ISSUES OF REGULATION OF THE ECONOMY THROUGH TAXES

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ISSUES OF REGULATION OF THE ECONOMY THROUGH TAXES

Considering taxes to be the universally recognized regulator of the economy, relative ideas on the proper organization of tax relations are being promoted in various scientific papers. The article deals with the essence of tax regulation, goals and tools of tax policy regulation, and priorities for tax concessions. At present, the tax policy and the situation analysis in the Republic of Uzbekistan are presented. The article provides suggestions and recommendations on forming a taxation system in line with the new economic situation in the country.

Key words: tax, regulation, tax policy, tax rebate, tax service, tax consultation.

Introduction
Modernization of the economy of the country, further improvement and implementation of economic reforms in the tax system, strengthening of incentives
for taxation, further development of small businesses and their role in the economy are the most important issues of socio-economic development.

The President of the Republic of Uzbekistan Sh.M. Mirziyoev addressed to the Parliament noted that at present the reduction of the tax burden, creation of more favorable conditions for doing business is aimed at eliminating "hidden" economy, promoting honest taxpayers, to reduce the tax rates or eliminate certain taxes through effective tax administration, and to maintain budgetary stability and reduce the tax burden by introducing the same taxation regime to everyone [1].

Taxation of enterprises and the least studied taxation are the taxation. It is not enough to clarify this issue in the economic literature, with the theoretical and practical interpretation of the concept of "tax regulation".

**Literature Review**

While economic literature does not provide adequate comment on the concept of "regulatory", it is impossible to overlook some of the theoretical views presented therein. The Collin's dictionary describes the concept of "regulation" as follows:

- regulation - the rules governing the work of the government or other bodies or the control over society's behavior;
- regulation - normally controlling the activities or process under the law;
- regulation - rules or principles or processes or actions [2].

From the foregoing, regulation suggests that it can be considered as a major tool of action, or, if it is considered to be an instrument and can be used in economic activity, in the case of such an approach, "This leads to confusion and misunderstandings in understanding.

Below we have tried to draw the characteristics of scientific views on the definition of "tax regulation".

Azrylian A.N. in his book, he emphasizes that taxation is a change in the rate of attraction of funds to the budget from various special tax incentives to reduce or increase the overall level of taxation, to expand entrepreneurial activity in specific areas or regions, indirect influence measures [3].

"Taxation," Rayzberg wrote, "change tax and tax rates, set up tax breaks, reduce or increase the overall level of taxation, indirect effects on the economy and economic and social activities through budget allocations. measures to be taken "[4, p. 155]. It should be noted that B.A. Rayzberg explained the essence of taxes, and in turn, A.N. Azrylian. It contributed to the development of the theory of taxes created by Azrylian.

Another description of tax regulation is given by A. Gryaznova: "Taxation is a practical implementation of one or more forms of tax policy. Effective taxation implies broader use of rebate "[5, p. 174].

Yutkina T.F. declares: "Tax regulation is economic influence on investment processes, renewal of technology in the industry, budget balancing, and internal taxation relationships" [6, 384-393 b.].
Dukanich L.V. says: "Taxation is an integral part of the management process aimed at adopting the fiscal obligations and the taxation concepts that have been enforced" [7, p. 414].

S. Barulin acknowledges tax compliance as a subjective activity of individuals in the use of tax regulator in the use of different profitable business coefficients in the practice of taxation and tax concepts in practice [8, p. 194].

The meaning of the word "regulating" is translated from the Latin word regola as "satisfaction, regulation, norm, rule, as well as economic processes and processes targeted at supporting or changing their relationships" meanings.

"Regulating - a subordination of certain rules or regulations, and checking to verify whether anything, for example, laws, decisions, plans, or observations have been made for this purpose," R.L. Miller and D.D. Van Hoose [9, p. 27]. They also state that "regulation of banking activities means an active and systematic impact on the activities of credit institutions through various means" [9, 27b.]. Therefore, in our opinion, the concept of "regulatory" should be understood as the sum of the measures of economic and legal nature, methods and means by means of the influence of the competent state bodies in taxpayers' activities in order to ensure the sustainability and identification of systemic risks. Thus, this concept is a broader concept of taxpayers' control.

Indeed, the above definitions can be easy and straightforward for a simpler and broader audience. However, these definitions do not fully reflect the organizational and legal aspects of tax regulation. In addition, these payments cannot provide sufficient information on the purpose and the timing of recovery.

