

# The Correlation Between Profitability and Tax Breaks in the Area of Special National Status

---

Letinić, Svjetlana; Budimir, Verica; Župan, Mario

Source / Izvornik: **Međunarodni znanstveni simpozij Gospodarstvo istočne Hrvatske - jučer, danas, sutra, 2019, 465 - 473**

Conference paper / Rad u zborniku

Publication status / Verzija rada: **Published version / Objavljena verzija rada (izdavačev PDF)**

Permanent link / Trajna poveznica: <https://urn.nsk.hr/urn:nbn:hr:112:143130>

Rights / Prava: [In copyright](#) / [Zaštićeno autorskim pravom.](#)

Download date / Datum preuzimanja: **2025-02-06**



**VELEUČILIŠTE U POŽEGI**  
STUDIA SUPERIORA POSEGANA

Repository / Repozitorij:

[Repository of Polytechnic in Pozega - Polytechnic in Pozega Graduate Thesis Repository](#)





SVEUČILIŠTE J. J.  
STROSSMAYERA  
U OSIJEKU

UNIVERSITY OF J.  
J. STROSSMAYER  
IN OSIJEK



EKONOMSKI  
FAKULTET  
U OSIJEKU

FACULTY  
OF  
ECONOMICS  
IN OSIJEK



HRVATSKA  
AKADEMIJA  
ZNANOSTI I  
UMJETNOSTI  
Zavod za  
znanstveni i  
umjetnički rad u  
Osijeku

CROATIAN  
ACADEMY OF  
ARTS AND  
SCIENCES  
The Institute for  
scientific and art  
research work in  
Osijek



UNIVERZA  
V  
MARIBORU  
Ekonomsko-  
poslovna  
fakulteta

UNIVERSITY  
IN MARIBOR  
Faculty of  
Economics  
and Business



UNIVERZITET U  
TUZLI  
Ekonomski  
fakultet u Tuzli

UNIVERSITY  
IN  
TUZLA  
Faculty of  
Economics in  
Tuzla

**8<sup>th</sup>**  
**INTERNATIONAL SCIENTIFIC SYMPOSIUM**  
**ECONOMY OF EASTERN CROATIA – VISION AND GROWTH**

Under the auspices of:

**MINISTRY OF ECONOMY  
OF REPUBLIC OF CROATIA**

Osijek, 30<sup>th</sup> – 31<sup>st</sup> May 2019

**Publishers**

*Josip Juraj Strossmayer University of Osijek,  
Faculty of Economics in Osijek, Croatia*

**For the publishers**

*Mirna Leko Šimić, Ph.D.*

*Faculty of Economics in Osijek, Croatia*

*Boris Crnković, Ph.D.,*

*Faculty of Economics in Osijek, Croatia*

**Programme committee**

*Boris Crnković, Ph.D., Chairperson,*

*Josip Juraj Strossmayer University of Osijek,*

*Faculty of Economics in Osijek, Croatia*

*Marko Backović, Ph.D., Serbia*

*Samo Bobek, Ph.D., Slovenia*

*Saša Bošnjak, Ph.D., Serbia*

*Thomas Cleff, Ph.D. Germany*

*Ida Erscay, Ph.D., Hungary*

*Ulla Hytti, Ph.D, Finland*

*Safet Kozarević, Ph.D., Bosnia and Herzegovina*

*Dražen Kušen, Ph.D., Croatia*

*Dragan Milanović, Ph.D., Croatia*

*Chris Pentz, Ph.D., South Africa*

*Academician Vlasta Piližota, Ph.D., Croatia*

*Miroslav Rebernik, Ph.D., Slovenia*

*Bodo Runzheimer, Ph.D., Germany*

*Joaquina Sarrion Esteve, Ph.D., Spain*

*Oleg Sidorkin, Ph.D., Germany*

*Slavica Singer, Ph.D., Professor emeritus, Croatia*

*Ermina Smajlović, Ph.D., Bosnia and Herzegovina*

*Karin Širec, Ph.D., Slovenia*

*Željko Turkalj, Ph.D., Croatia*

*Bahrija Umihanić, Ph.D., Bosnia and Herzegovina*

**Organizing Committee**

*Mirna Leko Šimić, Ph.D., Chairperson,*

*Josip Juraj Strossmayer University of Osijek,*

*Faculty of Economics in Osijek, Croatia*

*Katica Križanović, univ. spec. oec., Coordinator,  
Croatia*

*Sunčica Oberman Peterka, Ph.D., Croatia*

*Mirela Alpeza, Ph.D., Croatia*

*Dražen Čučić, Ph.D., Croatia*

*Anamarija Delić, Ph.D., Croatia*

*Nataša Drvenkar, Ph.D., Croatia*

*Aleksandar Erceg, Ph.D., Croatia*

*Ivana Fosić, Ph.D., Croatia*

*Martina Harc, Ph.D., Croatia*

*Adela Has, mag. oec., Croatia*

*Tihana Koprivnjak, univ. spec. oec., Croatia*

*Petra Mezulić Juric, univ. spec. oec., Croatia*

*Ivo Mijoč, Ph.D., Croatia*

*Julia Perić, Ph.D., Croatia*

*Tunjica Petrašević, Ph.D., Croatia*

*Ljerka Sedlan König, Ph.D., Croatia*

**Editors**

*Mirna Leko Šimić, Ph.D.*

*Faculty of Economics in Osijek, Croatia*

*Boris Crnković, Ph.D.,*

*Faculty of Economics in Osijek, Croatia*

**Print**

*Studio HS internet d.o.o., Osijek*

*ISSN 1848-9559*

*Proceedings indexed in:*



**Web of Science®**

**8<sup>th</sup> INTERNATIONAL SCIENTIFIC SYMPOSIUM  
ECONOMY OF EASTERN CROATIA – VISION AND GROWTH**

# Vol. 1

---

<b>Foreword</b> .....	15
<b>Topics</b> .....	16
<b>1. Global Economy and Sustainable Development</b> .....	<b>17</b>
<i>Željko Bogdan, Krešimir Ivanda</i> THE IMPACT OF PERSONAL REMITTANCES FROM ABROAD ON THE CROATIAN ECONOMY .....	19
<i>Željko Bogdan</i> INTERNATIONAL TRADE AND EXCHANGE RATE REGIMES IN NEW EU COUNTRIES.....	30
<i>Igor Cvečić, Marko Tomljanović, Melani Milotić</i> IMPACTS AND PERSPECTIVES OF TRADE INTEGRATION BETWEEN THE EUROPEAN UNION AND THE USA.....	51
<i>Lena Duspara</i> A MODEL FOR ANALYSING EXPORT STRATEGY IN METAL PROCESSING INDUSTRY IN CROATIA.....	64
<i>Tomislav Galović, Florijan Čelić, Igor Arapović</i> THE COHESION POLICY INSTRUMENTS AS A FACTOR OF COMPETITIVENESS IN CROATIA.....	73
<i>Sanja Knežević</i> RETURNING EMIGRANTS AS A POTENTIAL FACTOR FOR THE DEVELOPMENT OF THE REPUBLIC OF CROATIA.....	86
<i>Dražen Koški</i> INTERNATIONAL INTERTEMPORAL SOLVENCY: THE CASE OF THE REPUBLIC OF CROATIA.....	95
<i>Ivan Kristek, Mateja Glavota</i> THE INFLUENCE OF MARKET CONCENTRATION ON THE PROFITABILITY OF INSURANCE COMPANIES IN THE REPUBLIC OF CROATIA .....	107
<i>Senija Nuhanović, Mirnesa Baraković Nurikić</i> COMMODITY EXPORT FROM BOSNIA AND HERZEGOVINA INTO THE EUROPEAN UNION AND COMPARATIVE ADVANTAGE.....	119
<i>Dalibor Pudić</i> THE SIGNIFICANCE OF ENERGY POVERTY FOR THE FUTURE DEVELOPMENT OF CROATIAN ECONOMY.....	131

