



# Analysis of trends in the use of modern fiscal instruments to ensure the effectiveness of tax evasion reduction mechanisms

**Akhmedov Feruz  
Bakhodirovich**

Tashkent State University of Economics  
independent researcher (PhD)

**ABSTRACT**

This article describes large-scale reforms aimed at creating favorable conditions for doing business in the tax and financial sectors, improving the investment climate and further strengthening the confidence of business circles in our republic in recent years. At the same time, such areas as underground trade and public catering, road transport, housing construction and repair, the provision of personal services were studied, scientific and practical conclusions and proposals were formed on foreign experience and its application in our country.

**Keywords:**

tax revenues, analysis, risks, efficiency, digital platform, methods and tools, advanced information and communication technologies, analysis, optimization, tax incentives, tax rate.

**Introduction:**

In the following years, special attention is being paid in Uzbekistan to reducing the contribution of the hidden economy, tax evasion and tax evasion by taxpayers, and effective implementation of measures to prevent them. Systematic work is being carried out in the direction of strengthening the legal framework for reducing the underground economy, curbing the underground economy due to the results of digitalization of the industry, strengthening public control, legalizing underground jobs, and conducting control measures.

**Review of literature.**

J. Schumpeter (2007) suggests dividing into two types: the risk associated with a possible technical failure in production and the risk associated with the lack of commercial success. A.K. Pokrovsky (2011) suggests the structural characteristics of risk for consideration: risk, risk propensity, risk sensitivity (vulnerability), interaction with other risks, available information about risk, amount of risk, risk-related costs (costs), identity risks.

Swedish economist K.F. Becker (2004) pointed out that the secret economy is an uncontrollable part of the informal economy, which means that they produce goods and provide services based on other forms of incentives. .

Aronov, Kashinlar (2004) in his research, studying the mechanism of collection of taxes and other compulsory payments abroad and in the Russian Federation, the policy of working with taxpayers who refused to pay taxes, their rights and obligations, in the future every a taxpayer voluntarily developed practical recommendations on the obligation to pay taxes and applied these recommendations in the field of collection of taxes and other mandatory payments, proved it and implemented a number of practical measures.

However, with a completely different proposal from Jalonkinani (2012), Tashmatov in his book "On the role of taxes in the development of enterprises" recommends taxes and other mandatory payments to stimulate the activities of business entities and reduce their debtor and creditor debts. and made scientific recommendations on improving recovery mechanisms by increasing their activity.

Andreeva (2017) researched the reasons for non-compliance with tax discipline by taxpayers, analyzed ways to increase tax knowledge, and suggested ways to improve service to taxpayers as a state partner.

