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Issues of compensation for negative amounts of value added tax to taxpayers.

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ABSTRACT

Studying the administration of value-added tax in our country is also related to the improvement of value-added tax. The article analyzes the specific features of calculating the value-added tax base, some complications and problems in its determination, and focuses on issues of improving the formation of the tax base. In addition, based on the results of the changes and additions made in determining and calculating the value-added tax base, appropriate conclusions were formed and recommendations were developed.

Keywords:

Value added, value added tax base, tax, budget policy, budget, tax administration, tax potential, regulatory analysis, tax burden, tax reporting, tax revenues, tax benefits.

Introduction: Incentive factors for filling the production market of our country with competitive products, systematically strengthening our national currency, wide implementation of reforms, reducing the tax burden on economic entities, increasing investment attractiveness and opening a wide path for investors, creating opportunities for business representatives and developing entrepreneurship development is identified as the main driver of our main strategic actions.

Taxation is the main component of the financial policy of any country and plays a decisive role in generating income and ensuring economic stability. As a growing economy, Uzbekistan has adopted unique measures and practices in the field of taxpayer services and VAT administration. It is important to create a favorable environment for business entities in ensuring compliance with tax legislation in the country by providing general information about the procedure for providing services to taxpayers and specific aspects of the VAT

administration in Uzbekistan. In addition, Uzbekistan's approach to taxpayer services and VAT administration is evolving in line with global trends in digitization and international trade. This allows to comprehensively study the specific characteristics and consequences of enterprises operating in Uzbekistan.

Analysis of literature on the topic

The definition of VAT in the Russian economic dictionary is defined as follows: "A tax is collected in the amount that increases the value of this enterprise, which is calculated as the difference between the income received from the sale of goods and services in the enterprise and the price of raw materials and semi-finished products received from other producers of the foreign market (Raizberg, 2008).

Polyak, Romanovsky (2008) are among the scientists who support the definitions established in the country's legislation with similar opinions: "Value added tax is the value of goods (works, services) created and sold at all stages of production and the material costs

spent on production and working capital. is a form of taking part of the additional value determined as the cost of expenses into the budget".

Toshmatov (2012) defined that "value added tax is an indirect tax calculated in relation to the market price of goods, works and services sold by business entities".

According to Pavlova and Dorojko (2014), "if we reduce the tax rates of VAT, then the budget revenues will decrease significantly, which will lead to an increase in the distribution of funds. On the other hand, if we look at the definitions, most organizations increase tax evasion, which is not allowed, because the state budget will have less financial resources.

Value added tax is also called "European" tax in economic literature. In the middle of the 20th century, the German economist V.Von Siemens is known to have proposed the introduction of a "clean turnover tax". However, this did not happen (Romanovskogo, Vrublevskoy, 2007).

The value-added tax is associated with the name of the French economist Maurice Laure (1958) and was tested as a new tax in the French colony of Côte d'Ivoire in 1954, and was introduced in France in 1958. Later, all European countries were ordered to introduce VAT for business entities in their territory by the end of 1972. Currently, VAT is introduced in 137 countries.

Mohammad Alizadeh, Masoume Motallabi (2016) researched the relationship between value-added tax and government spending, and suggested reducing government spending to ensure social welfare, and as a result, lowering the VAT rate.

"Tax Administration Reform and Fiscal Control in Uzbekistan" by Sabine Fraser (2006): This researcher provides an overview of tax administration reform in Uzbekistan and highlights challenges and opportunities for improving tax collection mechanisms. The author suggests that improving the tax collection process can be achieved by improving taxpayer education and outreach, increasing transparency and accountability, and modernizing the tax administration system.

"The Impact of Tax Reforms on Tax Law in Transition Countries: Evidence from Uzbekistan" by Tigran Poghosyan and Evgeniya

Kolomak (2013).According to the authors, tax reforms aimed at simplifying tax procedures and reducing tax rates can increase tax compliance and revenue collection.