<i>Nada Rajić</i> INTERCONNECTION OF THE STRUCTURE AND VOLUME OF MIGRATION FROM CROATIA WITH ECONOMIC DEVELOPMENT .....	141
<i>Roman Šubić, Zoran Wittine, Ivona Dragić</i> DEMOGRAPHIC AND ECONOMIC EFFECTS OF EMIGRATION – RECENT EXPERIENCES FROM EASTERN CROATIA.....	152
<b>2. Macro Issues in Regional Development .....</b>	<b>163</b>
<i>Ivona Blažević, Marina Stanić Šulentić, Andreja Katolik Kovačević</i> THE ANALYSIS OF THE BROD-POSAVINA COUNTY FOREIGN TRADE EXCHANGE FOR THE PERIOD FROM THE YEAR 2013 TO THE YEAR 2017 .....	164
<i>Tomislav Dagen, Antonija Matić, Vesna Galić</i> SLAVONIA, BARANYA AND SYRMIA PROJECT” WITH THE PURPOSE OF ACHIEVING THE STRATEGIC OBJECTIVES OF THE NATIONAL SECURITY STRATEGY OF THE REPUBLIC OF CROATIA – LEGAL ASPECTS.....	172
<i>Domagoj Hruška, Tihomir Luković</i> BACK TO THE FUTURE: STRUCTURAL PROBLEMS OF ECONOMIC DEVELOPMENT OF SLAVONIA IN 1919 AND 2019.....	187
<i>Jelena Legčević, Ana-Marija Hampovčan</i> STATE INTERVENTION IN SOCIAL MARKET ECONOMY .....	207
<i>Katarina Ott, Velibor Mačkić, Simona Prijaković</i> BUDGET OUTCOMES AND POLITICAL ACCOUNTABILITY: THE CASE OF EASTERN CROATIA REGION.....	219
<i>Danijela Slipčević, Suzana Dikonić, Ivan Lakoš</i> ANALYSIS OF THE REGIONAL COMPETITIVENESS INDEX OF THE REPUBLIC OF CROATIA WITH EMPHASIS ON EASTERN SLAVONIA .....	234
<i>Maša Trinajstić, Marinela Krstinić Nižić, Elena Rudan</i> ANALYSIS OF EASTERN CROATIA REGIONAL GROWTH: SHIFTSHARE ANALYSIS .....	250
<b>3. Sectoral, Urban and Gender Issues in Regional Development .....</b>	<b>259</b>
<i>Ivana Bestvina Bukvić, Martina Basarac Sertić, Martina Harc</i> ECONOMIC IMPACT OF GOVERNMENT MEASURES: ANALYSIS OF THE CONSTRUCTION SECTOR.....	260

<i>Darko Dumančić, Katica Križanović, Štefan Štefanek</i> ECONOMIC DIMENSION OF SPORTS IN THE DEVELOPMENT OF A REGION: EXAMPLE OF THE DOBRO GYMNASSTICS WORLD CUP OSIJEK .....	278
<i>Jerko Glavaš</i> THE INFLUENCE OF URBAN COMPONENTS ON CITY GROWTH.....	295
<i>Mateja Petračić, Filip Bartoluci, Iva Sundji</i> THE ROLE OF ENTREPRENEURIAL ZONES IN ECONOMIC DEVELOPMENT OF EASTERN CROATIA.....	308
<i>Katarina Potnik Galić, Katarina Štavlić, Matej Grgačević</i> ENCOURAGING INVESTMENT IN INDUSTRIAL HEMP FARMINGAS A FACTOR OF ECONOMIC DEVELOPMENT OF EASTERN CROATIA .....	322
<i>Vedrana Vukadinović, Marko Tadić, Radmila Tatarin</i> THE IMPORTANCE OD SECTION 08- OTHER MINING AND EXTRACTION IN SLAVONIA AND ITS STATUS IN 2017 .....	336
<i>Berislav Žmuk, Hrvoje Jošić</i> URBAN (IR)REGULARITIES IN EASTERN CROATIA: ARE THE MAIN URBAN ECONOMICS LAW FOLLOWED OR NOT?.....	351
<b>4. Financial Infrastructure and Economic Development .....</b>	<b>365</b>
<i>Almir Alihodžić, Anna Zielińska-Chmielewska</i> DOES BANKS CONCENTRATION MATTER FOR LOANS PLACEMENT: EVIDENCE OF THE CONSTRUCTION SECTOR IN THE REPUBLIC OF SRPSKA?.....	366
<i>Anto Bajo, Marko Primorac, Sanja Čavić</i> MEDICINAL PRODUCTS MARKET AND FINANCIAL POSITION OF PHARMACEUTICAL COMPANIES IN THE REPUBLIC OF CROATIA.....	380
<i>Ivana Bulog, Andrijana Rogošić, Sandra Pera</i> ACCOUNTING INFORMATION IN DECISION MAKING: EVIDENCE FROM MICRO COMPANIES .....	393
<i>Aleksandar Erceg, Jasenka Crnković, Predrag Dotlić</i> FINANCING FRANCHISING GROWTH: ROLE OF BANKS IN CROATIA.....	404
<i>Ivica Filipović, Marijana Bartulović, Toni Šušak</i> KEY AUDIT MATTERS: NEW INFORMATIONAL VALUE OF AUDITOR'S REPORT.....	416
<i>Saša Gravorac, Goran Šijan, Dejan Gligović</i> STATE AUDIT AND PUBLIC SECTOR EFFICIENCY, TWO ASPECTS OF THE SAME GOAL - COMPARATIVE SUMMARY - SERBIA, BH AND CROATIA .....	429

