

SELECTED LEGAL ASPECTS OF STATE AID SCHEMES FOR AGRICULTURE IN POLAND IN YEARS 2015 -2020

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Abstract

The main aim of the study was to analyse legal basis of state aid schemes for polish agriculture sector in years 2015 - 2020. The paper focuses mainly on the characteristics of five different state aid schemes which are regulated in four different national legal acts. Presented analysis is focused on presenting different legal instruments, which can be used to both fulfil fundamental goals of the 2015-2020 Common Agricultural Policy (the CAP) in UE and stimulate competitiveness and modernity of national agricultural sector. Polish legislator intends to assure that the state-provided financial aid schemes for national agriculture producers have clear, transparent and explicit legal frameworks. It should be also mentioned that all legal basis related to fulfilling directives of the Common Agricultural Policy have to be compatible with directly biding acts of Community law.

Key words: agriculture, Common Agricultural Policy, legal aspects, state aid schemes, Poland

INTRODUCTION

The Common Agricultural Policy (the CAP) of all EU Member States should not be based exclusively on the Community law. It has to be stated that in order to fulfill common goals, in addition to use of common instruments, it is also necessary to apply precise and specific legal and financial measures which are directly adapted to the realities of the given society and country. Such targets of the Common Agricultural Policy in years 2015-2020 like: increase of agriculture sector competitiveness, supporting the shift towards a low-emission agricultural economy, poverty reduction and development of rural and forest ecosystems require designing and applying specialized, unique and effective legal measures by each EU Members State. At the same time, national agricultural policy of each Member State should be compatible with basic values and principles of the European Union and should not lead to imbalance of the internal market. This is the reason why fulfilling goals of the Common Agricultural Policy may turn out to be extremely difficult and elaborate challenge for each EU member. It is an imperative to apply on national ground

such legal measures, which at the same time will both be compatible with rules of the internal market and contribute effectively to the implementation of the current objectives of the Common Agricultural Policy.

Under the CAP in years 2015-2020, polish authorities plans to spend total sum of approx. 10 -11 mld PLN for financing five different and fundamental state aid schemes earmarked for national agricultural producers. Presenting general characteristic of all indicated below public aid schemes, it should be highlighted that each analyzed legal measure both fulfills directives formed within the Community legislation and is adapted to the needs and specificity of the domestic agricultural market.

In years 2015-2020, accomplishment of the CAP in Poland regarding state aid in agriculture will be based upon five different financial aid schemes allotted for agricultural producers:

- a) aid no. SA.39562 - premium subsidies for crops and livestock insurance and partial refinancing of compensation indemnities paid to agricultural producers as a result of drought (reinsurance) [11],
- b) aid no. SA.39937 (2014/X) - refund of

excise duty included in the price of gas oil used in agricultural production including the minimum rates defined in the Directive 2003/96/EC[12],

c) aid no. SA.40223 (2014/XA) - tax advantage concerning investments in case of agricultural tax [10],

d) aid no. SA.40663 (2015/XA) - Aid for the collection, transportation and disposal of fallen stock [8] and

e) aid no. SA.40666 (2015/XA) - Young farmers — partial credit repayment [8].

MATERIALS AND METHODS

The study presented in the article was based on the analysis of polish legal provisions fulfilling different directives and directions defined in the Common Agricultural Policy for years 2015 – 2020. The author, by the analysis of national legal basis of state aid schemes intends to present, how on the polish example, it is possible to effectively influence such desired features like progress, modernization and competitiveness of national agriculture sector through application of varied legal and financial measures.

RESULTS AND DISCUSSIONS

The characteristics of the selected state aid schemes for agriculture in Poland

1. Aid no. SA39562 (2014/N) - premium subsidies for crops and livestock insurance and partial refinancing of compensation indemnities paid to agricultural producers as a result of drought (reinsurance)

The state aid scheme no. SA.39562 (2014/N) has been granted by the European Commission's decision C(2015) 741 of 17 February 2015 [1]. The Commission (EU) did not raise any objections regarding presented scheme, highlighting that the scheme should be considered as compatible with the internal market with accordance to Article 107(3)(c) of the Treaty on the Functioning of the European Union [1, 9]. The state aid scheme will be functioning in years 2015 – 2020, its overall budget is fully state-founded and the total planned expenditure is 2,6 mld PLN (200,7 mln in 2015 and 480 mln for each

following year of scheme)(art.3(2) of the Act) [11]. As it was mentioned in the Commission's decision, the scheme has the task to encourage agricultural producers to insurance their farms, crops and livestock. Effective fulfillment of aid's objectives expressed in the higher proportion of insured farmers shall contribute to strengthening insurance protection of both crops and stocks [6]. The national legal basis of the presented state aid scheme is the Act on subsidies to crop and livestock insurance of 7 July 2005 [11].