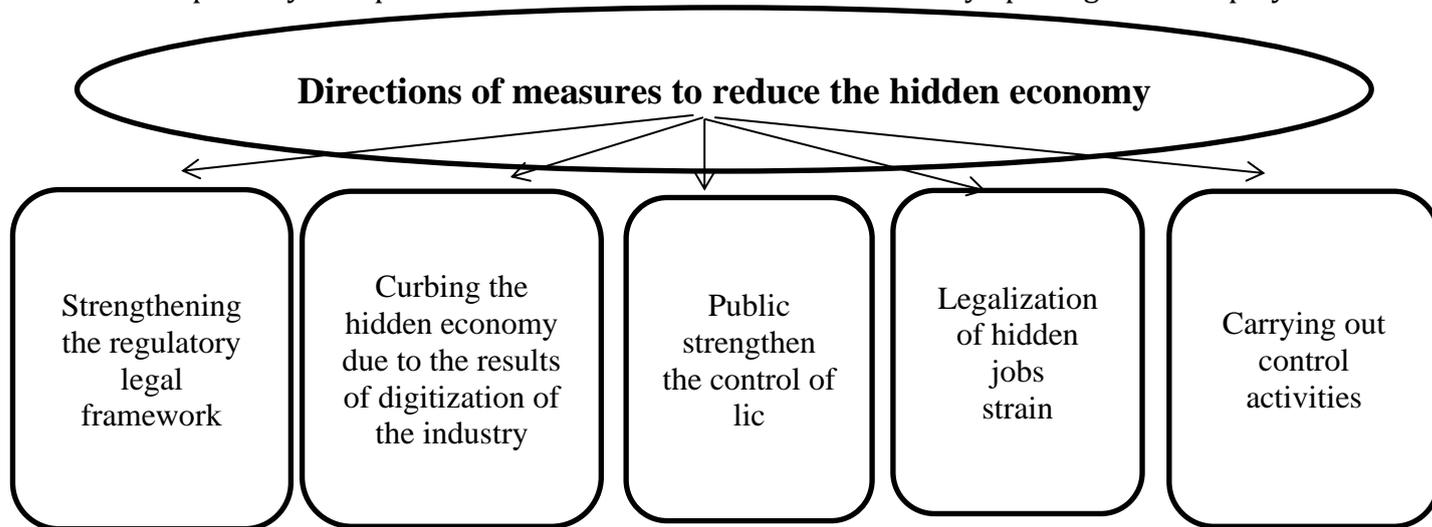
**Analysis and discussion of results.**

The social, economic, and legal reasons for this were scientifically explained. It is clear that the greatest danger for any national economy is the danger of not being able to meet national needs in the context of globalization, and at its inner core is the existence and growth of a separate economy known as the hidden economy. The hidden economy always follows the category of tax evasion and affects its status and level. From this it can be concluded that ensuring the effectiveness of measures to reduce the illegal manifestations of tax evasion requires wide and effective use of various methods of reducing the level of the hidden economy.

If we look at the formation of the clandestine economy and tax evasion as a result of the nine-month period of 2022 alone, during this period, 869 taxpayers' purchased goods are disproportionate to the nomenclature of goods sold and 1.12 trillion .sوم tax arrears, included in the group of taxpayers with a high tax risk, and input and output operations on accounts were temporarily suspended. All of these

taxpayers are subject to a tax audit. During the camera inspection, a mobile tax inspection was organized in 161 of them, and additional taxes of 276.7 billion soums were calculated on the entities that allowed a shortage of goods. 138.4 billion of the calculated additional taxes. 51 of them suspended their activities without paying soms. 38 of them were declared bankrupt and their debts were written off. 869 1.12 trillion soums of debts have not been paid due to the lack of property and funds, despite the fact that the mandatory collection measures have been taken. Due to the lack of property, the enforcement document for 136 of the 482.7 billion soums was returned to the tax authority without execution by the bailiffs.

As of January 1, 2022, there were 3,093 enterprises that were operating secretly, making illegal profits, and suspended their activities without paying taxes, and their debt to the budget amounted to 3.8 trillion soums. Due to the opening and operation of 1,217 similar enterprises in the first half of 2022, the tax debt is 1.4 trillion. increased by 5.285 trillion soums, and the debt of the enterprises engaged in secret activities reached 5.285 trillion soums. Due to the lack of funds, property and assets of these debtor taxpayers, the debt of 178 taxpayers amounting to 864.0 billion soums was written off by opening a bankruptcy case.



**Figure 1. Directions of measures to reduce the hidden economy <sup>1</sup>**

As shown in Figure 1, reduction of the underground economy in our republic is being carried out today in the direction of:

strengthening the regulatory legal framework, curbing the underground economy due to the results of digitization of the industry,

<sup>1</sup> Compiled by the author.