<i>Goran Karanović, Ana Štambuk, Manuel Benazić</i> FINANCIAL RISK MANAGEMENT PRACTICE AMONG HOTELS IN CROATIA ....	440
<i>Ana Kundiđ Novokmet, Źana Źalić</i> CONTRIBUTION OF FINANCIAL LITERACY TO BUSINESS PERFORMANCE: FINDINGS FROM THE CROATIAN HOTEL INDUSTRY .....	449
<i>Svjetlana Letinić, Verica Budimir, Mario Źupan</i> THE CORRELATION BETWEEN PROFITABILITY AND TAX BREAKS IN THE AREA OF SPECIAL NATIONAL STATUS.....	465
<i>Jasmina Okićić, Dino Kakeš</i> INSIGHTS INTO GENDER DIFFERENCES IN FINANCIAL LITERACY OF YOUTH.....	474
<i>Anita Pavković, Katarina Marošević, August Cesarec</i> DETERMINANTS OF THE CORPORATE NON-PERFORMING LOAN VOLUME IN THE REPUBLIC OF CROATIA.....	485
<i>Petar Pepur, Ivan Peronja, Stjepan Laća</i> THE CORRELATION BETWEEN CASH MANAGEMENT AND COST MANAGEMENT.....	500
<i>Antonija Petrić</i> TRANSFORMATION INTO DIGITALLY ANALYTICAL CONTROLLING: CURRENT STATUS AND FUTURE AGENDA.....	508
<i>Silvia Trifonova</i> THE NEW MONETARY POLICY TOOLKIT OF THE BANK OF ENGLAND IN RESPONSE TO THE GLOBAL FINANCIAL CRISIS AND THE EURO AREA DEBT CRISIS.....	520
<i>Branka Tuškan</i> ANALYSIS OF DEMOGRAPHIC AND SOCIO-ECONOMIC TRENDS SIGNIFICANT FOR THE EUROPEAN REVERSE MORTGAGE INDUSTRY DEVELOPMENT POTENTIAL .....	534
<i>Davor Vašiček, Veljko Dmitrović, Josip Čičak</i> ACCOUNTING OF CRYPTOCURRENCIES UNDER IFRS .....	550
<b>5. New Trends in Economic Development.....</b>	<b>565</b>
<i>Maja Bašić, Hrvoje Jošić</i> TRUST AND INNOVATION NEXUS AMONG THE EUROPEAN UNION MEMBER STATES .....	566
<i>Sanja Franc, Antea Barišić, Ljubo Jurčić</i> THE IMPACT OF DIGITALIZATION ON GLOBAL VALUE CHAINS.....	583



<i>Domagoj Karačić, Natko Klanac</i> REDESIGNING THE REWARD SYSTEM ON THE EXAMPLE OF IT SECTOR EMPLOYEES.....	596
<i>Marinela Knežević, Adela Has</i> COMPARISON OF ENERGY COSTS DUE TO ENERGY RENEWAL OF PUBLIC SECTOR BUILDINGS IN REPUBLIC OF CROATIA.....	609
<i>Jaroslav Mazanec, Viera Bartosova</i> THE EFFECTIVENESS OF ARTIFICIAL NEURAL NETWORKS IN PREDICTION OF FINANCIAL VULNERABILITY IN SLOVAK NON- PROFIT SECTOR.....	618
<b>6. Tourism and Economic Development.....</b>	<b>635</b>
<i>Romina Alkier, Kristina Pilko Demirkiran</i> ESPORTS: THE INVESTMENT OPPORTUNITY OF THE DECADE FOR REGIONAL TOURISM DEVELOPMENT .....	636
<i>Mato Bartoluci, Dinko Ćorić, Alen Jerkunica</i> ANALYSIS OF THE POSSIBILITIES OF GOLF TOURISM DEVELOPMENT IN CONTINENTAL CROATIA.....	650
<i>Draženka Birkić, Andreja Primužak, Silvija Podoljak</i> INTEGRAL QUALITY MANAGEMENT IN A CONTINENTAL TOURISM DESTINATION, SHOWN ON THE EXAMPLE OF POŽEGASLAVONIA COUNTY, THE CITY OF POŽEGA.....	663
<i>Josipa Cvelić Bonifačić, Ines Milohnić, Ana-Marija Vrtodušić Hrgović</i> DIFFERENCES IN PERCEIVED CAMPSITE AND DESTINATION QUALITY: MANAGERS VS. GUESTS .....	681
<i>Dražen Ćučić, Dora Kalšan, Martina Mikrut</i> DOMESTIC TOURISTS AS SEGMENT OF DESTINATION IDENTITY.....	692
<i>Tvrtko Galić, Biljana Tuševski</i> ECONOMIC IMPACTS OF RECREATIONAL RUNNING POPULARIZATION IN THE REPUBLIC OF CROATIA.....	706
<i>Marina Gregorić, Dajana Maria Horvat, Patricija Babić</i> ANALYSIS OF DEVELOPMENT AND POTENTIAL FOR TOURISM IN THE AREA OF MARIJA BISTRICA.....	720
<i>Božidar Jaković, Dejan Tubić, Rikard Bakan</i> TOURISM CHALLENGES OF PROTECTED AREAS IN CROATIA.....	733
<i>Jelena Lakuš, Kristina Feldvari, Melita Aleksa Varga</i> DEVELOPMENT OF CROATIAN CULTURAL TOURISM: WHERE IS EASTERN CROATIA? .....	749

<i>Biljana Lončarić</i> COOPERATION OF TOURIST DESTINATIONS OF THE REGION SLAVONIA SITUATED BY THE RIVER SAVA IN MARKETING AREA .....	765
<i>Suzana Marković, Sanja Raspor Janković, Aleksandar Racz</i> THE EFFECTS OF EVENT ATMOSPHERICS ATTRIBUTES ON VISITOR SATISFACTION: A MULTIVARIATE STATISTICAL ANALYSIS.....	775
<i>Suzana Marković, Sanja Raspor Janković, Zoran Tuntev, Srđan Mitrović, Josipa Mijoč</i> HOW VISITORS EXPERIENCE TOURIST DESTINATIONS? A CASE STUDY OF CROATIA AND MACEDONIA .....	786
<i>Ivana Pavlić</i> DETERMINANTS OF TRAVELERS EXPENDITURE – THE CASE OF DUBROVNIK, CROATIA .....	797
<i>Katarina Štavlić, Igor Štavlić, Katarina Potnik Galić</i> RURAL TOURISM IN FUNCTION OF ECONOMIC DEVELOPMENT IN THE SLAVONIJA AND BARANJA REGION.....	809
<i>Silvija Vitner Marković, Tihana Cegur Radović, Ivana Varičak</i> AGE AND MOTIVES OF ADVENT FAIR VISITORS IN THE CONTEXT OF CREATING EVENT FACILITIES.....	820

