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ON THE ISSUE OF ACTIVATING THE LEVERS OF TAX REGULATION OF ECONOMIC ACTIVITY

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ABSTRACT

The article examines the issues of activating the levers of tax regulation and the characteristics of the main forms and means of tax regulation in modern conditions and clarifies their content. Considerable attention is paid in the article to the issue of the legal basis for managing the levers of tax regulation of economic activity in the Republic of Uzbekistan.

KEYWORDS

Taxes, tax regulation, forms and means of tax regulation, tax system management, tax functions, tax risks, tax risk functions, content of tax functions.

Introduction

According to world practice, an important place in the effective mechanism for ensuring the stability of economic growth is occupied by the improvement of tax supports. An in-depth analysis of the current development laws of the world economy and its tax factors confirms that special attention is paid to reducing the tax burden in the progressive countries of the world, unifying tax types and lowering the tax rate, applying modern information technologies in the development of an electronic system for paying taxes and providing tax reports, creating a favorable investment climate.

In international practice, extensive scientific research is carried out on the areas of effective development of the regulatory function of taxation. In Scientific Research, special attention is paid to such as drastic changes in the world market conjuncture, international tax practice and its business environment, the pre-assessment of factors affecting the medium and long-term strategy in ensuring the effective development of the regulatory function of taxation based on the fact that competition has reached the world level from a national framework. At the international level, scientific research on the areas of effective development of the regulatory function of taxation is carried out systematically, and scientists from the United States, Western Europe, Japan, Singapore, South Korea emphasize their methodological and practical significance, and in the CIS countries – more theoretical ones. “At present, as one of the most prominent issues of tax policy on a global scale, as well as one of the directions of effective development of the regulatory function of taxation – it is the widespread use of the advanced achievements of the digital economy and the creation of an automated system of the

process of taxation of economic entities" [1]. In international experience, outcome-based tax reform is a testament to the continuity of Science, Technology and innovation policy.

In Uzbekistan, serious importance is attached to establishing promising directions of development based on a solid economic basis and a Real result, continuing the policy of reducing the tax burden and simplifying the taxation system, improving tax administration and expanding the appropriate incentives. The task was set to reduce the tax burden, eliminate its disproportionate distribution between taxpayers, eliminate problems in the calculation and payment of taxes due to imperfections in the tax administration, prevent hierarchical relations between taxpayers and tax authorities and achieve their "cooperative growth", eliminate unreasonable tax checks that hinder the activities of business entities, and show tax advice, and switch to effective control measures. In our republic, "an industrial development program will begin to move to a new technological stage and expand the value added chain. In 2026, 782 new industry and infrastructure projects worth $ 52 billion will be started. 228 new large capacities will be launched next year, worth $ 14 billion. Next year, it is projected to bring the gross domestic product to $ 167 billion, providing 6.6 percent growth in the economy. On the basis of innovation, enterprises producing high-tech products are encouraged. The income of the specialists of the enterprise from research and design developments will be tax-exempt" [2]. This in turn suggests that the topic of this scientific article is one of the pressing issues of today's reforms.

Based on the use of effective tools and methods of tax administration in Uzbekistan "to continue the policy of reducing the tax burden and simplifying the taxation system, improving tax administration and expanding the appropriate incentive measures" [3], "to simplify tax legislation, eliminate contradictions and contradictions in regulatory legal acts in the field of tax relations, strengthen the protection of the rights and legitimate interests of" [4], "At the end of the implementation of the tasks of the strategy for improving tax administration, it is necessary to bring the level of voluntary fulfillment of tax obligations to 90 percent" [5]. These defined the strategic planning and forecasting tasks of maintaining an effective tax policy by the state. These tasks indicate the need to ensure the stability of budget revenues, improve the methodological framework for the formation of effective tax administration.

These tasks were also set in a more rigorous and comprehensive manner in the "new Uzbekistan development strategy for 2022-2026", "...continuing the policy of reducing the tax burden and simplifying the taxation system, improving tax administration and expanding the appropriate incentive measures" [6] has been defined as an important direction.