strengthening public control, legalizing underground jobs, conducting control measures. In particular, 15 regulatory documents aimed at preventing the underground economy were adopted and work is underway on 15 draft documents, 14 new instruments and 3 responsibilities are defined in the adopted norms. In the ongoing projects, determining the market prices of goods (services), protecting the rights of honest tax payers, reducing the share of the hidden economy in the service sector, the procedure for using bank cards in making control purchases, introducing an automated control system at gas stations for cars, cancellation of special accounts and other urgent issues are envisaged. As a result of the introduction of electronic invoicing, sales of goods and services worth 376.5 trillion soums were covered by 38.3 million electronic invoices in September 2022, which is more than the corresponding period of the previous year (34, 5 million EHF 316.4 trillion soums) increased by 1.2 times. As a result of the introduction of online NKT and 1% "Cashback" - in September 2022, through 200.9 million checks, sales revenues of 47.0 trillion soums were included in the tax base, that is, compared to the corresponding period of the previous year ( 113.1 million checks (28.6 trillion soums) increased by 1.6 times. As a result of the automatic segmentation of VAT payers according to tax risk (low, medium and high) and the introduction of new principles of registration - problematic VAT debt of 738 billion soums was collected from 4.9 thousand enterprises and in 32.1 thousand cases 576 billion soums of unjustified "zachet" were prevented. By calculating and controlling the interruption of the VAT chain, applications for compensation of 634 billion soums of VAT of 3.2 thousand enterprises were rejected due to the interruption of the chain and the counterparties, and the return of unreasonable funds from the budget was not allowed.

Above, we briefly explained the factors that cause tax evasion in our republic and the content of measures aimed at reducing them. Below, we present a number of our scientific and practical proposals as the scientific basis for

solving the problems in this regard, which are still waiting for their solution:

A). Economic measures:

First, it is necessary to switch to the calculation of the tax base based on the market price.

Today, in order to effectively implement the system of price formation based on market principles and to protect the rights of honest taxpayers and consumers, as well as to create equal conditions for business activities aimed at reducing the hidden economy, an automated system for determining the market price of goods (services) without a human factor has been put into practice. should be introduced. When determining the tax base, the price of goods (services) is determined by the most likely and fair value, including the value that can be realized (shown) in the market of goods (services) determined and (or) determined by competent authorities, assessment organizations. will be compatible.

For example, according to the Customs Committee, as of the six months of 2022, the invoice value of imported goods in the amount of 262.7 million dollars by 387 economic entities in 2,670 cases in the exporting country It was purchased at an increased price of 60.7 million dollars compared to the cost. Due to this amendment, the tax base for profit tax will be increased by 669.0 billion soums only at the expense of importers themselves.

Secondly, it is appropriate to clearly define the concept of VAT chain break (Tax gap) and working mechanisms, including giving tax authorities the right to correct VAT "zachet" amounts.

Today, the amount of the VAT chain break is 21.2 trillion soums, and the non-introduction of this norm will continue to cause huge losses to the budget. In addition, in order to verify the transparency and correctness of the accounting ("depositing") of the value added tax due to the budget, in which of the participants of the VAT chain the VAT is fully (or at all) fully paid. "Tax gap" electronic program for automatic detection of missed interruptions has been launched. There is a need to carry out investigations up to the investigation of subjects who deliberately allow these interruptions and use tax evasion schemes.

Also, in our opinion, establishing the authority to carry out pre-investigation investigations by the tax authorities on cases of unjustified tax benefits in the form of non-payment of taxes using fraud schemes related to VAT, or reduction of tax amounts, the State Tax Committee on Tax Offenses assigning the task of carrying out an investigation to the investigation of the above-mentioned cases, abuse of rights in the chamber tax audit conducted in connection with the correct calculation of VAT, including:

non-payment or non-payment of tax by entering into transactions (implementing operations) for forgery or deception;

to appoint a tax audit to the taxpayer and, based on the results of the tax audit, to initiate a criminal case or case it will be necessary to solve the issue of refusal of prosecution and to integrate the database of tax authorities into the unified information system of electronic criminal-legal statistics for registration of investigation materials and recording of results. Thirdly, it is desirable to move to the full implementation of MXIK and "E-active" system. As a result of the reduction of the VAT rate by 3 percentage points, it is expected that the amount of "receipt" between the 15 percent rate and the 12 percent rate will exceed 3 trillion soums in the next year. There will be no possibility of control without an electronic tracking system. In addition, only 112 enterprises, which are segmented at the expense of those engaged in the underground economy, made a turnover of 1.8 trillion soums in 7 months and reported that they have a balance of goods of another 1.9 trillion soums (negative difference the amount is 272 billion soums). They paid only 2.5 billion soums of VAT and 4.4 billion soums of profit (6.9 billion soums in total).

