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## Socially Oriented Taxation and How It Is Perceived (Case Study of a Survey of Economists-To-Be)



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**Abstract.** The article discusses the prospects for adapting unconventional tax mechanisms to tax administration in a secular multicultural state. The purpose of the study is to identify significant factors which determine the advisability of establishing socially oriented taxes as perceived by economists-to-be that do not possess enough information about alternative tax practices and mechanisms for their implementation. Scientific novelty of the research consists in the fact that it considers socially-oriented taxation in more detail; this type of taxation is suggested to be considered in conjunction with religious tax practices, which significantly complements existing ideas about the specifics of functioning of modern tax systems. The research methodology includes the use of the questionnaire method. The respondents are future economists – students of Saint Petersburg State University. At the first stage, we test the level of awareness of respondents about alternative tax practices. During the second stage, with the help of ordered logistic regression, we design a model that shows the degree of tolerance to socially oriented taxation. We prove that the level of loyalty in this question depends on respondents' perception of social responsibility, including the mechanisms for its practical implementation. In particular, of relevance are factors such as the willingness to give up part of personal income to support socially vulnerable groups; positive attitude toward non-state administration of socially oriented taxes; expectation of corresponding benefits on individual income tax. The survey proves that respondents who do not have enough knowledge about non-traditional tax practices show a high degree of willingness to take additional social obligations. We think that the results of the research have scientific significance in the context of development of ideas about current tax mechanisms, as well as religious and socially oriented tax. In addition, they can be applied in tax administration in secular multicultural states. We think that a promising direction for further studies in this area is to carry out surveys among economists-to-be in various regions of the Russian Federation, as well as to involve representatives of the academic and professional community in the debate on modernization of tax arrangements.

**Key words:** socially oriented taxes, religious taxes, Islamic taxes, zakat, tax mechanisms, alternative tax arrangements, Islamic tax system, Islamic financial system.

The idea of social justice is as old as time, or, to be more accurate – as a state. The latter, perhaps, is impossible without taxes. Thus, the genetic relationship of categories of social justice, taxes and the state is undeniable (see: [4; 8; 9], etc.). The development of forms and methods of tax collection reflects the evolution of public perception of the state's functions. Modern practice of building tax systems puts the emphasis on the social

aspects. The solvency of the tax-paying population has always been reflected in traditional tax systems; however, clear social orientation of individual mandatory payments to the state appears only at the beginning of the twentieth century. The implementation of social protection in terms of taxation may be exercised in various ways dealing with the determination of *administration terms* and *spending areas*. In the first case we are talking

about different models of socially oriented income tax, property tax and even indirect taxes. The second method, as applied to tax systems, is implemented in mandatory payments which form the revenues of the social insurance system.

Dynamic development of concepts of common prosperity and sustained economic growth, the growing crisis of the social insurance system and other challenges of the past decades gives relevance to the research of alternative approaches to taxation. Such research may be of particular importance for the Russian tax system whose social orientation, in our opinion, is poorly expressed (including the flat rate and absence of individual income tax exemption, as well as regressive mandatory contribution within the system of social insurance).

It is believed that social support for the poorest population groups as a function of tax systems in the framework of the taxation theory appears in the first half of the twentieth century, and in industrially developed countries – in the late nineteenth century (Germany) – the beginning of the twentieth century (Great Britain) [6, p. 49]. However, taking into consideration the phenomenon of religious taxes and fees this viewpoint does not seem so obvious. Thus, a tithe whose distribution purpose was always at least partly social had been collected since ancient times. Interestingly, one of the first Christian churches of Kievan Rus was called the Church of the Tithes. Saint Vladimir allocated a tithe,

a tenth part of the income of the knyaz's Treasury, to support the Church<sup>1</sup>.