## Vol. 2

---

<b>7. Cultural Heritage and Economic Development .....</b>	<b>827</b>
<i>Luka Alebić, Marina Đukić</i> DIGITIZING CULTURAL DATA AS A PROCESS OF MODERNIZING CULTURAL INSTITUTIONS .....	828
<i>Marta Borić Cvenić, Hrvoje Mesić, Marija Tolušić</i> THE ROLE AND IMPORTANCE OF CULTURAL HERITAGE AS A STRATEGIC RESOURCE IN THE DEVELOPMENT OF CREATIVE CITIES.....	842
<i>Danijel Drpić</i> TOURIST EVENTS BASED ON HERITAGE AS A FACTOR OF SUSTAINABLE GROWTH OF EASTERN CROATIA.....	857
<i>Nenad Rizvanović</i> CULTURAL AND SOCIAL INFLUENCES OF ZABAVNA BIBLIOTEKA [ENTERTAINMENT LIBRARY], CROATIAN PUBLISHING SERIES FROM 1978 TO 1988.....	873
<i>Ivana Šandrk Nukić, Blanka Gigić Karl</i> THE ROLE OF CULTURAL POLICY IN SUPPORTING THE STRATEGY OF CULTURAL DEVELOPMENT OF THE CITY: EXAMPLE OF OSIJEK.....	883

*Ksenija Tokić, Ivo Tokić*  
PRESENTATION OF CULTURAL HERITAGE IN LIBRARIES TO TOURISTS.....896

**8. Education and Human Resources in Regional Development .....907**

*Branimir Dukić, Stojanka Dukić, Saša Mitrović*  
MODEL OF ADAPTATION OF THE OPERATION OF THE FACULTY OF  
ECONOMICS IN OSIJEK TO THE DIGITAL AGE.....908

*Darko Dukić, Goran Kozina*  
SCIENTIFIC PRODUCTION OF OSIJEK'S RESEARCHERS: EVIDENCE  
FROM THE CURRENT CONTENTS CONNECT DATABASE.....924

*Goran Karanovic, Kristina Crnjar, Helga Maskarin Ribaric*  
APPLYING RISK MANAGEMENT TO HUMAN RESOURCES: AN  
EXPLORATORY STUDY OF CROATIAN HOTEL INDUSTRY.....940

*Ivana Martinović*  
NETWORKING AS THE INFORMATION SEEKING BEHAVIOUR OF  
YOUNG PEOPLE IN OSIJEK IN THE JOB SEARCH PROCESS.....949

*Ljerka Sedlan König, Rebecca Robinson, Mia Hocenski*  
WHAT DO EMPLOYERS IN CROATIA AND IRELAND WANT?.....959

*Snježana Stanarević Katavić, Gordana Dukić, Boris Badurina*  
SCIENTIFIC FIELD OF THE CHOSEN STUDY OF FUTURE  
UNDERGRADUATE STUDENTS AND ITS RELATION TO  
EMPLOYMENT INFORMATION NEEDS AND SOURCES.....978

*Marina Stanić Šulentić, Dajana Džeba, Milan Stanić*  
KNOWLEDGE MANAGEMENT SYSTEM IN HIGHER EDUCATION .....992

**9. Managerial Challenges and Competitiveness.....1001**

*Admir Čavalić, Azra Sejrančić, Dženan Begović, Aldin Brajić*  
IMPACT OF ISO 26000 INTERNATIONAL STANDARD ON  
COMPETITIVENESS OF COMPANIES .....1002

*Anita Dremel, Sonja Trajanovski*  
GLASS CEILING: GENDER INEQUALITY IN THE WORKPLACE.....1018

*Jovana Kepčija Pavlović, Zlatko Barilović, Ernest Vlačić*  
DETERMINATION OF PROJECT MANAGEMENT MATURITY LEVELS  
AS A SUPPORT FOR THE COMPETITIVE ADVANTAGE.....1032

*Barbara Pisker, Mirjana Radman-Funaric, Ivana Kresevljak*  
THE GLASS CEILING PATTERNS: GAP EVIDENCE.....1047

*Danijela Vakanjac, Mladena Bedeković, Željka Kadlec*  
THE IMPORTANCE OF CREATIVITY IN BUSINESS.....1062

*Ivona Vrdoljak Raguz, Ivona Milić Beran, Zorica Krželj-Čolović*  
IDENTIFYING KEY DIMENSIONS AND ATTRIBUTES OF  
COMPETITIVENESS OF SMALL AND MEDIUM HOSPITALITY  
ENTERPRISES IN CROATIA.....1073

*Anna Zielińska-Chmielewska, Almir Alihodžić, Luboš Smutka*  
THEORETICAL AND PRACTICAL CONCEPTS OF FINANCIAL  
EFFICIENCY IN FOOD PROCESSING SECTOR.....1086

## **10. Non-Profit Sector and Economic Development.....1097**

*Željana Aljinović Barać, Ljerka Markota, Andrijana Rogošić, Tina Vuko*  
COUNTING THE COSTS AND THE BENEFITS OF (NO) SMOKING  
IN CROATIA .....1098

*Ivana Crnković, Aleksandar Racz, Ivan Brumini*  
VOLUNTEERING IN THE DOMAIN OF ONE’S LEISURE TIME .....1108

*Velibor Mačkić, Mihaela Bronić, Branko Stanić*  
POLITICAL ACCOUNTABILITY AND “VOTING-WITH-THE-FEET”:  
EASTERN CROATIA VS. REMAINING CROATIAN REGIONS ..... 1117

*Ivana Perica*  
DETERMINANTS OF DONATIONS AMOUNT IN NON-PROFIT  
ORGANIZATIONS IN CROATIA.....1131

*Ivana Sataić, Tihomir Vranešević, Mihaela Mikić*  
INFLUENCE OF BRANDING OF CLINICAL TRIALS IN HEALTH  
SECTOR ON DECISION TO PARTICIPATE IN CLINICAL TRIALS AND  
THEIR RECOGNITION IN CROATIAN MARKET .....1145

*Ladislav Vagner, Silvia Zadnanova*  
NON-PROFIT ORGANIZATIONS AND THEIR POSSIBILITIES OF  
MEASURING EFFICIENCY.....1159

## **11. Branding, Social Entrepreneurship and Social Responsibility.....1167**

*Lubica Gajanova, Ivana Podhorska*  
PERSONNEL MARKETING AS A SOCIAL BOTTOM LINE OF  
CORPORATE SOCIAL RESPONSIBILITY FROM THE PERSPECTIVE  
OF THE SUPPORT TOOL FOR BUILDING BRAND VALUE .....1168

*Ante Gugić, Mladen Turuk*  
A CASE STUDY OF “BRAILLE RIDDLES” PROJECT – AN EXAMPLE

OF SOCIAL ENTREPRENEURIAL START-UP PROJECT IN THE  
REPUBLIC OF CROATIA.....1183

*Narcisa Manojlović*

FAMILY HOMES AS A FORM OF FAMILY ENTREPRENEURSHIP IN  
EASTERN CROATIA .....1197

*Dominika Moravcikova, Anna Krizanova*

BRAND VALUATION WITH THE USE OF A LICENSED ANALOGUE  
METHOD AND THE POSSIBILITY OF ITS USE IN CREATING THE  
VALUE OF THE ENTERPRISE IN CONDITIONS OF SLOVAK REPUBLIC .....1211

