



Ways to Improve Tax Control and its Regulation

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ABSTRACT

In this article, the importance of in-house inspections is important in increasing the share of budget revenues in the country through the correct calculation and timely payment of mandatory payments to the state budget through the control of business entities on the basis of tax legislation. In addition, the views and opinions of economists on tax control have been studied and detailed comments have been made on their views. Within the framework of tax control, the content of the in-house tax audit, the order of its conduct, the importance of the organization and its specific features were analyzed.

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Creation of necessary conditions for the free operation of currently operating business entities is one of the priority tasks of the state economic policy. Illegal inspections of the activities of business entities by state bodies and unreasonable interference in business activities have a negative impact on the financial activity of the enterprise and are considered one of the factors that hinder their development. For this reason, attention is paid to the fact that our entrepreneurs, who are the main support of our country's development, should be honest, honest tax payers, and by this they should be encouraged.

In particular, in accordance with the decision of the President of the Republic of Uzbekistan "On measures to fundamentally improve the activities of state tax service bodies" dated June 26, 2018 PQ-3802, a decision of the Cabinet of Ministers of the Republic of Uzbekistan was adopted in order to introduce the use of electronic invoices by economic entities]. The purpose of this is that all our business entities should use a centralized system of working capital in keeping business accounts.

Also, despite the reforms implemented in Uzbekistan to reduce the tax burden, according to the results of the tax control conducted in the republic, a number of financial violations were found, and a number of additional taxes were calculated as a result. These cases show that it is necessary to scientifically study the causes of tax violations and develop ways to eliminate them.

In our country priority areas of tax control regulation are prevention of tax system violations, encouraging taxpayers to fulfill their tax obligations voluntarily and prevention of evasion of illegal tax rules.

Foreign scientists T.A. Valerievich, I.A. Tsindeliani, T.A. Efremova, O. Zhuk, Yu. Gracheva, E. D. Sokolova, O. K. Nutsalkhanova, A. Z. Dadashev, E. N. Evstigneev, R. G. Somoev, O. B. Buzdalina, F. F. Khanafeev, A. N. Romanov, M. V. Mishustin, I. Ponamorevlar studied in research.

Formation of state budget revenues is considered one of the main tasks of the tax system. The fact that the tax system does not impose artificial barriers to the production process and the activities of business entities and does not violate the principle of fairness of taxation is a necessary factor for the formation of budget revenues.

The implementation of the new version of the Tax Code of the Republic of Uzbekistan from January 1, 2020 started a new stage of digitalization of tax control. The peculiarity of this stage is characterized by the priority of the interest of the taxpayer.

The analysis of the results of the tax control activities carried out during the past period shows that there are still problems in the cases of compliance with the tax legislation.

In particular, based on the total tax audits conducted in 2021 in the Samarkand region, it shows the following indicators (Fig. 1).

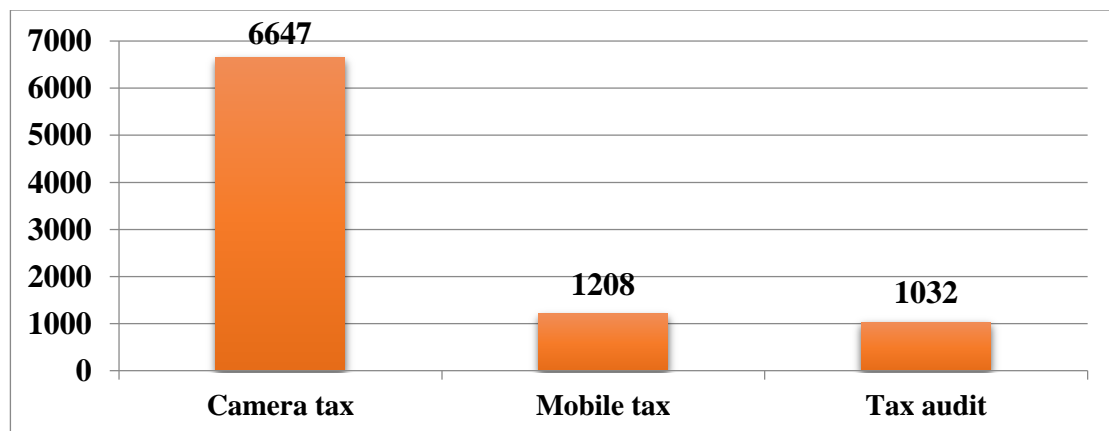


Figure 1. The number of tax audits conducted by the state tax service authorities of Samarkand region¹

¹It was prepared by the author based on the information of the State Tax Administration of Samarkand region

That is, during the tax control activities conducted in Samarkand region in 2021, the number of camera tax inspections was 6647, the number of mobile tax inspections was 1208, and the number of tax audit inspections was 1032. We witnessed a total of 6745 tax inspections.

Also, despite the reforms implemented in our country to reduce the tax burden, violations related to the violation of the tax legislation were detected in a total of 6745 cases during the tax control measures conducted in the Samarkand region during the 11th month of 2021. 442.8 bln. of tax violations detected against business entities during these inspections. Some additional taxes were calculated².