As the scheme's name indicates, it is consisted of two types of aid measures:

a) premium subsidies for crops and livestock insurance and

b) partial refinancing of compensation indemnities paid to agricultural producers as a result of drought (reinsurance).

At the beginning of presentation of the first state aid scheme's characteristic, it should be highlighted that the objective scope of eventual premium subsidies is directly limited. Only specific types of crops and livestock species, which are directly defined within the Law, may be the object of the insurance contract qualified to obtain financial resources from the state's budget (art.3(1) of the Act) [11]. As the statutory exhaustive list provides, the state aid in the form of premium subsidies can be granted only when the insurance contract insures:

a) defined types of crops: cereals, maize, rape, agrimonies, hops, tobacco, field vegetables, fruit trees and bushes, strawberries, potatoes, sugar beetroots and grain legumes and

c) defined livestock species: cattle, horses, sheep, goats, pigs and poultry (art. 3(1)(1)and(2) of the Act) [11].

In the process of forming objective scope of the state aid scheme, the legislator also limited its different aspect which relates to the insured events and risks within insurance contract. The insured risk or event of qualified insurance contract may only comprise:

a) for defined crops – from time of sowing or planting to harvest and from the risk of - hurricanes, flood, heave rain, hail, thunderbolt strikes, landslides, avalanches, droughts and negative effects of winter time or spring frost;

b) for listed livestock species from the risk of – hurricanes, flood, heavy rain, hail, thunderbolt strikes, landslides and avalanches (art. 3(1)(1)and(2) of the Act) [11].

It is also worth mentioning that not every insurance contract and every insurance company shall be qualified to function under the state aid scheme. It results from the fact that the legislator has limited access to state aid by creating the precondition in the form of conducting pre-agreement on insurance subsidies between the Minister of agriculture and selected property insurance companies (art. 13 of the Act) [11]. As the consequence, only insurance companies – parties of the ministerial contracts – are entitled to act within the aid scheme and conduct actual insurance contracts with agricultural producers [6]. In order to participate in the scheme as the party of subsidies agreement, each interested entity has to submit its bid to the Ministry of agriculture by the 15th November of year preceding the year of participation in the scheme (art.9(2) of the Act) [11]. The bid submitted by the insurance company is the basis of the subsequent subsidies agreement (art.9(2) of the Act) [11]. The subsidies agreement are concluded with property insurance agencies ensuring rightful and effective use of the scheme's funds. Each subsidies agreement between Minister of agriculture and insurance company have to be concluded by 31 December of the year of the bid (art. 9(3) of the Act) [11]. The agreement is concluded for a period of the year following the bid year (art. 9(3) of the Act) [11].

In order to obtain premium subsidies for insurance, each agricultural producer has to file formal application addressed to insurance company, which participates in the scheme as the party of the ministerial subsidies agreement (art. 4(1) of the Act) [11]. Approval of the application results in concluding actual insurance contract between agricultural producer and insurance company. Each insurance agreement within the scheme is concluded for the period of 12 months (art. 4(3) of the Act) [11]. Moreover, the insurance company is not entitled to conduct unlimited number of actual insurance contracts with farmers as each insurance agency

participating in the scheme is legally bound by provisions of subsidies agreement with Minister of agriculture, where parties agreed for specified limit for awarding subsidies (art. 4(2) of the Act) [11].

According to the art. 7(1) of the Act, subsidies have form of partial insurance premiums which are to be paid by the agricultural producers to insurance companies for insurance services [11]. Thus the awarding of the financial aid directly results in reduction of premiums paid by the agricultural producers participating in the scheme.

The Minister of agriculture is sole competent authority entitled to pay out the premium subsidies (art. 5(1) of the Act) [11]. The payout is performed quarterly – up to 30th day of month following given quarter[11]. It also need to be stressed here that, according to the art. 7(2) of the Act, in order to obtain the subsidies for given insurance contract, each property insurance company participating in the scheme is legally obliged to file formal application in the term up to 20th day following given quarter [11]. The tardiness or different form of formal disobedience of entitled insurance company will result in the loss of substantial subsidies. Thus legal procedure of awarding subsidies for insurance premiums is not automatic and requires specific activities form participating entities.

