



WAYS TO OPTIMIZE THE TAX BURDEN ON ORGANIZATIONS IN THE REPUBLIC OF UZBEKISTAN

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ABSTRACT	KEYWORDS
In the conditions of market relations, the tax system is the basis of the financial and credit mechanism of state regulation of the economy. Taxes, like the entire tax system, are a powerful tool for managing the economy in market conditions. The effective functioning of the entire national economy depends on how well the taxation system is built. The state widely uses tax policy as a certain regulator of the impact on negative market phenomena in order to stabilize the economy and stimulate economic growth.	Tax potential, tax administration, direct taxes, indirect taxes, tax efficiency, optimization of the tax burden.

Introduction

Taxes are an important link in financial relations in society and as a form of financial relations arise simultaneously with the emergence of the state. Being an integral part of the company's finances, tax payments have a significant impact on the financial condition of the company. The tax impact is so great that it can play a decisive role in shaping the strategy and tactics of economic development.

As the President of Uzbekistan Mirziyoyev Sh.M. noted, "The main goal of tax reform is to ensure economic stability in this and subsequent years. To do this, it is necessary to support producers and progressively increase budget revenues. Our only way is to increase the number of manufacturers and entrepreneurs, to realize the business potential of people." An important guide to action in implementing these priorities is the adoption of the Concept of Improving the Tax Policy of the Republic of Uzbekistan, which provides for fundamental reform of the tax system, including reducing taxes and mandatory payments, as well as the abolition of ineffective tax incentives. The main directions of the Concept: reduction of the tax burden on the payroll; improvement of taxation of payers of generally established and simplified taxes; implementation of measures aimed at reducing the negative impact of improving tax policy on payers of the simplified tax regime; improvement of the procedure for calculating and paying value added tax and excise tax.

Uzbekistan is implementing measures aimed at carrying out deep structural transformations and improving the economic mechanism. Among them, tax instruments play an important role, with the help of which the state has the opportunity to stimulate the development of industrial production. Foreign experience has been widely used in the development of tax mechanisms in the field of income tax, VAT, excise tax, property tax, as well as in improving tax administration tools in Uzbekistan. To

this end, significant changes have been made to the tax system and a new Tax Code has been introduced that meets modern requirements.

Literature Review

At the same time, both specialists who carry out their activities in the system of tax authorities and scientists do not have a common opinion on the definition of the term "tax administration". In particular, A.V.Ugryumova notes that this term is "applied haphazardly, there is no unified understanding of its content"[2].

Thus, A.M.Mamurov defines it as "...enhanced tax administration, regulated by regulatory acts in the field of taxation, which ensures the taxation of certain objects in a market economy ..." [3]. In turn, M.S.Mishenina and L.V.Maksimova understand tax administration as a set of procedures that ensure public administration in the field of taxation. Tax administration has a targeted focus on the implementation of tax legislation[4]. It is worth noting that O.A. Tolkachev defines tax administration as a tool for implementing tax policy and includes in the tax administration system, in particular, tools of tax (fiscal) control, including taxpayer control capabilities, "Taxpayer's Personal Account", VAT control systems, online cash registers and other systems created using IT- technologies[5]. E.G.Shurdumova and D.M.Kankulov understand tax administration as an organizational system that helps to implement the tax policy of the state[6]. Obviously, tax administration is considered here from the point of view of its organizational function, the work of tax authorities to ensure the receipt of tax revenues to the budget and tax control. According to L.I. Goncharenko, tax administration is only an integral element of such a broad concept as "management of the tax system". And the latter should be considered in a broad sense (as the activity of the state aimed at managing each element of the tax system) and in a narrow sense (as the management of tax authorities)[7].

From this it can be concluded that tax administration is based on normative legal acts (tax legislation), organizational activities of tax authorities for the implementation of tax policy and tax control. The approach presented by V.G.Knyazev and L.Ya. Marshavina is quite interesting, where tax administration is part of the management process that has certain special features, among which are "engineering of tax relations", procedural (institutional) mediation and the predominance of the control function[8]. At the same time, E.A.Fedorov, in collaboration with other researchers[9], defines the tax administration system as a complex that includes:

- planning and forecasting of the tax burden based on the accounting of taxpayers (individuals and legal entities);
- control, including a system of control measures (control of timely submission of declarations, tax audits, tax monitoring, control of transactions);
- analysis related to the study of the effectiveness of taxation and the work of tax authorities, contributing to the development of measures aimed at improving taxation and tax administration.

