

TAX POLICY IN THE DEVELOPMENT OF BUSINESS ACTIVITY

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In order to ensure the accelerated development of business entities in the further development of the economy, comprehensive protection of private property, and further improvement of the business environment, it is necessary to effectively address such important issues as the proper formation of tax culture and tax knowledge of direct business entities, that is, taxpayers. This requires, first and foremost, a perfect organization of the existing tax system and its improvement.

It is important to pay attention to stimulating competitive production by ensuring healthy and fair competition among business entities, forming an effective system of taxation and customs tariff regulation based on the principle of equality for all entities.

It should be noted that on June 29, 2018, a Presidential Decree adopted the Concept of Improving the Tax Policy of the Republic of Uzbekistan, thereby significantly reducing the tax burden on the economy, simplifying the tax system, creating a fair tax system for entrepreneurs, and finding solutions to a number of systemic problems that hinder ensuring the necessary level of collection of taxes and other mandatory payments.

The adoption of the Law of the Republic of Uzbekistan dated April 2, 2024 No. ZRU-923 "On Amendments to the Tax Code of the Republic of Uzbekistan in connection with the establishment of measures aimed at establishing mutually beneficial cooperation with business entities in poverty reduction" is a vivid example of ongoing reforms.

Today, special attention is paid to timely informing the population and representatives of business entities, further improving their tax legal knowledge. In particular, the most important priority is the introduction of amendments and additions to the tax legislation, as well as the Decrees and Resolutions of the President of the Republic of Uzbekistan on the creation of favorable conditions for the accelerated development of small business and private entrepreneurship, the provision of benefits and preferences, their comprehensive support.

Taking into account the state programs for the implementation of the "Uzbekistan - 2030" Strategy in 2024 in the "Year of Support for Youth and Business," in accordance with the Decree of the Head of State No. UP-37 of February 21, 2024, a "Business Support Program" was developed to create more favorable conditions for business as a key factor in the development of the national economy. The new law, developed in accordance with this Decree, is aimed at further strengthening the legal basis of the principle of priority of the rights of business entities. The direct involvement of tax authorities in this process, as well as the measures taken by tax officials to fulfill their duties, are of great importance.

To date, constitutional rights and guarantees for the protection of private property have been ensured, and a simplified taxation procedure has been introduced to drastically reduce the tax burden on small businesses. It was also possible to radically increase the share of small businesses and private entrepreneurship in the economy, create additional conditions for them, simplify registration, reduce the permitting mechanism and improve the reporting system procedures.

Along with the benefits created by the government for business entities, a number of measures are being taken to provide them with high-quality services and create favorable conditions in the system of the State Tax Committee.

In particular, the introduction of advanced information and communication technologies in the system of tax authorities has a positive impact on increasing the effectiveness of information and analytical work to prevent, identify and eliminate violations of tax legislation. To date, about thirty software products have been developed and implemented in practice, aimed at improving tax administration, introducing paperless document exchange, and enhancing the efficiency of state tax service bodies. These include: "Sending tax reports electronically in online and offline modes," "Keeping records of overdue electricity debts," "Maintaining records of tax debts for legal entities," "Forming inspection schedules," "Keeping records of inspections for individual entrepreneurs," "Maintaining records of property transferable to state revenue," "Accounting for administrative practices," "Keeping records of tax inspections," "Personnel database," "Interactive services," and other software products. These software products, of course, facilitate the tax payment system, the process of maintaining and calculating tax reporting between business entities and taxpayers. At the same time, it creates favorable conditions for the formation and use of an information base.

In addition, within the framework of the implementation of the "Electronic Government" system, measures are being taken to accelerate the development of information and communication technologies in the activities of state bodies, to expand non-communicative forms of interaction between business entities and authorized bodies.

Today, extensive changes and innovations are being implemented in the tax sphere. In particular, the Presidential Decree No. UP-21 "On the criteria for categorizing business entities and measures to further improve tax policy and tax administration" was adopted on February 10, 2023. According to this decree,

- for business entities with a total income of not less than 10 billion soums, a 20 percent quota is introduced for public procurement, and contracts concluded with budget customers within the framework of these procurements provide for prepayment in the amount of 50 percent.

In this case, tax authorities will generate information about business entities with a total income exceeding 10 billion soums and provide information exchange with a special information portal;

- the amount of value added tax is not taken into account when selecting the best offers in public procurement and evaluating the proposals of participants in tender tenders;

- the procedure for reimbursement of expenses of enterprises exporting high-value-added copper products related to the production of products and their sale to the foreign market up to 6% of the export value will be abolished.

In accordance with the Decree of the State Tax Committee of the Republic of Uzbekistan No. 2017-41 of August 15, 2017, "Regulations on the procedure for using the personal account of the taxpayer" were approved, which has historical significance in the implementation of another reform, one of the fundamental changes in the tax sphere. According to it, Article 22 of the Tax Code of the Republic of Uzbekistan was amended and supplemented with the concept of "personal account of the taxpayer." Today, in accordance with the new edition of the Tax Code of the Republic of Uzbekistan adopted on December 30, 2019, Article 56 is dedicated to the "Private Account of the Taxpayer." This concept is the legal basis for the implementation of relations with taxpayers in electronic form.

After the "Personal Account of the Taxpayer" is activated, the interaction between the taxpayer and the tax collector regarding the fulfillment of rights and obligations stipulated by tax legislation will be carried out exclusively in electronic form.

The technologies being implemented will create new opportunities for the population, small businesses, and private entrepreneurs, while also enabling faster information exchange and dissemination. This will enhance the efficiency of fiscal authorities in performing their duties. In this context, the development of other interactive services such as "Certificate on Benefits for Individuals," "Create Your Own Business," "Taxpayer Registration," as well as the "Tax"

mobile application, is a clear result of the rapid development and practical implementation of modern information and communication technologies.

In conclusion, it can be said that in order to accelerate the development of the activities of business entities, protect private property and further improve the business environment, many reforms and measures are being implemented in our country. The adoption of necessary laws and decisions, including tax benefits, the improvement of the simplified tax system, and the reduction of tax rates, are yielding results. At the same time, it serves to create favorable conditions for taxpayers.

Therefore, it is impossible not to take into account the impact of tax policy aimed at ensuring the accelerated development of entrepreneurial activity, comprehensive protection of private property, and qualitative improvement and development of the business environment. A comprehensive study of tax relations and the drawing of relevant conclusions is the basis for organizing an optimal taxation system. As a result of adhering to the principle of the highest priority and fairness of tax relations in their management, an increase in state treasury income will be achieved, and the objections of taxpayers to the state will be reduced.

Based on the above conclusions, in order to ensure the further development of entrepreneurial activity, strengthen and improve mutual cooperation with tax authorities, we would like to make the following proposals:

1. To take measures to further strengthen the joint activities of auditors, tax advisors and tax officials in the implementation of modern principles and mechanisms of taxation;
2. To enhance the legal literacy of taxpayers, it is necessary to further improve the quality of services provided by tax authorities and tax advisors, as well as the legal framework for their activities.
3. Improving the revision of information provided to the Unified Information Resource Base in order to expand the taxable base and improve tax control;
4. Creation of favorable conditions for the use of interactive services by business entities;
5. Increasing the effectiveness of information and analytical work to prevent, identify, and eliminate violations of tax legislation;
6. We believe that organizing tax breaks for honest taxpayers - business entities will be effective.

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