The legislator has also introduced maximum possible subsidies within the scheme, which value depends on tariffs and insurance premium rates set by the insurance companies (art. 5(2) of the Act) [11]. The insurance contract insuring crops will be qualified to the scheme (up to 65% of insurance premium value) providing that the insurance premium rates set by the insurance company are not exceeding :

a) 3,5% of insured value for cereals, maize, swede rape, agrimony, potatoes or sugar beetroots and

b) 5% of the insured value for winter oilseed rape, field vegetable, hops, tobacco, fruit trees and bushes, strawberries or grain legumes (art. 5(2)(1)(a)(b) of the Act) [11].

For the insurance of livestock, the possible subsidies amount to maximum of 65% value of the premium paid within the insurance

contract providing that the premiums rates set by the insurance company are not exceeding 0,5 % of insured value (art. 5(2)(2) of the Act) [11]. In the cases of exceeding maximum insured value up to 6%, the subsidies will be conditionally awarded in the above value (art. 5 (2b) of the Act) [11]. However, exceeding conditional maximum insured value (6)% will result in not granting the subsidies (art. 5(2c)(2) of the Act) [11].

The insurance companies qualified to the scheme by conducting specified contract with the Minister of agriculture are also entitled to benefit from second legal state aid measure in the form of partial refinancing of compensation indemnities paid to agricultural producers as a result of drought (reinsurance)(art.10a (1) of the Act) [11]. The value of refinancing subsidies depend on two aspects:

- a) total amount of paid out indemnitees in given calendar year and
- b) total amount of premiums paid to given insurance agency by agricultural producers in order to insure crops or livestock in given calendar year (art. 10a (2) of the Act) [11].

Provisions of the Act constitute also additional precondition which has to be met by the insurance company in order to obtain partial refund. Each insurance company entitled to the refinancing is legally obliged to file formal application in the specific term. The Act constitutes three different and legally binding prescription periods:

- a) up to 30 June of given year – in order to receive refinancing for period from 1 January to 31 May of given year,
- b) up to 30 September of given year – in order to receive refinancing for period from 1 July to 31 August of given year and
- c) up to 30 January of given year – in order to receive refinancing for period from 1 September to 31 December of previous year (art.10b (2) of the Act) [11].

The application should include data sufficient to identify applicant and data necessary to estimate amount of entitled refinancing (art.10b (3) of the Act) [11]. It also needs to be stressed out here that each insurance company – the beneficiary of the refinancing measure, is legally obliged to both regularly

account obtained subsidies and systematically present to the Minister of agriculture precise financial records regarding the payout of compensation indemnities paid to agricultural producers resulted from drought. (art. 10b (4a) of the Act) [11].

The Minister of agriculture is also the sole competent authority entitled to both grant the refinancing and study reports and accounts of the scheme's beneficiaries (art. 10b (1) of the Act) [11]. The Minister expresses its standpoint in the form of decision. The authority has 14 workdays (since the day of application) to issue the granting decision and 10 workdays (since delivery of the decision) to payout granted refund (art. 10b (3a) of the Act) [11].

2. Aid no. SA.39937 (2014/X) - refund of excise duty included in the price of gas oil used in agricultural production including the minimum rates defined in the Directive 2003/96/EC

The state aid scheme no. SA.39937 (2014/X) in the form of refund of excise duty included in the prices of gas oil used in agricultural production has been granted by the European Commission under Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty [2].

The presented state aid scheme both is compatible with provision of art. 44 of Commission Regulation (EU) No 651/2014 and the minimum rates of excise duty and refund defined in the Directive 2003/96/EC are provided for in [2, 4, 12]. Notified aid scheme has been granted for years 2015 – 2020, and its annual overall planned budget amounts to 1.450 mln PLN (7.250 mln PLN in 5 years). The national legal basis of the presented state aid scheme is the Act on the refund of excise tax on gas oil used in agricultural production of 10 March 2006 [12].

The primary aim of the Act is to define basic principles and design the procedure of excise duty's refund to beneficiaries (art. 1 of the Act) [12]. It should be stressed out at the beginning that only agricultural producers can be beneficiaries of the analyzed scheme.

