

## **MECHANISMS FOR OPTIMIZING REDISTRIBUTION OF PROFIT OF THE MARKET ENTITIES**

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In this section of the monograph we consider highlights of a certain view on the problem for search of mechanisms of economic security of Ukraine. We remember that we have the right to make mistakes, but also, we remember about a civic duty to look for alternative solutions for economic security of the whole country. We express our vision on the tabulated directions of scientific thought. In it we see the both civic and scientific stand and also some advantages not only for the authors personally. We will talk about the mechanism of economic management, which, at first glance, seems rather controversial in terms of market (liberal) economy. But this mechanism is quite marketable, because it can effectively work, in our opinion, both in the direction of economic development and in the direction of improving national security of the country exclusively only in the conditions functioning of the economy on market principles. At the initial stage of our textual presentation of the problem it is too early to define the essence of the mechanism, which is proposed, because market economic theory has never considered the mechanisms of market management under such point of view. We propose this material for the purpose of a possible, in the future, not politically biased, but scientifically directed discussion.

The essence of market management in line with theoretical fundamentals of classical political economy is based on unlimited freedom of private initiative and business relations, which leads to the formation of a mechanism of free competition, which is regulated by the market [1, p. 212]. It was meant by Smith when he spoke about "invisible hand" which leads the market. "By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it" [3, p.322].

Since the end of XIX century "... Free competition capitalism has become a corporate, monopolistic, according to modern terminology — oligarchic, which has changed the structure of ownership and its role in the economy. Small and medium-sized enterprises, usually individually owned, or affiliated with two or more persons, account for 80% of all enterprises in the United States, but account for 12% of business turnover. At the same time, the share of powerful corporations accounts for 88% of business turnover [5, p. 72]. As you can see, with the huge spread

of small and medium business the defining role in development of economy belongs to large business. Such new structure of subjects of the market causes essential changes in a market mechanism. Instead of the perfect competition that prevailed in the previous stages, large monopolies, which dominate in the market, define conditions of his functioning for its own benefit. The limited quantity them allows them to divide spheres of influence and to dictate the prices of the production, there is market monopolization. Respectively, the competition stops being perfect and the general. The prices are defined not by supply and demand, but by force of the dominating corporations" [1, p. 213].

Such condition of the market relations, we call it corporate-oligarchic, exists in modern world market space including national Ukrainian economy, slows down the economic development of Ukraine and becomes economically dangerous for the country. Such condition of the market relations has induced us to present for consideration of scientific community, according to us new, or, at least, the alternative mechanism of economic security management for the countries which don't belong to developed economy as economy of the United States, Germany or Great Britain. The situation is contradictory in economic terms and is threatening for the country's development, when the determining role belongs to large business in Ukraine, and, consequently, a large share of the national income is accumulated among representatives of large business. Part of this profit, which actually returns to the business turnover of its country, is extremely insufficient. Ukraine, and any national economy cannot have a ownership structure that directly affects the redistribution of profits, such as in the United States, and at the same time have a GDP of 0.005% of the US GDP (as for 2016, Ukraine's GDP is 93.27 billion dollars, the US GDP is 18570,0 billion dollars). The Ukrainian economy needs an effective mechanism for redirecting the profits of economic residents for the needs and development of the national economy. Market economy both in theory and in practice presupposes and legislatively builds up the activities of service or commodity-producing business entities (enterprises, firms, associations, etc.) as profit-oriented commercial organizations. In other words, the enterprise is a financial and economic entity that concentrates and uses resources to produce goods and services for profit. In the previous sentence-definition before a subject "entity" has appeared its characteristic — "financial and economic" that means, first of all, the monetary and financial goal of the enterprise's activities, that is, the receipt by the enterprise, firm, profit in cash, and only after that, an economic component — production of goods. Thus, profit in monetary measurement is the main and only objective of any market-oriented institutions in the modern economy. The profit reception is the main motivation that encourages an individual, a group of individuals to organize and maintain current production, trading, servicing, and other profitable activities. That is why this financial and, at the same time, economic indicator — profit, as a rule, neither theoretically, nor legally in quantitative definition isn't limited. It should be noted that the

restriction of the amount of profit is not inherent in the business entity according to its endogenous (internal) positions of activity. But among the exogenous (external) factors that affect the amount of the profit of the enterprise and limit its profit, the main is the market price of the product or service, which is formed, mainly, by factors independent of the activities of enterprises. Therefore, for profitable business entities, the main way to increase profits is to reduce the costs of production for products or services, because the selling price of a manufactured product exists as an already accomplished fact.

