

Financial Security of the Public Sector and Citizens Versus Transparency of the Real Estate Tax Management

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*A king gives stability to the land by justice,
but one who imposes heavy taxes tears it down.*

Bible, Book of Proverbs 29,04

Abstract. *With the decentralisation of state management, decisions have been taken to strengthen the financial autonomy of public-law organisations. Decentralisation, together with the new area of competence of local governments, has become a very important element of the process of educating citizens in the area of finance, especially in the area of tax management. This article is devoted to the problem of proper use of real estate tax by the gmina self-government, hence its functionality in the context of the law in force and the use of this law by the inhabitants of the gminas and local authorities. Within the scope of decisions influencing the amount of income of the gmina self-government from the real estate tax, there are residents, who most often determine the taxable area they use. Next, the decision-making and executive bodies, acting jointly, decide on the subjective and material scope of the tax. It should also be noted that the functionality of this tax is strongly influenced by the residents who contact their representatives in the gmina authorities and officials who consistently perform their duties and control the properties of the area to be taxed. Citizens' knowledge of public finances, especially of the rules determining the size of liabilities towards the state budget or public-law partnerships functioning within it, including budgets of local governments, translates into financial security not only of local budgets but also of household budgets. The study used research among taxpayers of this tax. It analysed the legal dimension and the income from this tax in a selected region of the Republic of Poland. The main objective of the study, apart from the assessment of the functionality of real estate tax, is to build a model of real estate tax management that takes into account, first of all, the principle of tax justice.*

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Introduction

In 1989, for the first time in almost 200 years, the people of Poland were able to participate in shaping the principles of an independent state. With the exception of the period between World War I and World War II, when an attempt was made to regain freedom and build the foundations of independent existence, Poland was mainly subjected to German and Russian enslavement, which led to the destruction of the economy and huge backwardness in the development of civilization. The regaining of independence gave rise to hope for the reconstruction of a state within

the Western European culture and making up for its centuries-old backwardness in terms of civilisation. One of the first decisions of the new authorities was the decentralisation of the state and the creation of local authorities. The whole process of social and economic change was aimed at empowering citizens and increasing their participation in the management of resources of the common good. This was served, among other things, by decisions aimed at strengthening the financial independence of public — law organisations, including local governments, which were given the power to decide independently on the amount of their income. In the broadest competency dimension, this right has been assigned to the lowest functioning local governments, whose decisions are taken in close proximity to citizens who are also members of these public-law partnerships. In the presented paper the problem of proper use of rights by the users of real estate, who are most often a collective member of a public-law partnership such as a commune, as well as members of decision-making and executive bodies and local officials in shaping income from the real estate tax, was addressed. Within the socialist system and the total enslavement of citizens by the Soviet occupier, the citizens' knowledge about money and finances was a function of the financial policy of the state. It should be stressed that knowledge about public finances, especially about the rules determining the size of liabilities towards the state budget or public-law partnerships functioning within it, including budgets of local governments, translates into financial security not only of local budgets but also of household budgets. Therefore, regaining independence in 1989 began the process of national education of citizens in practical terms from the basics of financial literacy. The study used research among taxpayers of this tax. It analysed the legal dimension and the income from this tax in a selected region of the Republic of Poland. The main objective of the study, apart from the assessment of the functionality of real estate tax, is to build a model of real estate tax management that takes into account, first of all, the principle of tax justice.

The study referred to the real estate tax, whose legal regulations relating to the subject matter and subjective dimension can be considered readable for real estate users and persons sitting in bodies shaping general and specific rules influencing the size of this public tax. It should be noted that apart from the fiscal function, i.e. the collection of revenue from the tax by the gmina self-government, it is an instrument for local financial management, including the use of the powers granted to local authorities to shape the revenue from the tax. This tax is also an interesting phenomenon that allows assessing the appropriateness of taxation — therefore the functionality of this source of local income and also an instrument that allows to assess the use of the competencies of local authorities and residents and to assess the qualifications of persons deciding on its material and subjective dimension. Like any other financial instrument, the real estate tax has also a socio-psychological dimension that shows the reactions and attitude of people to everything related to the functionality of this tax. The authors of the study have repeatedly taken up this issue in research and the resulting studies¹. The presented

