CRITERIA FOR ASSESSING THE DESIGN OF TAX INCENTIVES

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Abstract

Tax incentives are a „gesture” by the state to certain social groups, economic activities and/or territorial-administrative units, because those lead to a legal tax saving. The present article is aimed at justifying the need to form tax incentives on a basis of principle, independent of the political situation and lobbyist pressure. In order for this to be achieved, in the article there are drawn and analyzed several criteria, considered to be universal in the design of tax relief – effectiveness, fairness, stability of the business cycle and freedom of the competition.