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Today's reforms of tax administration in our country

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ABSTRACT

This article examines the problems and opportunities in the tax administration of Uzbekistan and suggests practical ways to increase its efficiency. The tax system plays an important role in revenue generation and economic development. However, some inefficiencies and complexities within the administration prevent optimal tax collection and enforcement. The review of the current tax administration in Uzbekistan begins with showing its strengths and weaknesses. Suggested ways to improve tax administration in Uzbekistan include implementing digital solutions, simplifying tax procedures, and adopting a risk-based approach to auditing. The study provides practical recommendations to help create a stronger tax system and a more favorable business environment in the country.

Keywords:

Tax administration methodology, tax administration land, land tax, real estate, local budget, local budget revenues, local authorities, local taxes, resource taxes, tax, budget, tax rate, tax reporting, tax receipts, tax credits.

Introduction:

Tax administration is an important aspect of any country's fiscal policy and is responsible for the efficient and fair collection of taxes to support government operations and public services. In Uzbekistan, as in many other countries, effective tax administration is important to ensure economic growth, encourage investment and ensure social welfare. However, despite significant progress made in recent years, there are a number of problems in the tax administration system of Uzbekistan. It is aimed at studying various ways of improving tax administration in Uzbekistan. It examines the existing strengths and weaknesses of the current system, analyzes the main directions that require attention and reforms. By identifying these problems and proposing feasible solutions, the research aims to contribute to the development of a more efficient and transparent tax administration in Uzbekistan.

Analysis of literature on the topic

Tax administration priorities include increasing budget revenues, expanding the base of local budget revenues by improving taxation administration, and unifying taxes.

The scientific views of K. Silvani and K. Baer, experts of the International Monetary Fund, are as follows: "tax administration strategy is evaluated as measures aimed at increasing the efficiency of long-term tax administration operations, the size of the tax break (difference between payable and received income) in the country and measures to reduce it should be prepared based on its severity" [1].

According to A.I.Pogorletsky and M.V.Keshneran: "Introduction of digitization and information technologies to the tax administration must lead to reduction of workload in tax authorities, as well as reduction of debts on types of taxes and insurance contributions" [2].

A.A. Spiridonov and others gave the following definition: "Tax optimization is a purposeful legal action of a taxpayer aimed at reducing tax liabilities, which includes the use of tax credits, tax exemptions and other methods and rules established by legislation [3].

According to Bassey et al., tax administrations around the world are highly digitized with diverse and sophisticated e-services to improve the taxpayer experience. Nevertheless, it is important to understand the factors that are critical to the success of a digital tax system [4].

Chowdhury raised one of the most urgent problems in the tax administration system in his work. He noted that tax evasion is a widespread problem all over the world. On the one hand, some incentive mechanisms and, on the other hand, control mechanisms are necessary to motivate people and also to create some pressure for them to pay taxes regularly [5].

B.B. Ibragimov The study of the history of tax relations and administration in Uzbekistan shows that taxes, their calculation and collection procedures exist in one form or another in all socio-economic formations of personal society [6].

According to A. Smith, in the tax administration, "peace, moderate taxes and patience in management are the main factors, and everything else will be done by the natural process".[7]

Research methodology. In the process of analysis, statistical grouping of data, comparative and trend analysis methods were used. The article compares the scientific-theoretical views of economists aimed at ensuring the improvement of the tax administration.

Analysis and discussion of results.

Tax reforms aimed at creating a fair, transparent, long-term and international tax system in the Republic are economically and legally based and are convenient and beneficial for taxpayers.

First of all, the legal basis for guaranteeing the activities of business entities and investors in the tax field was created, and the new tax

concept, the Tax Code and more than 150 laws, decrees, decisions and other regulatory documents were adopted. In order to create a level playing field, more than 80 different tax incentives have been canceled. The practice of granting individual benefits has been abandoned. Tax types were reduced from 13 to 9 in order to drastically reduce the tax burden. Deductions in the amount of 3.2% of the turnover and the payment of the Beautification and social infrastructure development tax (8%) were canceled, the property tax rate was reduced from 5% to 1.5%, and the VAT rate was reduced from 20% to 12%. As a result of lowering the single social payment rates from 25% to 12% and abandoning the rising scale of income tax calculation (the highest rate - 22.5%) and lowering it to a fixed 12%, the tax burden on wages decreased by almost 2 times.

For comparison: the income tax rate in Sweden is 56.9%, in England 20-45%, in Denmark 55.6%, in Spain 45%, VAT rate in Denmark, Norway, Sweden — 25%, in Finland — 24%, in Hungary — 27%, Russia, Belarus and Ukraine — 20%.