¹ The analysis of the functioning of this tax was undertaken, among others, in the studies of the authors: *Zarządzanie dochodami gmin — analiza w oparciu o podatek od nieruchomości płacony przez przedsiębiorców*, [in:] *Spółeczna odpowiedzialność biznesu, podatki, inwesty-*

study is a continuation of the authors' interest in financial management in the local dimension and the qualifications of people who influence the functionality of this tax. It was assumed in the study that the level of local tax rates, especially real estate tax, is more the result of the rulers' intuition in the municipal dimension than of in-depth analyses and expert opinions. The decisions of neighbours, stereotypes (e.g. people are poor, there is unemployment) and changes in rates in state acts are more often taken into account than local conditions within the gmina. The analyses were based on research conducted in one of the regions of Poland and as a result of which the model of real estate taxation was developed. Legal acts determining the subjective and material dimension of real estate tax at the central level and in the mentioned gminas of the region were also analysed. This paper is mainly of empirical character because almost all information has been taken from direct documents and research conducted by the authors. Therefore, it falls within the area of management science, especially local financial management.

Legal regulations of the real estate tax

The establishment of gminas self-governments in Poland in 1990 was considered one of the most important achievements in building a democratic state. By creating local self-government, the need to transfer issues related to the common good to citizens in their immediate vicinity and the need to implement education in the area of private money management and public finance management were recognised². In the areas under the jurisdiction of the Soviet Union after World War II, public finances were a secret area at every level in the state management system. Citizens do not have the knowledge about the sources of shaping the state budget revenues and also did not have the knowledge and the impact on their disposal. The citizens treated the state as something foreign and therefore the non-payment of all kinds of obligations in the public perception was assessed positively. Therefore, the political changes after 1989 met with many resistance resulting among others from the lack of knowledge of the real values of money, tax or finance in general. The instrument designed to change this has become, in the local dimension, primarily the local budget, whose resources depend to a large extent on the efficient management of the real estate tax. This tax fulfils many functions in the fiscal and educational dimension, defining the area of functionality of this tax in the scope

cje. Wybrane aspekty. Uziębło A (Ed.), *Prace Naukowe Wyższej Szkoły Bankowej w Gdańsku*, Vol. 38/2015. Warsaw, 2015, pp. 125–139; Powszechność i równość opodatkowania w jednostkach samorządu terytorialnego. Piechowicz B(Ed.), *Zarządzanie organizacjami publicznymi*. Białystok, 2003, pp. 57–63; Podatek od nieruchomości, jako źródło dochodów własnych gminy, Budzinowski R (Ed.), *Prawo i Administracja*. Vol. II. Piła, 2003, pp. 113–24; Kozłowski A.J, Czaplicka-Kozłowska I.Z, *Podatki lokalne instrumentem zarządzania gminą*, [in:] Adamowicz M (Ed.), *Finanse publiczne w skali lokalnej i regionalnej*. Warsaw: SGGW, 2002, pp. 393–404; *Podatki lokalne instrumentem zarządzania gminą na przykładzie podatku od nieruchomości w gminach powiatu elbląskiego*, [in:] Borzyszkowski J (Ed.), *ACTA ELBINGENSIA*, 2004, Vol. 2, pp. 219–234.

² These issues are raised by A. Kozłowski, cf. Kozłowski A.J, Ciborowska-Kubiak M, Nawrołska I, *Samorząd Terytorialny. Zarządzanie finansami lokalnymi*. Piła, 1996, p. 8.

of economic and social development of the gmina self-government. The material and subjective dimensions of the real estate tax indicate that it is the largest source of income for local gminas and depends primarily on economic development, i.e. on the area occupied for economic activity. However, it should be noted that this tax is not dependent on the income generated by the real estate and is not dependent on the value of the real estate. The tax is usually calculated on the basis of the physical size of the property measured in square metres. Real estate tax is calculated for natural persons, legal persons and organizational units without legal personality that are owners, independent possessors or perpetual usufructuaries³. Real estate tax does not apply to agricultural and forestry real estates, which are taxed with other types of tax⁴.

