



PROBLEMS IN THE USE OF FISCAL INSTRUMENTS IN THE PROVISION OF TAX SERVICES TO TAXPAYERS

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Abstract

In this article, special attention is paid to further reducing the negative impact on the competitiveness of the republic's economy by gradually reducing the monopoly on commodity and financial markets, improving the efficiency of the system of granting benefits and preferences, as well as reducing the regulatory burden on business entities and radically improving the interaction of taxpayers in the implementation of tax administration and the fulfillment of tax obligations of the republic.

Keywords: tax, fiscal policy, budget, tax administration, tax potential, regulatory analysis, positive analysis, tax burden, representative tax rate, average rate, tax reporting, tax revenues, tax benefits.

Introduction:

Compliance with tax discipline is the most important factor in protecting the financial interests of state legal entities and is ensured by specialized institutions that control the implementation of tax relations. Based on the legally established rules of tax collection and mandatory rights for their implementation, the tax administration is designed to implement the strategic goals of the tax policy using a set of legal and economic tools, levers and incentives. However, the imperfection of modern tax practices and the functional structure of tax authorities have led to an increase in the conflict of interests. The development of taxpayer services, including the development of taxpayer service administration, and the elimination of new methods of tax evasion, have not been developed. In addition, based on the international experiences of taxation, it does not allow to solve the problem of determining the optimal level of improvement of service to taxpayers in the tax administration in Uzbekistan.

Analysis of literature on the topic

Within the scope of the topic, the main studied economic category of taxation is the improvement of service to taxpayers in the tax administration, let's dwell on the definitions given in relation to the improvement of service to taxpayers.

According to L. Erhardt, the market economy can function only if freedom of consumption, choice of profession and workplace, ownership of private property along with means of production, and freedom to enter into contracts are a necessary condition. L. Erhard described free private initiative and competition in accordance with the active participation of the state in the economic life as a tool for economic recovery of the country¹.



In particular, according to the great classical economist Adam Smith (1992), he associated competition with fair, honest, non-collusive competition between market entities for more favorable conditions for buying and selling goods. He knew price changes as the main method of competition. In this, he noted that the market, which is not controlled by the will of the community, does not have common goals, and follows strict rules of behavior. Therefore, it is the same "invisible hand" that coordinates the activities of competition-market participants.

Y. Schumpeter, within the framework of the theory of economic development, defined competition as a rivalry between the old and the new. Innovations are viewed with skepticism by the market, but if the innovator succeeds in implementing them, he argued that the competitive mechanism will drive companies using outdated technologies out of the market.

According to Tokarev and Maninalar (2015), export potential can be defined as the ability of an enterprise to create and produce competitive products for export, promote it to foreign markets, sell goods there, and provide services at the required level.

The American economist Naisbit (2013) defines the export potential of the enterprise as a dynamically changing component of the economic potential, in accordance with its organizational and technical structure, the mission and goals of the enterprise, taking into account the influence of environmental factors and internal conditions, the level of profitability in the far and near foreign markets. provides stable trade volumes.

According to Pugachev and the Parfenovas, "In the field of tax policy, it is necessary to distinguish two main areas of regulation of the digital economy:

- 1) regulation of duties and definitions of taxation of digital economy operations;
- 2) introduction of digital technologies in tax and customs administration and control.

As Vishnevsky (2019) admits, in the context of digitalization of taxation, new tax institutions will be formed related to the automation of the production process and the system of economic relations based on robotization. The taxation system will be objectively transformed. According to Pogorlesky and Keshner: "Introduction of digitalization and information technologies to the tax administration will necessarily lead to a reduction in the workload of the tax authorities, as well as to a reduction in debts on types of taxes and insurance contributions."

According to Goncharenko (2021), "tax optimization" is becoming very complicated nowadays. Tax authorities should be interested in optimizing tax costs, so that businessmen forget the concept of "tax avoidance".

Spiridonov et al. (2010) gave the following definition: "Tax optimization is a purposeful legal action of a taxpayer aimed at reducing tax liabilities, which includes the use of tax credits, tax exemptions and other methods and rules established by law." will take."

In general, the literature shows that implementation of digitization, simplification of tax procedures, and improvement of communication and information opportunities can improve service to taxpayers in the tax administration in Uzbekistan.



