

Issues of Organizing Effective Tax Control in The System of Tax Administration

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ABSTRACT

This scientific article reflects the reform of tax administration, the formation of a "digital economy" with further improvement and development of the activities of the bodies of the state tax service, as well as the acceleration of the implementation of universally recognized international norms and standards in the field of tax control into national legislation.

KEYWORDS: Tax administration, tax control, tax audits, a cameral tax inspection, Sayyor tax audit, an audit of tax operations, tax monitoring.

In our country, large-scale reforms are being carried out aimed at ensuring the unhindered implementation of entrepreneurial activity, creating conditions favorable for doing business and increasing the investment attractiveness of our country. These reforms have a positive effect on the development of the business environment in our country and the international ranking of the Republic of Uzbekistan. As

noted by the head of the country, we still have to work hard to improve the tax system in order to make our country attractive for investors who intend to carry out their large investment projects in Uzbekistan. "The most basic idea of the new tax concept, introduced from 2019, is to reduce the tax burden, apply a simple and stable tax system, through which it is possible to increase the competitiveness of our economy, create a favorable environment in every possible way for entrepreneurs and investors."

The Law of the Republic of Uzbekistan "On the State Tax Service" regulates the rights and obligations of the state tax service bodies aimed at regulating relations related to tax control and tax audits, their cooperation with other state bodies and organizations, and tax the rules defining the responsibility of the responsible employees of the offices are provided. One of the main tasks of state tax service agencies in our country is to introduce modern methods of tax control.¹

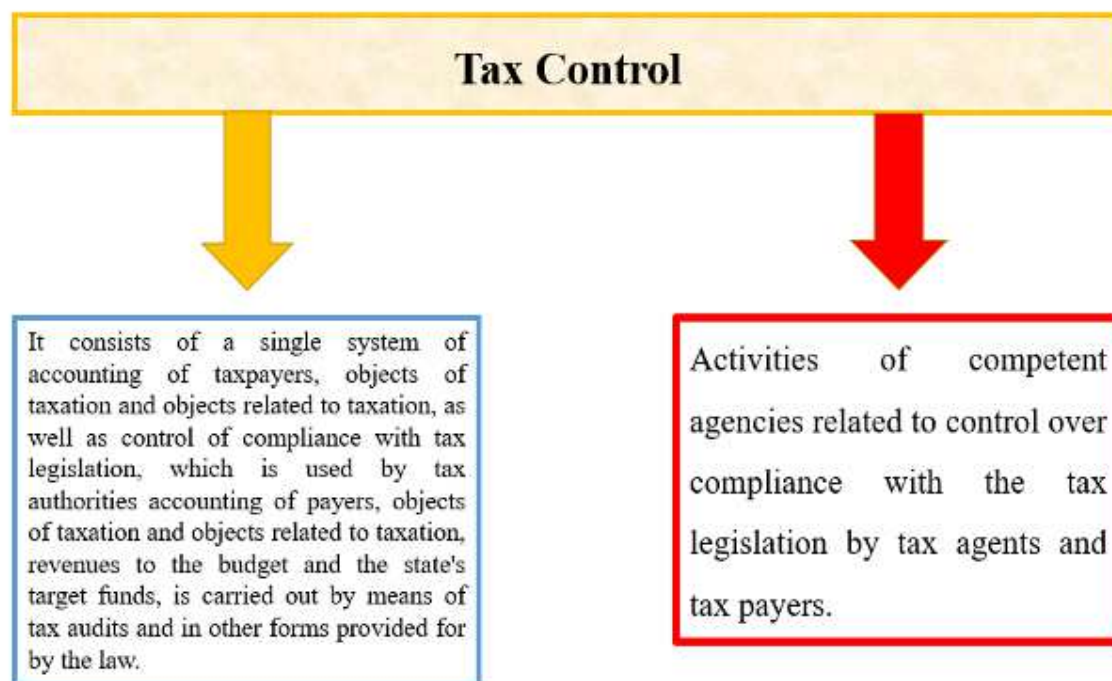


Figure 1. Prepared by the author on the basis of law-documents ²

It is known that the decree of the president of the Republic of Uzbekistan "on measures to radically improve the Tax Administration, increase the aggregability of taxes and other mandatory payments" provides for the introduction of modern forms of tax control as one of the important directions for reforming the system of activities of state tax service agencies. Based

¹ The text was prepared by the author on the basis of Articles 4, 5, 6 and 13 of the law of the Republic of Uzbekistan "on the state tax service".