The amount of property tax is determined primarily on the basis of a declaration submitted by the real estate user, including information on real estate and building structures. Appropriate declarations or declarations on the creation or change of the tax base shall be submitted to the competent gmina tax authority within the time limits laid down in the local taxes and fees act⁵. Apart from detailed and exceptional decisions provided for in the act, it may be assumed that the real estate taxpayers are natural persons, legal persons, organizational units, including companies without legal personality, being owners of real estate or building structures, as well as independent possessors of real estates or building structures and perpetual usufructuaries of land or owners of real estate or its parts or building structures or their parts, owned by the State Treasury or a local government unit, if the possession results from an agreement concluded with the owner, the National Agricultural Support Centre⁶ or from another legal title, except for possession by natural persons of residential units which do not constitute separate real estates, but it is also possession without a legal title.

According to the provisions of the local taxes and fees act, natural persons are obliged to pay the tax in 4 instalments in proportion to the duration of the tax obligation, i.e. by the 15th March, the 15th May, the 15th September and the 15th November of the tax year. However, legal persons and organizational units without legal personality, including companies without legal personality, are obliged to pay tax for individual months in instalments proportional to the duration of tax obligation by the 15th day of each month, and for January by the 31st January. Payments

³ Kozłowski A.J, Czaplicka-Kozłowska I.Z, Podatki lokalne instrumentem zarządzania gminna przykładzie podatku od nieruchomości w gminach powiatu elbląskiego, [in:] *ACT AELBINGENSIA*, 2004, Vol. 2, pp. 219–234.

⁴ Ustawa z dnia 30.10.2002 roku o podatku leśnym, Dz.U. of 2002, No. 200, item. 1682. Elaborated on the basis of: i.e. Dz.U. of 2017, item. 1821. also Ustawa z dnia 15.11.1984 o podatku rolnym, Dz.U. of 2001, No. 200, item.. 1682. Elaborated on the basis of: i.e. Dz. U. of 2017, item. 1892.

⁵ Art. 5 Ustawy o podatkach i opłatach lokalnych z dnia 12.01.1991 roku. Dz.U. of 2017, item. 1785, 2141.

⁶ In the consolidated text of the act, the Agricultural Property Agency, is replaced by the National Centre for Agricultural Support, established on 1 September 2017 pursuant to the act of 10 February 2017. Dz.U. of 2017, item. 623. By that date, two agricultural agencies had ceased to exist: the Agricultural Market Agency and the Agricultural Property Agency, whose tasks were taken over in large part by the National Centre for Agricultural Support (KOWR).

are usually made by bank transfer to the tax authority's account or in cash over the counter. However, if the amount of tax does not exceed PLN 100, the tax is payable once only on the date of payment of the first instalment.⁷ In 2018, the maximum rates of the real estate tax resulting from central regulations for buildings or their parts are⁸:

- residential — 0.77 PLN per 1 m² of usable area,
- related to conducting business activity and from residential buildings or parts thereof occupied for conducting business activity — PLN 23.10 per 1 m² of usable area,
- seized for conducting business activity within the scope of trade in certified seed — PLN 10.80 per 1 m² of usable area,
- related to the provision of health services within the meaning of the provisions on medical treatment activities, seized by the entities providing such services — PLN 4.70 per 1 m² of usable area,
- other, including those seized for conducting paid statutory public benefit activity by public benefit organizations — PLN 7.77 per 1 m² of usable area.

However, the maximum rates adopted by the gmina council could not exceed, in 2018, the following maximum rates on land:

- related to conducting business activity, regardless of the method of classification in the land and building register — PLN 0.91 from 1 m² of area,
- below standing or flowing surface waters of lakes and artificial reservoirs — PLN 4.63 from 1 ha of surface area,
- other, including those seized for conducting paid statutory public benefit activity by public benefit organizations — PLN 0.48 from 1 m² of area,
- not built-up areas covered by the revitalisation area, referred to in the act of 9 October 2015 on revitalisation (Dz. U. item 1777), and located in the areas for which the local spatial development plan stipulates allocation for housing, service or mixed-use development covering only these types of development, if the period of 4 years has expired since the date of entry into force of the plan with respect to these grounds, and the construction has not been completed in accordance with the provisions of the construction law — PLN 3.04 from 1 m² of the area.

