



**DETERMINING THE INFLUENCE OF VIOLATIONS COMMITTED BY  
ECONOMIC ENTITIES ON THE FORMATION OF STATE BUDGET  
REVENUES AND ITS MANAGEMENT**

Makhmudov Anvarjon Makhmudovich  
Fergana Polytechnic Institute "Management" Department,  
Independent Researcher

<b>ABSTRACT</b>	<b>KEYWORDS</b>
<p>The problems of determining and eliminating the root causes of the persecution of individuals and legal entities for their mistakes and their elimination are highlighted. If these problems are not eliminated, new errors, tax evasion, and underreporting of income in the tax base may occur, which require a scientific approach to eliminate, prevent, or eliminate.</p> <p>Based on the urgency of the problems, the main essence of our research is the introduction of effective mechanisms aimed at reducing the impact of violations on the formation of state budget revenues, and the creation of systematic management of the use of such mechanisms.</p>	<p>Tax revenue analysis, tax administration, tax offenses, tax evasion, taxable base, tax relationship management, paperless goods.</p>

**Introduction**

In our country, serious attention is being paid to the issues of further improvement of the tax system, increasing the incentive role of taxes, and reducing the tax burden on economic entities. In fact, in the third priority direction of the development of the Republic of Uzbekistan called economic development and liberalization, the policy of reducing the tax burden and simplifying the taxation system, expanding the relevant incentive measures, improving the investment environment, and actively attracting investments to the sectors and regions of the country's economy are to be continued. important tasks such as

As the President of our country stated: "It is necessary to reduce and facilitate the tax burden for all business categories, and on this basis to expand production and the taxable base." turning it into a focused office, unconditional fulfillment of the target task of "Tax service - a reliable partner of honest taxpayers" by every employee is considered one of the most important directions of improving the tax administration system of the Republic of Uzbekistan. In the Decree on the Concept of Improving the Tax Policy of the Republic of Uzbekistan : "to reduce the level of the tax burden in the economy, as well as to reduce the disparities in the level of tax burden between economic entities that pay taxes under the simplified and universalized system of taxation elimination were defined as the main directions of the concept of tax policy improvement"

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until 2030 in the "Uzbekistan - 2030" strategy. Tasks such as using the opportunity to further expand the tax base by **reducing the "hidden economy"** are also defined.

Taxes paid by business entities are important for the development and stability of our national economy, and in order to ensure that these taxes are paid regularly, on time and in full to the budget, tax at enterprises It is equally important to prevent violations. Therefore, the need to identify existing shortcomings in this regard and develop scientific proposals and practical recommendations for their elimination by carrying out research on this topic has now become one of the most important and urgent issues.

## **Analysis of literature on the topic**

International scientists S. Glinkina, V. Dadalko, V. Esipov, I. Klyamkin, V. Ispravnikov, A. Krylov, A. Korchagin, Yu. Latov, G. Mishin, V. Ovchinsky, Ye. Panova, Scientific research works of Ye.Rumyanseva, R.Satuev, L.Timofeev, Yu.Sqganov, N.Chernina, D.Shraer, Yu.Shishnin, P.Khlebnikov, N.Yas'kova are aimed at solving these problems.

Also, local economists A. Vakhobov, E. Gadoev, I. Jamolov I., Jo'raev N., A. Isakhodjaev, A. Ortikov, A. Soliev, B. Toshmurodova conducted scientific research related to the issues of tax offenses. , N. Kuzieva, N. Tokhliev, P. Yoldoshev, N. Usmonov, AO'lmasov, Z. Qurbanov, Sh. Toshmatov, A. Shestakov, Q. Yahyoev were researched in their scientific works.

The following factors generally affect the increase/decrease in revenue to the budget:

- growth of the republic's economy;
- introducing a free exchange rate of the soum;
- relatively high world prices for precious and non-ferrous metals;
- introduction and relaxation of quarantine measures during the pandemic;
- tax reform;
- introduction of new instruments of tax administration.

## **Research Methodology**

This article uses economic, logical, scientific abstraction, comparative analysis, monographic research, data grouping, induction and deduction, and statistical analysis methods.

## **Analysis and Results**

If we analyze tax offenses within the framework of the local budget, we can observe cases in which land plots are allowed to be used in excess of the established norms, in which case tax offenses can be considered as a scope of illegal economic activity, that is, transactions are carried out illegally, legal norms and the rules of farm life are not followed. then we would like to offer a phrase of our own creation, that is, the phrase "money transfer".