*Margareta Nadanyiova, Pavol Durana*

CORPORATE SOCIAL RESPONSIBILITY AS A BRAND  
VALUEENHANCING TOOL .....1225

*Damir Piplica*

SOME ASPECTS OF ANALYZING CORRUPTION AND INVESTMENTS  
IN CROATIA .....1238

*Viera Valjaskova, Jana Kliestikova*

THE MAIN ASPECTS OF BRAND PORTFOLIO MANAGEMENT.....1253

## **12. Legal Issues in Regional Development.....1261**

*Mirela Mezak Matijević*

PROBLEMS OF MOVEMENTS OF GENETICALLY MODIFIED ORGANISMS.....1262

*Vesna Škare-Ožbolt, Mario Krešić*

THE FUNCTION OF ADJUDICATION IN PROTECTION OF ECONOMIC  
VALUES .....1272

*Nikol Žiha, Marko Sukačić*

LEGAL INCONSISTENCY OF BARANJA WINE CELLAR ‘GATOR’  
WITH THE PRINCIPLE OF SUPERFICIES SOLO CEDIT .....1284

## **13. Professional Papers.....1301**

*Emina Bačevina, Ivan Lakoš, Josip Mesarić*

MAKE A WISH! PROGRAMME TO PROVIDE JOBS FOR WOMEN  
IN THE REPUBLIC OF CROATIA – PROJECTS AND RESULTS FOR  
SLAVONIAN REGION.....1302

*Dragica Karajić, Tomislav Lneniček*

A NEW PERSPECTIVE FOR WOMEN IN UNDERDEVELOPED AREAS  
OF CROATIA .....1315

<i>Karolina Novinc, Zlatko Barilović, Željko Sudarić</i> PROJECT OF INTERNATIONALIZATION OF COOPERATION IN FUNCTION OF MODERNIZATION AND INCREASING OF COMPETITIVENESS OF HIGHER EDUCATION INSTITUTIONS.....	1328
<i>Csaba Ruzsa</i> INDUSTRY 4.0 – EXPECTED TECHNOLOGICAL IMPACTS ON COMPANIES.....	1344
<i>Dejan Tubić, Daila Škrget, Rikard Bakan</i> CULTURALLY-TRADITIONAL EVENTS AS A FOUNDATION OF RURAL AREA DEVELOPMENT OF EASTERN CROATIA.....	1356
<i>Zoran Wittine, Mile Bošnjak, Tea Puljić</i> RISK MANAGEMENT IN PHARMACEUTICAL INDUSTRY IN CROATIA .....	1365
<b>14. In Closing.....</b>	<b>1381</b>

**Svjetlana Letinić, Ph.D.**

Polytechnic in Požega, Social Department  
E-mail address: sletinic@vup.hr

**Verica Budimir, Ph.D.**

Polytechnic in Požega, Social Department  
E-mail address: vbudimir@vup.hr

**Mario Župan, Ph.D.**

Polytechnic in Požega, Social Department  
E-mail address: mzupan@vup.hr

## **THE CORRELATION BETWEEN PROFITABILITY AND TAX BREAKS IN THE AREA OF SPECIAL NATIONAL STATUS**

### ***ABSTRACT***

*In the period of 1996–2002, Croatian state authorities have already administratively designated certain areas of the country, declaring them as areas of special national status. Components of the above areas examined by this paper are Group I, II and III areas of special state care, the City of Vukovar and the highland area. Use of tax breaks in these areas, through a system of income taxation of entrepreneurs, represent various forms of incentives and breaks allowing taxpayers to reduce the basis for tax calculation and/or the amount of tax liability. This paper observed the correlation between the given variables; net profit margin representing entrepreneurs' profitability, tax breaks reducing the basis for the income tax (net reduction of tax liability and tax credit carried forward), tax breaks reducing tax liability, actual tax burden, population density, costs of gross salary, enterprise growth and productivity of work. The paper also observed correlation between profitability and efficiency of the tax breaks to individual components in the total tax breaks in areas of special state concern. The research includes the period of 2005–2013. The observation also takes into account the effect of a period of recession through a binary, the so-called dummy variable for the period of 2009–2013. Spearman's and point biserial correlation coefficients were used to test correlation of given variables. The observed correlation of the tax breaks and profitability considering the components of areas of special state concern is clear in the Group I and Group III areas of special state concern and in the City of Vukovar. Considering the observed correlation of profitability and efficiency of the tax breaks to individual components in the total tax breaks in the special national status area, it is clear that there is significant unpredictability of correlation between the observed variables.*

**Key words:** *tax breaks, profitability, areas of special national status, correlation*

## 1. Introduction

With the legal regulative, Croatian authorities have, in the period 1996-2002, singled out specific local self-government units (cities and municipalities) in the area of special national status according to the following criteria: war circumstances caused by aggression on Croatia, economic (under) development, structural and demographic difficulties, and natural and geographical characteristics that constitute hindered living conditions (Act on Areas of Special State Concern, Act on Reconstruction and Development of the City of Vukovar, Act on Highland Areas). The main short-term goal of singling out areas was to remove the consequences of war and the long-term development of the mentioned area (Office for Development Strategy of the Republic of Croatia, 2001). The development of such an area included, inter alia, the promotion of entrepreneurial activity in the area.

Profitable entrepreneurial activity of taxpayers has been encouraged by the government through the system of tax expenditures, i.e. tax breaks (relief, exemptions, incentives, etc.). Thus, income tax payers could have used the possibility of *reducing tax base*, as well as *reducing tax liability* by performing activities in these areas, with fulfilment of the conditions prescribed by the government (Act on Income Tax). Croatia strived to efficiently and in detail improve, on the one hand, socio-economic status of the population of the area in question, and on the other hand, the success of business entities.

Bajo (2011, 142) in his paper emphasizes that non-transparent stimulation of local units through the state budget funds is not effective if there is no correlation between goals and indicators of development. Miljenović (2013, 167) considers that an area of a special state concern is primarily defined as a developmentally endangered area, i.e. the area with difficulties, not as a development resource. Furthermore, the author states that the constituents of areas of special state concern had different rights of participation in some of the measures aimed at improvement and development. Thus, different participation assumed a certain level of development, but when classifying local self-government units into a particular constituents of an area of special state concern, it did not take into consideration the criteria of development.

According to authors, Bratić (2011, 40) and the European Commission (2014, 3) by introducing tax expenditures (breaks), the state waives its tax revenues for the purpose of: obtaining preferential treatment for a particular group of people or activities, financing public spending outside the budget framework as well as achieving economic and political goals. Shick (2007, 10) emphasizes that tax breaks represent a loss of tax revenue on the one hand, i.e. reduction of tax liability on the other hand. Many Croatian researchers in their papers have often referred to the need for redefining certain rules in the tax break system, due to reduced income tax revenues in the state budget, (Bratić and Urban 2006, Bratić, 2012., Marković et al., 2013, Dražić, Lutulsky and Bernat 2016). Authors Klemm and Van Perys (2012), Monungo (2016) and Fahmi (2012) in their papers point to the fact that the application of appropriate tax breaks does not yield equal effects in all observed areas. Furthermore, the aforementioned authors also state that breaks cannot serve as a substitute for inadequate entrepreneurial infrastructure, economic or political instability, etc.