Fourthly, the creation (filling) of the chartered fund, financial assistance or lending, as well as operations on investment contracts concluded with individuals (participation) must be registered in the information systems of tax authorities.

According to estimates, the state budget is losing up to 1.1 trillion soms per year on average. This situation is also noted when large

amounts of money, buildings and constructions, construction materials (without specifying the source) are introduced and realized by individuals to the charter fund of construction enterprises. For example, "Farrier home" LLC in Uchtepa district, evading VAT and profit tax, completed the construction in the name of an individual, then transferred the building worth 13.2 billion soums to the charter fund and registered 58 apartments to individuals through a notary in one day.

Fifth, in order to create the possibility of full control of the movement of goods within the Republic, the State Customs Committee will use the database of the State Tax Committee, indicating the identification codes of products and services by the declarants when issuing import and export customs cargo declarations. should be integrated with.

Because today there are cases of understating of sales of imported products and tax evasion by economic entities. Therefore, it is necessary to establish a record of information on the export of imported goods based on a power of attorney by the customs authorities, and to integrate this information into the database of the State Tax Committee, as well as the import of imported goods by the importer. on the basis of a power of attorney, it is appropriate to specify the submission of information on the export to the DSQ by a person who is not in the state of the importing enterprise (does not work in this enterprise) or another legal entity, having completed all customs clearance. As a result, control over the sale of imported goods and accounting of income and expenditure will be established and tax evasion will be prevented.

Sixth, in order to prevent the activity of "one-day firms" in the construction industry, construction organizations, regardless of the form of ownership, must use materials that are important in construction (cement, brick, metal, pipe, concrete slab, slate, integration of information about the purchase of basic building materials such as tin (iron sheet) through stock exchanges and the notifications and permits issued by legal entities and individuals to the Ministry of Construction to start construction works in the database of the State Tax Committee We believe that it is

necessary to make and present it online, because "one-day firms" related to the purchase of construction goods, regardless of the form of ownership, are still observing the situation of cashing out funds.

Seventh, in order to reduce the taxable base by some taxpayers, there is a sharp increase in the cases of making payments to the account with the purpose of "forming a charter fund", "replenishment of working capital", etc. .

Therefore, in order to prevent this direction of tax evasion, the founder (citizen) must introduce a system of declaration to the tax authorities on the source of funds that are introduced to replenish the charter fund or to replenish the working capital when forming the charter fund. need to be implemented. As a result of this, transfer of real sales revenues to avoid taxes, such as "formation of the charter fund", "replenishment of working capital", and leads to the full calculation of taxes to the budget.

Eighthly, budget funds are cashed out by artificially increasing the prices of goods and services by making fake deals with "one-day" firms for state procurement by budget-financed organizations, which causes "one-day" firms to continue their work. In order to prevent this problem, it is necessary to review whether the contract is approved or not depending on the level of "Tax risk (red, yellow, green) and tax deduction" of the seller-enterprises that are signed by the organizations financed from the budget for state procurement.

For example: setting a restriction on the automatic formation of the contract when the tax risk level is red or yellow and the tax cutoff coefficient is higher than 0.6 It will be necessary to establish an electronic exchange of information with the Ministry of Construction, the Treasury and relevant agencies on limiting participation in sales and tenders by posting on the website and constantly updating it.

Ninthly, it is desirable to reduce the hidden economy and attract additional resources to the budget at the expense of self-employed persons. In this case, based on the analysis of self-employment practice, revision (expansion) of the list of self-employed persons, citizens employed in the informal sector as self-

employed persons registration, step-by-step transfer of self-employed persons to the use of cash register equipment and payment terminals for calculations through bank plastic cards, as well as in commercial banks it will be necessary to speed up the opening of accounts.

Tenth, it is necessary to strengthen the reduction of the scale of the underground economy in the construction sector.

In order to achieve this goal, automatic presentation of the important calculation indicators provided for in the estimate documents during the implementation of construction at the expense of centralized investments to the State Tax Committee, prevention of cases of understating or increasing the price of purchased goods, especially imported ones to receive, the State Tax Committee and the Ministry of Employment and Labor Relations will jointly conduct field inspections of construction sites in order to determine the number of workers and the types of payments to them, and it will be necessary to take measures aimed at strengthening tax control in the construction sector .