In the areas of monetary and financial support for the production (trading, servicing, etc.) activities of a profitable enterprise, in addition to the profit indicator, there is another indicator that is neither practically nor legally limited in its quantitative growth, it is wages, or remuneration to employees. According to the legislation existing in Ukraine the salary is limited from below; it has a minimum, but has no upper limits, it can have any amount but not less minimum. There is quantitatively neither minimum nor maximum for remuneration. Also pay attention to the fact that the indicator of the wages amount is the cost of the enterprise along with other costs, such as raw materials, materials, components, energy and so on.

Consequently, the price of goods, services is determined, in the general structured financial construction, as a sum of costs and profits. Or, the amount of profit is determined by the difference between the price of the sale of goods and the costs of its production. It is appropriate to consider the structure of the price as the sum of costs and profits, in which the price is exogenous feature, that is, the top price limit, and as a result, the external regulator of profits. And on the part of the enterprise the source and regulator of profit increase are the costs of the enterprise in its full amount. Economically and financially justified by the enterprise becomes the need to reduce costs, which automatically increases the profit of the enterprise, as the model "price equals profit plus costs" is limited from the outside — fixed from the outside or regulated by the market [5, pp. 167-168]. The goal of profits maximizing is also achieved by reducing or not raising of the wages. In conditions when reserves of economical use of raw materials, energy carriers, minimal depreciation have already worked out, already have a technologically acceptable minimum, the only source of cost reduction is wages. Thus, there is an interdependence and mutual influence between two financial and economic indicators, which do not have an upper limit in their growth. The interdependence and mutual influence between the indicators of wages and profit are inversely proportional: a decrease in wages leads to an increase in the profit of the business entity and an increase in wages leads to a decrease in the profit of the business entity. Such interdependence and mutual influence between indicators of wages and profits caused by the market system, because the model "price is equal to profit plus costs" is inherently closed, "clogged" by the market, on which the price of the product is formed. So, answer the rhetorical question now: "If a dilemma becomes a

businessman's (owner of an enterprise, an oligarch, etc.) to increase wages, that will lead to a decrease in profits, or to increase profits by reducing wages? What will the owner (founder, organizer) of such an enterprise choose? ".As a rule, the option of increasing profits is chosen, since it was with this purpose that the business entity was created by the entrepreneur. Quite natural for a market economy is the effort of business to maximize profits by paying low wages and rewards, by redundancy and etc. But gradually, over the years, as the effect of accumulation, an economic contradiction arises which undermines bases of economic activity that functions on the base of the market relations. Finally, those who receive the salary and who are subjects of the market, form solvent demand for goods and services which are made by the profitable manufacturing enterprises. Thus, the increase in profits due to the reduction of wages leads to decrease of demand that leads to closing up of the production, to the redundancy and, as a result, to a further decrease of effective demand. It should be noted that the solvent market demand is created by employees with the money of their wages, and not by business holders owning income from a part of the profits (dividends) or personifying fully all the profits of their enterprise. Within the national economy, an uncontrolled imbalance from the direction of a steady flow of money from the monetary aggregate of "wages" and "remuneration", accumulated and spent by employees, to the direction of transferring money to the business category "profit" leads to future crisis phenomena.

Now, after the arguments and explanations given above, we will express the proposal that we promised to express at the beginning of the article.

Our position is the legal restriction of profit by setting the upper margin of profitability.

We will start explaining this proposal by using a simulated example. In order to understand the new theoretical proposals, which are published, the way of presenting and explaining the essence of the proposals by using of simulated examples is quite common in economics and finance.

There is a certain process of production of the imagined batch of goods, characterized and described by the indicators collected in Table 2.11. Table 2.11 describes the case when the amount of profit arises in fact, depending on the price of the goods in the market. The profitability is 50% in such a market-actual case. In the following Tables 2.12–2.15 we normatively restrict the profit for the enterprise: 40% (Table 2.12), 30% (Table 2.13), 20% (Table 2.14), 10% (Table 2.15), but such restriction of profitability don't influence market prices of sale. The prices of sale are invariable and therefore, sales proceeds and income of the enterprise don't change (position No. 10 in the Tables 2.11–2.15). Also, positions 1, 2, 6, 7, and mentioned 10 are invariable and therefore they are highlighted with bold type. According to the example, all net profit is directed to dividend payment. On the other hand, in the example, in the context of the limited profit that we are offered

as a regulatory proposition, part of the income from the profit structure is directed to increase the salary.