Analysis and discussion of results

One of the main problems of using fiscal instruments to provide services to taxpayers is their complexity and inconvenience of use. Some fiscal instruments require taxpayers to fill out a large number of documents and follow complex procedures, which may be difficult for taxpayers or those who do not have sufficient knowledge in the field of taxation. Another problem is the inconsistency between different fiscal instruments, which may have different rules and requirements for fiscal instruments in different countries or even different regions of the same country, which is a problem for taxpayers, especially when doing business in several locations. creates confusion and inconvenience for those who carry out their activities. In addition, the use of fiscal instruments is the use of high prices. In this case, some services related to fiscal instruments can be expensive, which creates an additional burden for taxpayers, especially small and medium-sized businesses with limited financial capabilities. The possibility of abuse of fiscal instruments is also an important problem. Some taxpayers may use fiscal instruments to avoid taxes or hide their income. This creates inequality in society and undermines the interests of other taxpayers. To solve these problems, a simpler and more convenient system of fiscal instruments that meets the requirements of different categories of taxpayers, minimizes the costs of use and prevents abuse is needed. In addition, it is necessary to provide more effective control over the use of fiscal instruments and stricter penalties for their abuse.

One of the problems in the use of fiscal instruments in providing services to taxpayers is bureaucratic complexity, which leads to a large number of documents and time required in the use of instruments for providing services to taxpayers. This can cause inconvenience for both taxpayers and state organizations. As a technical problem, the use of fiscal instruments requires the availability and correct configuration of special software. Service to taxpayers may be unavailable when the software is down. Lack of sufficient knowledge and skills Serving taxpayers using fiscal instruments requires knowledge and skills to work with them. If they are used incorrectly or their functionality is not fully understood, problems may arise in the provision of services. In cases of non-equality (justice), not all taxpayers can use fiscal instruments to receive services. This may be due to financial constraints or limited access to the necessary hardware and software. The use of fiscal instruments to provide services to taxpayers with regard to data security may pose a threat to data security. Taxpayers' right to privacy may be violated in cases of leakage or unauthorized access to fiscal information. The use of fiscal instruments to provide services to taxpayers in terms of compliance with the law requires compliance with certain legal norms and rules. Failure to comply with these standards may result in fines or other legal consequences for government organizations or businesses.

One of the main problems with the use of fiscal instruments to serve taxpayers is the possibility of abuse of these instruments, and some entrepreneurs may use fiscal schemes to avoid taxes or obtain illegal benefits. Another problem is the complexity of checking and controlling the use of fiscal instruments, and tax authorities may have difficulties in identifying such schemes and proving their use. They can require significant effort and resources to detect and document tax fraud. Fiscal instruments can lead to a complex administrative and bureaucratic procedure for providing services to taxpayers. Some schemes may require additional reporting and documentation, which can be time-consuming and



impact business efficiency. Another problem may be volatility due to the unpredictability of fiscal instruments. Political and economic factors can lead to changes in tax laws and regulations, as well as the use of fiscal schemes. This can create instability for entrepreneurs and taxpayers who must constantly adapt to new requirements and conditions.

According to the decision of the Cabinet of Ministers of the Republic of Uzbekistan on the approval of administrative regulations on the provision of certain state services in the field of accounting of taxpayers, those who carry out operations on commodity exchanges in the Republic of Uzbekistan and (or) registration (de-registration) of foreign legal entities in the state tax service bodies that buy (sell) shares of companies in organized sales and provide electronic services to individuals recognized as the place of realization in the territory of the Republic of Uzbekistan scheme has been developed.

Foreign legal entities providing services in electronic form specified in Articles 281 and 282 of the Tax Code shall submit a tax report to the tax authority in electronic form through the personal office of the taxpayer in the prescribed format. In the period when it is not possible to use the personal office of the taxpayer to submit documents (information) and data to the tax authority by foreign legal entities, such documents (information) and data are submitted through telecommunication communication channels. Tax reports, documents (information) and other information are submitted no later than the twentieth day of the month following the previous quarter. Payment of tax by foreign legal entities shall be made no later than the deadline for submitting the tax report.

Prior to the provision of the state service on recording real estate lease or free use contracts in the state tax service bodies, it was regulated based on the Regulation developed by the decision of the Tax Committee of the Republic of Uzbekistan.