In accordance with the applicable law, when determining the amount of real estate tax, it is important to precisely indicate not only the area but also the manner of its use. The usable area of a building or part of a building that is subject to taxation is the area measured at the internal length of the walls on all floors, except for staircases and lift shafts. According to the law, the storey also includes an underground garage, cellar, basement, and attic. It should also be emphasized that the area of the premises or their parts and a part of the storey of the height from 1.40 m to 2.20 m is included in the usable area of the building in 50%, and if the height is less than 1.40 m, this area is omitted. Analysing the income of gmina governments from the real estate tax, it should be emphasized that for an average gmina it is the largest source of own income amounting to almost a fifth of the income to the

⁷ Ustawa z dnia 12.01.1991 r. o podatkach i opłatach lokalnych, Dz.U. of 1991, No. 9, item. 31.

⁸ Obwieszczenie Ministra Rozwoju i Finansów z 28 lipca 2017 r. w sprawie górnych granic stawek kwotowych podatków i opłat lokalnych w 2018 r., opublikowane w Monitorze Polskim of 9.08.2017, item. 800 (wydanego na podstawie art. 20 ust. 2 ustawy o podatkach i opłatach lokalnych).

local budget. In the cited in the study ciechanowski sub-region, located in central Poland, the income from real estate tax in a medium-sized town of about 31,000 inhabitants amounted to less than 19% of the total income to the local budget.

Real estate tax management — empirical analysis

In order to assess the functionality of the real estate tax and in particular to indicate its importance in building the financial security of the public sector and citizens, the rules defining the procedure of shaping the material and subjective dimension of this tax in gminas self-governments and the participation of real estate owners and users in shaping the income of gminas from this tax were analysed. The survey was conducted in one of the sub-regions of Poland characterized by a large area of private land ownership in the period before 1989, with a distinctive Polish culture deeply rooted in Western European and Catholic traditions and respect for private property⁹. The research assumes that the level of social and economic development increases, private resources at the disposal of the public sector grow and citizens' knowledge about the principles of state functioning and the role of citizens in shaping the organisation of the public sector in almost all its areas increases. It can be assumed that the influence of citizens for using resources of the common good translates into their activity in the implementation of tasks of local governments¹⁰. Citizens' knowledge of the public sector and its resources translates into the security of the entire society in the state and individual dimension, as transparency translates into awareness and reasonable participation in the implementation of tasks of importance in the area of security in general and financial security in particular.

While conducting the research, an attempt was made to obtain information on the appropriateness of real estate taxation, therefore the compliance of the actual state with the declared and being the basis for determining the amount of tax liability. In accordance with the procedure for determining the amount of tax liability, owners or users of real estates shall determine exactly the area to be taxed, the manner of use and the type of real estate. A tax authority such as the gmina executive body may verify the appropriateness of the definition of the rules determining the amount of tax liability. The research was also carried out in order to determine the awareness of the taxpayers of this tax about its subjective and

⁹ The research was carried out in the communes of the ciechanowski sub-region in Mazovia covering 5 poviats. This sub-region is inhabited by approximately 347 thousand inhabitants in 44 gminas with a total area of 5256 km². The ciechanowski subregion can be classified as an area characterised by a low level of civilizational development in relation to the western European countries (road and gmina infrastructure, industry, etc.), which translates into low own revenues of gminas' and poviats' budgets in comparison to the whole Mazovia and low average annual investment expenditures. Information about the ciechanowski subregion was taken from the study: *Analiza różnicowań rozwoju społeczno-gospodarczego istniejących i postulowanych podregionów województwa mazowieckiego*. Mazowieckie Biuro Planowania Regionalnego w Warszawie. *Analizy i Studia*, 2012, Issue 1(32).