² It was prepared by the author on the basis of the law of the Republic of Uzbekistan "on the state tax service" and the provisions provided for in the tax code "Tax control".

on this decree, tax monitoring was introduced, which is one of the modern forms of conducting tax control, which provides for expanded information exchange, in which the tax authorities and “law-abiding-honest taxpayers” are multilaterally assisted in solving issues related to taxation. There were also some shortcomings and problems that prevented effective tax reforms, such as increasing investment activity and business activity in the tax system, forming a healthy atmosphere of competition, ending the economy of khufiyona by establishing effective and effective tax control, eliminating them is one of the pressing issues of our day that are waiting for its solution and cannot be delayed, finding a suitable solution for them is important in that it serves equally positively in the interests of the state and society. Therefore, the organization of the activities of tax authorities based on somewhat outdated methods and principles of tax control allows solving important new tasks set before these authorities, including further expanding the taxable base and ensuring the increase in the collection of taxes and fees. as a result of not giving, a new system of tax administration and tax control practice was introduced within the newly revised Tax Code.

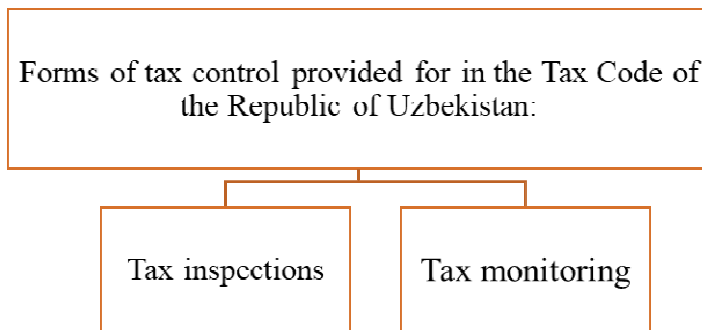


Figure 2. Tax control forms³

It is known that "Tax audits are carried out in order to control the compliance of tax legislation in the activities of tax and levy payers, as well as tax agents. it is carried out on the basis of analysis and study of the information and data available in the tax office"⁴

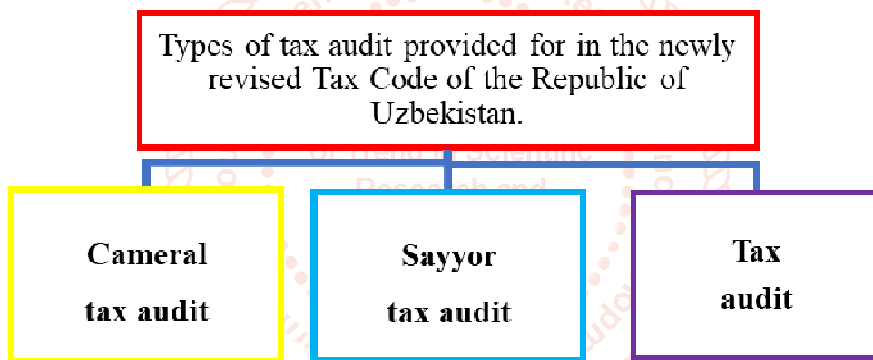


Figure 3. Types of tax audits⁵

At this point, it is worth saying that in the development strategy of New Uzbekistan for 2022-2026, special attention is paid to the issues of improving the organizational and legal foundations of effective public control and further strengthening public control through the implementation of digital technologies. 'focused. In our opinion, the organization of sayyor tax audits on the basis of public control through the "Tax Sayyor" application in ensuring effective tax control serves in a certain positive way to achieve the goals envisaged in the development strategy.

It would not be wrong to say that the meetings organized by the President of the Republic of Uzbekistan Shavkat Mirziyoyev with entrepreneurs also contribute positively to the improvement of tax administration in our country. In particular, the next open dialogue meeting of the President of the Republic of Uzbekistan with the entrepreneurs of our country was held on August 22, 2022. In it, the President pointed out five main directions and put forward many initiatives in each of them. In the fifth direction, the issues of controlling the activities of entrepreneurs and holding them accountable were discussed. First of all, a 3-year moratorium on the introduction of new liability and punishment measures against entrepreneurs was announced. It was said that the repetitive control functions of 26 offices will be canceled next year. The head of our state drew attention to the fact that there were many appeals regarding the number and severity of fines related to tax audits. For example, a financial penalty of 5 million to 10 million soums is applied to small entrepreneurs who pay an average of 1 million soums in taxes per month. That is, the punishment is the same for both small entrepreneurs and large enterprises. The head of our state emphasized that all types of investigations should be coordinated by the Business Ombudsman, and the amount of fines should not exceed the amount of tax paid by the entrepreneur. In order to ensure the implementation of the priority tasks set within the framework of open dialogue with entrepreneurs, as well as to prevent unreasonable interference in the activities of business entities, to

³ It was prepared by the author on the basis of Article 136 of the Tax Code of the Republic of Uzbekistan in the new version adopted by the Law No. ORQ-599 of 12.30.2019.