Decision of the President of the Republic of Uzbekistan on measures to further improve the notary system as an institution aimed at preventing disputes¹ the procedure for mandatory registration of real estate lease agreements concluded between individuals in accordance with the state tax service authorities was established.

Real estate lease contracts are drawn up in accordance with the procedure established by the Civil Code of the Republic of Uzbekistan and must be registered with the state tax service authorities. In accordance with Article 612 of the Civil Code of the Republic of Uzbekistan, a housing rental agreement is concluded for a period not exceeding five years. If the term is not specified in the contract, it is considered concluded for five years. Housing rental contracts by individuals shall be concluded in optional paper form in accordance with this model form or based on the Civil Code of the Republic of Uzbekistan. According to the agreement of the parties, the document of recording the readings of the measuring devices installed for the delivery and acceptance of household goods and utility payments can be attached to housing rental contracts. The lessor or his representative should additionally submit the following documents when registering real estate lease agreements with the state tax authorities. In this case, a questionnaire about the mandatory registration of a real estate lease agreement, a copy of a

1 www.lex.uz. O‘zbekiston Respublikasi Prezidentining 2018 yil 25 maydagi “Nizolarning oldini olishga qaratilgan institut sifatida notariat tizimini yanada takomillashtirish chora-tadbirlari to‘g‘risida”gi PQ-3741-son qarori



real estate lease agreement, a document confirming the identity of the lessor or his representative. The problem was that all documents were issued in paper form. The lessor or his representative must register the real estate lease agreement with the state tax service not later than ten days after the conclusion of the agreement. It is established that at the request of the lessor or his representative, the recording of the real estate lease agreement can be submitted personally in paper form to the state tax service body at the permanent address of the lessor or the place where the real estate is located. Registration of the real estate lease agreement by the state tax service is carried out in real time when it is carried out electronically through the personal office of the lessor, and at the same time when it is presented in paper form. In this case, a notification with a QR code about the fact that the real estate lease agreement has been taken into account by the state tax service authorities is sent to the lessor's personal office or presented to the lessor or his representative. The authenticity of the notification is determined by checking the QR-code through a special mobile application. When the QR-code of the notice is checked, a link to the electronic form of the real estate lease agreement is provided in XML format. If the documents submitted for recording the real estate lease agreement do not comply with the requirements of this Regulation, the state tax service authorities will refuse to record the real estate lease agreement. After the real estate lease agreement is recorded in the state tax service body, at the same time, a payment notice for the payment of personal income tax calculated for the current year is sent to the personal office of the lessor, or provided to the lessor or his representative.

The tax system, as an integral part of the economy, is the most important mechanism for achieving the priority goals of socio-economic development of the country. The concept of improving the tax policy of the Republic of Uzbekistan, adopted in 2018, made it possible to implement the tasks of creating a favorable environment for reducing and simplifying the tax burden. Improvement of the tax system, tax administration, development of entrepreneurship and attraction of foreign investments, at the same time, increase of entrepreneurship and investment activity, formation of a healthy competitive environment, as well as there are shortcomings and problems that prevent the effective implementation of tax reforms. These include:

- outdated principles of organizing a tax administration that does not provide comprehensive services to taxpayers, voluntary fulfillment of their tax obligations;
- high administrative costs (time and money costs) in fulfilling tax obligations;
- lack of clear criteria and mechanisms for granting tax benefits;
- imperfection of public control mechanisms aimed at reducing the level of "hufonia economy" and encouraging the legalization of business activities;
- lack of uniform standards and software products that ensure the exchange of information between taxpayers and tax authorities;
- weak interaction of inter-agency information that reduces the quality of tax accounting and prevents the expansion of the tax base and ensures stable tax revenues;
- systematic shortcomings in the field of training of highly qualified personnel and assessment of the activities of tax employees.



These shortcomings and problems hindered the rapid development of the tax system, increasing the efficiency of the tax administration, as well as the collection of taxes and mandatory payments at an appropriate level.

