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Social equity: A route to progressive taxation of individuals

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**Аннотация:**

Most countries of the world use a progressive scale to tax individuals. However, the level of tax progression decreased a lot thanks to a lower number of rates and their fall in the first two decades of the XXI-st century as liberal ideas had spread in the middle of the XX-th century. Individuals' income can be taxed either at a progressive or a flat scale of rates. At the same time, there is no straightforward position, which scale to choose in the economic theory. Tying the personal income tax rate not to the absolute figures of income, but to such categories as a household's subsistence level, a budget of a household in comfortable circumstances would be reasonable in conditions of a dynamic Russian market environment burdened with inflationary phenomena. This model of the personal income tax and the use of a progressive scale in a city with population numbers of up to 20 million people shows that the tax will rise by a mere US \$4.7 compared with the current 13% for low wage workers under the recommended model, while the income tax for medium paid workers will rise by US\$ 57.8. At the same time the figure rose by US\$ 372.9 for highly paid employees. The use of this model ensures a significant increase of budget income of a region and closure of the gap between wages of highly and low paid workers employed in the economy. © 2018 International Strategic Management Association. All Rights Reserved.

**Ключевые слова:**

Economy, Individuals, Progressive taxation rates, Social equality, State budget, Tax ,Taxation