



BASED ON THE EXPERIENCE OF FOREIGN COUNTRIES, ISSUES OF HARMONIZING THE TAX DEBT RECOVERY MECHANISM WITH THE NATIONAL TAX SYSTEM

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Abstract:

This article discusses the improvement of the tax collection mechanism, improvement of taxpayer service and training, simplification of the tax system and procedures, development of effective communication channels between taxpayers and tax authorities, improvement of tax collection mechanisms. In addition, theoretical and practical aspects of trends in the development of relations consisting in the formation of trust and perception of justice and the use of effective enforcement measures increase compliance.

Keywords: local tax, market value of property, cadastral value, personal card, tax elements, budget potential, local budget, local budget expenditures, local taxes, tax incentives.

Introduction:

Taxes play a key role in the formation of budget revenues. Therefore, it is necessary to form the budget revenues on time, completely, without various conflicts, in legal ways. In this case, the collection of taxes and fees calculated by taxpayers is of great importance. Today, the increase in the number of taxpayers who are in the situation of not paying the calculated taxes and fees shows how relevant the chosen topic is. Therefore, today, reducing the debt of taxpayers to the budget remains one of the urgent issues before the tax authorities in our republic.

The reforms implemented in the economic sphere are aimed at making the tax system more open, reducing the tax burden year by year, encouraging and developing local producers, and increasing the competitiveness of their products. The President of the Republic of Uzbekistan Sh.M. Mirziyoev spoke about this and emphasized that "it is necessary to reduce and ease the tax burden for all business categories, and on this basis to expand production and the taxable base", and the priority directions for improving the tax system as "it is necessary to switch to the policy of encouraging rapidly developing and growing enterprises¹".

¹Мирзиёев Ш.М. Ўзбекистон Республикаси Президенти Шавкат Мирзиёевнинг Олий Мажлисга Мурожаатномаси. – Тошкент: “Ўзбекистон” НМИУ, 2018. – 55 б.



Analysis of literature on the topic

We present a brief literature review on the topic of ways to improve the tax collection mechanism introduced in the tax administration of the Republic of Uzbekistan at the present time.

Tax Administration Reform and Fiscal Control in Uzbekistan (2006) by Sabine Fraser: This researcher provides an overview of tax administration reform in Uzbekistan and highlights challenges and opportunities for improving tax collection mechanisms. The author suggests that improving the process of tax collection can be achieved by improving taxpayer education and outreach, increasing transparency and accountability, and modernizing the tax administration system. [1].

"The Impact of Tax Reforms on Tax Law in Transition Countries: Evidence from Uzbekistan" by Tigran Poghosyan and Evgenia Kolomak (2013). According to the authors, tax reforms aimed at simplifying tax procedures and lowering tax rates can increase tax compliance and revenue collection. [2].

"Improving Tax Compliance in Uzbekistan: Lessons from the Literature and International Experience" by Sanjay Kumar and Tigran Poghosyan (2019): These studies review the literature on tax compliance and international experiences on improving tax collection mechanisms. comes out. The authors argue that effective tax compliance strategies require a comprehensive approach that includes taxpayer education, simplification of tax procedures, effective enforcement, and a supportive legal and regulatory environment. [3].

Strengthening Tax Administration in Uzbekistan: A Case for Risk-Based Auditing by M. Mahmud and A. Jain (2018): This paper proposes a risk-based audit approach to strengthening tax administration in Uzbekistan. The authors suggest that risk-based auditing can improve tax compliance and revenue collection by targeting high-risk taxpayers and more effectively detecting violations. [4].

Tax Reform and Revenue Mobilization in Uzbekistan (2018) by Ziyaev, J. and M. Khujakulov: This study explores the impact of tax reform on revenue mobilization in Uzbekistan. According to the authors, tax reforms aimed at simplifying taxation procedures, reducing tax rates and improving tax administration led to a significant increase in tax revenues [5].

"Improving Tax Compliance: A Literature Review" by Joel Slemrod (2007): This study provides an overview of the tax law literature and argues that effective tax collection mechanisms require a combination of enforcement, incentives, and education programs. does. The author also discusses the importance of simplifying the taxation system and procedures [6].

"Improving Tax Collection Through Better Taxpayer Service and Education" by Richard M. Bird and Eric M. Zoltlar (2005): This document improves taxpayer service and education. shows that it can be an effective way to increase tax collection. The authors recommend providing clear and simple information to taxpayers, simplifying tax forms and procedures, and developing effective communication channels between taxpayers and tax authorities [7].

"Tax Compliance: A Literature Review" by Benno Torgler (2002): This researcher reviews the literature on tax compliance and identifies several factors that may influence compliance behavior. , including trust in government, perception of justice, fines and punishments. coercive measures. The author states that improving the perception of trust and fairness can increase compliance [8].