In our opinion, tax regulation is to ensure the tax burden on the budget and, at the same time, stimulate the innovation and investment activities of industrial enterprises through the redistribution of some of the profit of the undertakings, as well as the tax burden is a set of normative-legal documents that are carried out by the state within the framework of taxation policy.

**Analysis and results**

First of all, the concept of "regulation" cannot be regarded as a financial document. Moreover, the views expressed in the Collins dictionary do not fully explain the concept of "regulation." "Regulatory" should provide for the achievement of the goal by consolidating socio-economic indicators in their essence, ensuring their dynamic movement. It provides a link between the financial performances of the enterprise in the process of economic activity and provides a cross-linked movement not only of value, but also of socially significant indicators. That's why it cannot be controlled as a motor or as a vehicle. It involves the outside management of vehicles.

The experience of developed countries in modern development shows that taxation is a strong factor in the state's economy. By streamlining certain taxes, the government plays an important role in promoting the effective management system, capital flows to the most important sectors, in the provision of social and economic development. At the same time, the state will pay attention to tax incentives. Tax incentives enable foreign investment to penetrate into the country's innovative
spheres, and tax rebate will contribute to the development of priority sectors of the economy (see Diagram 1), allocating them at different levels, depending on the location of the sector in socio-economic development.

Diagram 1

![Graph showing Tax rebate, % over the years.](source.

It should be noted that, in a broader sense, "regulatory" does not imply a narrow sense of whether individual or individual indicators are governed. It involves the use of elements of different mechanisms in the formulation of indicators and indicators. In the context of such an approach, the importance of economic regulation in the narrow sense of the enterprise, in terms of its substantive economic realities, including taxation, is becoming increasingly important. Therefore, in the economic literature it is used for many research works dedicated to it.

The analysis of scientific views related to the concept of research has allowed us to identify two main approaches to interpret its content. The first group of authors considers tax legislation as a state mechanism, which is considered to be an impact on the economy by using the tax mechanism (A. Azrylian, B.A. Rayzberg, T.F. Yutkina). A.R. Gryaznova underlines that taxation means the taxation as an integral part of the tax policy related to the possibility of establishing and using tax benefits. Taxation and regulatory frameworks as a separate process of self-governance aimed at legally enforced tax liabilities are legally dealt with by L.V. Dukanich. Production, Planning and Improvement of Tax Regime S.V. Barulin's thoughts are bound. From his point of view, taxation is related to the subjective activity of individuals who are directed to the practical application of tax incentives. However, the above-mentioned comments explain the essence of tax regulation in a narrow range, which in turn determines the concept of "tax regulation". In our opinion, the taxation should be redistributed by some of the revenues of economic entities, as well as to change their tax burden and ensure tax revenue in accordance with the rates of development of the national
economy and simultaneously with the innovation and investment is a natural process regulated by the normative-legal acts carried out by the state within the framework of the tax policy to stimulate the activities.

There is one purpose of taxation, which is not widespread in this relationship. In many developed countries, governments are trying to curtail the taxation system of the private sector, to mislead their activities that they want to encourage and stop their efforts to promote. This is the main point of the relationship [10].

In the context of market relations, the function of this tax system is well organized. Indeed, some types of taxes are regulated to cease certain activities by imposing their costs. In other cases, such as profit tax, the complexity of the current tax system is characterized by the use of the government to achieve its regulatory goals. If the US income tax is profitable and redistributable taxes, the complexity of the current tax code may result in the non-operation of enterprises.

In the context of economic growth and encouragement, taxation is one of the most effective ways of state regulation of the economy. It can increase or decrease economic growth and social processes. Foreign-based taxation is one of the most effective tools for anti-crisis programs. It also regulates the tax policy with the use of all government instruments (Figure 1).

As can be seen in Figure 1, the government shows that, for example, reduction of the fixed tax rates for all subjects, reduction of taxable base, extension of tax payments, allocation of tax credits and other measures to financial support of certain enterprises and citizens, and provides practical advice. The government will continue to support the economic growth by reducing the costs of these taxes and fees, first of all, the spent resources (primarily natural resources), as well as the number of processing enterprises, and also to expand the scale of their involvement in production.

The taxation function is socio-economic, and it controls the proportion of the income of some social groups within the population. The role of the tax regulation function, especially during economic crises. In such cases, the profitable sectors of the economy and the amount of taxes levied by individuals from income earnings will be increased and the additional funds will be directed to the social protection of the poor.