There are some informative reminders. First, in the general economic sense, profit is the difference between gross income (including sales proceeds) and the economic costs of the enterprise of such goods producing. This concept is defined as an economic profit. However, entrepreneurs do not use the economic concept of profit in practical activities, but accounting. Accounting profit is the difference between gross income and accounting (external) costs, or, in other words, the growth of the company's own capital for a certain period of its activity. Accounting profit has two main forms: total, or balance, profit is the entire profit of the enterprise; and net profit is the profit that remains at the disposal of the enterprise after paying taxes and is usually used to create a fund of payments to the company's owners (dividends, interest), for replenishment of the reserve and authorized funds, for investments, etc. There is a new, different from the above definitions of profit in our research, namely, market profit. Market profit is calculated under the condition when profit limitation by fixing profitability is absent. Secondly, the calculation of the tax burden on the personal income in the form of dividends, calculated (paid) by a legal entity which is a payer of the corporate profit tax in favor of an individual, is presented in line 13/1 in Tables 2.11 to 2.15, included in its total monthly (annual) taxable income and is taxed on income of individuals at the rate of 5% and military tax at the rate of 1.5% (according to the current tax legislation of Ukraine in 2017).

We will compile the final table, Table 2.16 on the basis of the calculations provided in Tables 2.11–2.15. Analyzing this Table 2.16 we can draw some interesting conclusions.

The resulting indicators of only one of the possible options for optimizing redistribution of market profit are collected in the Table 2.16. We are talking about redistribution of the amount of market profit between the total, accounting profit, which is formed in accordance with a fixed level of profitability, and its (market profit) residual part, which are joined wages fund. Thus, the mechanism of fixed profitability allows influencing the growth of wages, rewarding, etc. (see line 4 of the Table 2.16) by reducing the payment of corporate dividends (see line 5 of the Table 2.16). This is the mechanism of redistribution of a part of profit of business entities directly to the sphere of household or employees income, passing the sphere of bank crediting. Tax revenues of budget not significantly, but nevertheless grow (see the line 3 of the Table 2.16). The last line is interesting in the Table 2.16, the total amount of payments to individuals (salaries plus dividends) has a decreasing trend. The indicators, which are in the column with a fixed profitability of 10%, attract attention. This rate of profitability is unacceptable because the net profit is fully spent for the VAT payment. Therefore, in our opinion, a fixed rate of profitability cannot be less than 20% with a VAT rate of 20%.

Table 2.11

Economic indicators for the production of batch of imagined products (goods) at the rate of profitability, which is the maximum possible in the market

(According to the current tax legislation of Ukraine in 2017), thousand UAH

Position №	FS item	Symbolic notation	The sum, UAH	Including taxes and other obligatory payments
<b>1.</b>	<b>Raw materials, semi-finished products, components, etc.</b>		<b>400.0</b>	
<b>2.</b>	<b>Energy sources and heating</b>		<b>200.0</b>	
3.	Salaries / Salaries after tax	S	150.0 / 120.75	29.25(personal income tax - 18% + military tax -1.5%)
4.	Tax accruals on salaries – 22%	TAS	33.0	33.0
<b>5.</b>	<b>Depreciation</b>		<b>67.0</b>	
<b>6.</b>	<b>Other variable costs (including other taxes charged to expenses)</b>		<b>50.0</b>	<b>10.0</b> – (for example – environmental tax, etc.)
<b>7.</b>	<b>Other fixed costs (including other taxes charged to expenses)</b>		<b>100.0</b>	<b>20.0</b> (for example – land tax, etc.)
	Cost of goods sold	CGS	1000.0	
8.	Profitability (actual, depending on the selling price), %	P	50%	
9.	Accounting profit	AP	500.0	
<b>10.</b>	<b>Sales proceeds (income) of the batch of imagined goods (by actual price prevailing on the market)</b>	SP	<b>1500.0</b>	
	Value added tax (paid) – at the rate of 20%	VAT	130.0	130.0
11.	Corporate profit tax – 18%	CPT	66.7	66.7
12.	Net profit	NP	303.3	
13.	Distribution of net profit: – consumption funds (see 13/1); – accumulation funds (development funds), see 13/2;		303.3 –	
13/1.	Consumption funds: – dividend fund / post-tax payment; – material incentive fund; – welfare fund.	Dvd – –	303.3/28 3.6 – –	19.7 (personal income tax - 5% + military tax - 1.5%)
13/2.	accumulation funds (development funds): – surplus fund; – development fund (investment).	– –	– –	
Total taxes payable:				308.9
Total paid to individuals in the form of salaries and dividends, including: – salaries (or emuneration) – dividends.		PI (personal income)	404.35 120.75 283.6	