¹⁰ Cf. Nogalski B, Kozłowski A.J, Czaplicka-Kozłowska I. Z., *Teoria dobra wspólnego a zarządzanie publiczne w samorządzie terytorialnym*, *Myśl Ekonomiczna i Polityczna* No. 4 (47) /2014, Oficyna Wydawnicza Uczelnia Łazarskiego 2014, p. 73 and ff.

material dimension and about the importance of this tax in shaping the income of the gmina self-government. The methodology of research was adjusted to environmental requirements and therefore the survey covered 152 persons and the research on the appropriateness of determining the area of real estate to be taxed covered 63 persons who are owners or co-owners of real estates. The analysis covered 36 real estates occupied for housing purposes (57.1% of all real estates indicated for the study) in 18 gminas of the subregion. In the remaining selected real estates, the owners stated that the area was consistent with the declared value or that there was a small and therefore insignificant difference from the point of view of the tax amount. The analysis of the taxation of the surveyed residential areas shows that the gminas have established a real estate tax rate usually below PLN 0.10 of the maximum rate (table 1). The analysis of real estate taxation shows that the taxation of residential properties at the maximum level was recorded only in one gmina, while in other gminas the rates were adopted by gminas' councils, reducing them from PLN 0.02 to even PLN 0.27 (lower than the maximum by 36%). This means that taxation of real estates in one of the gminas reduces income by more than 1/3 compared to other gminas that set maximum rates in the examined subregion. It should be noted that the income of all Polish gminas from the real estate tax in 2016 amounted to PLN 20,774,468,288.33 (in 2015 it amounted to PLN 20,171,305,299.43) ¹¹. Therefore, it can be assumed that in 2017 the income exceeded the amount of PLN 21 billion and in 2018 will reach PLN 21 billion. This means that by reducing the real estate tax rate (in all types of real estate) by 10% the gminas lose about PLN 2 billion.

Table No. 1. Appropriateness of the real estate taxation of the housing area of persons among whom detailed measurements of the real estate area were carried out

Area in m ² as defined in the decision	Rate of gmina per 1 m ² in PLN		Tax amount in PLN	Actual area in m ² calculated by the expert	Difference in m ²	Tax amount in PLN after deduction of the difference m ²	Difference in PLN
	mean	maximal					
3166.06	mean	0.65	2057.94	2849.72	316.34	1852.32	220.39
	maximal	0.75	2374.55			2137.29	237.26

Source: own elaboration based on research

The functionality of the real estate tax, including the amount of income translated into the wealth of the local budget and the appropriateness of taxation of the actual area, can be related to the example of taxation of residential and business space with this tax. Let us assume that in the case of a medium-sized poviat town with a population of about 30,000, 8,000 owners of residential property are taxpayers on residential property with an average area of 60 m². This gives 480000m² to be taxed in this town and at a maximum rate of PLN 360 thousand will be transferred

¹¹ GUS Local Data Bank. *Electronic source:* <https://bdl.stat.gov.pl/BDL/dane/podgrup/tablica>, accessed: 11.02.2018.

to the local budget in 2017. Let us also assume that there is a private enterprise in this city, conducting business activity on the area of 16 thousand m² (production hall with dimensions of 100m x 160m), paying real estate tax on the areas related to business activity. The revenues to the local budget paid by the holders of properties occupied for business activity may amount to a maximum of PLN 362.56 thousand. Therefore, it can be assumed that the amount of tax paid by one entrepreneur will be higher than the amount paid by 8 thousand owners of residential real estates. It is worth noting that in powiat towns, apart from large areas used for business activity, there are usually several hundred small shop areas and a dozen or so large supermarkets, whose area usually exceeds 10,000 m². Due to the fact that the tax on the area occupied for conducting business activity from 1 m² is more than 30 times higher, it is profitable for gmina self-governments to create conditions for the creation and development of areas used by entrepreneurs.