Analysis and discussion of results.

Further improvement of the tax policy, simplification of the types of taxes and the mechanism of their implementation are important issues in the implementation of comprehensive economic reforms in our country.

Taxes are one of the main sources of funding for all areas of state activity and an economic tool for realizing state priority. Regulation and improvement of the tax system will help to develop the financial system. Regulation of the economy by the state through taxes, formation of state budget revenues is a method of influencing the development of one or another process in society through taxation. The existence of the state is inextricably linked with taxes, because tax revenues are the main source of the state's economic independence.

Amir Temur, one of the great statesmen in the history of mankind, who built a great kingdom in the Middle Ages, paid great attention to taxes. He relied mainly on taxes to create a system of government. It is clear to everyone that the state finance of that time is one of the most important elements of this system, that it is fundamentally different in that it is integrally connected to all aspects of state management, and that it occupies a central place among all the components of management according to this characteristic. is happening

Taxes have been noticed since ancient times, but at that time taxes served as a sign of a free and unfree person. Adam Smith (Scottish philosopher and economist, 1723-1790) in his book "The causes and nature of the wealth of nations" (1776) first showed the principles of taxation, explaining the importance of taxes and paying them to the state is not slavery, but freedom explained that it is a symptom. N.I. Turgenev in his book "Experiment of Tax Theory" (1818) states that "The success of education also affected the improvement of the tax system, depending on the degree of their beneficial effect on the customs of the people". ..taxes appeared together with the acquisition of

knowledge and became its symbol. About the information spread among the people depending on the method of appointment, distribution and collection of taxes; one can think about his wealth based on the amount of taxes collected, which are the two most important qualities that represent knowledge and enlightenment." From these words, we can once again be sure that taxes are considered ancient financial institutions and arose with the emergence of the state.

Taxes served as a source of financial support for state bodies and the fulfillment of their tasks. With the development of the state, its tasks and functions acquired new features. But the role of taxes as a source of financing the state and its bodies has not changed. "Taxes," writes D. Ricardo, "are a part of the land product and the country's labor at the disposal of the authorities, and ultimately they are paid from the capital account or from the country's income." It should be emphasized that D. Ricardo clarified the essence of taxes and, in turn, developed the theory of taxes created by A. Smith to a certain extent. S.G. Pepelyayev "Tax is the only form of alienation of the property of individuals and legal entities for the purpose of ensuring the solvency of the subjects of public authority established by law on the basis of compulsion, individuality, non-return, provision by state coercion and not having the nature of punishment or contribution" - he emphasized. D.G. According to Chernyk, "Taxes reflect mandatory fees collected by the state from economic entities and citizens at legally established rates." S.H. Gataulin answers the question "...what are taxes and why are they needed" as follows: "Taxes are the main source of state spending, a tool that regulates the economy and stabilizes incomes. Taxes are the main source of state budget revenues and an important tool for managing the economy. However, this definition cannot fully explain the essence of taxes and cannot reflect the organizational and legal aspects of taxes. In addition, as an economic relationship, it cannot answer the question of what is the object of this relationship. Some economists tried to interpret taxes as a means of distribution and redistribution of national income, - "Taxes are a

form of taking a part of national income at the disposal of the state in the process of distribution and redistribution."