LITERATURE REVIEW

From foreign authors John H. Dunning, through his "eclectic paradigm" (OLI-model) theory, substantiated location (location) factors in attracting foreign investment, including the importance of the tax system[7].

Richard Musgrave has studied the impact of tax policies on economic growth and investment. He argued that foreign direct investment (FDI) would bring not only technology but also tax revenues to the country[8].

Stephen Bond and Lawrence Samuelson have interpreted tax holidays (tax holidays) as an important state-issued signal for investors [9].

Stefan Van Parys and Sebastian James have empirically evaluated the impact of investment environment factors and tax stimuli on investment flows [10].

Among the scientists from the CIS countries, D.B. Volkov studied “issues of tax incentives for the development of the real sector of the economy in the context of economic intensification and modernization” [11].

The research of D.V. Maslova reflects the issues of “Methodology of tax stimulation of economic growth by optimizing the distribution of added value” [12].

According to Steshenko Yu.A., “... in the strategy of medium and long term economic development, there are issues of improving tax tools for stimulating growth in economic sectors... due attention must be paid.” [13].

Novoselov K.V. in his research developed a “Strategic Roadmap of measures for the development of economic security in Russia for 2020-2025 in the field of regulation of budgetary and tax relations” [14].

From our local authors Sh.Toshmatov's doctoral dissertation on the topic "Problems of strengthening the role of taxes in increasing the economic activity of enterprises” (2008) is devoted to analyzing the problems of the nature and necessity of taxes paid by enterprises, ways of stimulating the economic activity of enterprises through taxes. It was in this study that for the first time in our country, issues were studied on the priority areas of strengthening the role of taxes in increasing the economic activity of enterprises [15].

N.Ashurova's doctoral dissertation on “Improving the mechanism of taxation in ensuring sustainable economic growth” (2018) is devoted to the study of issues of improving the mechanism of taxation in ensuring sustainable economic growth [16].

I.Niyazmetov's doctoral dissertation on “Ensuring the stability of the tax system through the improvement of taxation mechanisms” (2019) is devoted to the study of ways to improve taxation mechanisms in the country's tax practice [17].

X.Zaripov's dissertation for the degree of Doctor of Philosophy in Economic Sciences (Doctor of Philosophy) on the topic “Ways to assess the impact of taxes on financial and economic activities of enterprises” (2020) is devoted to the study of ways to assess the impact of taxes on financial and economic activities of enterprises at the present stage of modernization of the tax system in [18].

Methodology

The study of the activation of levers of tax regulation in modern conditions is based on an integrated approach combining classical economic theories with modern methods of digital analysis.

Methods of analysis and synthesis, induction and deduction, econometric modeling, correlation and regression analysis, comparative analysis, and Big Data analysis are used to study tax levers.

Results and Analysis

An effective taxation system is one of the main conditions for the economic development of the state. In modern conditions, taxation is a basic institution of public administration, used in regulating the economic activities of enterprises in order to ensure the development of priority areas of the economy and increase the competitiveness of domestic producers. The functional features of taxation make it possible to apply it not only for fiscal purposes, but also to influence the conditions of production of goods and services. It is important to establish a single criterion for the optimal distribution of the level of taxation, while maintaining the acceptable proportion of taxes in relation to GDP.

The tax regulation of economic activity in the Republic of Uzbekistan is in a state of permanent modernization and improvement aimed at finding the optimal design that meets the market structure and infrastructure, and rationalization issues are coming to the fore.

Currently, the country's economy needs further updating of the production base and fixed assets, large-scale introduction of new technologies and innovations. This path of development has no alternative, because in the modern competitive environment, the need to increase production efficiency is constantly increasing, in particular by saving financial, material, and labor resources, and increasing the effectiveness of their use. Consequently, the strategic vector of development is the intensification of production and the rational use of the experience gained over the years of transformation of market relations.

The possibility of applying various forms and methods of taxation allows the tax regulation system to act as the most flexible way to attract additional resources to stimulate the activities of economic entities, subject to a change in the paradigm of its fiscal orientation to a regulatory one that takes into account the transformation of the investment and tax climate. Using an integrated approach and substantiating the set of available tools will make it possible to activate production activities in the country based on taking into account the priorities of economic development.