Analysing real estate taxation and income from real estate tax to local budgets, many questions arise, especially those related to tax justice. It should be emphasized that the real estate tax does not take into account the value of the real estate and income (especially the financial result) of the conducted business activity (income-generating). This issue was a contribution to the research on the awareness of citizens about the functionality of real estate tax, therefore the importance of local budgets, the justice of real estate taxation and the knowledge of the people who pay this tax about this tax. The survey involved 152 people (often those who were asked to fill in the questionnaire refused on the grounds of lack of time), including 60% of men and 40% of women. The respondents were mainly residents of urban gminas (57.3%), fewer residents of rural gminas (38.7%) and only a few residents of urban-rural gminas (4%). Most people were in the 30–39 age group (42.1%) and 40–59 age group (30.3%). There were definitely fewer young people aged 25–29 (15.8%) and under 24 (7.9%) and the least in the oldest age group over 60 (3.9%). The largest number of people had higher education (37.3%), followed by secondary education (34.7%) and bachelor's degree (16%). 6.7% of the respondents had basic education and 5.3% had basic vocational education. Among the respondents, one in five is an entrepreneur (21.3%, 40% was an entrepreneur). The respondents are mainly office workers (24.2%), specialists (teachers, doctors — 19.7%), service workers (mainly salesmen — 13.6%), working as senior officials and managers (10.6%) and being farmers, gardeners or foresters (10.6%). The lowest number of respondents performing duties as workers and craftsmen (4.5%), operators and assemblers of machines and equipment (3%) and technicians (1.5%). It is worth noting that every fourth respondent did not give an answer, including 12.1% who stressed different as an answer without indicating a profession, and 13.2% who did not give an answer at all. The respondents have at their disposal properties whose value they assessed mainly between PLN 100–500 thousand (51.3%), then below this value (27.6%) and above 14.5%. Among the respondents, 6.6% stated that they own a property whose value exceeds PLN 1 million.

Under current law, the gmina self-government is an association of residents of a given territory and it is they who are responsible for the consequences of the decisions of the authorities of their choice. Therefore, decisions on the amount of the real estate tax or exemptions from this tax should be of interest to the residents. Residents managing a gmina through their representatives in the gmina council

should know what the rates of this tax are, how the gmina authorities use this source of income and whether the form of this tax in its subjective and material dimension is in line with the interests of the residents. This issue can also be related to the issue of tax justice and financial security of the gmina and its residents, because it is important not only to determine fair tax burdens but also to provide the gmina with the necessary financial resources without undermining the financial stability of the residents. While conducting the research, an attempt was made to assess the knowledge of residents on the real estate tax management by the gmina self-government, including the knowledge on the rates of this tax and the appropriateness of taxation of various types of real estate areas. For this purpose, respondents were asked to express their opinion on the amount of the real estate tax paid by entrepreneurs (on buildings or parts of buildings connected with conducting business activity and on residential buildings or parts of residential buildings occupied for conducting business activity). A large group of respondents had no opinion on this subject (22.7%). The respondents found that the rates of this tax were high (26.7%; very high 9.3%) and appropriate (25.3%). It is 10.7% and 5.3% that are convinced that taxes are low and that they are very low. Referring these opinions to the rates of tax on real estate occupied for residential purposes, it should be emphasized that most people, because 41.9% considered the rates defined in their gminas as appropriate (answer: appropriate) and then that they are high (28.4%) and very high (10.8%). Few people indicated that the tax rates were low (2.7%) and very low (4.1%) and 12.2% did not have an opinion on this issue. Comparing the taxation of real estates in Poland and other countries characterized by a high level of economic development, it should be assumed that the amount of the real estate tax in Poland on the area occupied by apartments is low, as it amounts to approximately PLN 60–70 with an average flat of 90–120 m². Undoubtedly, the taxation of real estate tax, with the simultaneous exemption of many areas in the building and the exemption of areas included in agricultural holdings from this tax, is very low and opinions accepting such taxation and indicating the amount of this tax illustrate the low level of tax culture, especially the lack of recognition for tax justice in this area.