Speaking of taxes, it is no secret that when it comes to the type of VAT, VAT is not only levied, but also creates the opportunity to recover this amount of tax from partners participating in the tax chain. This practice has been implemented in all economically developed countries, and it also exists in our country. For example, since 1992, all CIS countries have been using the VAT type, and the practice of refunding the amount of the negative difference has been formed at the same time. By the decision of the Cabinet of Ministers of August 14, 2020 No. 489 "On measures to improve the tax administration related to value added tax and foreign legal entities", the regulation on the procedure for compensation of the amount of value added tax was approved. Reimbursement of the negative VAT difference amount, including reimbursement of other tax liabilities, is carried out in accordance with the Tax Code. The practice of returning the negative VAT difference in the Republic of Uzbekistan was introduced based on the experiences of Germany, Turkey, Azerbaijan, Georgia, and Kazakhstan. In these countries, refunding the amount of the negative difference is often considered an important factor in stimulating export potential, and it is the same in our country. Despite the fact that the tax rates are different in the practice of foreign countries, the tax refund mechanism is almost the same. According to the decision of the Cabinet of Ministers dated August 14, 2020 No. 489 "On measures to improve the value added tax and tax administration related to foreign legal entities" Regulation on the procedure for compensation of the amount of value added tax overpaid or overcharged the provisions of this regulation do not apply to tax refunds and tax refunds to citizens of foreign countries. In the regulation, the amount of tax to be paid is understood as the negative difference between the amount of VAT calculated from the tax base of operations related to the sale of goods (services) and the amount of VAT calculated on the goods (services) received.

Also, by the decision of the Cabinet of Ministers No. 489 of August 14, 2020 "On measures to improve the tax administration related to value added tax and foreign legal entities", the following regulations were simultaneously approved.

- Procedure for compensating the amount of value added tax;
- Forms of invoices and the procedure for their filling, presentation and acceptance;
- The procedure for determining the VAT base based on the market value of goods (services);
- The procedure for making adjustments to the VAT base when the obligation to pay for goods (services) is recognized as a bad debt and it should be written off;
- Forms of notices on participation in foreign legal entities, the procedure for their filling and submission;
- Forms of notifications about controlled foreign companies, the procedure for their filling and submission were approved.

The above-mentioned legal bases are recognized as regulatory documents for VAT refund and accounting of VAT amounts.

This means the amount of VAT paid to the suppliers of the goods (services) purchased on the territory of the republic for the diplomatic missions, consular institutions and similar organizations of foreign countries accredited in Uzbekistan, as well as for the participants of the product distribution agreement. The issue of reimbursement of the VAT amount is considered and decided by the state tax administration in the place where the taxpayer is registered, and in the case of large taxpayers - by the interregional state tax inspectorate in the case of large taxpayers.

In accordance with the Tax Code, reimbursement of the amount of VAT is carried out on the basis of the taxpayer's application after a cameral inspection by the tax authorities. If, according to the results of the chamber tax audit, a decision is made to fully or partially compensate the amount of VAT declared to be refunded by the tax authority, the specified amount will be returned to the taxpayer no later than 30 days after the date of submission of the application.

In the Republic of Uzbekistan, there is an opportunity to return VAT in an accelerated manner, large taxpayers, taxpayers who have provided a bank guarantee or signed a pledge agreement with the tax authorities, persons carrying out exports (as a result of the application of a zero-level rate), foreign diplomatic missions and representative offices equivalent to it, the participants of the product distribution agreement, the participants of the product distribution agreement, the participants of the tax monitoring, the tax amount is reimbursed in an accelerated manner. There are also cases of creation of various artificial accounts (accounts) by enterprises to recover the negative amount of VAT. In practice, there are cases where an enterprise sells goods by sending electronic invoices to other enterprises of its establishment, without issuing any sales contract or waybill, and sends an application for VAT refund.

Expedited reimbursement is made within 7 days. In this case, a chamber tax audit will be conducted in a general manner, based on the basis of the stated amount of tax to be reimbursed. Applications sent by taxpayers can also be rejected. In this case, when there are no documents confirming the right to take into account the tax amount by economic entities, when invoices for the purchase of goods (services) are not issued in the information system of electronic invoices, the goods (services) realized by the taxpayer are when it is determined that the issuing of invoices is not fully done through the information system of electronic invoices, non-payment of tax by entering into transactions (operations) for abuse of rights, forgery or falsification, or complete when cases of non-payment are detected, cases of abuse of rights, including cases of unjustified tax benefits as a result of illegal increase of the amount of tax to be taken into account by the taxpayer or the use of schemes to reduce the amount of tax paid, are detected. When the cases of unjustified tax benefits are determined as a result of the taxpayer's reporting of business operations that do not correspond to their economic content and (or) failure to fulfill the obligation to