The relations encountered in the management of the economy determine that its participants hide what they are doing as much as possible. These persons keep the amount of income of the activity secret from the tax service and law promotion bodies, and from the society. Determining the extent of such cases creates a lot of difficulty in the management system.

The analysis of the data shows that in 2020, the number of undocumented objects in the republic was 1,775,801, and the occupied land area was 326,745. Also, the number of objects with a document on land allocation, but not registered with the state, is 572,156, and the occupied land area is 74,966

hectares. As a result, an additional tax of 750,438.9 million soums was calculated to the budget for a total of 2,364,172 land objects.

## **Д influence of taxes in the formation of state budget revenues .**

Analyzing the activities of legal entities operating in the Republic of Uzbekistan, there are also cases of violation of tax legislation by taxpayers:

According to the information provided by the Tax Committee of the Republic of Uzbekistan, a total of 571,890 legal entities are operating in the Republic today. 63,162 of them were established in the period from January to August of this year, which is 11 percent of the total number. If we analyze in the cross-section of industries, the industry with the largest number of legal entities, 23,354 (150,427) in the trade sector, 10,240 (68,894) legal entities in the industrial sector. The least opened areas correspond to transportation and storage and information communication directions.

In the region, the largest number of enterprises that started their activities as legal entities correspond to Tashkent city 11484 (98681), Fergana region 5819 (51896), Samarkand region 5916 (54914).

As of September 1, 2023, the number of those who started their business as an individual entrepreneur is 66,448 from 247,505 at the beginning of the year, which indicates an increase of 26.8% this year. If we take a cross-section of industries, the largest number of entrepreneurs is organized by those who started their activities in the field of retail trade, 29,190 (120,444) people. There are 5009 (24885) entrepreneurs in the craft sector, 7632 (23354) in the household service sector, and 24617 (78822) other types of activities. According to tax regimes, 82.2 percent of them, i.e. 205,883 people, pay income tax in a fixed amount, 15.9 percent, i.e. 39,469 people pay turnover tax, 0.9 percent, 2,159 people pay value added tax. i are payers. Tashkent city, Tashkent region, Samarkand region and Fergana region have the largest number of registered entrepreneurs.

The actions of state bodies aimed at combating tax offenses are limited to prosecution for the mistakes made by individuals and legal entities, and are not focused on identifying and eliminating its root causes. As a result, new errors, tax evasion, underreporting of income in the tax base are emerging, which require a scientific approach to eliminate, prevent or eliminate.

Under the influence of crimes, taxpayers try different ways to hide taxes and evade tax payments. Based on the urgency of the problems, the implementation of effective mechanisms aimed at reducing the impact of violations on the economy, especially the management of the tax system, the effective use of information technologies in the use of such mechanisms, the prevention of tax violations by analyzing the information provided by the program it is required to give scientifically-approached opinions on finding the root causes and eliminating it. For this purpose , let's analyze the data obtained through the "Avtocameral" program, which is successfully used in the tax system, over the years.

Pre-examination analysis is an automated analysis of the submitted tax report and other information about the taxpayer's activities, which is carried out by tax authorities using information systems, without the participation of the taxpayer.

Tax authorities may conduct a pre-audit analysis before the initiation of a chamber tax audit. (Article 138 of the Tax Code)

The pre-inspection analysis is carried out without the order of the head (deputy head) of the tax authority through the automated information system "Avtokameral".

The criteria introduced in this system are based on logical conditions and algorithms, with the indicators presented in the tax and financial reports submitted by business entities, and the data

available in the tax authorities (including electronic invoices, export-import transactions, online cash register checks, etc. ) compares automatically.

If, during the pre-audit analysis, discrepancies and (or) errors are found in the tax report submitted by the tax authority with the information available in the tax authority, a notice is sent to the personal office of the taxpayer to make appropriate corrections to the tax report. .

The taxpayer is obliged to submit the corrected tax report or the justification of the detected discrepancies within 10 days from the date of receiving the notification of the relevant corrections. Non-fulfilment of such an obligation is the basis for the tax authority to order a tax audit of the taxpayer.