In order to obtain information about the knowledge of the gmina residents about the real estate tax, they were asked to give their opinion on whether or not the gmina councils set the maximum real estate tax rates in their gminas. From the answers given by the residents, it can be assumed that the residents' knowledge of real estate tax management is insufficient. In the examined subregion only one gmina set the tax rates at the maximum level. On the other hand, 38.6% of the respondents stated that the rate of this tax is maximum and 31.4% did not have any knowledge about it. The respondents were also asked whether the rates of the real estate tax on the residential area should be reduced. Respondents are strongly in favour of reducing the real estate tax (51.4%) and one in four believes that the level of this tax should be maintained. The surveyed members of gmina self-governments are convinced that the current rates (41.3%) should be maintained in relation to the reduction of tax rates on entrepreneurs. It may be assumed that in favour of lowering the rates of this tax on areas used for conducting business activity are primarily entrepreneurs, while in favour of increasing and maintaining them — citizens who do not conduct business activity. Assuming that taxation of real estate tax in Poland bears the stigma of the previous epoch and violates the basic

principle of tax justice, respondents were asked to express an opinion on whether it is necessary to change the rules determining the appropriateness of taxation and move towards the introduction of a real estate value tax — in relation to real estates currently regulated primarily by real estate tax, as well as forest and agricultural tax. Respondents are strongly opposed (56%) to the implementation of such a tax and only a little more than one in five is in favour of introducing such a tax.

Undoubtedly, the imposition of the real estate tax on the residential area in accordance with the currently binding rules favours persons disposing of real estates of high value, as they pay a similar tax as persons disposing of low-value apartments. It can be assumed that real estate tax taxation indicates a violation of the principle of fiscal justice¹². This tax violates the principle of fiscal justice and the security of poor and indigent people who cannot afford to pay tax in the same way as the wealthy¹³.

Conclusions and recommendations

The subject of analysis in the presented study was the real estate tax, which is the largest source of own income of gmina self-governments in Poland. Within this tax, there is the largest dimension of factors showing the adequacy of public finance management at the lowest level in the state's management structure. This feature may refer to a wide range of its functionalities, i.e. to everything that determines its legal, fiscal, cultural and also citizens' awareness and the impact of these factors on the amount of income derived from this tax. It is to be assumed, what results from the conducted research, that the real estate tax in its current formula is a residue of the taxation of private real estates in the period when socialist principles of economy and finance functioned in Poland. The research carried out, including the analysis of the taxation of residential areas and the assessment of the tax rates and the knowledge of citizens about the material and subjective dimension of the tax, allow the following conclusions to be drawn:

- the knowledge of citizens, who are simultaneously residents, members of public-private bodies, real estate taxpayers and those who influence the decisions of gmina authorities on the functionality of real estate tax is at a very low level;
- owners of the residential real estates usually do not pay attention to the proper determination of the amount of residential area to be taxed;
- the low interest in the real estate tax of the gmina residents results mainly from the low rates of this tax and the small amount that the residents contribute to the local budget during the year due to the taxation of the occupied residential area.

The rules of taxation with real estate tax indicate a breach of the principle of tax justice and are a continuation of the tax rules in force in the previous social and economic system.

¹² Smith A, *Badania nad naturą i przyczynami bogactwa narodów* Vol. 1/2, translation: S. Wolff et al., Warsaw: PWN, 2007, p. 688.

¹³ Cf. Gomułowicz A, *Zasada sprawiedliwości podatkowej*, Dom Wydawniczy ABC Grupa Wolters Kluwer, Warsaw 2001, p. 34.

The analysis of the opinions of respondents who are the owners or users of real estates with material and subjective dimension of real estate tax functioning in gminas indicates a low level of tax culture in public finance management at the local scale. This is due to, among other things, a low degree of transparency in the management of local finances, including the real estate tax, which translates into a lack of interest of the residents in the local budget and, consequently, influences the level of political culture manifesting itself in a low participation of citizens in the election campaign and elections to gmina authorities, as evidenced by the voter turnout in recent years. It should be stressed that citizens' awareness of their obligations towards the state and decentralised public-law bodies has an impact on the sense of duty to participate in the area of resources of the common good. The growing debt of gminas in Poland, which often reaches the border of financial security of the whole local community and translates into financial security of households, results from the lack of interest of citizens in the financial situation of gminas. This change can only be made through the implementation of new rules of the real estate taxation and a shift from the ownership tax to the real estate value tax. Citizens' knowledge of the local economy should be changed, provided that financial planning is implemented on the basis of a clear, task-based implementation of the revenue and expenditure plan.

