services to the population. A variety of tax incentives is also used to support certain categories of investments, research and development expenditures, training expenditures, and other purposes (Wang, 2017; Osipov, 2017). In essence, "tax credits", which are a deduction of some part of the taxpayer's expenses from the amount of accrued tax, replace direct budget expenditures – for financing health care, education, research, and development, etc. The question of the effectiveness or expediency of replacing direct budget financing with tax expenditures of this type is constantly discussed in the economic literature of these countries. The scale of tax expenditures as estimated by the OECD is shown in Table 1.

Table 1 – Tax expenditures of the state budgets of several countries (various years)

Country	in % % of GDP	In % % of the total amount of budget revenues (central)
Netherlands (2006)	2.00	9.95
Korea (2006)	2.48	24.73
Germany	0.26	8.27
Canada (2009)	10.86	64.34
United Kingdom (2007/2008)	12.54	22.29
USA (2008)	6.47	59.01

In the United States, during 1983-2011, tax expenditures were ranging from 5.6% to almost 9% of GDP. Within this time interval, there was an increase in the volume of tax expenditures

relative to GDP from 8% to almost 9% (in 1986). This was followed by a significant drop in the total amount of these expenditures as a result of the Tax Reform Act 1986 by almost 3 percentage points of GDP in 1988. The following decade was characterized by a relatively stable level of total tax expenditures (about 6% of GDP). After 1998, there was a general increase in tax expenditures, followed (in 2004) by a decline to the previously established level. The years of 2008 and 2009 are again characterized by an increase in total tax expenditures to 7.5% of GDP. Within this time interval, the total number (the number of articles) increased from 135 positions in 1986 to 202 positions in 2007 (Delvaux, 2016; Adolphe, 2019).

Countries use different methods for calculating the number of tax expenditures (as well as using different definitions of this concept), which makes it difficult to compare the available data. The OECD data can be used for a more correct comparison, which is formed based on a single methodology (Table 1). As can be seen from the above data, Canada, the United States, and the United Kingdom are characterized by significantly higher values of tax expenditures both relative to GDP and relative to the actual income of their budgets

Features of tax reforms.

Tax reforms are of interest since it was in the course of justifying certain measures and measures of reforms that a relatively more pronounced belonging of the main measures to certain theoretical positions were observed. Before proceeding to the main elements of the reforms, it is necessary to make a few preliminary comments. First, it is extremely rare to clearly identify the affiliation of particular tax reform or group of tax measures to a specific scientific theoretical direction. As a rule, in reality, tax reforms included both measures, to a greater or lesser extent, related to theoretical concepts, and measures aimed at solving specific problems of the country.