The pre-audit analysis is considered completed from the date of submission of the clarified tax report or the basis of identified differences by the taxpayer or the appointment of the chamber tax audit.

The introduction of this automated system will create a number of advantages for taxpayers. Including:

- ◆ Assists in ensuring that taxes are calculated and paid on time and in full;
- ◆ Enables independent elimination of tax violations that occurred in their activities;
- ◆ It serves to ensure the prevention of financial fines, administrative or criminal liability measures that may be applied to them;
- ◆ It gives an opportunity to limit cases of unjustified interference and corruption in their activities and to reduce administrative pressures.

2022, more than 90.7 trillion soums of discrepancies were found in taxpayer reports

As a result of pre-audit analysis of taxpayers in 2022, discrepancies of 90.7 trillion soums were revealed.

Of this, 76.7 trillion soums of discrepancies or 84.5% of the total identified discrepancies were eliminated:

- ◆ 4.1 trillion soums of additional taxes were calculated;
- ◆ The indicators in the reports on the difference of 72.6 trillion soums have been corrected.

2023 , 89,136 enterprises submitted re-reports for increase and 5.9 trillion soums of taxes were calculated.

Areas where the biggest differences were found :

- ◆ production - 3 trillion soums (51.2%);
- ◆ catering and trade - 861.1 billion soums (14.5%);
- ◆ construction - 849.2 billion soums (14.3%);
- ◆ transport - 207.9 billion soums (3.5%);
- ◆ agriculture - 172.1 billion soums (2.9%);

In order to prevent tax violations, it is necessary to highlight the appeals received from taxpayers. As of September 1, 2023, there were 84,786 appeals, and 99.5 percent of these appeals were confirmed as tax violations. Mainly in which areas such rule violations were detected:

- failure to give sales receipts to buyers - 93.4 percent;
- 3.9 percent cases of non-acceptance of payments by plastic card;
- the case of increasing the purchase amount for a plastic card - 0.2 percent;
- committing tax offenses in other cases - 2.4 percent.

If we analyze these indicators in terms of regions, it remains a fact that the applications received and the rewards paid on this basis are implemented mainly in Tashkent city, Samarkand, Kashkadarya, Surkhandarya, and Navoi regions.

If we look at the analysis of how taxpayers comply with taxes, a total of 866 tax audits were conducted in 2022, which is 0.15 percent of taxpayers.

2023, only 679 subjects were inspected, and this indicator is 0.1 percent. Despite this low figure, cases of tax evasion of 1.2 trillion soums were found in 223 entities. These are;

- Failure to show the amount of goods sold in 138 legal entities of 697.2 billion soums
- 63 legal entities do not have 489.4 billion soums of goods in warehouses or sales;
- Cases of 23.9 billion soums of unpaid goods were found in 22 legal entities. These indicators correspond mainly to the contribution of production, construction, trade and other sectors.

The above analyzes show that 1.2 trillion soums of tax violations were detected during a 0.1% audit, and with the increase in the number of audits, cases of tax evasion and tax evasion in various ways may become obvious.

## Conclusions and Suggestions

- Opponents of tax reform believe that tax cuts will have a negative impact on the budget. Unfortunately, they don't know that the budget is empty due to high taxes. Are there other sources of funding other than taxes?!
- Privatization of property was viewed with great interest, unfortunately, it did not lead to attracting investments in time and solving social problems and financial stability. But now it is possible to switch to paid privatization with investment. Where to get it? Of course, from legitimate hidden sources.
- creation of specific legal conditions for business;
- establishing a clear boundary between the capital obtained through crime and the capital of clandestine producers;
- formation of a new attitude towards entrepreneurs, including foreign "crooks";
- abandoning fixed types of taxes;
- promotion of comprehensive cashless payments;
- to further strengthen the trust in the authorities, which is to protect the population from being deceived by financial frauds, to protect their deposits and to protect private ownership institutions.
- Establishment of public control over the activities of economic entities.
- As recognized by the World Economic Community, one of the most business-threatening areas remains the movement of large sums of money through the banking system and money laundering. Criminal elements are taking advantage of the confidentiality of bank information for others in their activities. Long-term bank secrecy is now causing the opposite.
- When large amounts of money are controlled by the state and the public, organized crime will lose its power.
- The information provided provides an understanding of the shadow economy, but this information also allows us to understand how the shadow economy affects our lives.

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