Tax breaks should create positive effects on profitability, as they reduce the base and liability of income tax. Taking into account the constituents of areas of special national status, the remainder of this paper examines the correlation of tax breaks and other selected variables with the profitability of business entities performing their activity in the mentioned area.



## 2. Data and Methodology

As stated above, all data on business entities performing activities in the area of special national status were observed for the 2005-2013 period.<sup>1</sup> The data were collected based on Verified Income Tax Applications (Tax Administration, 2016), and other relevant and available sources (Financial Agencies, Central Bureau of Statistics, State Geodetic Office, etc.). The dependent variable in the paper is determined through profitability indicator, i.e. *net profit margin* (net income/total revenue). Observed independent variables<sup>2</sup> and a certain direction of correlation of the same with the net profit margin (*nmp*) are the following:

- *decrease of the income tax base (sopd\_net)* - net value of the breaks (difference between the amount of tax undiscounted expenses and items that reduce the accounting profit in the income tax form); predicted *positive* direction of connection,
- *tax credit carried forward (ppg)* - value of tax carried forward that the taxpayers can use during the five year period, predicted *positive* direction of connection,
- *reduction of tax liability (spo\_olak)* - value of the breaks that income taxpayers can use after the established tax liability, given the territorial affiliation of taxpayers, predicted *positive* direction of connection,
- *actual tax burden (spt)* when taxing profit - the ratio of actual tax liability and gross profit (profit before tax or accounting profit), predicted *negative* direction of connection,
- *costs of gross salary (tbp)* - the total cost of the employer for employee salaries, predicted *negative* direction of connection,
- *productivity of work (pr\_rad)* - productivity per employee denotes the way in which efficient use of inputs ensures maximizing profits, i.e. achieving success; predicted *positive* direction of connection,
- *enterprise growth (rt\_pod)* - total realized income; predicted *positive* direction of connection and
- *efficiency of tax breaks (pot\_ukpot)* - share of the amount of breaks (*sopd\_net*, *ppg* and *spo\_olak*) in total breaks for the area of special national status; predicted *positive* direction of connection

The paper also lists the *dummy*<sup>3</sup> variable that marks the period of impact of recession on economic trends (2009-2013). Therefore, regarding the defined dependent and independent variables, it was observed whether there is:

- correlation of dependent and independent variables<sup>4</sup> for each individual constituent of the area of special national status and
- correlation between the dependent variable and the efficiency of tax breaks<sup>5</sup> for a particular constituent of the area of special national status.

Validity of correlation between dependent on independent variables in the paper was tested using the correlation analysis. The measure used to describe the correlation between dependent and independent variables is Spearman's correlation coefficient. According to Horvat and Mioč

---

<sup>1</sup> Data collected as part of the research for the purpose of the doctoral dissertation.

<sup>2</sup> In addition to independent variables related to tax subsidies (*sopd\_net*, *ppg* and *spo\_olak*), other selected variables that could have an impact on the profitability of business entities were also observed.

<sup>3</sup> *Dummy* variable represents a variable that cannot be numerically expressed and assumes values 0 or 1. Dummy variable takes the value of 0 for a period of events' non-existence, and the value of 1 during the existence of an event (Vojković, 2015, 27).

<sup>4</sup> All independent variables are taken into account, except the variable relating to efficiency of tax breaks (*pot\_ukpot*).

<sup>5</sup> Only an independent variable related to the efficiency of tax breaks is taken into account (*pot\_ukpot*)

(2014, 488), the coefficient does not assume the condition of linearity, symmetry and size of the sample, making it acceptable in this analysis. Since the data analysis contains a dichotomous, i.e. binary, variable (*dummy\_recession*), point biserial correlation was used to establish the correlation between the said dichotomous (binary) variables and profitability. Point biserial correlation represents a special case of Pearson's correlation and measures the correlation between a continuous variable and other dichotomic (binary) variable (Sheskin, 2003, 808).

### 3. Research Results and Discussion

#### 3.1. Relationship between Tax Breaks and Entrepreneur Profitability

Tax breaks, which result from the reduction of the tax base (*sopd\_net* and *ppg*), can be used all by taxpayers under the same conditions regardless of the classification of the area. However, grants that reduce income tax liability (*spo\_olak*) are differently defined for each of the listed constituent in the area of special national status. That means that there is a possibility of different impacts on profitability measured by the net profit margin.

**Table 1:** Correlation coefficient between net profit margin and independent variables on constituents in areas of special national status

Area	Area of special state care			The City of Vukovar	Highland area
	Group I	Group II	Group III		
Variable	<i>nmp</i>	<i>nmp</i>	<i>nmp</i>	<i>nmp</i>	<i>nmp</i>
<i>nmp</i>	1.00	1.00	1.00	1.00	1.00
<i>dummy_rec</i>	0.6076	0.5676	0.6238	-0.9215 *	0.4239
<i>sopd_net</i>	0.7333 *	0.6500	0.8500 *	-0.1667	0.3667
<i>ppg</i>	0.7667 *	0.1833	-0.2333	-0.0667	-0.1339
<i>spo_olak</i>	-0.4000	-0.3500	-0.7167 *	0.8333 *	-0.3833
<i>spt</i>	-0.6167	-0.7000 *	-0.6833 *	-0.9167 *	-0.3833
<i>tbp</i>	0.0833	0.1333	-0.1500	-0.6833 *	-0.2333
<i>pr_rad</i>	-0.6000	-0.0667	0.4500	-0.5167	0.2833
<i>rt_pod</i>	-0.5500	-0.2167	-0.5000	-0.4833	-0.3500

Stars denote significance at significance level of 5%\*

Source: Author's research

According to the results listed in Table 1, it is evident that there is a significant 5% significance link between the dependent variables in area of special state care Group I, i.e. the *net profit margin* and the independent variables related to breaks that decrease of the income tax base (*sopd\_net*) and tax credit carried forward (*ppg*). Profitability in area of special state care Group II, i.e. net profit margin (*nmp*), is only linked to the actual tax burden (*spt*) at significance level of 5%. Net profit margin (*nmp*) in area of special state care Group III demonstrates a link at significance level of 5% with tax breaks that decrease income tax base (*sopd\_net*), tax breaks that reduce tax liability (*spo\_olak*) and actual tax burden (*spt*). Net profit margin (*nmp*) in the area of the City of Vukovar has a strong linkage of 5% significance with the recession period (*dummy\_rec*), tax breaks that reduce the tax liability (*spo\_olak*), actual tax burden (*spt*) and costs of gross salary (*tbp*). In highland areas, the net profit margin does not have a significant correlation with either of the observed independent variables.