exercise due diligence in choosing a counterparty, the main purpose of the transaction (operation) carried out by the taxpayer non-payment (non-payment) of the tax amount and (or) accounting, and a person who is not a party to the contract concluded with the taxpayer or the obligation to perform the transaction (operation) when it is determined that the transactions (operations) were performed by a person not charged by the contract or by law, the transactions (operations) are not valid and are not aimed at earning income within the scope of business activity or (and) they are not economically justified, the documents requested by the taxpayer are not submitted or when false documents are presented, as well as the absence of production machines and devices in the territory, a warehouse for storing the remaining goods.

Based on the decision of the tax authority, the taxpayer has the right to re-apply with an application for the amount of tax that was refused reimbursement, attaching supporting documents. Starting from May 1, 2023, individuals included in the "Unified Register of Social Protection" will receive a 12% VAT refund instead of a cashback of 1% of the purchase amount when purchasing certain goods from retail outlets. It consists of meat, poultry, beef, eggs, vegetable oil.

Identifying and supporting disciplined taxpayers and creating many new opportunities based on the principle of "taxpayer-entrepreneur's assistant" have been identified as the main priorities by the state tax service authorities using blockchain technology. The following measures were taken to further encourage disciplined taxpayers.

Value added tax by the Decision of the President of the Republic of Uzbekistan dated September 4, 2023 No. 292 "On measures to implement the tasks set in the open dialogue of the President of the Republic of Uzbekistan with entrepreneurs in 2023" the practice of suspending the validity of the certificate of special registration has been canceled (with the exception of the cases in which the transactions (operations) carried out do not correspond to the nomenclature of the goods (services) being purchased and sold)

.Value-added tax payers are subject to special value-added tax in tax authorities, approved by the decision of the Cabinet of Ministers of the Republic of Uzbekistan dated December 5, 2023 No. 595 of September 22, 2021 The decision to suspend the validity of the certificate with Decision No. 644 "On Amendments to the Regulation on the Registration Procedure" deals (operations) carried out by the tax authority with the purchase and it was determined that it can be accepted when the cases of non-compliance with the nomenclature of the goods (services) being sold are determined.

In this case, the validity of the certificate will be suspended for a maximum period of 30 days, and it is determined that the validity of the certificate will be restored if the circumstances determined as a result of camera and mobile tax inspections are not confirmed during this period. In addition, Article 274 of the Tax Code and the Cabinet of Ministers "On measures to improve the tax administration related to value added tax and foreign legal entities"

Pursuant to the Regulation approved by Decision No. 489 of August 14, 2020, simplifying the administration of value added tax in the reimbursement of VAT to taxpayers, limiting the requirement of excessive documents from business entities and providing them with favorable conditions in order to create conditions for exporting enterprises to reimburse the amount of VAT, the documents attached to the goods (SMR, TTM, TIR) with a mark confirming that the goods have been sent to the designated country of the customs authority located at the transfer point of the customs territory of the Republic of Uzbekistan, which is required in accordance with paragraph 14 of the Regulation, (SMGS, avia nakladnoy) in electronic form through an external source will provide the tax legislation with transparent information and reduce the taxpayer's time. Part 3 of Article 266 of the Tax Code of the Republic of Uzbekistan provides that if a taxpayer has been providing foreign currency receipts on time for the past year and has no overdue receivables under export contracts, a disciplined tax payer if included in the category of receivers, the amount of tax payable (paid) on goods (services) used for exported goods,

actually received, foreign currency income to the accounts of the taxpayer in the banks of the Republic of Uzbekistan it is determined to be taken into account regardless of origin.