Religious taxes are currently widely implemented in Islam. It is noteworthy that zakat, a socially oriented cleaning tax is one of the five Pillars of Islam<sup>2</sup>. The list and contents of Islamic taxes is a subject of intense scientific debate [1]. In particular, the tax nature of zakat is widely discussed: some scholars consider it a tax, others – a non-tax payment [24]. Thus, the nature of Islamic taxes is controversial not only from the point of view of modern interpretations of scriptures, but also regarding their tax nature. Islamic taxation is mainly considered from three perspectives: legal, institutional, and social. The greatest attention is paid to the legal aspects of collection and distribution of zakat [2], the modern interpretation of the Quran and Sunnah as applied to mandatory payments [12; 23]. The features of Islamic law in the context of religious taxation are considered by individual researchers in relation to secular states as well (for example, the USA [21]). However, the study of the practice of zakat in countries with predominant Muslim population is predominant. In particular, there are general guidelines of restructuring of Islamic tax systems according to the principles of levying

<sup>1</sup> See details in: The Church of the Tithes. Portal: pravoslavie.ru. Available at: <http://www.pravoslavie.ru/56220.html>.

<sup>2</sup> The Quran: Sura 9, Al-Tawbah (The Repentance). Available at: [http://islam-koran.com/Сурa\\_9?\\_Ат-Тaубa\\_\(Покаяние\)](http://islam-koran.com/Сурa_9?_Ат-Тaубa_(Покаяние)).

zakat [13] and their implementation in relation to the levying of zakat on Malaysian companies [25]. In the framework of analysis of the social role of zakat the positive role of zakat in overcoming poverty in Pakistan in 2004–2006 has been demonstrated [11], as well as in Kelantan State (Malaysia) in 2008 [19]. However, the social aspects of zakat in tax systems where it is not introduced at the state level are poorly represented in literature. The reconsideration of the theory and practice of religious taxes in the context of perception of socially oriented taxation in a secular multicultural state provides a new viewpoint to this issue, which determined the purpose and objectives for the present study.

The purpose for the study is to identify the significant factors determining the appropriateness of introducing socially oriented taxes in perception of economists-to-be (students of Saint Petersburg State University) with low awareness about alternative tax practices and mechanisms of their implementation. Therefore, main objectives include: analysis of characteristics of socially oriented taxation of the Islamic financial system in order to characterize conventional socially oriented tax for the purposes of surveying economists-to-be; formation and implementation of the program of this survey.

The scientific novelty of the obtained results lies in enriched interpretation of socially oriented taxation which is considered in conjunction with religious tax practices,

which significantly complements the existing ideas about the specifics of the functioning of modern tax systems. In particular, a new perspective of studying Islamic tax mechanisms, according to the authors, will help implement rich experience of interaction with Muslim taxpayers for establishing the actual areas of developing the tax policy of a secular multicultural state.

### **Specific features of socially oriented taxation in Islamic financial system**

The beginning of the present stage of development of Islamic financial mechanisms traditionally dates back to 1960–1970<sup>3</sup>. Currently, there are all key elements of Islamic financial system available: financial markets, institutions, instruments, and supporting infrastructure. The system is characterized by a rapid development pace [15] but its structure has institutional and regional disparities: more than 90% of Islamic financial assets account for the banking sector [14]; a vast majority of resources is concentrated in the Middle East and Southeast Asia. We note that the prospects of introducing Islamic financial mechanisms are largely connected with religious demography. It is noteworthy

<sup>3</sup> The first Islamic financial intermediaries appeared in Egypt and Malaysia. In 1973, the most important supranational institution was established – Islamic Development Bank (IsDB). In the late 1970-s–early 1980-s, the institutions of interest-free economy begin to expand internationally. The first non-Muslim country which in 1978 opened the Islamic investment company was Luxembourg. The first retail Islamic Bank in Europe started in 2004 in the UK. In the 21st century, Islamic financial industry is considered as a significant phenomenon of financial economy (for more details see: [10]).

that in Russia, the number of Muslims is estimated at 10% of the total population [22]. However, the potential of the Islamic financial system remains underestimated, including the regions with predominantly Muslim population. At the same time, the situation with Islamic taxation is different: Islamic tax mechanisms, unlike the mechanisms of the financial sector, do function [7].