Table 2.12

Economic indicators for the production of batch of imagined products (goods) at the rate of  
profitability 40 %  
(According to the current tax legislation of Ukraine in 2017), thousand UAH.

Position №	FS item	Symbolic notation	The sum, UAH	Including taxes and other obligatory payments
1.	<b>Raw materials, semi-finished products, components, etc.</b>		<b>400.0</b>	
2.	<b>Energy sources and heating</b>		<b>200.0</b>	
3.	Salaries / Salaries after tax	S	208.2 / 167.6	40.6 (personal income tax -18% + military tax - 1.5%)
4.	Tax accruals on salaries – 22%	TAS	45.8	45.8
5.	<b>Depreciation</b>		<b>67.0</b>	
6.	<b>Other variable costs (including other taxes charged to expenses)</b>		<b>50.0</b>	<b>10.0</b> – (for example – environmental tax, etc.)
7.	<b>Other fixed costs (including other taxes charged to expenses)</b>		<b>100.0</b>	<b>20.0</b> (for example – land tax, etc.)
	Cost of goods sold	CGS	1071.0	
8.	Profitability is fixed, but the price remains the same,%	P	40%	
9.	Accounting profit	AP	429.0	
10.	<b>Sales proceeds (income) of the batch of imagined goods (by actual price prevailing on the market)</b>	SP	<b>1500,0</b>	
	Value added tax (paid) – at the rate of 20%	VAT	130.0	130.0
11.	Corporate profit tax – 18%	CPT	53.8	53.8
12.	Net profit	NP	245.2	
13.	Distribution of net profit: – consumption funds (see 13/1); – accumulation funds (development funds), see 13/2;		245.2 –	
13/1.	Consumption funds: – dividend fund / post-tax payment; – material incentive fund; – welfare fund.	Dvd – –	245.2/ 229.26 – –	15.94(personal income tax -5% + military tax - 1.5%)
13/2.	accumulation funds (development funds): – surplus fund; – development fund (investment).	– –	– –	
Total taxes payable:				316.14
Total paid to individuals in the form of salaries and dividends, including: – salaries (or remuneration) – dividends.		PI (personal income)	396.86 167.6 229.26	

Table 2.13

Economic indicators for the production of batch of imagined products (goods) at the rate of profitability 30%

(According to the current tax legislation of Ukraine in 2017), thousand UAH.

Position №	FS item	Symbolic notation	The sum, UAH	Including taxes and other obligatory payments
1.	<b>Raw materials, semi-finished products, components, etc.</b>		<b>400.0</b>	
2.	<b>Energy sources and heating</b>		<b>200.0</b>	
3.	Salaries / Salaries after tax	S	276.23 / 222.37	53.86(personal income tax -18% + military tax -1.5%)
4.	Tax accruals on salaries – 22%	TAS	60.77	60.77
5.	<b>Depreciation</b>		<b>67.0</b>	
6.	<b>Other variable costs (including other taxes charged to expenses)</b>		<b>50.0</b>	<b>10.0</b> – (for example – environmental tax, etc.)
7.	<b>Other fixed costs (including other taxes charged to expenses)</b>		<b>100.0</b>	<b>20.0</b> (for example – land tax, etc.)
	Cost of goods sold	CGS	1154.0	
8.	Profitability is fixed, but the price remains the same, %	P	30%	
9.	Accounting profit	AP	346.0	
10.	<b>Sales proceeds (income) of the batch of imagined goods (by actual price prevailing on the market)</b>	SP	<b>1500.0</b>	
	Value added tax (paid) – at the rate of 20%	VAT	130.0	130.0
11.	Corporate profit tax – 18%	CPT	38.88	38.88
12.	Net profit	NP	177.12	
13.	Distribution of net profit: – consumption funds (see 13/1); – accumulation funds (development funds), see 13/2;		177.12 –	
13/1.	Consumption funds: – dividend fund / post-tax payment; – material incentive fund; – welfare fund.	Dvd – –	177.12/ 165.61 – –	11.51(personal income tax -5% + military tax - 1.5%)
13/2.	accumulation funds (development funds): – surplus fund; – development fund (investment).	– –	– –	
Total taxes payable:				325.02
Total paid to individuals in the form of salaries and dividends, including: – salaries (or remuneration) – dividends.		PI (personal income)	387.98 222.37 165.61	

Table 2.14

Economic indicators for the production of batch of imagined products (goods) at the rate of  
profitability 20 %  
(According to the current tax legislation of Ukraine in 2017), thousand UAH.