It is also important to emphasize that the result of the link between net profit margin (*nmp*) and the variable related to reduction of tax liability (*spo\_olak*) for area of special state care Group

III requires additional explanations. Negative linkage of breaks that reduce tax liability (*spo\_olak*) and net profit margin (*nmp*) may be affected by the low level of realized breaks in area of special state care Group III. Namely, in area of special state care Group III the said break in the observed period represents only 21% of the same break in the area of the City of Vukovar (Tax Administration, 2016), where a strong link between the said independent variables and profitability was noted.

The results obtained by correlation analysis, looking at them in a wider context, are in line with the results obtained in the works of other authors. Namely, Klemm and Van Perys (2012, 419) conducted a study on tax breaks in the period 1985-2004 for the area of Latin America, the Caribbean and some African countries, indicating that the use of lower rates of taxation and the prolongation of tax holidays (breaks) affects attracting foreign investment in Latin America and the Caribbean, but not in Africa. It also emphasized that the effect of tax rates and tax holidays does not exist when taking into account total investment and growth of observed areas. In his research, Munongo (2016, 241) in his research, through the presented four categories of tax breaks (tax holiday, reduced tax liability, tax credit carried forward and tax liability reduction with regard to certain sectors), points to the situation that tax breaks cannot produce the same development effects on each of the observed areas of the South African Development Community. The research was conducted for the period 2004-2013. The results point to the conclusion that a tax mix, which provides for efficient use of tax breaks, can affect the inflow of direct foreign investment.

Absence as well as inequality in achieving the link between observed tax breaks and dependent variables in the observed area can be justified by the fact that tax holidays, i.e. breaks can never compensate for inadequate infrastructure, economic and political instability and poor government policy (Fahmi, 2012, 91).

### 3.2. Relationship between Efficiency of Tax Breaks and Entrepreneur Profitability

The total value of breaks for an area constitutes the sum of breaks that reduce income tax base (*sopd\_neto and ppg*) and tax breaks that reduce the tax liability (*spo\_olak*).

In this paper, it is assumed that there is a significant positive correlation between the efficiency indicators of tax breaks of individual areas in total breaks of areas of special national status (*pot\_ukpot*) and net profit margin (*nmp*). The assumption of the stated linkage would have two meanings for each constituent of areas of special national status. Tax breaks used by business entities operating in the observed areas should contribute to increased profitability. On the other hand, the state would justify the resulting budget losses due to reduced income tax in a certain area that is a part of incentive system.

**Table 2:** Spearman's correlation coefficient between the net profit margin and efficiency of tax breaks per constituents of areas of special national status

Variables	Area of special state care			The City of Vukovar	Highland area
	Group I	Group II	Group III		
<i>nmp</i>	1.00	1.00	1.00	1.00	1.00
<i>pot_ukpot</i>	0.2167	0.4333	0.9167 *	0.0833	-0.3833

Stars denote significance at significance level of 5%\*

Source: Author's research

Examining Spearman's coefficient results shown in Table 2, it is observable that the correlation coefficient ( $r_s = 0.9167$ ,  $\text{Prob} > |t| = 0.0005$ ) shows a strong correlation between the observed variables at a statistical significance of 5% only for area of special state care Group III. Thus, despite the extremely low level of break share in total breaks that is evident for area of special state care Group III, the intensity of their linkage to profitability in the said area is statistically significant and the direction is expected. In all other areas, despite a considerably larger share of total breaks, there is no statistically significant correlation with profitability. Namely, area of special state care Groups I and II during the observed period participate with their share of 37.5%, i.e. 42.02% in total breaks (Tax Administration, 2016),

Therefore, these results, as highlighted in the works of other Croatian authors, confirm the fact that it is necessary to deal more rationally with tax breaks within income tax system. Bratić and Urban (2006, 162) in their research indicate that the share of lost income from income tax in total state budget revenues is significantly increasing from year to year in the observed period. The aforementioned situation, as well as the share of lost income, are not insignificant in the opinion of the aforementioned authors. Taking into account the deficit problem that exists in the state budget, but also in the budgets of a large part of the local self-government units, the situation becomes even more worrying (Ministry of Finance, 2005-2013, 2007-2015).

With an aim of estimating the benefits of introducing certain tax expenditures (breaks) into the tax system, Bratić (2011, 128) states that the tax authority should implement a more significant reform of the tax system related to tax breaks within income tax system. Furthermore, Bratić (2012, 86) emphasizes that there are considerable structural difficulties and lagging in economic development in the specially treated areas (area of special state care Group I, II and III, highland area and the City of Vukovar). The same author states that tax authorities should carry out a more significant tax reform of existing tax breaks, examine their efficiency, or completely abolish them and replace them with subsidies. The survey conducted by Bogovac (2012) points to the fact that tax system security is more important to taxpayers than the possibility of using tax breaks (Rogić Lugarić, Bogovac, 2014, 1163). In addition, when observing tax breaks for the period 2007-2010, in areas of special national status, authors Marković et al. (2013, 118) state that the purpose of performing entrepreneurial activity should not be directed towards the use, i.e. utilization of tax breaks. The entrepreneur's activity, according to the aforementioned authors, should be based on a developed business strategy and have economic justification.

Observing the tax and legislative aspect of tax expenditures Rogić Lugarić and Bogovac (2014, 1166) point out that there is a lack of "official" attention paid to tax breaks in the Croatian tax system. Dražić Lutinsky and Bernat (2016, 9;7;18) emphasize in their work emphasize that surveyed entrepreneurs consider the realization of existing tax breaks very difficult due to complicated and insufficiently clarified procedures and often ambiguous legal regulations. The same authors state that entrepreneurs do not see the use of tax breaks as an area for increasing competitiveness. Furthermore, entrepreneurs consider tax breaks to have little impact on investment, employment and the economy as a whole. The aforementioned paper confirmed that the largest number of entrepreneurs (in the period 2013-2014) used state support for education and training, followed by reinvested earnings and tax credit carried forward. Usage of, to a large extent, tax credit carried forward speaks enough about the situation that entrepreneurs are in for a long time regarding their successfulness.

#### 4. Conclusion

The expected results in the paper assumed a statistically significant intensity of correlation with a positive direction between tax breaks (*sopd\_neto*, *ppg* and *spo\_olak*) and profitability measured by the net profit margin (*nmp*). Taking into account the observed constituents of areas of special national status, the assumed direction and intensity of linkage between the mentioned tax breaks and profitability and other selected independent variables and profitability is evident in all of the above-mentioned constituents except in the Highland area. Negative, i.e. unexpected linkage direction of a break that reduces the tax liability (*spo\_olak*) to profitability, i.e. the net profit margin (*nmp*) achieved in area of special state care Group III may be a consequence of low levels of received breaks in the observed period.

Given the observed relationship between the profitability of entrepreneur activity (*nmp*) and the efficiency of realized breaks (*pot\_ukpot*), there is a strong statistical linkage of positive direction only to PPDS Group III. Thus, the obtained result represents information for managers and business owners that regardless of efficiency level of the support, it is not possible to predict the movement of profitability of the mentioned area.

The results obtained in this paper can serve the managers and owners of business entities in creating business policy. However, they need to take into account some other sources of profitability (technological achievements, cheaper sources of financing, innovation, etc.), alongside tax breaks, in order to increase profitability.