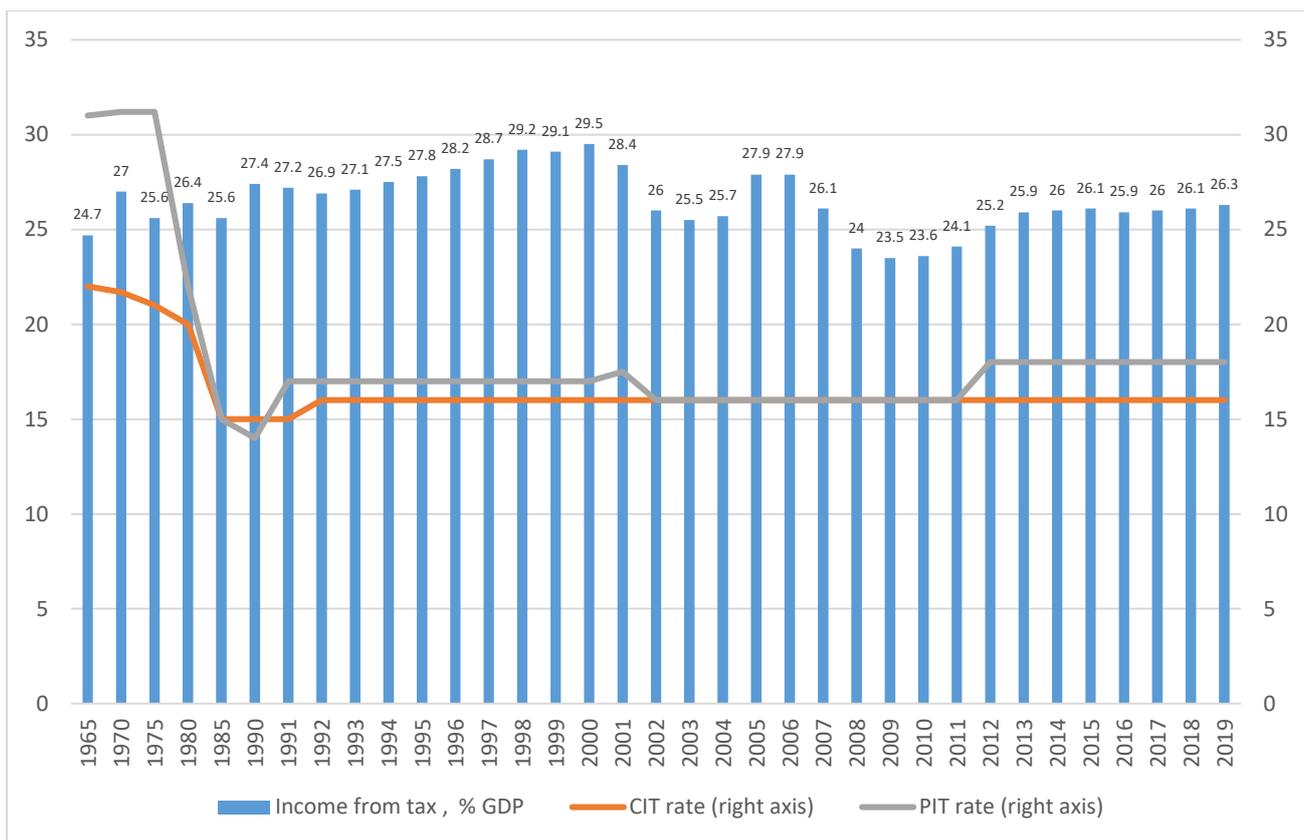
Second, the reforms that were carried out included not only tax measures of their own, but also measures related to budget and expenditure, changes in the financing models of certain social services. Third, the tax measures that were actually carried out did not always correspond to the statements of politicians about their goals. Quite often, the result of certain events turned out to be very far from what was expected.

Fourth. The overall economic situation in the countries (economic crises, depression, accumulated public debt, unemployment, etc.) had a significant (often decisive) impact on the decision-making process in the field of tax policy and on the results of the planned measures. We will focus on some points in the history of the tax systems of the key countries of the Anglo-Saxon tradition.

Tax reforms in the United States

Quite substantial fluctuations in the tax burden had been typical for the US economy throughout the second half of the 20th – beginning of the 21st century (Figure 6). Thus, the period up to the beginning of the 80s of the last century was characterized by relatively insignificant fluctuations in the range of 24.7% – 27.0% of GDP. Since 1985, there has been a fairly steady trend towards increasing the tax burden to a maximum of 29.5% in 2001. After that, the wave-like fluctuations of this indicator are seen – the periods of increasing the tax burden (2003-2007, 2011-2015) are replaced by its decrease (2000-2002, 2008-2010).

Figure 6 – Tax burden and marginal nominal rates of individual and corporate income taxes in the United States, 1965-2019.



Within the framework of the considered period of historical development, the results of theoretical research within the neoclassical direction were used to a relatively greater extent in the development of tax policy in the United States. However, other trends were also presented in the development of tax measures in different years (Table 2).

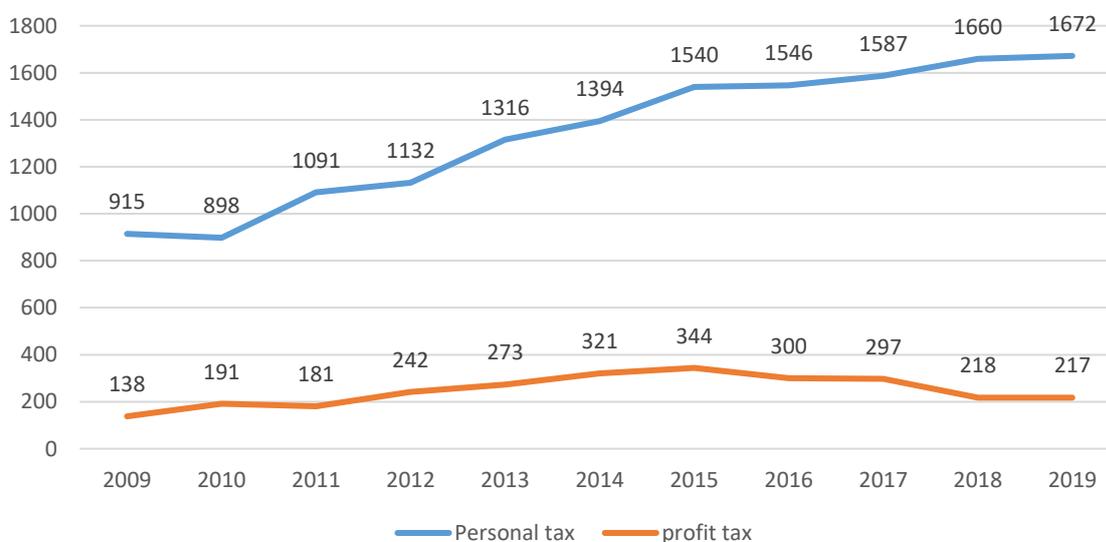
Table 2 – The main periods of the development of the US tax system through the prism of the main economic theories (diagram)