⁴ The text is Tax Code of the Republic of Uzbekistan, implemented from January 1, 2020.

⁵ It was prepared by the author on the basis of Article 137 of the new Tax Code of the Republic of Uzbekistan, implemented from January 1, 2020.

increase the responsibility of supervisory bodies and to ensure the openness of their activities, the head of state "Inspections in the activities of business entities" The decision "On measures to improve the procedure of coordination of transfer" was signed.

From January 1, 2023, supervisory bodies will be prohibited from conducting inspections in the activities of business entities on functions that are not included in the register of state control functions in the "Uniform State Control" information system. The decision of the Cabinet of Ministers of the Republic of Uzbekistan "On additional measures for the organization of state control over the activities of business entities by supervisory bodies" was adopted. This decision also approved the regulation "On the procedure for filling out the register of inspections". According to it, now the register of inspections is kept only in electronic form. Based on the decision, the regulations on the procedure for certification of the officials of the supervisory bodies regarding the right to inspect the activities of business entities and the minimum requirements for the risk analysis systems of the supervisory bodies were also approved.

Consistently reducing the tax burden in our country, simplifying the taxation system and improving the tax administration are the most important conditions for the rapid development of the economy and the improvement of the country's investment attractiveness. Today, an in-depth analysis of the development path of our country, that is, the world market situation has changed dramatically, and it shows that the competition is getting stronger in the conditions of globalization. Therefore, today requires us to develop and implement completely new approaches and principles for the development of our country at a more stable and rapid pace [1].

According to President Sh. Mirziyoev, "Further improvement of the business environment remains one of the most important issues for us. Therefore, we have adopted all organizational and legal measures to enter the top 50 countries in the World Bank's "Doing Business" rating [2].

Even today, in the field of tax administration, including the collection of taxes and fees, the expansion of the tax base, and the improvement of legal culture aimed at ensuring voluntary compliance of taxpayers with their constitutional duty to pay taxes the implementation of several measures will not be without benefits for the well-being of our country and people. In several newly adopted normative legal documents related to the tax sector, the important directions of reforming the system of state tax service bodies in our country are comprehensive assistance to taxpayers in fulfilling their tax obligations, the development of effective mechanisms for the prevention of tax offenses and tax it is determined to increase the legal culture of payers, to introduce modern methods of tax control. Further improvement of the tax-budget policy by introducing modern methods of tax administration and taxation, effective control mechanisms over the full collection of taxes and timely payment to the budget, increasing the level of transparency of the budget process, the activities of the republic's tax authorities, including, it is urgent to regularly research the processes of further improvement of their activities on the introduction of modern forms and methods of mutual cooperation with taxpayers and state bodies.

According to V. Panskov, "Tax administration is the management of state and local authorities for tax planning, formation and improvement of the system of taxes and levies, compliance with tax laws and the fulfillment of the obligations of tax relations participants. activity" he described [3].

I. Aleksandrov stated that "Tax administration is the management activity of tax authorities and financial authorities in the field of taxation"[4].

By D.Meshkova, "Tax administration means first of all the mutual relations between fiscal bodies and obliged persons in terms of processes and procedural aspects" [5].

And by A.Sherbakov, "The essence of tax administration is determined by the characterization of the relations of tax authorities and taxpayers in the forms of production and economy that arise in the collection of taxes" [6].

Sayyor tax audit is a type of audit conducted on the basis of the order of the head of the tax authority within a period of no more than ten days. analysis of other information related to the activity of the taxpayer. Also, during this inspection, tax authorities will conduct preventive measures and timekeeping observations, check the use of cash register equipment and payment terminals, and other tax control measures, and in cases where the need to obtain additional information arises for the purpose of impartial implementation. a sayyor tax audit can also be appointed. Sayyor soliq tekshiruvining e'tiborga molik jihati shundaki, uning natijalari bo'yicha qo'shimcha soliq unidirishlarini hisoblash amalga oshirilmaydi.