According to this article, a total of 293 disciplined taxpayers who have been providing foreign currency receipts on time for the last year and have no overdue receivables under export contracts will receive foreign currency during the first quarter of 2024. an opportunity was created to take into account regardless of the amount incurred, and 628.3 billion soums of negative difference of VAT was compensated to these enterprises.

Decree of the President of the Republic of Uzbekistan on March 2, 2021

According to the decision of PQ-5011, the amount of the negative difference of VAT will be paid to enterprises that have introduced high-tech production processes based on the guarantee of the "Ozeltexanoat" association in 3 days, according to the decision of PQ-5011 of March 2, 2021, to breeding entities 20 It is determined that it will be covered in an accelerated manner.

According to this decision, 16 appeals from 12 enterprises that were members of the "Ozeltexanoat" association in the past period of 2024

The amount of negative VAT difference of 110.5 billion soums was compensated in an accelerated manner.

With Appendix 3 of the Cabinet of Ministers Resolution No. 595 dated September 22, 2022 "On measures to further improve the accounting of taxpayers and simplify the procedure for compensation of value added tax" Amount of Value Added Tax of Decision No. 489 of August 14, 2020 "On Measures to Improve Tax Administration Related to Value Added Tax and Foreign Legal Entities" By adding Article 321 to the regulation on the compensation procedure, it was established that the accelerated procedure for compensation of the tax amount will be applied to disciplined taxpayers.

In addition, the decision of the Cabinet of Ministers dated November 8, 2022 No. 653 "On the introduction of the VAT refund system for goods purchased by foreign citizens before

leaving the territory of the Republic of Uzbekistan" accepted.

Starting from January 1, 2023, the system of partially refunding the amount of VAT paid by them to citizens of foreign countries when they purchase certain types of goods from business entities engaged in retail trade in the territory of Uzbekistan ("tax free") is being introduced as an experiment. Account book of refundable amounts and their refund is carried out through a special mobile application. "Saliq Servis" DUK under the Tax Committee is designated as the operator of the "Tax free" system. The total value of the purchased products must not be less than 1 million soums (including VAT) in order to return part of the VAT. In order to return part of the VAT on purchases, it is necessary to apply within 3 months from the time of purchase. Service stations of the Operator will be established at the international airports of Tashkent, Samarkand, Bukhara, Fergana and Urganch for the formalization of refunds. The VAT paid on the purchase is divided as follows: 90 percent will be returned to the foreign citizen, and 10 percent will be directed to the operator as a service fee. In addition, the document approved the regulation on the procedure for returning value added tax for goods previously purchased by citizens of foreign countries when leaving the territory of the Republic of Uzbekistan. According to the regulation, the amount of VAT on certain goods purchased with VAT is not refunded to the citizens of the following foreign countries. goods that are not, fully or partially used goods, goods that have been fully or partially used in the territory of Uzbekistan and are not accompanied by original packaging (if packaging is intended) is included among these. Part of the VAT amount will be refunded after confirmation that the citizen of a foreign country will take the goods with him in checked baggage or hand luggage. Part of the VAT amount is refunded only to foreign citizens who have reached the age of 18. The use of this practice in increasing the tourist potential of our republic will lead to an increase in the flow of tourists in the future.

Conclusions and suggestions.

In our country, efforts are being made to reduce

the level of the hidden economy, reduce the area of tax and administrative responsibility in conducting business activities, automate the procedures for compliance with the requirements of the tax legislation, and simplify its procedure. At the same time, if we simplify as much as possible the system and principles of taxation, the system of accounting for the implementation of tax payments, a proper functioning mechanism will begin to emerge in economic entities and the cases of tax evasion will decrease.

In order to reduce the cost of products and increase the competitiveness of consumer goods, it is necessary to consider that tax payers should act on the basis of the principle of fairness, in the event that a benefit is applied to one type of consumer goods, the benefits will be applied to the products that make up its composition, the benefits will be implemented directly in the society and it will significantly affect the prices of consumer goods. according to.

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