Period	Economic studies, with a significant measure defining the tax policy	US presidents whose names are associated with tax reforms	Scholars associated with administrations	Main issues in the field of tax policy
1932-1945	institutionalism Keynesianism	F. Roosevelt	R. Tugwell, A. Berley, G. Means (inst.), E. Hansen (keynes.)	Anti-crisis government regulation Unemployment insurance Pronounced corporate profit tax progression
1945-1960	Neo-Classicisism	H. Truman, D. Eisenhower*	R. Anderson (neo-class.), W. Rostow (inst.)	Restricting government regulation, abandoning the pronounced progression of corporate profit tax
1961 - 1968	Keynesianism, institutionalism	J. Kennedy, L. Johnson	J. Galbraith (inst), P. Samuelson (neo-class.), W. Rostow, G. Means (inst)	Formulation of the tasks of reducing taxes to increase the expenses of the population ; poverty alleviation program – progressive income tax; health insurance, introduction of Medicare (1966)
1969 - 1980	Neo-Classicisism, Keynesianism	R. Nixon, J. Carter	M. Friedman (neo-class., monet.)	Increase in import duties, freezing of taxes and wages
1981-1989	Neo-Classicisism, monetarism	R. Reagan	M. Friedman, M. Feldstein A. Laffer (all – neo-class., monet.)	Deregulation of the economy, tax cuts
1989-2017	Neo-Classicisism	B. Clinton	D. Elwood (instit.)	Raising taxes to reduce budget deficits, raising marginal rates, expanding tax incentives and subsidies to businesses, raising indirect taxes
2017-present time	Neo-Classicisism, institutionalism	D. Trump	P. Navarro (heterodox. econom. theory)	Significant reduction in the level of taxation, changes for taxation of income in offshore jurisdictions

The 2017-2018 tax reform had been preparing over several years and was largely the result of a complex analytical work and negotiation process [5]. The Tax Cut and Jobs Act, or TCJA, was passed in 2017 and has been in effect since the fiscal year 2018. The scale of this reform is currently compared with the reform of 1986, although experts still very ambiguously assess its consequences [7]. The reform affected most of the federal components of the country's tax system – individual income tax, corporate profit tax, as well as some other taxes and payments. The main task of the tax reform was to support economic growth in the country, encourage national and multinational companies to invest in the economy and create jobs in the United States, increase economic activity and the level of income of the population.

During the pre-reform decade (2008-2017), revenues from two key federal budget taxes – individual income tax and profit tax – were growing by an average of 7% per year in nominal terms. Therewith, if the positive dynamics for the individual tax had been typical for recent years, then the situation for profit tax was different. Since 2015, its revenues have been declining even in nominal terms, as well as relative to GDP. Thus, if in the pre-crisis 2007 the income of this tax was 2.6% of GDP, then in 2015 – 1.5%. In part, this dynamic of tax revenues is due to the lack of interest of large corporations in returning to the country the profits received abroad and more favorable (including tax) investment conditions in other jurisdictions.

Figure 7 – Individual income tax and corporate profit tax receipts to the US federal budget, 2008-2019, USD billion



The main measures of the reform are the following. In terms of corporate income taxation, the most significant measures were the revision of corporate profit tax rates and the significant

modification (in fact, the rejection) of the use of the global income tax model – the introduction of several elements of the territorial tax model. We will focus in more detail on the main tax innovations of The Tax Cut and Jobs Act.