We emphasize that Islamic finance are subordinated to the requirements of the Sharia Islamic Law. The unique features of the Islamic financial system reflected in specific taxation are related to the fact that priority is given to the ethical principles of public relations. Islam does not deny social inequality but insists on equal opportunities criticizing unjustified enrichment. In this context, the defining financial principles are: the prohibition of interest on loans, speculation, excessive risk, financing illegal activities, and, which is extremely important for our study, requirements to pay a special tax – zakat. Zakat serves as the center of the Islamic tax system, introducing a group of obligatory payments involving levying taxes on various objects and categories of payers with different exemption limit at graduated rates. These payments meet the uniform principles of tax collection and redistribution [7] including:

1. Mandatory payment which is a consequence of a Muslim religious duty. Thus, the repressive measures of external

compulsion to pay taxes are replaced by motivation techniques focused primarily on personal responsibility of taxpayers.

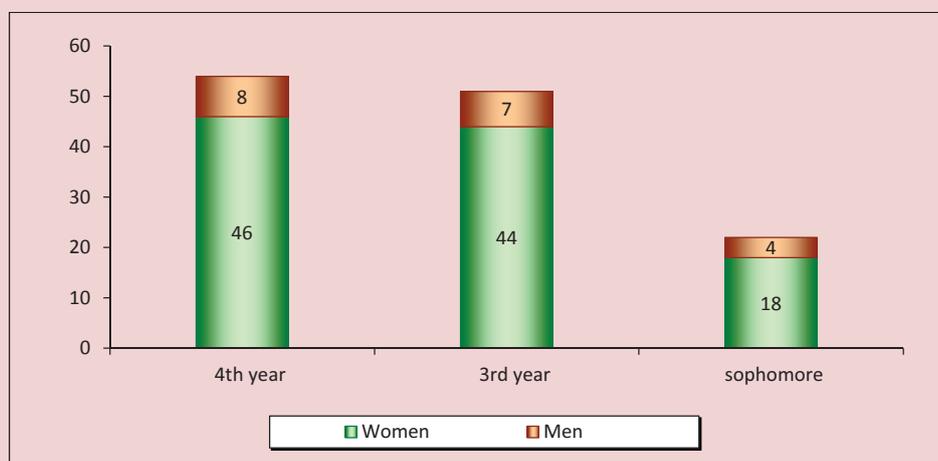
2. Regular and clearly defined payments. The amount and timing of payment of zakat meet the requirements of Sharia (represented in the Quran and Sunnah and their interpretations).

3. Targeted expenditure of raised funds (provided for in the Qur'an, see: Sura 9, At-Tawbah). Tax revenues can be used in favor of the following population categories: the poor; the needy; for those employed to collect zakat; for bringing hearts together for Islam; for freeing captives or slaves; for those in debt and for the cause of Allah and for the stranded travelers.

4. An opportunity to administrate beyond state institutions which traditionally ensure the legitimacy and mandatory tax collection in a secular society.

Abstracting from the religious aspect, it is possible to identify a number of essential features of zakat. First, zakat is a “purification” tax, not a donation, which is reflected in the motives and mechanism for its collection. Second, the taxation objectives are subject to the principles of social justice. Thus, from the financial point of view, zakat is a special tax aimed at supporting individual (especially disadvantaged) groups. Third, the payers of zakat are exclusively Muslims. Therefore, the regional structure of the Islamic tax system does not always correspond

Figure 1. The structure of respondents



Source: compiled by the authors.

to the administrative and territorial structure of modern countries. In addition, Muslims pay double taxes: zakat and traditional taxes in relevant tax jurisdiction. Zakat is part of the state tax system in Yemen, Libya, Malaysia, Pakistan, Saudi Arabia and Sudan. In nine more Muslim countries (Bangladesh, Bahrain, Egypt, Indonesia, Jordan, Iran, Kuwait, Lebanon and the United Arab Emirates), the state supports the institution of zakat by providing benefits to its payers (including mitigation of double taxation), as well as by taking part in spending the raised funds and (or) controlling their redistribution. In other Muslim countries zakat administration is carried out without state participation [3]. This situation is especially typical for countries where Islam

is a predominant religion. It is easy to assume that in Russia zakat is not part of the tax system. However, it is voluntarily paid by Muslims to non-state funds.