In these conditions, the study of tax regulation of economic activity in the Republic of Uzbekistan is being updated, due to the crucial role of taxation in reproductive processes and the need to develop scientifically sound practical recommendations for improving the organizational and economic basis of taxation. As a result of complex economic processes, the role of the state in the use of tax regulatory levers, including the activities of business entities, is increasing in order to increase the efficiency of their functioning.

The institutional purpose of taxation is not limited to providing financial resources for social and economic development programs. Taxes play an important role in the formation of inter-economic relations, the redistribution of production resources and pricing policy, the conjunctural relations of the market mechanism, and stimulating the implementation of promising projects in the domestic industry. In the context of this study, the author proceeds from understanding the category of “tax regulation” as the impact of the state on the economic activities of economic agents through the established taxation system.

The basis for ensuring the elasticity, high efficiency, and systematic adaptation of taxation is its modernization, the introduction of modern, objectively justified organizational, economic, and financial forms, methods, and mechanisms of implementation. The innovation base makes it possible to maximize the existing potential and expand the functionality of tax models. For this, it is acceptable to use advanced information technologies, economic and mathematical methods, the construction of logical circuits, and algorithms for the functioning of systems. Modification of tax regulation based on optimally selected, analyzed and synthesized financial and economic indicators with the development of several alternative options for planning ongoing activities will improve activities related to the formation of government revenues. In general, the tax organization scheme is shown in Figure 1.