Analysis and discussion of results

In many foreign countries, tax debt collection is regulated by national tax authorities or government agencies. The process usually involves several steps. In the process of reporting the debt, the tax authorities inform the taxpayer about his debt. Notice may be sent by mail or email. Negotiations and agreements can be conducted between the tax authority and the taxpayer to resolve the debt. In this case, contractual discounts, installments or debt settlement may be applied. By applying administrative measures, if an agreement is not reached and the debt is not paid, the tax authorities can take administrative measures. This includes fines, withdrawal of funds from the accounts or freezing of the taxpayer's assets. According to court actions, in some cases, tax authorities can apply to the court to collect tax debts. This can lead to prosecution and enforcement proceedings to seize assets or take other debt collection measures. It should be noted that the procedure for collecting tax debts and sanctions may differ from country to country. Each individual country has tax laws and regulations that govern the debt collection process. Studying the methods of taxation, tax collection and ways of reducing tax debts of foreign countries and applying their positive aspects to the tax system of our country, optimizing the mechanism of tax collection and improving the ways of reducing tax debts is considered the relevance of the scientific work. Taxation of developed countries, collection of taxes, reduction of tax debt and tax system in practice in foreign countries R. Gilferding (Germany), Dj. It is reflected in the works of S. Mill (France). Russian economists M. Romanovsky, N. Sychev and T. Yutkina (nalogi i nalogooblozhenie) covered in their works the methods of taxation and collection of taxes related to the tax system of foreign countries and the problems arising from them. According to O. Kalinka, it is necessary to improve the norms of tax legislation aimed at increasing the level of tax culture, but this is neither the only nor complicated. Of course, first of all, it is necessary to coordinate tax legislation, in particular tax administration legislation and local regulations. In order to prevent the creation of tax debt in Canada, the government will first of all pay attention to the development of appropriate legal norms regarding the recovery of tax debt from undisciplined taxpayers, taking into account each specific aspect. In Japan, there is a whole state program aimed at providing legal assistance, advice, information and notification to taxpayers, which contributes significantly to increasing the culture of voluntary tax payment.

When we studied the views of foreign scientists, we analyzed a number of scientifically based opinions in the first chapter of the dissertation. Basically, Francois Quenett (1694–1774), the founder of the Physiocrats doctrine, said, "Taxation is one of the ways to cover government expenses by levying taxes on the owners of land and the income from renting houses or real estate. 'recognized.

Francois Quenet (1757) emphasized that such a method of obtaining income is an excessive expense for the taxpayer and a profit not based on hard work.

Herbert Simon, an American scholar of political economy (1943) said, "The collection of land and real estate taxes on rental properties, subtracted from their actual rental value, reduces the demand for real estate and lowers rents." he emphasized that it will serve to reduce their interests."

A.P. Abramov (2019) "Methods of calculating and collecting taxes from natural persons: withholding at the source, self-assessment according to the declaration, clearly defining the calculations when



collecting by the cadastral method. The directions of their improvement are unification of the process of tax administration, collection of personal income tax at the place of registration of the taxpayer, improvement of the administration of income tax from the sale of property. caused by M.G. Delyagin (2019) considers it appropriate to introduce compensatory taxes from individuals in order to eliminate the division of society into arbitrariness and plunderers, to strengthen market relations in a civilized manner. The scientist suggests that the first buyers of state property pay the difference between the purchase and the market value to the budget. This, on the one hand, will reduce the budget deficit by improving the mechanism of calculating and collecting taxes from individuals, and on the other hand, it will lead to the easing of social tension in society, because according to the Organization for Economic Cooperation and Development, the difference in income between different social strata of the population distribution in decile groups (decile coefficient - the ratio of incomes of the richest 10% of citizens and the poorest 10%) shows a very large difference (16:1). In addition, it allows for the legalization of private property. The theory of world practice has a strong perspective on the fair approach of tax debt enforcement. According to one of these views, the creation of certain opportunities for debtor enterprises to "breathe" will help to ensure that the enterprise "gets on its feet" again. when the debtor goes to court to collect the debt of the enterprise, they are exempted from paying state duty so that new debts are not placed on top of the debt. Also, in Belarus and Kazakhstan, as a method of collection of tax debt, there is a tax law norm of focusing the collection on the debtor's debtor. In Latvia, the debt collection process consists of 2 stages, pre-trial and in-trial collection procedures are established. As a rule, when the expected result is not achieved in the pre-trial process or the amount of debt is high, the creditor applies to the court.