#### Methodology and data

For the research purposes we conducted a survey of economists-to-be – Ph.D. sophomore, third- and fourth-year students in Economics at Saint Petersburg State University<sup>4</sup>. All in all, 127 people answered the questionnaire. The sampling amounts to 870 people. The survey was conducted in April, 2015. The structure of respondents is presented in *Figure 1*.

<sup>4</sup> Note that the questionnaire method is widely used in the research of Islamic finance system. However, these studies tend to focus on the financial industry [5; 16]. An interesting exception appears in the work by R. Mohdali and J. Pope [20] proving the hypothesis about the positive influence of religiosity on the degree of loyalty to pay taxes.

The questionnaire includes 20 statements comprising two semantic blocks: the first concerned the perception of social justice; the second – the respondents’ awareness about religious taxation with an emphasis on Islamic tax practice in the context of Islamic financial system functioning, which reflects the research subject (*Tab. 1*). Data was collected by the authors through questionnaires in paper form.

Note that the statements of the questionnaire can be structured in two groups:

- 1) depending on the content – into four blocks: a) the ethical framework of financial relations (1–5); b) mechanisms of support for socially vulnerable population groups (6–10); c) awareness of religious taxes and fees (11–15); d) awareness of Islamic finance (16–20);
- 2) by level of importance of the subjective factor – into two blocks: a) statements

Table 1. Content of the questionnaire

| Questions related to perception of social justice   | Questions for estimating the level of awareness  |
|---|--|
| 1. Financial; relations must comply with strict moral principles  | 11. I am well informed about the specific features of religions taxes and fees                           |
| 2. The financial system should foster socially equitable distribution of income in the society  | 12. Religious taxation is expedient regardless of the level of per capita income                         |
| 3. Financial support for socially disadvantaged population groups should be provided by the state   | 13. Religious taxation makes economic sense in countries with a large percentage of religious population |
| 4. Financial support for socially vulnerable population groups is an indispensable element of corporate social responsibility   | 14. Religious taxes and fees are usually charged by specialized religious organizations                  |
| 5. The entire society is responsible for the financial support for socially vulnerable population groups  | 15. Religious taxes and fees are not included in the Russian taxation system                             |
| 6. A special tax aimed at supporting socially vulnerable population groups should be introduced   | 16. I am well informed about the specific features of Islamic finance                                    |
| 7. Collection and distribution of funds to support socially vulnerable population groups must be dealt with by specialized private funds with public and transparent reporting  | 17. A key principle of Islamic finance is the prohibition of interest on loans                           |
| 8. I am willing to give up part of income to support socially vulnerable population groups  | 18. Islamic finance exist in both Muslim and non-Muslim countries  |
| 9. I am willing to donate to specialized non-state funds to support socially vulnerable population groups   | 19. I am well informed about the specific features of Islamic taxes                                      |
| 10. Expenditures to support socially vulnerable population groups should influence the individual income tax  | 20. There are Islamic taxes in Russia  |
| <p><b>Note.</b> The authors deliberately did not include the question about respondents’ religions beliefs in the questionnaire as it would then be in some contradiction with the hypotheses about the awareness about alternative tax practices. However, this aspect was assessed in an indirect way. Respondents were asked to specify the region where they received secondary education. The regions were divided into two groups: 1) regions with predominantly Muslim population; 2) other regions. Accordingly, we introduced a dummy variable in the model, which, however, did not present any statistical significance.</p> |  |
| Income: compiled by the authors.  |  |

concerning the subjective perception of the research subject including subjective assessment of awareness (1–10; 11–13, 16, 19); b) statements assessing the knowledge of religious taxation and Islamic finance (14, 15, 17, 18, 20).

Each statement implies the ranking of respondent's attitude from negative ("completely wrong", "rather not true") to positive ("rather true", "true"). In addition, the option "no answer" was also available. The distribution of answers is presented in *Table 2*.

*The first phase* of the study was to test the hypothesis that low respondents' awareness about alternative tax practices, including

Islamic tax, which is a significant phenomenon of the modern Islamic financial system.