Position №	FS item	Symbolic notation	The sum, UAH	Including taxes and other obligatory payments
1.	<b>Raw materials, semi-finished products, components, etc.</b>		<b>400.0</b>	
2.	<b>Energy sources and heating</b>		<b>200.0</b>	
3.	Salaries / Salaries after tax	S	355.0 / 285.77	69.23(personal income tax -18% + military tax - 1.5%)
4.	Tax accruals on salaries – 22%	TAS	78.0	78.0
5.	<b>Depreciation</b>		<b>67.0</b>	
6.	<b>Other variable costs (including other taxes charged to expenses)</b>		<b>50.0</b>	<b>10.0</b> – (for example – environmental tax, etc.)
7.	<b>Other fixed costs (including other taxes charged to expenses)</b>		<b>100.0</b>	<b>20.0</b> (for example – land tax, etc.)
	Cost of goods sold	CGS	1250.0	
8.	Profitability is fixed, but the price remains the same, %	P	20%	
9.	Accounting profit	AP	250.0	
10.	<b>Sales proceeds (income) of the batch of imagined goods (by actual price prevailing on the market)</b>	SP	<b>1500.0</b>	
	Value added tax (paid) – at the rate of 20%	VAT	130.0	130.0
11.	Corporate profit tax – 18%	CPT	21.6	21.6
12.	Net profit	NP	98.4	
13.	Distribution of net profit: – consumption funds (see 13/1); – accumulation funds (development funds), see 13/2;		98.4 –	
13/1.	Consumption funds: – dividend fund / post-tax payment; – material incentive fund; – welfare fund.	Dvd – –	98.4/ 92.0 – –	6.4 (personal income tax -5% + military tax - 1.5%)
13/2.	accumulation funds (development funds): – surplus fund; – development fund (investment).	– –	– –	
Total taxes payable:				335.23
Total paid to individuals in the form of salaries and dividends, including: – salaries (or remuneration) – dividends.		PI (personal income)	377.77 285.77 92.0	

Table 2.15

Economic indicators for the production of batch of imagined products (goods) at the rate of  
profitability 10 %  
(According to the current tax legislation of Ukraine in 2017), thousand UAH.

Position №	FS item	Symbolic notation	The sum, UAH	Including taxes and other obligatory payments
<b>1.</b>	<b>Raw materials, semi-finished products, components, etc.</b>		<b>400.0</b>	
<b>2.</b>	<b>Energy sources and heating</b>		<b>200.0</b>	
3.	Salaries / Salaries after tax	S	448.36 / 360.93	87.43(personal income tax -18% + military tax - 1.5%)
4.	Tax accruals on salaries – 22%	TAS	98.64	98.64
<b>5.</b>	<b>Depreciation</b>		<b>67.0</b>	
<b>6.</b>	<b>Other variable costs (including other taxes charged to expenses)</b>		<b>50.0</b>	<b>10.0</b> – (for example – environmental tax, etc.)
<b>7.</b>	<b>Other fixed costs (including other taxes charged to expenses)</b>		<b>100.0</b>	<b>20.0</b> (for example – land tax, etc.)
	Cost of goods sold	CGS	1364.0	
8.	Profitability is fixed, but the price remains the same, %	P	10%	
9.	Accounting profit	AP	136.0	
<b>10.</b>	<b>Sales proceeds (income) of the batch of imagined goods (by actual price prevailing on the market)</b>	SP	<b>1500.0</b>	
	Value added tax (paid) – at the rate of 20%	VAT	130.0	130.0
11.	Corporate profit tax – 18%	CPT	1.08	1.08
12.	Net profit	NP	4.92	
13.	Distribution of net profit: – consumption funds (see 13/1); – accumulation funds (development funds), see 13/2;		4.92 –	
13/1.	Consumption funds: – dividend fund / post-tax payment; – material incentive fund; – welfare fund.	Dvd – –	4.92/ 4.6 – –	0.32 (personal income tax -5% + military tax - 1.5%)
13/2.	accumulation funds (development funds): – surplus fund; – development fund (investment).	– –	– –	
Total taxes payable:				347.47
Total paid to individuals in the form of salaries and dividends, including: – salaries (or remuneration) – dividends.		PI (personal income)	365.53 360.93 4.6	