In our country, this right, focusing the debt on the debtor's debtor, is given to bailiffs based on Article 46 of the Law of the Republic of Uzbekistan "On Enforcement of Court Documents and Documents of Other Bodies" (Measures of Compulsory Enforcement). In this case, tax debt enforcement documents must be available at the Enforcement Bureaus, which will take a long time to collect the debt. In our republic, in the current legislation, disputes between the relations of business entities are regulated by the Decree of August 29, 1998 (No. 670-I) "On the contractual and legal basis of the activity of business entities" Based on the Law of the Republic of Uzbekistan (Article 19), it is envisaged to be considered in court.

Looking at the tax system of foreign countries, I can see that the methods of tax collection are of particular importance and the methods of tax collection are used in a variety of ways. United States of America. There is a provision in US tax law that provides for the seizure of all assets and property rights of the delinquent taxpayer in the event of failure to pay taxes and penalties. a notification is sent in advance asking them to disconnect independently. US law also requires tax authorities to send such notices to debtors demanding payment within specified periods.

Russian Federation. According to Russian legislation, tax is levied on an individual in the following sequence: first, on the amount of money in his bank account, then in turn on the amount of cash, on the contract to other persons, without the transfer of property rights, ownership, use or disposal. at the expense of the given property, if such contracts are canceled in the prescribed manner or found to be



invalid in order to ensure the execution of the obligation to pay taxes, at the expense of other property, for the daily personal use of an individual or his family members except for what is intended. If the tax debt is not terminated, a number of consequences will arise for individuals. For example, it is not allowed to remove the citizenship of the Russian Federation from a citizen of the Russian Federation who has not fulfilled his obligations to the state.

Canada. Canadian law allows tax authorities to collect debt without going to court. However, they must warn the taxpayer in advance of their intention to apply enforcement measures and allow them to postpone the deadline for paying taxes and penalties. In order to ensure the fulfillment of the taxpayer's obligations to pay taxes at the expense of his property, it is first necessary to obtain a court decision, which is then registered as a debt obligation against the property owned by the debtor. In certain cases, the court may issue a decision prohibiting the transfer of property of the taxpayer without notifying the tax authorities. In the legislation of countries such as Austria, Argentina, Belgium, Brazil, Hungary, Germany, Greece, Denmark, Israel, Spain, Italy, Cyprus, South Korea and Japan, the absence of tax debt is considered the main condition when concluding a contract on a government order. In Australia, Israel, Italy, Indonesia, Korea, Malaysia, the Netherlands, individuals and heads of legal entities with tax debt are restricted from traveling to other countries. Argentina, Brazil, Bulgaria, Hungary, Greece, Cyprus, China, South According to the legislation of Korea, Malta, Portugal, Saudi Arabia, Turkey, the existence of a tax debt is considered as the basis for denying public services to the debtor.

It also reduces tax debt by reducing tax rates. When tax rates decrease, the tax burden decreases, which in turn leads to an increase in working capital and an increase in the tax base due to additional turnover. In this way, the budget losses due to the decrease in the tax rate will be compensated. We will consider the experience of the Russian Federation. There is an opinion that this country has a large amount of money in the underground economy and its citizens do not try to legalize their income. In 2001, Russia underwent tax reforms and made significant changes in the collection and rates of certain taxes. There has been a lot of talk about the potential impact of new tax approaches on tax collection. First of all, it concerned the personal income tax and the single social tax. The idea of reducing taxes has always been viewed with caution by the head of the Ministry of Taxes and Fees. Despite this, he testified that the introduction of the personal income tax at a single rate of 13% was fully justified, and in 9 months it was collected 1.5 times more than in the same period of the previous year. The task of the single social tax was also exceeded (according to the regressive scale of taxation since 2001). Almost 328 billion rubles have been received into the Pension Fund alone. In 11 months of 2001, income tax receipts to the general budget increased by 49% compared to the same period of 2000, and the plan of personal income tax receipts to the federal budget was fulfilled by 30%. A comparative analysis of the growth rate of revenues from various taxes to the consolidated budget of Russia in 2001 and 2002 shows that the growth rate of personal income tax during the analyzed period is higher than the growth rate of all types of taxes taken together. increased by 2 times. As a result, it took second place after payments for the use of natural resources, which is largely due to the increase in the volume of production and the increase in the price of natural resources (mainly the sharp increase in the price of oil on the world



market). The government of the Russian Federation plans to further reduce tax rates in the future. In the following years, it is planned to reduce the maximum rate from 35.6% to 26%, while maintaining the regressive scale of collection of the single social tax (the more the employee earns, the lower the percentage of GDP for the employer). In 2004, the value added tax rate was reduced to 2%, i.e. to 18%, while maintaining the current preferential rate of 10% for goods of primary importance.