*The second phase* we carried out modeling of tolerance to socially oriented taxation in the case of conditional tax resembling zakat.

The research hypotheses were formulated as follows:

$H_0$ : tolerance to the introduction of a particular tax does not depend on subjective (perception of social responsibility) and objective (gender, course of studies) factors.

$H_1$ : tolerance to the introduction of a particular tax depends on the factors under review.

Table 2. Distribution of respondents' answers

| No. of statement | Undecided | Completely wrong | Rather wrong | Rather true | Completely true |
|------------------|-----------|------------------|--------------|-------------|-----------------|
| 1                | 1%        | 3%               | 20%          | 59%         | 17%             |
| 2                | 0%        | 2%               | 13%          | 47%         | 38%             |
| 3                | 0%        | 2%               | 2%           | 39%         | 57%             |
| 4                | 0%        | 4%               | 48%          | 39%         | 9%              |
| 5                | 0%        | 3%               | 36%          | 48%         | 13%             |
| 6                | 2%        | 17%              | 46%          | 29%         | 6%              |
| 7                | 0%        | 4%               | 18%          | 48%         | 30%             |
| 8                | 0%        | 16%              | 41%          | 37%         | 6%              |
| 9                | 1%        | 6%               | 44%          | 45%         | 4%              |
| 10               | 2%        | 43%              | 27%          | 11%         | 17%             |
| 11               | 1%        | 50%              | 29%          | 14%         | 6%              |
| 12               | 6%        | 1%               | 14%          | 39%         | 40%             |
| 13               | 9%        | 13%              | 17%          | 51%         | 10%             |
| 14               | 15%       | 8%               | 21%          | 49%         | 7%              |
| 15               | 8%        | 9%               | 15%          | 29%         | 39%             |
| 16               | 5%        | 35%              | 17%          | 34%         | 9%              |
| 17               | 16%       | 2%               | 13%          | 32%         | 37%             |
| 18               | 14%       | 3%               | 24%          | 45%         | 14%             |
| 19               | 4%        | 44%              | 25%          | 22%         | 5%              |
| 20               | 13%       | 39%              | 35%          | 11%         | 2%              |

Source: compiled by the authors.

The modeling was implemented in the program Stata 11.

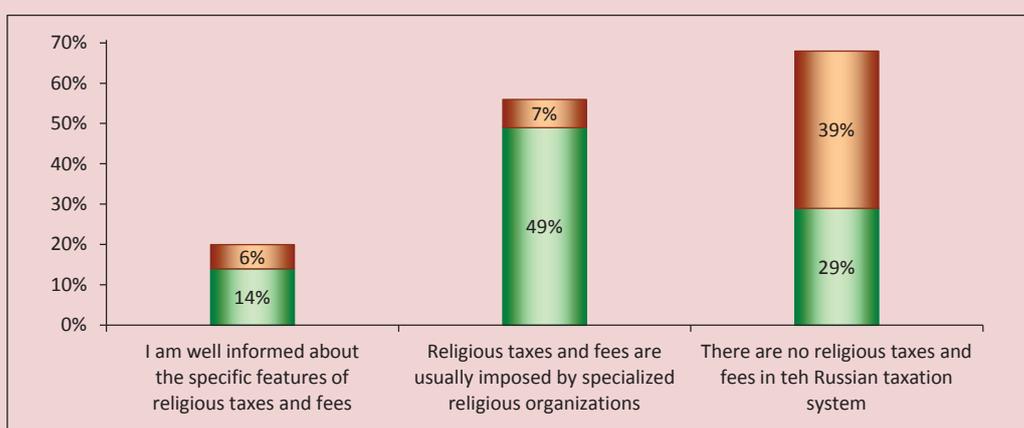
Our research is based on assumptions about low respondents' awareness of the research subject. This hypothesis has fully confirmed.

In particular, more than half of the students admit that they are not well informed about religious taxes and fees (Fig. 2).

The lowest awareness is noted in terms of Islamic taxes. Only 5% of respondents believe they are aware of the issue. At the same time, it is noteworthy that they mistakenly admit that these taxes do not exist in Russia. Thus, subjective assessment of awareness can be legitimately disputed (Fig. 3).