According to art. 3(2) of the Act, the agricultural producer should be defined as natural person, legal person or non-corporate entity being a possessor of agricultural holding within the meaning of the Act on the agricultural tax definition¹[10, 12]. In the cases when given agricultural holding is possessed by both owner-like possessor and dependent possessor, only the dependent possessor shall be entitled to be beneficiary of the analyzed scheme (art. 3(3) of the Act) [12]. The same rules are applied in the cases of agricultural holding co-ownership, when only one of co-owners can be appointed as the beneficiary to the scheme (all co-owners have to express written consent) (art.3(4) of the Act) [12]. It should be also stressed that the objective scope of the scheme is limited as the legislator has introduced specific limitations regarding agricultural producers operating in the corporate form (companies, partnership etc.). According to art. 3a (1) of the Act, the state aid scheme cannot be granted to agricultural producers:

- a) operating in the form of limited liability company, when its more than half of registered share capital had been lost, including loss of over $\frac{1}{4}$ share capital in last 12 months directly predating the application day or
- b) operating in different form of company, when over half of share capital had been lost including loss of over $\frac{1}{4}$ share capital in last 12 months directly predating the application day or
- c) operating in any legal form, when there are reasonable presumptions for declaring bankruptcy [12].

In order to obtain return of excise duty, each agricultural producer meeting legal criteria has to file proper application form. According to the Act, the procedure of granting public aid is not automatic and it requires certain activity from potential beneficiaries. The Act constitutes two different prescription periods for aid application, which are:

a) from 1st February to the last day of February and

b) from 1st August to 31st August of given year (art. 6(1) of the Act) [12].

It should be also highlighted that eventual aid in form of return of paid excise duty can be granted for maximum period of 6 months directly predating month of filing application [12]. Taking the above into account, it should be noted that it is in the direct interest of agricultural producers to file required applications forms in systematical and timely manner.

Provisions of the Act also provides for both structure and content of required application form. In order to fulfil formal requirements of granting aid procedure, each agricultural producer shall provide the authorities with substantial personal data: identification of applicant², taxpayer identification number and personal identity number (natural person) or company register number (legal person) [12]. Each applicant shall also attach to the application form following documentation: written declaration indicating area of possessed agricultural land, written consent of another co-owners of the land (in the case of co-ownership), account number (in case of aid payment via bank transfer) and VAT invoices (or its copies), which are sole acceptable evidence of acquiring certain quantity of gas oil (art. 6(2)(3) of the Act) [12]. It should be clearly stressed out here that failure to fulfill any of abovementioned formal requirements results in exclusion of given agricultural producer from the scheme [7].

In order to determine worth of granted excise duty refund, both amount of the potential refund and its yearly value limit have to be estimated before. To this end, the legislator has introduced under the Act two crucial and universal formulas, which shall be the sole basis of determining actual worth of the due refund (art. 4(2) of the Act) [12]. The amount of potential refund shall be calculated by multiplying the quantity of gas oil acquired by agricultural producer (validated with VAT

¹ According to art. 2(1) of the Act on the agricultural tax, the agricultural holding should be defined as the agricultural land exceeding area of 1 hectare or 1 conversion hectare [10].

² Name, surname and place of residence for natural person and company name and registered office of legal person[12].

invoices) by the refund rate existing in the day of application³ [12]. At the same time, the maximum yearly limit of the admissible duty return is calculated by multiplying excise duty rate for 1 liter of gas oil, number 86 and area of agricultural land⁴ possessed by the applicant (in hectares)⁵ [12]. In this regard, the actual worth of due refund is directly dependent on three different elements – quantity of acquired gas oil, its unit price and agricultural land area possessed by given agricultural producer[7].

The competent authority, as defined in art. 5(1) of the Act, is the village mayor, mayor or city president with jurisdiction over the location of agricultural land possessed by applicant [12]. The competent authority acts within government administration and financial resources necessary for the scheme are transferred to given local government unit by the form of the targeted subsidies from state budget (art. 8(1) and (2) of the Act) [12]. Granting of partial excise duty return shall be proceeded in the form of decision, where the competent authority indicates maximum yearly return rate, worth of granted return and remaining return rate in given year (art. 5(3) of the Act) [12]. According to art. 5(4) of the Act, the decision has to be issued within 30 days from the application day [12]. It should be also highlighted that the return shall not be granted for longer period than 6 months preceding the application month (art. 5(2) of the Act) [12].

The Act provides that there are only two periods in year when the financial aid shall be paid out:

- a) from 1st April to 30th April – for beneficiaries filing application between 1st and last day of February and
- b) from 1st October to 31th October – for beneficiaries filing application between 1st and 31th August of given year (art. 7 (1)(1) of the Act) [12].

³ Quantity of gas oil (liter) x return rate (for 1 liter of gas oil) = potential return of excise duty.