The first and most ambitious innovation of the reform is the reduction of the tax rate. Since 1936, corporate profits have been taxed on a progressive scale. Throughout this period, the rates and other parameters of taxation have changed repeatedly. The tax scale that was in effect on the eve of the reform was introduced during the tax reform of 1986 when the maximum nominal rate was set at 35%, and taking into account state tax rates and the current model for deducting these taxes, the maximum rate was 39.1%, while for large corporations it was estimated to be 18.6% (Kosov, 2019; Bykanova, 2017).

The new legislation establishes proportional taxation of profits at the rate of 21% – this is the lowest value of the maximum tax rate since 1939. The second element of the reform was the partial introduction of a territorial tax model (modified territorial model) of profits – starting in 2018, profits earned abroad are exempt from taxation in the United States if the share of an American company in a foreign company exceeds 10%. The introduction of the modified territorial model is supplemented by a certain version of the "tax amnesty" – under the new legislation, companies have the right to import previously accumulated profits abroad to the United States, paying a one-time tax of 15.5% (on the import of liquidity) and 8% on other types of assets. Several significant changes concern the activities of multinational companies with the structural, subsidiary, and other divisions in other tax jurisdictions: 1) a new element is introduced, called the tax on Global Intangible Low-Taxed Income (GILTI). A reduced rate of 10.5% is established, at which income from intangible assets located abroad that exceeds the "normal" level is taxed. The legislation recognizes 10% profitability of this category of assets as normal. Therewith, the taxpayer has the right to deduct 80% of the tax paid abroad. This combination of the tax rate and the tax deduction for most taxpayers will mean that companies will not pay this tax if the tax rate in the country of origin of the income exceeds 13.125% (Morozova, 2020). At the same time, in some cases, this tax can significantly increase the tax burden for the taxpayer.

2) If the GILTI mechanism is aimed at preventing (or reducing interest) the placement of intangible assets abroad, then another new mechanism – foreign-derived intangible income (FDII) – is an alternative to it. This mechanism is aimed at encouraging companies to hold intangible assets (receive patent protection) in the United States. It allows companies to tax at a reduced rate income received from abroad if the patent underlying these revenues is located in the United States. Another

innovation of profit taxation is the system of combating the erosion of the tax base – base erosion and anti-abuse tax – BEAT). This system involves taxation of all cross-border payments between the parent company located in the United States and its foreign subsidiaries if these payments are deductible in the calculation of taxable profits (except for direct sales of goods). When calculating BEAT, the tax base is estimated as the amount of taxable income of the corporation plus all payments to foreign branches, which is taxed at a rate of 10.5% (Slepov, 2019). The largest of the amounts – the tax calculated according to the general scheme or BEAT – is subject to payment to the budget.

Several changes have been made to the depreciation regime for various asset categories, primarily equipment. Thus, the depreciation premium has been increased from 50% to 100% for certain categories of assets (equipment, mainly) purchased and put into operation after September 27, 2017, and before January 1, 2023. For equipment introduced before this date, the previously valid premium model (50%) is retained. Certain additional requirements apply to assets subject to a 100% depreciation premium (Lehoux, 2019). Special depreciation rules are introduced for assets with long useful lives (for example, for aircraft). Significant changes have been made to the procedure for accounting for losses when calculating the taxable base. Now the transfer of losses is possible only to the future and not possible to the past. A new restriction has been introduced on the possibility of deducting the cost of paying interest on loans (deduction of net interest – the difference between the interest paid and the interest received). A significant innovation is also the abolition of the alternative minimum tax, which has been in effect under the corporate profit tax since the tax reform of 1969. The above list of tax innovations introduced by the "The Tax Cut and Jobs Act" is far from complete. Most of the modifications of the tax regime that remain outside the scope of the study are relatively private, are addressed to narrow categories of taxpayers, and modify tax regimes in certain sectors and sectors of the economy. In terms of taxation of individual income (income of individuals), the main directions are:

- reduction of tax rates;
- changing the parameters of tax discounts and deductions;
- change of alternative minimum tax;
- changing the indexing order of several parameters (interval boundaries, discounts, etc.).

If the reduction of tax rates is aimed at reducing the tax burden on taxpayers, then the change in the parameters of deductions and discounts is multidirectional for different categories of payers. Some deductions are increased, some are reduced. These changes affected all major categories of

taxable income – both income from employment and income from professional activities, and business income, as well as passive income.

It should be noted that the income of an unincorporated business, which forms a significant part of the income of this tax, is subject to individual income tax in the United States. Accordingly, a certain part of the tax innovations in the framework of this tax affects the taxation of businesses (mostly small and medium-sized).