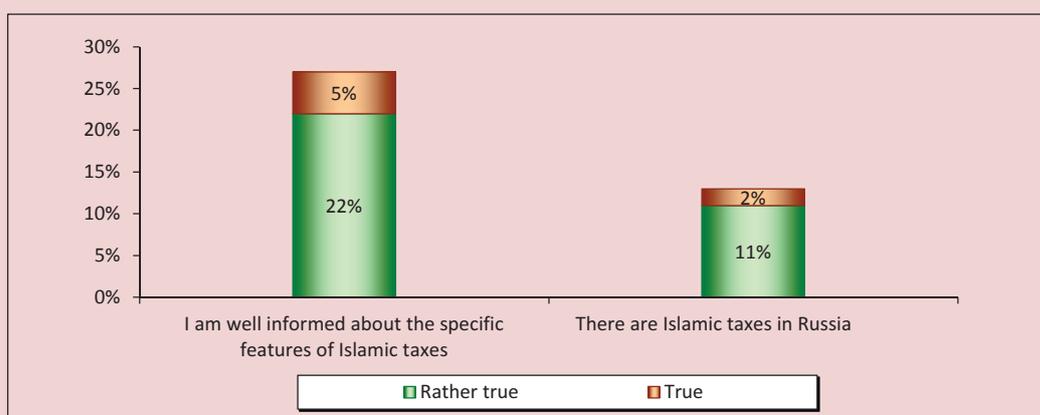
It is noteworthy that only 10% of students consider themselves aware of the specific

Figure 2. Awareness of religious taxes and fees



Source: compiled by the authors.

Figure 3. Awareness about Islamic taxes



Source: compiled by the authors.

features of Islamic finance. At the same time, 32% of respondents chose the correct answer that the key principle of Islamic finance is the prohibition of interest on loans. However, only 14% believe that the Islamic financial system operates in both Muslim and non-Muslim countries (Fig. 4).

Therefore, low subjective assessment of awareness in this case is only partly confirmed and can therefore be characterized as overly cautious. In our view, this can be explained by respondents' dissatisfaction with their knowledge of this subject and their potential interest in its further study.

The testing of hypotheses about tolerance to socially oriented taxation in the case of conditional tax resembling zakat was carried out using the method of ordered logit.

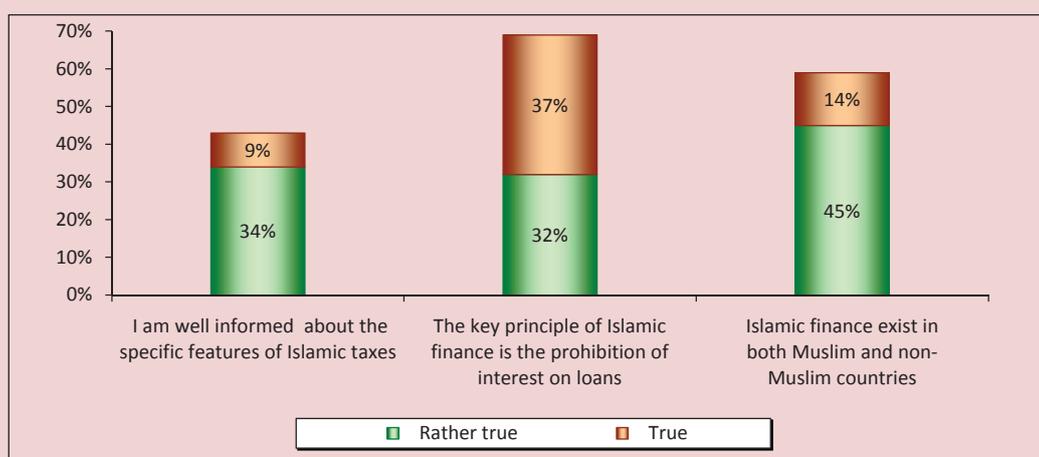
To study the factors influencing loyalty in this matter we selected statement 6 of the

questionnaire (“A special tax aimed at supporting socially vulnerable population groups should be introduced”) the attitude to which was presented as an ordered variable (Y). Under the terms of the survey the variable could take one of four possible values with the lowest being “totally agree” with the imposition of the tax, and the highest – “strongly agree”. Statements which respondents found difficult to assess were excluded from the final model. Thus, it included 122 statements out of 127.