The objectives of taxation of budget revenues are determined by the methods used directly in the context of the real economy. Taxation of budget revenues involves the coordination of revenue and expenditure, which is carried out in a variety of ways, depending on the nature of the tax, its form and the objectives of the taxation service. According to taxation targets, the taxation methods are actually divided into allowable tax incentives, penalties and fiscal balances. Transfers, subsidies, subventions, subsidies, redistribution of government revenues, and revenue and expenditure balances are achieved.
Tools of regulating tax policy

Tax rate
- Optimization of tax rates and strengthening of the taxpayer's economic frontier with the financial potential of taxpayers have been stepped up

Tax privileges
- Implementation of policies aimed at forming a growth tendency for 1992-2016
- Increased focus on elimination of unfair advantages
- From 2017, transition to tax exemptions and reductions policy

Tax penalty
- Emphasis on the elimination of the factors that led to the establishment of this taxonomy, with a rational organization of tax control and transition to an electronic technology system

Formation of tax base
- Limitation of double-taxation in the formation of the tax base, implementation of additional costs associated with the taxation base in the taxation base

Term of taxation
- The rules for reducing tax payments for the years 1992-2016 are valid
- Prolongation of payment terms by 2017

Achieving economic growth

Figure 1. The model of improving tax regulators and ensuring economic growth
Source: Created by author
Similarly, the fiscal administration should provide a smooth flow of cash flow, along with fiscal policy responses and quick response to the change in tax legal relationships through the taxation system. It can be achieved if the tax system is in line with economic conditions and is aimed at economic growth. Therefore, the taxation system should be built in line with the "national peculiarities of the economy" - that is, to meet the growth of the domestic demand, which corresponds to the development of production factors.

At the same time, the tax authorities should be able to pay due attention to the economic situation in the country, directly affected by the global financial and economic crisis. Dedication will accelerate the shrinkage of the global demand and lead to a decline in production. This necessitates the improvement of tax advisory services. For this purpose, each tax officer has the law of the Republic of Uzbekistan "On Tax Consultations", the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated March 20, 2007 "On Measures for the Development of Tax Consultations" and other relevant legislation they will have to ensure that they are mainly regulated. To do this, it is necessary to develop every aspect of the tax consultation service, based on existing legislation and international experience (Figure 2).

### The activity of the tax consultation service

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducting tax and other compulsory payments to the client and consulting on taxpayer discipline</td>
<td></td>
</tr>
<tr>
<td>Providing effective advice on financial rehabilitation of economic activities</td>
<td></td>
</tr>
<tr>
<td>Practical assistance in tax accounting</td>
<td></td>
</tr>
<tr>
<td>Providing practical assistance to customers in defining taxation objects correctly</td>
<td></td>
</tr>
<tr>
<td>Assistance in restoring and maintaining accounts</td>
<td></td>
</tr>
<tr>
<td>Providing practical assistance to the customer in making taxation documents</td>
<td></td>
</tr>
<tr>
<td>Providing practical assistance in the preparation of financial statements</td>
<td></td>
</tr>
<tr>
<td>Assistance in planning next year operations</td>
<td></td>
</tr>
<tr>
<td>Representation in the court on behalf of the client on taxation issues in law enforcement and controlling bodies</td>
<td></td>
</tr>
</tbody>
</table>

*Figure 2. The activity of the tax consultation service*

Ensuring the financial stability and growth of the economy through taxation depends on the state of the measures undertaken by the state and the impact of their influence on the theoretical and methodological level of tax reforms and their compliance with the goals.

However, in our opinion, the formation of a tax system in accordance with the conditions of the new economic situation in the country should be carried out in accordance with the following rules:

• Tax changes should be timely and clear to taxpayers. It is important to conduct methodologies with individuals and legal entities in order to introduce changes to the taxation. The clear understanding of taxation is related to the need to simplify and simplify taxation relationships, and to ensure balance between self-regulatory taxation of the state’s economy. This tax implies creation of an effective taxation system that is reflected in its functions, in conjunction with the real socio-economic processes taking place in a certain period of economic development. The occurrence of clarification of the tax relationship is largely dependent on the imposition of restrictions on the taxation system;

• Multiple taxation systems require some taxation to be linked to specific budget systems, while others provide only partial revenues to various budget budgets. For this purpose, it is important to establish quotas on taxation of the republican budget and local budgets in the Tax Code. It is recommended to use the method of interest allocation, which provides for a certain percentage of the single tax rate. Multilevel taxation system ensures transparency, accuracy and coordination of economic activity of managing subjects in the process of taxation;