Decision of the President of the Republic of Uzbekistan ² further improvement of the tax system, reduction of hidden turnover in the economy, improvement of the tax policy of the Republic of Uzbekistan are the main directions of the concept. With the decision, two documents were adopted, the tax administration improvement strategy and the road map for the implementation of the tax administration improvement strategy. The main goal of the strategy is to create favorable conditions for entrepreneurs and investors, a factor of increasing the competitiveness of the economy, as well as to organize the provision of tax services aimed at providing modern services with the automation of tax processes in tax authorities.

The main tasks of the taxpayer service strategy are:

- ensuring the stability of tax revenues to the state budget;
- ensuring the high quality of tax services provided on the basis of professional development
- level of employees of tax authorities and introduction of digital technologies in tax administration;
- creation of trust relations between tax authorities and taxpayers to meet the needs of all categories of taxpayers based on the voluntary fulfillment of tax obligations;
- formation of a transparent and stable tax system that provides favorable conditions for all business entities, reducing costs related to the fulfillment of tax obligations;
- formation of a tax control system based on risk analysis and remote analysis work, which creates conditions for reducing interference in the activities of taxpayers, reducing the influence of "human factor" and corruption in the state tax service.

Completion of specified tasks increases business activity and reduces administrative costs for fulfilling tax obligations. The main directions of the strategy for providing services to taxpayers are as follows:

1. Unification of taxes and tax regimes in order to improve the tax policy and reduce the level of informal circulation in the economy, as well as simplify administrative procedures, optimize (reduce and equalize) the tax burden, determine specific criteria and mechanisms for granting tax benefits based on an assessment of their effectiveness, tax and accounting minimize differences between; strengthening, increasing the role and contribution of state authorities and management bodies in the field, introducing modern methods of risk assessment, reducing clandestine circulation and, taking into account the experience of foreign countries, uncontrolled incomes in the field of economic activity, as well as exiting the informal sector of persons who carry out their activities outside the scope of tax legislation (legalization), the importance of introducing new methods of tax administration in the field of transfer pricing is determined.

2. In the development of tax services, the creation of favorable conditions for voluntary fulfillment of tax obligations by taxpayers, digitization and unification of primary accounting documents, simplification of tax reporting forms, development of the extraterritorial principle of service to

² www.lex.uz.-O‘zbekiston Respublikasi Prezidentining qarori, 10.07.2019 yildagi PQ-4389-son



taxpayers, improvement of tax quality, services of tax authorities and creation of a mechanism for independent evaluation (feedback) by the public in its activities, the transparency of the activities of tax authorities and the availability of information in the field of taxation, the development of a system of pre-trial settlement of tax disputes, the simplification of the procedures for solving the insolvency and liquidation of enterprises (costs, time and audit of regulations), improvement of the institute of tax advisers; centralization and standardization of activities of providing advisory services to taxpayers.

3. Introduction of a system of tax risk assessment and implementation of a modern system of risk analysis and management in the implementation of control activities in the improvement of tax accounting, ensuring the transparency of tax control procedures, reducing corruption factors, introducing tax assessment methods to increase the capabilities of regions and budget revenues forecasting, providing full accounting of taxation objects in the field of public catering and trade, as well as real estate objects, voluntary fulfillment of 90% of tax obligations.

4. Improvement of the organizational structure of tax authorities aimed at providing services and advice to taxpayers in improving the activities of state tax service bodies, introducing the most optimal model of the structure of state tax service bodies according to taxpayer segmentation, in tax service bodies (business) introduction of a modern business analysis system, as well as strategic and procedural management, promotion of tax authorities based on performance indicators (KPI), improvement of personnel training and selection system, strengthening of motivation of tax authorities, automation of tax administration processes consists of.

Conclusions and Suggestions

One of the problems of using fiscal instruments in providing services to taxpayers is the complexity of introducing and using the system of these instruments. This may require significant changes in the accounting system of enterprises and organizations and special tools. One of the main solutions for this is for enterprises and organizations to turn to experts in the field of fiscal instruments for advice and support in the implementation and support of the accounting system. It is also necessary to pay attention to the possibility of using electronic or web solutions that simplify the implementation process and reduce costs. The second problem is the need to regularly update and maintain fiscal instruments in accordance with changes in legislation and the requirements of tax authorities. This can be a time-consuming and resource-intensive process. As a solution, enterprises and organizations should regularly monitor changes in legislation related to fiscal instruments and update their systems accordingly.

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