#### References

- Bajo, A., Jurlina Alibegović, D. (2008). Javne financije lokalnih jedinica vlasti. Školska knjiga, Zagreb.
- Bogovac, J. (2012). Pravni i ekonomski čimbenici oporezivanja multinacionalnih korporacija. Doktorska disertacija. Pravni fakultet, Zagreb.
- Bratić, V. (2011). Porezni izdaci: Potreba ili udvaranje biračima? Institut za javne financije, Zagreb.
- Bratić, V. (2012). (Ne)efikasnost poreznih izdataka u oporezivanju dobiti u Hrvatskoj. Zbornik radova: Skrivena javna potrošnja: sadašnjost i budućnost poreznih izdataka, ur. Bratić, V. i Fabris, M. Institut za javne financije, Zagreb.
- Bratić, V., Urban, I. (2006). Porezni izdaci u Hrvatskoj. Financijska teorija i praksa 30 (2): str. 129–194.
- Dražić Lutilsky I., Bernat, A. (2016). Utjecaj poreznih olakšica, oslobođenja i poticaja u sustavu oporezivanja dobiti na poslovanje trgovačkih društava u Republici Hrvatskoj. Ekonomija : časopis za ekonomsku teoriju i politiku.- Zagreb : Rifin, ISSN 1330-0636, ZDB-ID 13806208. - Vol. 22.(2), pp. 245-279.
- Državni geodetski ured (2016). Popis prostornih jedinica – popis županija, gradova i općina. Državni geodetski ured, Zagreb.

European Commission (2014). Tax expenditures in direct taxation in EU Member States Occasional Papers 207, 12/2014. European Commission, Brussels. [http://ec.europa.eu/economy\\_finance/publications/occasional\\_paper/2014/pdf/ocp207\\_en.pdf](http://ec.europa.eu/economy_finance/publications/occasional_paper/2014/pdf/ocp207_en.pdf)

(accessed 20 February 2019).

Fahmi, M.R. (2012). Analyzing the Relationship between Tax Holiday and Foreign Direct Investment in Indonesia. JAPAN: Graduate School of Asia Pacific Studies Ritsumeikan Asia Pacific University. <http://r-cube.ritsumei.ac.jp/bitstream/10367/4740/1/51210611.pdf> (accessed 13 January 2019).

Financijska agencija (2016). Osnovni financijski rezultati poduzetnika Republike Hrvatske u razdoblju 2004.-2014. Registar godišnjih financijskih izvještaja. Zagreb: FINA

Horvat, J., Mijoč, J. (2014). Osnove statistike. Naklada ljevak, Zagreb.

Klemm, A. Van Parys, S. (2012). Empirical evidence on the effects of tax incentives. International Tax and Public Finance, 2012, Volume 19, Issue 3, pp 393–423. <https://link.springer.com/content/pdf/10.1007/s10797-011-9194-8.pdf> (accessed 13 January 2019).

Marković, B., Letinić, S., Budimir, V. (2013). Porezni poticaji u poslovanju poduzetnika s područja posebnog državnog statusa. Ekonomski vjesnik: časopis Ekonomskog fakulteta u Osijeku. 1 (2013), pp. 107-121.

Miljenović, A. (2013). Pristup razvojno osjetljivim zajednicama u Hrvatskoj: između teorijske konceptualizacije i političko-pravnih rješenja. Politička misao: časopis za politologiju, 50(3), 155-179. [file:///C:/Users/Korisnik2/Downloads/Politicka\\_misao\\_3\\_2013\\_155\\_179.pdf](file:///C:/Users/Korisnik2/Downloads/Politicka_misao_3_2013_155_179.pdf) (accessed 13 January 2019).

Ministarstvo financija (2005.-2013.) Ostvarenje proračuna JLP(R)S za period 2002.-2010. i 2010. – 2014. Dostupno na: <http://www.mfin.hr/hr/financijski-izvjestaji-jlprs> (accessed 18 December 2018).

Ministarstvo financija (2007., 2010., 2012., 2013., 2014. i 2015.) Godišnje izvješće. Ministarstvo financija, Zagreb. <http://www.mfin.hr/hr/godisnjaci-ministarstva> (accessed 23 November 2018).

Munongo, S. (2016). The Effectiveness of Tax Incentives in Attracting Foreign Direct Investment: The Case of the Southern African Development Community. Doctoral thesis. [http://uir.unisa.ac.za/bitstream/handle/10500/21037/thesis\\_munongo\\_s.pdf](http://uir.unisa.ac.za/bitstream/handle/10500/21037/thesis_munongo_s.pdf) (accessed 13 January 2019).

Narodne novine (2001). Zakon o obnovi i razvoju grada Vukovara, NN 44/01, 90/05, 80/08, 38/09, 148/13).

Narodne novine (2002). Zakon o brdsko-planinskim područjima, (NN 12/02, 32/02, 117/03, 42/05, 90/05, 80/08, 148/13, 147/14).

Narodne novine (2004). Zakon o porezu na dobit, (NN 177/04, 90/05, 57/06, 146/08, 80/10, 22/12, 148/13, 143/14, 50/16).

Narodne novine (2008). Zakon o području posebne državne skrbi, (NN 86/08, 57/11, 51/13, 148/13, 76/14, 147/14, 18/15).

Porezna prava (2016). Statističko izvješće o verificiranim prijavama poreza na dobit za razdoblje 2005.-2013.godine. Ministarstvo financija, Zagreb.

Rogić Lugarić, T., Bogovac, J. (2014). Poreznopravni aspekti poreznih izdataka. HKJU-CCPA. 13/4, pp. 1115.-1148.

Schick, A. (2007). Off-budget expenditure: an economic and political framework. OECD Journal on Budgeting, 7(3), 7.

Sheskin, D. J. (2000). Handbook of parametric and nonparametric statistical procedures. Second edition. Chapman and Hall/CRC, New York. [http://fmipa.umri.ac.id/wp-content/uploads/2016/03/David\\_J.\\_Sheskin\\_David\\_Sheskin\\_Handbook\\_of\\_ParaBookFi.org\\_.pdf](http://fmipa.umri.ac.id/wp-content/uploads/2016/03/David_J._Sheskin_David_Sheskin_Handbook_of_ParaBookFi.org_.pdf) (accessed 15 January 2019).

Ured za strategiju razvitka Republike Hrvatske (2001). Hrvatska u 21. stoljeću–Makroekonomija. Zagreb: Ured za strategiju razvitka Republike Hrvatske. <https://vlada.gov.hr/UserDocsImages/Sjednice/Arhiva/135.%20-%204.2.pdf> (accessed 10 December 2019).

Vojković, M. (2015). Usporedna analiza pokazatelja turističke djelatnosti u splitsko-dalmatinskoj županiji prema popisima stanovništva 2001. i 2011. godine. Završni rad. Sveučilište u Splitu, Ekonomski fakultet, Split.