We will focus in more detail on the main innovations of the TCJA in the field of individual income taxation. Firstly, as a result of the reform, the rates in all the intervals of the progression are reduced and all the intervals of the tax scale are shifted up. Thus, if in 2017 the marginal (maximum) tax rate was 39.6% and applied to taxable income exceeding 470.7 US Dollars Thousand, then in 2018 the highest rate is already 37% and applies to income over 600 US Dollars Thousand, for a married couple filing a joint declaration (Slepov, 2017).

Secondly, at the same time, the standard deduction for all categories of declarants (single, married couples with joint and separate declarations, heads of households) was significantly (almost twice) increased. Thirdly, there was a replacement of a personal discount of 4,150 US Dollars for the taxpayer himself/herself, his/her children, and dependents by an additional amount of tax deduction (deduction from the amount of the accrued tax) for the children of the taxpayer and dependents. An additional 500 US Dollars deduction is provided for any dependents (including children over the age of 17 who are in college, for example). The main amount of the deduction for children was increased from 1 US Dollars Thousand to 2 US Dollars Thousand, and its recoverable part was increased to 1.4 US Dollars Thousand. Since 2018, this deduction has been provided to taxpayers whose taxable income does not exceed 400 US Dollars Thousand (up to 100 US Dollars Thousand in 2017). Fourthly, the composition and scope of item-by-item deductions have changed significantly. The procedure for deducting mortgage interest expenses is also changing significantly. At the same time, starting in 2019, the number of possible deductions for medical expenses (including the purchase of health insurance) will increase. Fifthly, the new legislation introduces significant changes in the taxation of several incomes from securities and withdrawals, rents, royalties, and other types of passive income. In effect, these incomes are deducted from the total gross income taxable under the progressive scale, and reduced rates (0, 15, and 20%) are applied to them.

Sixthly, the changes also affected the alternative minimum tax, the amount of the deduction (non-taxable minimum) for which was increased from 86.2 to 109.4 US Dollars Thousand for a couple filing a joint declaration (Klingberg, 2019).

Seventhly, the taxation procedure for income from the so-called types of Pass-Through Business¹) or Pass-Through income has changed significantly. Since 2018, a discount has been introduced for such "pass-through" income of the taxpayer, which depends on the type of business, the amount of taxable income, the value of the property of such a business, paid wages, and some other factors. A special feature of the tax reform in terms of individual income tax is the temporary limitation of most of the changes made in 2025. Before the expiration of this period, it will be necessary to decide whether to maintain these modifications or to return to the previous (or other) regime (Carlos, 2015). This situation introduces a moment of uncertainty in the decision-making process of individual investors.

A large-scale tax reform aimed at reducing the tax burden will inevitably lead in the short term to a decrease in federal budget revenues and a significant increase in its deficit. This will require a choice between increasing the amount of public debt and reducing the amount of spending financing. At the end of the fiscal year 2018, the deficit increased by 17.1% or 114.0 US Dollars Billion compared to the previous year, which was 25.0 US Dollars Billion less than the forecast values for this year (Kosov, 2019). The main hopes are that the decline in income will be limited to a few years, and a massive reduction in tax rates, combined with an adjustment to the base of two federal income taxes, will lead to an expansion of domestic demand and an increase in business activity in all segments of the economy, which will lead to an increase in tax revenues. Thus, the key measures of this tax reform generally follow the recommendations of the neoclassical direction of economic theory and are moving further away from Keynesian models. A wide variety of assessments of the recommendations of which theoretical directions this ongoing tax reform should be in the economic literature (Kosov, 2018; Akhmadeev, 2019) and, accordingly, what exactly its consequences may be.

4. Conclusion

Summing up, it is necessary to note the following. Within the framework of the formation of tax systems in the countries of the Anglo-Saxon tradition, at various stages of historical development, there was an orientation (or partial use) of the postulates of economic theories of various scientific directions. If for the US this orientation is generally visible (although with a certain stretch), then for the UK this can be said only concerning individual periods. It is not always clear that the activities of a particular tax reform belong to a specific scientific theoretical direction. Both the formation of the tax systems of the countries and the ongoing reforms were focused on solving specific tasks that the

country faced at a specific stage of its historical development and was influenced by the general economic situation in the country, models, and tasks in the field of financing public expenditures, the formation of a system of social support for the population and other "non-tax" factors.

It should also be noted that the tax measures that were carried out did not always correspond to the statements of politicians about their goals, and the result of the reforms often turned out to be very far from what was expected.

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