The initial set of factors proposed for characterizing the attitude to socially oriented taxes included:

- nine discrete ordered variables taking values: “1” – disagree, “2” – rather disagree, “3” – rather agree, “4” – agree: attitude of statements 1–5 and 7–10 of the first block of the questionnaire related to perception of social justice.

Figure 4. Awareness of Islamic financial system



Source: compiled by the authors.

– a dummy variable corresponding to the gender of the respondent (“1” – for males, “0” – for women);

– two dummy variables corresponding to the respondent’s year of study (“1” – for third-year students, “0” – other; “1” – for sophomore students, “0” – other).

The selection of significant factors was based on Student’s t-test at five percent significance level.

The resulting model has the following form:

$$Y = -0,58 \times X_1 + 0,50 \times X_2 + 1,00 \times X_3 + 0,46 \times X_4 + 1,31 \times X_5.$$

Y – attitude to introduction of a special socially oriented tax implying one of the four options:

- 1) if  $Y \leq Y_0$ , then “totally agree”;
- 2)  $Y_0 < Y \leq Y_1$ , then “rather disagree”;

3)  $Y_1 < Y \leq Y_2$ , then “rather agree”;

4)  $Y_2 < Y$ , then “absolutely agree”;

$X_1$  – agreement on financial support for socially vulnerable population groups to be an indispensable element of corporate social responsibility (Statement 4);

$X_2$  – agreement on collection and distribution of funds to support socially vulnerable population groups to be dealt with by specialized private funds with public and transparent reporting (Statement 7);

$X_3$  – respondent’s personal willingness to give up part of income to support socially vulnerable population groups (Statement 8);

$X_4$  –view that expenditures to support socially vulnerable population groups should influence the individual income tax (Statement 10);

$X_5$  – sophomore students.

Table 3. Model of tolerance to socially oriented taxation

| Variable                      | Index      | Standard error        | z-test | Likelihood |
|-------------------------------|------------|-----------------------|--------|------------|
| $X_1$                         | -.579599   | .2680124              | -2.16  | 0.031      |
| $X_2$                         | .502654    | .2363988              | 2.13   | 0.033      |
| $X_3$                         | 1.001874   | .2457274              | 4.08   | 0.000      |
| $X_4$                         | .459762    | .1670974              | 2.75   | 0.006      |
| $X_5$                         | 1.315009   | .4765873              | 2.76   | 0.006      |
| Isolation point               |            |                       |        |            |
| $Y_0$                         | 1.595964   | 1.064465              |        |            |
| $Y_1$                         | 4.453875   | 1.12938               |        |            |
| $Y_2$                         | 7.111679   | 1.259993              |        |            |
| Likelihood function logarithm | -121.01352 | Pseudo-R <sup>2</sup> |        | 0,162      |
|                               |            | LR-test               |        | 47.02      |
|                               |            | Likelihood (LR-test)  |        | 0.0000     |

Source: compiled by the authors.

Detailed characteristics of the model<sup>5</sup> are presented in *Table 3*.

Table 3 indicates that loyalty to the introduction of a conditional tax resembling zakat is positively related to agreement with statements 7, 8, 10 and negative – with agreement with statement 4. In other words, the level of tolerance in this case is determined by the willingness to give up part of the income to support socially vulnerable population groups, as well as by the level of trust in the relevant non-state organizations. The chances of agreement with the introduction of a socially oriented tax are significantly higher for sophomore students than for third- and fourth-year students. In our view, this result can be explained by the fact that younger students associate themselves with taxpayers to a lesser extent.