• The order of taxation is connected with the two-sided budget system and it includes the tax rate for the components. In this taxing approach, each component must meet the legitimacy requirement, and the illicit installation of the components creates illegality in setting the overall tax burden [6, 384-393 p.] [11, p.]. When the right to introduce taxes is established by the Oliy Majlis, the rates are set by the government and the payment procedure is established by the State Tax Committee;

• The adoption and publication of the proposed changes at a given time represents the evolution of tax relations. For example, at the end of the fiscal year, they are reachable to reach out to everyone and to reach a point when negotiating financial and trade deals. The government must guarantee the validity of the amendments to the Tax Code. Taxes modernization will help to reconcile the state budget, primarily to avoid the loss of subjects;

• It is important to stay away from trying to solve a number of different and controversial issues in tax reform. Simultaneous tasks and their implementation (such as fiscal tax promotion, business promotion, growth of individual income, privileges and preferences, tax collection work, etc.) have a positive impact and, consequently, does not produce a productive effect.

Establishment of conditions for the maintenance of value in the process of taxation and distribution of income from various spheres of the economy will be reflected and further improved in the tax administration. It will assess the tax
effectiveness, the need to make changes to the taxation policy and the taxation system.

When choosing a model of tax regulation, it is necessary to take into account not only the general economic situation in the state, but also the fiscal interests of the federation and its individual entities [12, 211 p.].

In our opinion, the concept of organization as a generic is more general in relation to the nature of the tax, just like the concepts: tax optimization, regulation of the tax system. From the modern point of view, they all rely on the original and therefore the most fundamental concept of tax, which implies modernization or orderliness as an indispensable condition. Modernization or orderliness, in our opinion, arise from chaos, disorder in the presence of certain conditions [13, 309 p.]

Effective implementation of tax control functions, first of all, depends on tax discipline. The essence of this function is to ensure that taxpayers (legal entities and individuals) pay the specified taxes in full and in full. Implementation of tax functions will have a real impact on the government, the economy and all the processes of production. The experience of advanced economies testify to the need to make adjustments to the traditional taxation functions at the current stage of economic development. Taxes and their functions should encourage modernization and diversification of the economy, savings and investment activity.

Implementation of taxation functions will give a real impact on the government, the economy, and all processes of production and will promote further development of the tax policy goal (Figure 3).

<table>
<thead>
<tr>
<th>Purpose of tax policy</th>
<th>economical</th>
<th>Fiscal</th>
<th>Social</th>
<th>International</th>
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<tbody>
<tr>
<td>- elimination of various disproportions;</td>
<td>- meeting the demand for financial resources at all levels of management and achieving the organization and implementation of their economic and social policies, as well as the performance of their functions by public administration bodies</td>
<td>- Ensuring public policy in regulating revenue, focusing on identifying and ensuring the social sphere, redistribution of inequalities in the redistribution of GDP</td>
<td>- Carry out the state's financial obligations at the international level;</td>
<td>- Strengthening economic ties with foreign countries</td>
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Figure 3. Targeted tax policy [14]

The experience of advanced economies testifies to the need to make adjustments to the traditional taxation functions at the current stage of economic development. In this sense, taxes and their functions should encourage the modernization and diversification of the economy, the savings of investment and investment.

It is important not to pay the tax burden on small businesses and private entrepreneurship. This will help ensure transparency in taxation and create the same economic conditions for all.

Conclusion and proposals

However, in our opinion, the formation of a tax system in accordance with the conditions of the new economic situation in the country should be carried out in accordance with the following rules:

• Tax changes should be timely and clear to taxpayers. It is important to conduct methodological work with individuals and legal entities in order to introduce changes to the taxation;

• Multiple taxation systems require some taxation to be linked to specific budget systems, while others provide only partial revenues to various budget budgets. For this purpose, it is important to establish quotas on taxation of the republican budget and local budgets in the Tax Code;

• The order of taxation is connected with the two-sided budget system and it includes the tax rate for the components. In this taxing approach, each component must meet the legitimacy requirement; the illicit trafficking of the components creates illegality in establishing the entire tax burden;

• The adoption and publication of the proposed changes at a given time represents the evolution of tax relations. Taxes modernization will help to reconcile the state budget, primarily to avoid the loss of subjects;

• It is important to stay away from trying to solve a number of different and controversial issues in tax reform.

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