Table 2.16

## The effect of fixed profitability on the company's total indicators

Indicator, (see Tables 2.11–2.15)	Profitability:				
	50% (not fixed, factual, norm)	fixed at the rate of:			
		40%	30%	20%	10%
Sales proceeds (income) of the batch of imagined goods (by actual price prevailing on the market), thousand UAH	1500,0	1500,0	1500,0	1500,0	1500,0
Net profit, thousand UAH	303,3	245,2	177,12	98,4	4,92
taxes and other obligatory payments in total, thousand UAH	308,9	316,14	325,02	335,23	347,47
Salaries paid, thousand UAH	120,75	167,6	222,37	285,77	360,93
Dividends paid, thousand UAH	283,6	229,26	165,61	92,0	4,6
Total paid to individuals in the form of salaries and dividends, thousand UAH	404,35	396,86	387,98	377,77	365,53

In our opinion, the proposal to limit profits by setting the upper margin of profitability is a mechanism of state regulation (increase or decrease) of mass effective demand. In turn, under the market laws an inevitable response to the growing demand will be the further growth of the supply of goods from commodity producers. And the current mechanism, which is the mechanism which doesn't limit profit on the contrary, is a mechanism for a steady decline in the overall mass demand. By mass demand we understand, for example in Ukraine, the solvency of 80-90% of the able-bodied population of the country, who receive income as wage earners. At the same time, 10-20% of people have high incomes, which almost do not affect the demand for goods and services of everyday mass demand, but affect the growth of demand only for goods of single, not mass demand, such as exclusive cars, yachts, fashionable mansions etc. Mostly, the funds of people with high incomes flow into the sphere of banking or speculative business, usually outside their own country. All this does not increase the mass demand and purchasing power of 90% of the able-bodied population, at least in the economic conditions of modern Ukraine.

Also, in our opinion, the proposal to limit profits by setting the upper margin of profitability is, for industrial and commercial enterprises, a mechanism for redistributing cash flows from their market profit to the wages fund. This, in our opinion, will increase demand in the consumer goods

market, in turn, will lead to an increase in supply from the manufacturers. So, the economy will begin to grow. This, in fact, is the mechanism for restarting the economy, a similar mechanism that took place in the US in the 80s of the twentieth century, which later became known as the Reaganomics. As opposed to Reaganomics, the growth of the effective demand of the population, according to our model, does not grow due to bank loans (as happened in Reaganomics: – due to credit), but at the expense of the money of ordinary households. Such funds in their circulation do not lead to defaults and financial crises, which arise because of outstanding debts. This is a mechanism for stimulating demand, not through bank loans, but through a circulation system, through the business turnover of cash flows between households and enterprises, both production and trade, and through service provision enterprises.

Also, we note, there are other possible options for optimizing redistribution of market, which require further systemic research, namely:

- the immunity from corporate profit tax if income does not exceed a fixed rate;
- the inclusion into the model of the fixed profitability a progressive scale of taxation on profits which exceeds the fixed profitability;
- the possibility to redirect part of the market profit exceeding the fixed amount into the company's funds (see lines 13/1, 13/2) with the application of its tax scale for such monetary sums;
- the monetary savings accumulated in the funds of enterprises (see lines 13/1, 13/2), cannot be exported abroad. But they, perhaps, can be brought only to the banks of their country or to mutual national corporate funds;
- also other options, both new according to contents, and mixed from above-stated are possible.

In conclusion we note that the mechanisms of legislative restriction of economic entities' profits have long been applied in many developed countries of the world including Ukraine. For example, a maximum profit level has been set for many monopoly enterprises in Ukraine. The regulation of the rate of profit by the state is mainly used to control pricing in the enterprises that provide public services and are privately owned. At the end of November 2016, the National Commission implementing state regulation in the energy sector (NERC), by Decree No. 1029 of July 26, 2013, obliged Oblenergo to invest at least 50% of the profit from the asset base existing when switching to rate-of-return regulation [2].

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