The study has shown that respondents' agreement with certain statements is statistically insignificant, including: agreement with the fact there is a need for financial relations to be complied with strict moral principles; the function of the financial system to foster socially equitable income distribution in the society; with providing financial support for socially vulnerable population groups; with responsibility of

<sup>5</sup> The model was discussed by the authors at conferences: the 27th IBIMA conference: Innovation management and education excellence vision 2020: from regional development sustainability to global economic growth [17], and the ICAAT 2016 conference: 5th International conference on Accounting, Auditing, and Taxation [18].

the entire society for financial support for socially vulnerable population groups; with the willingness to donate to support socially vulnerable population groups at a certain time and with a certain amount. Interestingly, tolerance to socially oriented taxation is not affected by gender differences. It is particularly noteworthy that the majority of respondents shared the view that financial relations should contribute to equitable income distribution in the society (*Tab. 4*).

A significant share of respondents is willing to make regular donations to support socially vulnerable population groups. However, not all of them agree with the introduction of a special socially oriented tax. In our view, this suggests that the defining feature of any tax is its compulsory nature.

### Conclusions

The study has confirmed there is statistically significant correlation between certain aspects of perception of social responsibility, including the mechanisms for its practical implementation, and the level of tolerance to socially oriented taxation. According to the survey, economists-to-be from Saint Petersburg, with low awareness of specific examples of implementation of alternative tax mechanisms in practice, demonstrate their willingness to take additional social obligations. Loyalty to introduction of conditional socially oriented tax resembling zakat is positively dependent on the following factors: willingness to give

Table 4. Attitude to the social role of financial relations

| Variant  | Undecided | Completely wrong | Rather prong | Rather true | Completely true |
|--|-----------|------------------|--------------|-------------|-----------------|
| <b>Forth-year students</b>   |           |                  |              |             |                 |
| The financial system should foster socially equitable distribution of income in the society (2)  | 0%        | 2%               | 19%          | 46%         | 33%             |
| I am willing to give up part of income to support socially vulnerable population groups (8)      | 0%        | 22%              | 26%          | 41%         | 11%             |
| A special tax aimed at supporting socially vulnerable population groups should be introduced (6) | 2%        | 24%              | 46%          | 21%         | 7%              |
| <b>Third-year students</b>   |           |                  |              |             |                 |
| The financial system should foster socially equitable distribution of income in the society (2)  | 0%        | 2%               | 12%          | 39%         | 47%             |
| I am willing to give up part of income to support socially vulnerable population groups (8)      | 0%        | 14%              | 53%          | 29%         | 4%              |
| A special tax aimed at supporting socially vulnerable population groups should be introduced (6) | 2%        | 18%              | 47%          | 29%         | 4%              |
| <b>Sophomore students</b>  |           |                  |              |             |                 |
| The financial system should foster socially equitable distribution of income in the society (2)  | 0%        | 4%               | 5%           | 64%         | 27%             |
| I am willing to give up part of income to support socially vulnerable population groups (8)      | 0%        | 5%               | 50%          | 45%         | 0%              |
| A special tax aimed at supporting socially vulnerable population groups should be introduced (6) | 0%        | 0%               | 41%          | 50%         | 9%              |
| Note. Brackets indicate the number of the statement.   |           |                  |              |             |                 |
| Source: compiled by the authors.   |           |                  |              |             |                 |

up part of individual income to support socially vulnerable population groups; positive attitude to non-state administration of socially oriented taxes; expectation of corresponding individual income tax exemptions.

The research results, developing the traditional understanding of tax mechanisms in the context of religious and socially oriented taxation, have both scientific and

certain practical significance. In our view, the experience of religious taxation may find successful application in tax administration in multicultural secular states including the Russian Federation. It is noteworthy that Islamic taxation mechanisms focused on effective motivation, rather than coercion, are implemented with the use of innovative techniques. For example, in Russia

advanced methods of zakat administration are implemented: the tax rate can be calculated using online calculators, fund transfers may be implemented with the use of a broad spectrum of payment tools (cash, bank transfer, credit card, cybercash, via SMS, etc.). Thus, maximum convenience is provided for the taxpayers, ensuring their

involvement and interest, which in turn is the key to overcoming economic disparities in the society. A promising area for further studies in this sphere are surveys of economists-to-be repeated in various Russian regions, as well as involvement of the representatives of the academic and professional community in the discussion of alternative tax mechanisms.

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