It becomes obvious that tax control in this definition is an element of tax administration, and tax administration is a set of measures.

In the scientific works of A.V.Grishchenko, who summarized the results on the essence and interpretation of the concept of "tax administration" given by other authors, it is substantiated that tax administration is a systemic activity of authorized (specialized) public authorities. In this context, the activity is aimed at the implementation and improvement of tax legislation, ensuring the effective functioning of the tax system and tax control[10]. In his opinion, tax administration is much broader

than the concept of "tax control", it includes not only registration, accounting, control of taxpayers, objects of taxation, but also is associated with the analysis of the effectiveness of taxation, tax burden, and the development of changes in the tax system.

Analysis

Quite often you can find the opinion that the purpose of tax management in an enterprise is to minimize them. This leads to the fact that the tax administration is reduced only to the activities of organizations aimed at simply reducing their tax obligations, unfortunately, not only in theory, but also in practice.

Tax optimization is carried out in the process of tax planning, tax regulation and internal tax control by the organization. The most important role in optimizing tax flows is assigned to tax planning methods, which in a broad sense includes both the development of an organization's tax policy and the methods of tax regulation and tax control applied (intended to be applied) by the taxpayer.

In its most general form, the tax planning toolkit includes methods of tax budgeting, the use of tax incentives and other methods of minimizing tax payments that are not prohibited by law, the use of transfer pricing and gaps in tax legislation, the implementation of the organization's tax policy and tax accounting.[11]

If tax optimization is the goal of corporate tax management, then tax planning is a set of methods and tools to achieve the goal of tax management. Tax optimization and tax planning involve such management activities of taxpayers, which allows not only to reduce the tax burden in a momentary situation, but also to ensure long-term savings on taxes, to get an economic effect from its investment, to avoid or reduce the risk of possible penalties in the future.

Reducing tax payments as a result of their optimization and planning should lead to an increase in the profit of the enterprise, and therefore meet the interests of the owners, managers and employees of the enterprise. However, this dependence is not always so direct and immediate.

Reducing some taxes may lead to an increase in others, as well as to tax sanctions from regulatory authorities. Therefore, the most effective way to increase profitability is not to mechanically reduce taxes, but to minimize the tax burden based on the growth of production, sales and profitability of the business, i.e. building an effective enterprise management system and decision-making in such a way that the entire business structure is optimal.[12]

The long-term sustainability of the effect of reducing the tax burden can be ensured by effectively investing in production, enterprise development, including funds released from the effect of reducing the tax burden.

Tax optimization and tax planning should also be based on taxpayers maintaining their price competitiveness in the market, bearing in mind that most taxes are included in the sale prices of goods and are paid by consumers.

In modern Uzbekistan, the most important reason for the need to minimize taxes by enterprises is associated with an excessive tax burden in comparison with the amount of benefits actually provided by the state to society, which was formed as a result of the high tax policy in the 1990s.

It was this factor that gave rise to the practice of mass withdrawal of the economy into the "shadow" (illegal) and "gray" (semi-legal) sectors. The economic factors that cause taxpayers to strive to reduce tax payments are highlighted. They are divided into factors that depend on the financial condition of the taxpayer, and factors generated by the general economic situation.

If the taxpayer's financial condition is unstable or he is on the verge of bankruptcy, then tax minimization may be the only way to stay afloat.

If the taxpayer's financial condition is stable, the value of minimization will depend on the amount of tax savings and the degree of risk of being held accountable in case of violation of tax legislation. The economic reasons generated by the general economic situation manifest themselves in different ways during periods of economic crises in the state and during periods of economic recovery and expansion of international cooperation.

Technical and legal reasons are also known, i.e. the reasons caused by the imperfection of tax legislation, which in turn is related to the complexity of the tax system.

It should be noted that the tax legislation itself often gives the taxpayer the opportunity to optimize tax obligations. This is due to the presence of tax benefits in the legislation, different tax rates, different sources of attribution of expenses and expenses, ambiguity in the interpretation of provisions in tax laws due to the failure of the legislator to take into account all possible circumstances arising during the calculation or payment of taxes, the vagueness and vagueness of the wording of tax laws. In tax practice, there are various ways (types) of minimizing tax payments related to both violations of tax legislation by taxpayers and legitimate methods of reducing tax liabilities (reducing the tax burden).[13]

Ways to optimize taxes. Tax optimization methods are diverse in nature. The most popular of them are shown in Figure 1.