The application of the new task set to the tax authorities by the Honorable President - "Tax Office - Entrepreneur's Assistant" system was one of the most important tasks in providing practical assistance to entrepreneurs. In 2022 alone, as a result of the organization of work on the basis of the principle "Taxpayer - helper of the entrepreneur": Through the automation of tax reports, the rate of voluntary submission of tax reports has reached 99 percent.

The reports of 66,500 non-rural land tax payers and 61,900 property tax payers across the republic were fully automated through the collection of information from the Cadastre Agency and the "E-privilege" program. The turnover tax reporting for 359,400 payers across the country was 100% fully automated. VAT reporting was automated for 173,900 payers (86 percent) by introducing electronic invoicing, online cash register technology, "marketplace" system data, and real-time data exchange with the Customs Committee.

As a result of the refund of the negative difference in value added tax, 20.1 trillion

soums were reimbursed to taxpayers in 2022, or about 7.6 trillion soums more than in 2021. The application of increased rates of property and land taxes to empty buildings, unused production areas, structures not intended for living, as well as unfinished construction objects and land plots occupied by these objects was canceled, and 1.7 trillion to the owners of 18.5 thousand objects 20,500 soums of taxes were suspended, and the tax debt of 1.8 trillion soums resulting from the application of the effective tax mechanism to the owners of 20,500 objects was written off. The amount of the financial penalty applied for the case of delay in receipt of foreign currency has been reduced by 2 times. During 2022, the amount of 752.9 billion soums remained at the disposal of economic entities as a result of halving the amount of financial fines for 2,507 economic entities.

The application of administrative fines for debtor and creditor overdue debts has been cancelled. The requirement to submit financial reports to tax and statistics authorities on a quarterly basis by accounting entities has been canceled. It was established that profit tax and turnover tax will not be imposed on the part of exported goods (services), regardless of the share of the income from export. Entrepreneurs belonging to the category of small and medium businesses were given the right to pay tax payments in 6 months without interest.

The financial penalty for failure to submit the tax report within the specified time limits has been abolished. At the same time, 8,973 entities were extended the period for paying tax debt of 804.3 billion soums. 9,500 were broadcast on television and radio, and 35,700 on social networks. The call center helped entrepreneurs to fulfill their obligations through 878,700 calls.

In accordance with the decision of the President of the Republic of Uzbekistan "On measures to radically improve the activities of the state tax service bodies" dated June 26, 2018 No. PQ-3802, the interregional state tax inspection for large taxpayers will be established in the tax service bodies from 2019, and the centralized system of service provision will be divided into sectors was established and

today serves 962 taxpayers.

With the establishment of the inspectorate, as a result of the increase in the quality of tax administration and services to taxpayers, the amount of funds coming to the budget amounted to 88.3 trillion soums by the end of 2022, which is almost 2.5 times more than in 2019.

Also, in order to improve the quality of services provided to value-added tax payers, it was introduced that tax administration should be centralized by regional tax administrations (the number of VAT payers increased from 6.7 million to 173.9 thousand or 26 times over the past 5 years, revenue from 13.8 trillion soums to 32.8 trillion soums or increased by 2.4 times). In order to assist taxpayers in fulfilling their tax obligations, the state unitary enterprise "Saliq-servis" was established. The number of audits organized in connection with the activities of taxpayers was reduced from 13 to 3, and a methodological guide on conducting tax audits, which provides for successful principles of international practice, was approved.

A system of tax risk analysis without human factor was developed and implemented, which allows to assess tax risks and identify taxpayers based on honest criteria for their subsequent distribution into risk segments and selection of service policy. Pre-inspection analysis - based on 400 criteria, the "Avtokameral" system was introduced, the criteria were made transparent to taxpayers, the opportunities for taxpayers to independently eliminate their mistakes were expanded, and tax audits were prevented. 49,723 taxpayers effectively used this opportunity and submitted their re-reports with a total of 2.3 trillion soums added.

As a result, no tax audits were conducted on these business entities, and 1.1 trillion soums of financial fines were avoided.

As a result of the implementation of tax reforms:

The number of operating economic entities reached 541,500 and increased by 24% to 105,400 compared to 2018. The share of value added tax in total revenue was 19.8 percent in 2020, 20 percent in 2021, and 22.1 percent in 2022. Also, income tax revenues from

individuals increased to 11.0 trillion soums or 1.8 times compared to 2018, and 5.4 trillion soums compared to last year. increased to 24.3 trillion soums. amounted to soum. For information, it should be noted that by the end of 2022, the number of officially registered and legally employed people was 5.1 million, which increased by 1.2 thousand people (31 percent) compared to 2018. Revenues from resource taxes in 2022 will be 23.9 trillion. amounting to 11.4 trillion soums compared to 2018, and 0.9 trillion compared to last year. increased to soums.