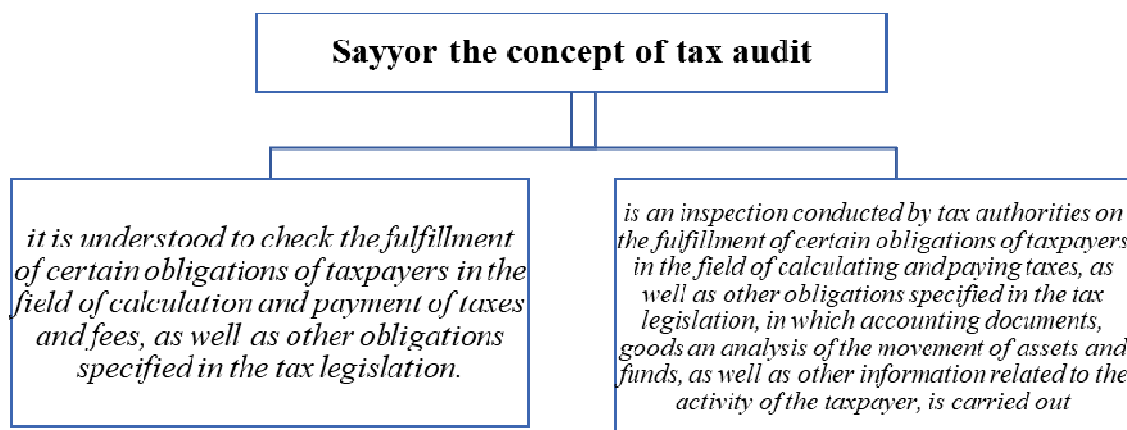


Figure 1. Sayyor concept of tax audit [7]

The following are the basis for a *Sayyor* tax audit:

- presence of risk of violation of tax legislation determined through the tax risk management system;
- appeals of individuals or legal entities regarding violations of tax or foreign exchange legislation, including cases of unjustified overpricing of goods and services, transportation of passengers by light motor vehicles illegal business activity;
- when information about tax and currency violations is published in mass media;
- when there is a need to obtain additional information in order to objectively carry out the camera tax investigation under way;
- when information is received from the court, law enforcement agencies, as well as other state bodies and organizations, indicating tax and currency violations.

One of the unique features of the sayyor tax inspection is that, although taxes and fees are not calculated based on the results of the inspection, the documents and information obtained during the inspection can be used to conduct a camera tax inspection.

In the event that the tax payer is prevented from entering the territory and premises of the official conducting the inspection during a sayyor tax inspection, the official conducting the inspection shall draw up a document. On the basis of such a document, the tax authority shall independently determine the amount of tax to be paid on the basis of the information it has about the person under investigation or information about similar taxpayers. The document is signed by the official conducting the sayyor tax audit and the person being audited. If the inspected person refuses to sign the said document, a corresponding note will be made in this document.

According to the results of the sayyor tax inspection, a document is drawn up by the official conducting the inspection. A copy of the document shall be handed over to the taxpayer after familiarizing himself with the document, with his signature indicating receipt and date. When the taxpayer refuses to receive the document, an appropriate entry is made in the document and a copy of it is sent to the taxpayer in his personal office or by registered mail. The day when the audit document is handed over to the taxpayer or sent to him is considered the day of completion of the tax audit. Copies of documents that are the basis for conducting a sayyor tax audit, documents drawn up during the audit, conclusions of experts and experts, materials obtained during a sayyor tax audit, as well as other documents confirming the performance of actions within the framework of a sayyor tax audit are attached to the inspection report.

Conclusions and suggestions:

Based on the above analysis, the following conclusions and suggestions were developed:

- reviewing the articles of the tax code on the state control of the activities of economic entities, tax control and tax audits and tax audits, making appropriate changes and additions to the regulation of relations related to state control serves;
- it is necessary to harmonize the rules of the concept of tax control in the legislation on the state tax service and the tax code;
- to ensure that the provisions related to tax control provided for in the business code under development are developed in accordance with the tax code and the laws related to the state control of the activities of business entities;
- analysis of mobile tax audit documents and information related to the activities of the economic entity, strengthening in legislation the procedures for conducting preventive measures of tax authorities, timekeeping observations, tax audits and tax control measures;
- to notify the taxpayer about the tax audit before the start of the tax audit and display all relevant information, make changes and additions to tax reports by the taxpayer during the tax audit impossibility to enshrine in relevant articles of the tax code.

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