⁴ Excluding agricultural land which is not cultivated or is used for non-agricultural purposes [12].

⁵ Excise duty rate (for 1 liter) x 86 x agricultural land area (in ha) = maximum limit of admissible return.

It is also important to stress that transparent consequences of obtaining unduly return or obtaining aid in exceeding value are provided for in the Act. In the considered case, the beneficiary shall be legally obliged to reimburse undue aid with proper interest (art. 9(1) of the Act) [12]. The interest rate shall be estimated in accordance with provisions of the tax arrears regulation, thus the ineligible beneficiary will face substantial inconvenience of obtaining unduly aid. Furthermore, in the case of reimbursement evasion, the competent authority shall be entitled to pursuit due reimbursement by administrative enforcement proceedings, which in turn both accelerates and facilitates the procedure of reimbursement recovery (art. 9(6) of the Act) [12].

3. Aid no. SA.40223 (2014/XA) - tax advantage concerning investments in case of agricultural tax.

The state aid scheme no. SA.40223 (2014/XA) in the form of tax advantage concerning investments in case of agricultural tax has been granted by the European Commission under Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union [3, 9]. The aid scheme has been granted for years 2015 – 2020 and its budget has been estimated to aprox. 288 mln PLN. The principal purpose of the aid in the form of tax advantage in agricultural is to support general agricultural progress and modernization of infrastructure used in agricultural production. It should be certainly stated that the scheme meets all legal requirement defined in the art. 14 of Commission Regulation (EU) No 702/2014 in respect of stimulating desired investments in agricultural holdings⁶ [3].

The national legal basis of introduced state aid scheme is the Act on the agricultural tax of 15

⁶ The art. 14 of the Commission Regulation No 702/2014 regulates the issue of accepted aid for investments in tangible assets or intangible assets on agricultural holdings linked to primary agricultural [3].

November 1984 [10]. According to art. 13 (1) of the Act, solely agricultural tax payers can be awarded with the tax advantage [10].

Presented investment tax advantage has transparently defined objective scope. As the art. 13 (1) of the Act indicates, the tax advantage shall be granted for investment expenses incurred in connection with:

- a) construction or modernization of livestock building or construction works with environmental protection function and
- b) acquisition and installation of sprinklers, drainage or water supply installations and natural source energy-producing installations [10].

It also needs to be stressed here that in order to obtain proper aid, the beneficiary shall not finance the abovementioned investments with public funds participation (art. 13(1) of the Act) [10]. As it appears, there are several transparent requirements and restrictions regarding access to the analyzed state aid scheme – the tax advantage granting can be linked with only legally defined investments, which will have direct contribution to improvement of both environmental protection and rational water management [5].

The taxpayer can apply for the aid only after finalizing any of statutorily defined investments. The tax advantage is granted in the form of investment costs deduction (up to 25% of its value) from the due agricultural tax (art. 13(3) of the Act) [10]. The provisions of the Act also introduce maximal period of enjoying granted tax advantage which is 15 years (art. 13(3) of the Act) [10]. It should be also highlighted here that according to art. 13(4) of the Act, the sale of defined buildings or constrictions will result in deprivation of the state aid [10].

Finally, it is worth mentioning that the procedures of both estimating the worth and granting the tax advantage in agriculture tax are directly automatic. The value of payable tax advantage is automatically deducted from due agricultural tax in the form of the competent authority's decision estimating value of due tax (art. 13(3a) of the Act) [10]. The sole legal obligation of the potential beneficiary is to indicate the tax advantage usage in the tax declaration (art.13(3a) of the

Act) [10].

4. Aid no. SA.40663 (2015/XA - Aid for the collection, transportation and disposal of fallen stock and aid no SA.40666 (2015/XA) - Young farmers — partial credit repayment.

Both, aid no. SA.40663 (2015/XA) as well as aid no. SA.40666 (2015/XA) have been granted by the European Commission under Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union [3, 9]. The abovementioned aid schemes have been granted for years 2015 – 2020, and its budgets have been estimated to 643 mln PLN (for aid no. SA.40663) and 600 mln PLN (for aid no. SA.40666).

The national legal basis of introduced state aid schemes is the Regulation of Government of 27 January 2015 on the detailed scope and methods of fulfilling certain functions of the Agency for Restructuring and Modernization of Agriculture [8]. It should be stressed out here that the Agency for Restructuring and Modernization of Agriculture is the only competent authority to grant financial aid under analyzed state schemes (sec. 2(1) of the Regulation) [8].