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Streszczenie. Wraz z decentralizacją zarządzania państwem podjęto decyzje zmierzające do wzmocnienia samodzielności finansowej organizacji publiczno-prawnych. Decentralizacja wraz z nowym obszarem kompetencji samorządów terytorialnych stały się bardzo ważnym elementem procesu edukacji obywateli w obszarze finansów, szczególnie zarządzania podatkami. Właśnie problemowi właściwego wykorzystania podatku od nieruchomości przez samorząd gminny, stąd jego funkcjonalności w kontekście obowiązującego prawa i wykorzystania tego prawa przez mieszkańców gmin i organy lokalne, poświęcono prezentowany artykuł. W obrębie decyzji wpływających na wielkość dochodów samorządu gminnego z podatku od nieruchomości są mieszkańcy, którzy określają najczęściej powierzchnię do opodatkowania, którą użytkują. Następnie organ stanowiący i wykonawczy współdziałając decydują o wymiarze podmiotowym i przedmiotowym tego podatku. Trzeba też zaznaczyć, że duży wpływ na funkcjonalność tego podatku mają mieszkańcy kontaktując się ze swoimi przedstawicielami w organach gminnych i też urzędnicy konsekwentnie realizujący swoje zadania i kontrolujący właściwość powierzchni wykazanej do opodatkowania. Wiedza obywateli o finansach publicznych, szczególnie o zasadach określających wielkość zobowiązań wobec budżetu państwa czy funkcjonujących w jego obrębie związków publiczno-prawnych i w tym budżetów samorządów terytorialnych przekłada się na bezpieczeństwo finansowe nie tylko lokalnych budżetów ale też budżetów gospodarstw domowych. W opracowaniu wykorzystano badania wśród podatników tego podatku, przeanalizowano wymiar prawny tego podatku oraz dokonano analizy wpływów z tego podatku w wybranym regionie Rzeczypospolitej. Podstawowym celem jaki przyjęto w opracowaniu, obok oceny funkcjonalności podatku od nieruchomości, jest zbudowanie modelu zarządzania podatkiem od nieruchomości uwzględniającego przede wszystkim zasadę sprawiedliwości podatkowej.

Резюме. Одновременно с децентрализацией государственного управления принимались решения по укреплению финансовой самостоятельности государственно-правовых учреждений. Децентрализация, наряду с новой сферой компетенции органов местного самоуправления, стала очень важным элементом процесса обучения граждан в области финансов, особенно в сфере управления налогами. Статья посвящена проблеме надлежащего использования органами местного самоуправления налога на недвижимость, и следовательно, его эффективности в контексте действующего законодательства и применения данного права жителями гмин и органами местного самоуправления. На объем доходов органов местного самоуправления от налога на имущество влияет наличие жителей, которые определяют собственную налоговую площадь. Затем орган принимающий решение, совместно с исполнительным органом, определяют субъект, предмет и размер налога. Следует также отметить, что на эффективность данного налога сильно влияют контакты жителей с представителями гминных органов самоуправления и должностными лицами, которые последовательно выполняют свои обязанности и контролируют недвижимость на территории, подлежащей налогообложению. Знание гражданами в области государственных финансов, особенно правил, определяющих размер финансовых обязательств перед государственным бюджетом или действующими в его рамках государственно-правовыми учреждениями, включая бюджеты органов местного самоуправления, обеспечивает финансовую безопасность не только бюджетов самоуправлений, но и бюджетов отдельных жителей. В работе представлены исследования, проведенные среди налогоплательщиков, дается анализ правового аспекта налога и рассматриваются доходы от налога на недвижимость в выбранном районе Республики Польша. Основной целью исследования, кроме оценки эффективности налога на недвижимость, является создание модели управления налогом на недвижимость, которая учитывает в первую очередь принцип налоговой справедливости.