According to the consolidation budget of the Russian Federation in February 2022, the tax arrears on taxes decreased by 5.2%, i.e. by 253.9 billion rubles. Compared to the beginning of the year, tax arrears increased by 3.6%, including taxes on mineral extraction by 7.2%, corporate income tax by 33.3%. Excise tax liabilities increased by 7.2%, including raw ethyl alcohol (by all types) by 28.3%, wine by 2.3 times, beer by 74.1%, tobacco products by 70.6%, more than 25% ethyl alcohol alcohol products with alcohol (except wine products) - by 47.8%. VAT decreased by 7.4%, excise duty on diesel fuel decreased by 4.2%, gasoline for cars - by 38%. Taking into account the time when taxes and fees appeared (except for fines and penalties), the revenue to the RF budget system as of March 1 increased by 0.5% to 785.8 billion rubles in February. As of January 1, debt increased by 3.8%, including VAT by 2.8%, mineral extraction taxes by 6.3%, corporate income tax by 8.2%, alcohol products with more than 25% ethyl alcohol (wine products) by 12.7%, wine by 30.1%, beer by 22.3%, tobacco products by 25.8%. Total excise tax arrears decreased by 1.4%, including excise duty on cars and motorcycles by 1%, gasoline for cars by 32.6%, and diesel fuel by 29.1%. The single social tax decreased by 0.9% as of March 1 compared to February 1, and decreased by 1.6% compared to the beginning of the year. Tax fines and penalties 47.8 billion roubles, of which more than half, i.e. 52.7%, corresponds to debt on the single social payment. But it decreased by 0.5% compared to the beginning of the year. Delayed debts reduced the budget system of the Russian Federation to 0.3 billion as of March 1. It externalizes the ruble, it decreased by 2.4% in one month, compared to January 1, it decreased by 10.4%, other debts externalize 14.9 billion rubles. (1.9% of total debt) and decreased by 4.5% in February and decreased by 5% since the beginning of the year.

Covering the deficit of the local budgets of the Russian Federation at the expense of municipal securities began to be implemented by the local government of St. Petersburg in 2000. Currently, large cities of the Russian Federation are moving to cover their budget deficits in this way.

The tax debt recovery mechanism in China consists of several stages. We will mention the main stages of this process. By notice, the tax authorities in China send a notice of tax liability to the address of the taxpayer. This notification specifies the amount of the debt and the period for its repayment. By taking measures, if the taxpayer has not paid the tax within the specified period, the Chinese tax authorities can take various measures to collect the debt. This includes blocking bank accounts, confiscating funds, confiscating property, or banning people from leaving the country. The taxpayer has the right to appeal to the court to protect his interests in the event of a dispute through the use of court proceedings. Litigation can lead to a change in the amount of debt or cancellation of tax claims if appropriate evidence is presented. Through collection agencies In some cases, when the debt is not paid, government agencies can refer the case to collection agencies to collect the debt. These agencies may use a variety of collection methods, including contacting the debtor, debt settlement, or collection



through bailiffs or asset forfeiture. The specific procedures for collecting tax debts may vary depending on the type of tax and regional laws in China.

The mechanism for collecting tax debts in Japan is implemented by the Ministry of Finance. He is responsible for collecting and managing taxes in the country. If the taxpayer does not pay his tax obligations on time, the Ministry of Finance can apply various measures to recover the debts. In such cases, different procedures are used. Through tax notices and reminders, the Ministry of Finance sends reminders about tax notices and unpaid tax amounts. They may include information about the amount owed and offer payment terms. With Penalties and Penalties, if the debt is not paid on time, the Ministry of Finance can collect late penalties and fines. In case of tax evasion, the Ministry of Finance has the right to conduct a tax investigation, during which the taxpayer's financial documents and property are checked to identify hidden income or assets. Collects tax debts by withdrawing funds from accounts. The Ministry of Finance also has the right to freeze taxpayers' accounts and obtain funds to pay off debts. In case of not agreeing to the requirements of the Ministry of Finance through the application of the court process, the taxpayer has the right to appeal to the court to defend his interests and oppose tax decisions.

Conclusions and Suggestions

The importance of using foreign experience in the field of the fiscal policy of the Republic of Uzbekistan, at the same time, the possibility of using new and effective tools to reduce tax debt through the implementation of tax policy, in particular, by fulfilling tax obligations, was considered. Here are the following:

acceptance of the interest rate of the penalty equal to three-sixty-fifth of the refinancing rate of the Central Bank of the Republic of Uzbekistan in force at the same time;
the action of the tax body to limit the property rights to the property of a legal person who is a tax payer is considered as a method of ensuring the execution of the decision on the collection of tax debt.

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