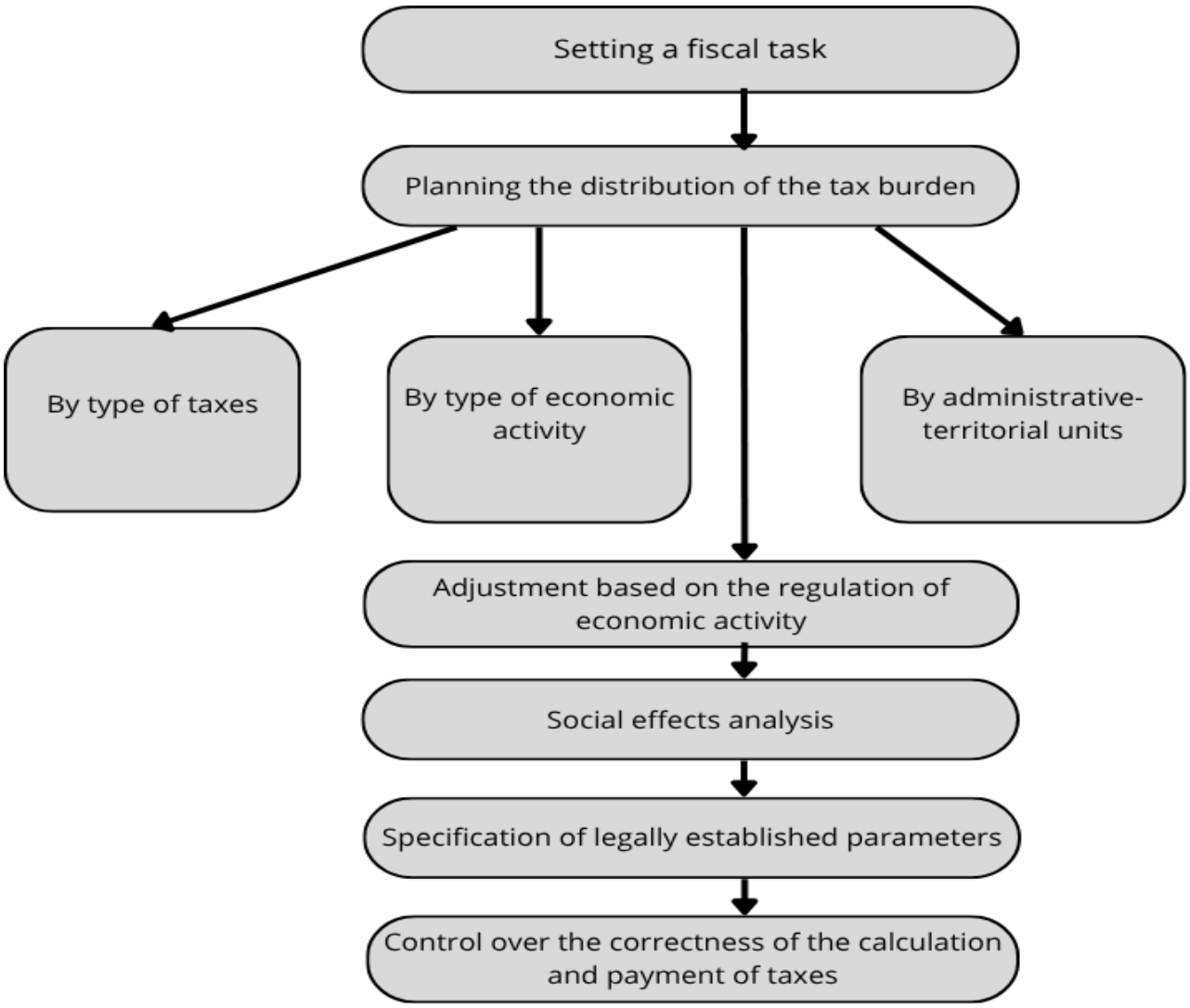

Figure 1. Tax organization scheme

Since taxation becomes the regulator of the redistribution of funds from private owners to the state, the problem remains determining its optimal level and the indicator against which it is calculated, i.e., the required share of the economic base, which is subject to deduction to centralized funds.

We agree with the position that the size of the company's profit is used to calculate the overall tax burden. To prove this, the issue is considered from the point of view of fundamental economic theory.: what is the source of taxes at the micro level?

The cost of any product may include the following components:

CT = SP + (CT + DS), **(1)**

where **CT** is the cost of the product,

JV - the transferred cost.

(**CHT + DS**) is a newly created value that contains the value created by necessary labor (**CHT**) and the added value (**DS**).

Taxes cannot be an integral part of the transferred cost (**JV**), since part of the cost of goods is a source of repayment of used monetary expenses in production. The value created by necessary labor is a source

of income tax and social contributions from wages. In calculating the tax burden on an enterprise, according to the author, these taxes and contributions should not be taken into account, because in this case the enterprise is only an intermediary between the state and employees. Therefore, the source of tax payments is value added. And since it is the result that represents all the advanced capital and receives a transformed form of profit (economic law), then, accordingly, the source of taxes and contributions that the company pays directly is precisely its profit.

We propose the introduction into circulation of such a category as the "tax plane" of enterprises - these are all types of tax payments provided for by the tax system of the Republic of Uzbekistan and accrued by the enterprise during its activities in a specific reporting period. From a practical point of view, the tax plane of an enterprise is the data contained in documents (calculations, tax returns, etc.) that have not yet been provided, but are contained in the company's tax statements.

Thus, to calculate the indicators of the tax burden, it is proposed to take from the tax plane not all taxes (accrued and paid), but only those that are actually transferred to the budget.

Conclusion

Summarizing the opinions expressed on the issues of activating the levers of tax regulation and the characteristics of the main forms and means of tax regulation in modern conditions, the following conclusions can be drawn:

1. The activation of levers of tax regulation of economic activity is aimed at stimulating investment, innovation and economic growth through the optimization of the tax burden, the application of benefits and differentiated rates. This includes the modernization of tax instruments to support self-financing of enterprises, accelerated depreciation and the creation of an attractive investment climate.
2. The key areas for activating tax levers are: stimulating investment and innovation (differentiated provision of tax benefits by industry and region, introduction of tax holidays for high-tech industries, use of investment tax credits), optimization of the tax burden (reducing the overall tax burden while strengthening control over the effectiveness of benefits), support for self-financing (creating conditions under which which enterprises can use profits and depreciation deductions for modernization), improving the legal framework (clarifying legislation, for example, the Tax Code of the Republic of Uzbekistan to simplify access to tax benefits, especially for innovative companies).
3. Effective use of tax levers allows the state, without intervening directly, to stimulate economic activity, increase competitiveness and ensure demand growth.

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