B). Legal and economic measures:

First, it is known that in paragraph 19 of the Decree of the President of the Republic of Uzbekistan No. PF-6098 of October 30, 2020 "On measures to reduce the underground economy and increase the efficiency of tax authorities" it is established that officials of tax service bodies may be engaged by supervisory and law enforcement bodies for a period of no more than 16 working hours per week only to conduct inspections related to compliance with tax and currency legislation.

The problem here is that tax authorities are chronically (monthly) recruited to participate in tax compliance audits as part of criminal investigations.

As a solution to this problem, it is necessary to supervise the involvement of tax authorities for no more than 16 hours a week to participate in tax compliance audits within the framework of criminal investigations, and to specify this in the internal departmental documents of the prosecutor's office. We believe that it is appropriate to do so.

Secondly, according to Article 187-2 of the Code of Criminal Procedure of the Republic of Uzbekistan, Article 187-6 of the JPK, the absence of an official or a representative of the subject being investigated should not be a reason for canceling the audit, in such a case, the audit is the financial affairs of the subject being investigated. - on the basis of the documents, information and materials available on the business activity, it is determined.

Also, in the case of lost, destroyed or non-existent documents, information and materials of the audited entity, the person conducting the audit shall study the issues specified in the decision or ruling on the appointment of an audit. it is determined that it can be transferred in accordance with the legislation on currency, accounting and other legislation. The problem is that it is not possible to conduct a tax audit on compliance with tax legislation if the documents, information and materials of the audited entity are lost, destroyed or unavailable.

### Conclusions and suggestions.

To strengthen the tax administration, increase the capabilities of the tax administration, including technological infrastructure, data analysis and skilled workforce, to more effectively detect and prevent tax evasion. It is necessary to implement risk-based audit approaches aimed at industries and individuals. Severe penalties and sanctions against tax evaders, including fines, prosecution and confiscation of property. Implement a whistleblower protection program to encourage individuals to report tax evasion activities without fear of retaliation.

Improve coordination between tax authorities and financial intelligence units to detect and prevent money laundering activities related to tax evasion. Improving procedures for identifying and verifying beneficial ownership of business entities to prevent misuse of corporate structures for tax evasion. Regularly review and update strategies based on assessment results and emerging trends in tax evasion.

### Reference /Литература/Adabiyotlar:

1. F.Axmedov Soliq to'lashdan qochish xavflarini aniqlashda zamonaviy fiskal nazorati takomillashtirish: (PhD) ilmiy darajasini olish uchun yozilgan diss. avtoreferati. – Toshkent, 2023.
2. Шумпетер Й. Теория экономического развития. Капитализм, социализм и демократия / Й. Шумпетер. М.: Изд-во Эксмо, 2007. 864 с.
3. Покровский А.К. Риск-менеджмент на предприятиях промышленности и транспорта: учеб. пособие / А. К. Покровский. М.: Изд-во Кнорус, 2011. 160 с.
4. Кристина Ф.Б. "The Informal Economy" march 2004, Шведский Международный агентство сотрудничества развития CE-105 25 Стокгольма Швеция.
5. Аронов А ва Кашин В (2007) Налоги и налогообложение М.: Магистр.
6. Жалонкина И, (2012) "Модернизация механизмов взыскания налоговой задолженности в Российской Федерации". Автореферат диссертации на и соискание ученой степени кандидата экономических наук с.14.
7. Андреева В.А. Повышение налоговой грамотности и культуры участников налоговых правоотношений. Экономика Интерактивная наука |4 (14) 2017. стр.136-140.
8. Кузнецов А.Л. Налоговая политика и налоговые органы: реальное состояние, проблемы, перспективы (региональный аспект) 2016. [Электронный ресурс]. – Режим доступа: <http://vasilievaa.narod.ru/zhurnal/>
9. O'zbekiston Respublikasi davlat soliq qo'mitasi ma'lumotlari. [www.soliq.uz](http://www.soliq.uz).