For information, it should be noted that according to the end of 2022, the part of the population officially registered and working legally amounted to 5.1 million people, which increased by 1.2 thousand people (31 percent) compared to 2018. . Revenues from resource taxes in 2022 will be 23.9 trillion. amounting to 11.4 trillion soums compared to 2018, and 0.9 trillion compared to last year. increased to soums.

Significant positive changes were also achieved in the field of information technologies in tax authorities. In recent years, 41 automated information systems have been introduced, and the number of interactive tax services has increased from 30 to 50.

In order to expand the tax base at the expense of curbing the hidden economy, new instruments of modern tax administration - electronic invoices, use of online control cash registers, marking of goods, electronic contract systems were introduced. In 2022, the number of electronic invoices was 38.1 million, an increase of 4.4 million compared to last year. The turnover reflected in them is 1,402.7 trillion soums, which has increased by 252.6 trillion soums (22%) compared to last year, while the amount of VAT is 134.2 trillion soums or increased by 21.0 trillion soums (19%) compared to last year. The number of formalized electronic power of attorneys will reach 4.5 million in 2022, an increase of 805,376 (22%) compared to last year. Electronic contracts increased by 1.1 million or 5 times compared to last year and reached 1.4 million. The number of users of online cash registers reached 145,332, an increase of 24,983 (21%)

compared to last year. The number of ONKT used by them is 246,267, which is an increase of 19,974 (9%) compared to the previous period, and the number of checks reflected in them reached 720.8 million, compared to last year - 336.8 million (88%) increased.

During 2022, 130,600 economic entities took advantage of 72.9 trillion soums of tax benefits, an increase of 60% compared to the corresponding period of 2021. In 2022, the number of lessors in the "E-rental" interactive service was 186,219, and the number of registered contracts was 325,513. The total amount of these contracts was 8.5 trillion soums, the amount of tax calculated on the amount of the contract was 486.1 billion soums, including income tax 240 billion soums. 44,268 lease agreements were signed between the owners of the residences and the students, and tax incentives of 12.7 billion soums were given to the lessors. The number of users of the digital product marking system will reach 51,377 in 2022, an increase of 40,264 or 4.6 times compared to last year. The amount of goods marked by them is 2.0 million, which is 1.1 million more or 2.2 times more than last year.

By the end of 2022, the number of goods and services included in the unified national electronic catalog of products and services reached 255,683, and compared to last year, it increased by 185,519 or 3.6 times. In 2022, the number of users of interactive services on the my.soliq.uz site will reach 1.4 million, which has increased by 267,584 (23%) compared to the previous year. The number of users of the "TAX" mobile application reached 1.8 million, of which the number of verified users was 835,300.

In accordance with the decision of the President of the Republic of Uzbekistan "On measures to simplify the state regulation of entrepreneurial activity and self-employment" No. PQ-4742, individuals engaged in 67 types of activities - an opportunity was created to register and work as a self-employed citizen (today there are 102 types of self-employment activities). In this case, it was determined that the income of a self-employed person is not subject to taxation, and it was introduced to keep a record of work experience by voluntarily paying 0.5 times the BHM. The Institute of Social

Protection of Foreign Labor Migration and Self-Employed Citizens was created, and the number of officially registered persons reached nearly 1.6 million. "On creating additional conveniences in the management of motor vehicles and the implementation of taxi activities without directions" in accordance with the decision No. PQ-311 of July 7, 2022 Starting from September 1, 2022, transportation activities in light vehicles (taxi) was included in the list of activities that self-employed persons can engage in. 50,908 citizens are registered for the activity of passenger transport in light auto transport. According to the decision PQ-70 dated February 24, 2023 "On additional measures for the further development of homesteading", the types of activities that self-employed persons can engage in by the homestead method filled with 19 areas that can be engaged in.

Based on the above, we offer the following:

Implement risk-based audit approaches that focus on high-risk taxpayers and transactions, allowing for more efficient use of resources and targeting potential tax evasion. Develop closer partnerships with the business community, professional associations and tax experts to gather feedback and input on tax policy and administration. By implementing these proposals, Uzbekistan can increase the efficiency, transparency and fairness of the tax administration, as a result, increase tax compliance, generate income and contribute to overall economic growth.

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