The basic goal of the aid scheme „Young farmers – partial credit repayment’ is to introduce state financial support focused on encouraging young farmers to found or enlarge owned agriculture holdings (sec. 2(1)(2) of the Regulation) [8]. Indicated financial scheme and its legal basis shall be considered as national expression of directives expressed in art. 18 of the Commission Regulation (EU) No 702/2014 in respect of stimulating progress in agricultural activities of the young generation of farmers [3].

The legislator has introduced under the scheme two different financial measures dedicated to young farmers:

- a) partial bank credit repayment, where credit has been employed to finance the purchase of agricultural area and
- b) granting credit guarantees or credit warranties regarding payment of credit used for the abovementioned purpose (sec. 4 (1) of

the Regulation) [8].

The beneficiary, besides from having required professional qualifications in the area of agriculture (confirmed with proper documentation), is also legally obliged to draw up complete investment plan regarding the undertaking requiring state aid and later attach it to the credit application (sec. 4(2) of the Regulation) [8]. The investment plan have to fulfil formal requirements and its content should include crucial data indicating current agriculture activity of applicant, his plans regarding intended activities on purchased land and area of possessed agricultural land after the purchase (sec. 4(4) of the Regulation) [8]. The beneficiary shall also submit written obligation of becoming active farmer within 18 months since the day on which the chargeable event related to agricultural tax has occurred on possessed agricultural holding.

The legislator has also limited eventual maximum value of financial aid, which shall not exceed both 60% of bank credit's value and the amount of 70.000 EUR (sec. 4(5) of the Regulation) [8]. The aid payment is proceeded in two installments, where the first – paid immediately after granting aid - amounts to 80% of granted aid and the second is paid within 5 years after concluding the bank credit contract (sec. 4(6) of the Regulation) [8]. It should be also highlighted that according to sec. 4(7) of the Regulation, bank credit shall never exceed both the amount of 5 mln PLN and 90% of agricultural holding's investments costs [8]. At the same time, the state aid scheme SA.04663 has more pragmatic nature and is purposed on financing and facilitating the process of collection, transportation and disposal of fallen stock (sec. 2(2)(4) and sec. 10(1) of the Regulation) [8]. The scheme should be considered as a national measure realizing goals defined in art. 27 of the Commission Regulation (EU) No 702/2014 [3].

The scheme has clearly defined subjective scope as only the micro, small and medium agricultural enterprises⁷ are entitled to be aid

⁷ Within the meaning of definition presented in Commission Regulation (EU) No 702/2014.

beneficiaries (sec. 10(1) of the Regulation) [8]. The financial aid has the form of state cost covering of collection, transportation and disposal of fallen stock and its grating is dependent on the value of utilization services⁸ (sec. 10(4) and (6) of the Regulation) [8].

The agricultural producers enjoy the scheme through affordable or free services of enterprises dealing with utilization process of fallen stock, with which the Agency for Restructuring and Modernization of Agriculture has earlier concluded defined contracts within the scheme (sec. 10(2) of the Regulation)[8]. It should be also stressed out that according to sec. 10(3) of the Regulation, each utilization enterprise acting within the scheme, in order to obtain and preserve desired state financial resources, has to meet certain legal obligation – to notify each case of utilizing the fallen stock [8].

CONCLUSIONS

Having regard to presented above legal basis of polish state aid schemes for agriculture in years 2015 -2020 as a whole, it should be regarded as both transparent and proportional measures to original objectives of the current Common Agricultural Policy. It can be reasonably assumed that individual aid schemes might support both progress and modernization of national agricultural sector. Appropriately designed system of tax advantages and state subsidies can be considered in long-term perspective as effective measures of stimulating competitiveness in agriculture, achieving sustainable development of rural economy and strengthening tendency of using low-emission technologies in agriculture. It also seems that targeting specific aid schemes on young farmers might have crucial influence on popularizing agricultural production among young generation.

⁸ According to the Regulation, granting of aid is conditional on value of transportation and utilization services, which value shall not exceed clearly defined stakes dependent on both species and weight of fallen stock [8].

In turn, in view of legal instruments analyzed in the article it is difficult to draw definite conclusion concerning its effectiveness in both strengthening desired tendencies and curbing negative habits in national agriculture. Currently binding legal provisions should be treated with a certain degree of caution, as its factual influence and effectiveness will become visible not earlier than after next five years.

tax on gas oil used in agricultural production of 10 March 2006)

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