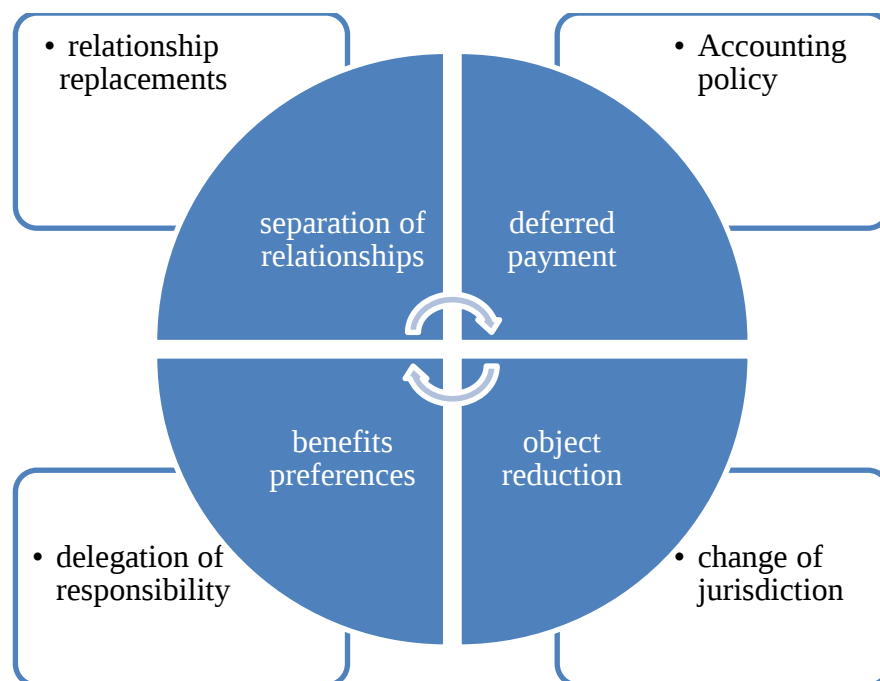


Fig. 1. Ways to optimize taxes within the framework of corporate tax management[14]

Proposals to optimize taxes and ease the tax burden on taxpayers:

1) The tax system as a whole:

a) frequent changes in tax legislation lead to great difficulties for the taxpayer. The current tax system complies with international standards, primarily the European model of the tax system. Further significant changes in it are impractical. By the end of 2022, it is necessary to analyze the results of

the tax system and make individual adjustments to it. After that, it is necessary to declare a moratorium for five years from 2023 on all major changes in the tax system, with the exception of changes in tax rates;

b) by the level of the tax burden. In our republic, it is compared mainly with Asian countries – the so-called Asian tigers (South Korea, China, Taiwan, Thailand, etc.). The average tax burden of these tigers is 21% of GDP. However, these countries do not declare the social orientation of their economies. They do not have pension payments, and there is no full-fledged Pension system. Each family takes care of its own elderly, i.e. it makes expenses, but they are not counted as taxes. In our country, the tax burden has already approached the "Asian tigers" – in 2021. – 22.4% (without social payments, as they have). At the same time, it is necessary not to forget that we are a socially oriented republic.[15]

In addition, if you pay attention to the share of taxes to GDP and the rating on Doing Business (World Bank rating), then the level of tax burden does not always coincide with the rating of Doing Business. For example, the tax burden in China is 19.4%, but the rating is 130 points. Conversely, the high tax burden in the Czech Republic is 35.5%, but the rating is 53, or in South Korea it is 26.5%, and the rating is one of the best – 24 points.[16] This circumstance confirms that it is not always possible to increase the efficiency of the tax system only by reducing the tax burden. The reason is that the rating on Doing Business is compiled not only by tax burden, but by a set of indicators: the number of taxes, the number of tax payments, time to pay and prepare tax reports, the availability of an electronic reporting and payment system, etc.

In conclusion, in order to expand tax instruments for regulating the economy, it is proposed to introduce additional criteria for the transition to a simplified taxation system in the form of a maximum annual turnover and book value of taxpayer assets, providing differentiated values of these criteria depending on the priorities of economic modernization.

Summarizing the above analysis, in general, it can be concluded that the Republic of Uzbekistan is undergoing major, ongoing reforms to create favorable tax regimes (conditions), through a well-thought-out tax policy, taking into account the most positive and adapted positive experiences of different countries. However, this does not exclude further reform of this important system of the market economy of Uzbekistan, which is constantly developing and entering the world market.

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