Therefore, to regulate the financial relations between the state tax service bodies that control the tax revenues to be paid to the budget, to reduce the number of tax violations, to prevent tax disputes in time, in general, to improve the cooperation between the state tax service bodies and taxpayers, to properly organize tax control is considered an important factor.

In particular, T.A.Valerevich defined the concept of tax control as follows: " **Tax control** is an important element of taxation, ensuring timely and complete collection of tax revenues based on the current legislation of the country, and its organization is intended to be consistent with the principles of taxation." showing [3].

T.A. Efremova explains that " **tax control** is an opportunity to obtain accurate tax calculation, quick information that objectively reflects the complete and timely payment of current tax payments by taxpayers"[4].

According to the opinions and comments of the above-mentioned scientists, the main focus in the proper organization of tax control is to check the receipts of the state budget in accordance with the laws, to check the correct calculation of taxes and fees, to fully and timely pay them, and to carry out constant control over the elimination of identified deficiencies. They show that we should pay attention to the fact that it is the main task.

Uzbek scientists A.V. Vakhobov, A.S. Jo'raev, F.B. Isaev, B. Toshmurodova, A. Tagaev, G'. Ro'ziev, K. Khotamov have also raised different opinions about tax control during their research.

In particular, B. Tashmurodova defines the concept of tax control as " **Tax control** is the control carried out by tax authorities and customs authorities over the full compliance of tax payers with tax legislation, timely and complete collection and correct calculation of taxes and extra-budgetary funds." cited by [10].

Also, in the training manual created by the team of authors, " **Tax control** - accounting of taxable entities and objects, compliance with tax legislation, correct calculation of taxes, mandatory payments to off-budget pension funds under the Ministry of Finance of the Republic of Uzbekistan, complete and own is to control the payment on time" [5].

Another group of our foreign scholars, Jia, X., Fu, Y., & Sun, H., Pop Ioan, also expressed their opinion on the concept of tax control.

According to Jia, X., Fu, Y., & Sun, H, it is emphasized that internal tax control should be taken into account by company managers and ways to cope with the changing tax policy in the country and prevent tax risks should be developed taking into account the company's development strategy [7].

Pop Ioan emphasizes that one of the components of financial control is tax control, which includes all activities aimed at verifying the truth, legality and accuracy of declarations, the correctness and

² It was prepared by the author based on the information of the State Tax Administration of Samarkand region.

correctness of their execution in accordance with the law, the tax obligations of taxpayers and the detection of tax evasion. [8].

Taking into account the above opinion of these scientists, it is appropriate to define tax control as follows:

Tax control is a control activity carried out by an authorized body in accordance with the procedure established by the legislation in order to ensure compliance with tax legislation in order to generate budget revenues³.

Cameral tax inspection - tax reports submitted by taxpayers, tax agents and (or) other information about the activity of the taxpayer available in the tax authority in order to verify that taxes and fees are calculated correctly by taxpayers (tax agents), paid on time and in full to the budget system. is a type of tax control conducted by the tax authority based on study and analysis⁴.

Within the framework of the reforms implemented in our country on the digitization of economic sectors, legal frameworks for the regulation of tax control are being developed.

The content of the procedure for organizing and conducting tax audits based on the requirements of legal documents can be expressed as follows:

- Acceptance of the chamber tax audit order;
- Obtaining documents by questionnaire;
- Sending the application;
- Review of the chamber tax audit document by the tax authority;
- Reviewing the materials of the chamber tax audit, making a decision based on the results;

The purpose of conducting the above tax audit is to observe cases of violations of the law in the reports submitted to the tax service body during the conduct of business activities, as well as certain discrepancies, errors and omissions in the submission of financial reports. This can lead to increased tax risk for taxpayers. In such cases, the tax authorities have the right to conduct a camera tax audit in the following cases:

1. when the appeals of individuals and legal entities about violations of the requirements of tax legislation are received by the tax authority;

Complaints sent by individuals regarding the illegal activity of a certain enterprise are investigated, and based on the appeals sent as a result of the sale of goods (works, services) by the enterprise, failure to issue purchase receipts from the cash register, as well as the fact that it operates without a proper permit, a camera tax audit will be conducted.

2. when the tax payer submits a revised tax report that reduces the amount of tax payable or increases the amount of losses incurred compared to the previously submitted tax report.

Based on the above cases, it can be said that our business entities, knowingly or mistakenly, cause their activities to lead to the appointment of a cameral tax audit. As a result of the investigation, it will be known that the incomes were hidden and the tax revenues that should be paid to the budget were shown

³ Author's definition of tax control

⁴Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On the procedure for tax risk management, identification of tax payers (tax agents) with tax risk and their classification according to the level of tax risk": January 7, 2021 No. 1.

and paid less. In such cases, the tax service authority shall determine the procedure for conducting a tax audit.

It is still observed that there are differences between the amount of tax collected by business entities operating in our country according to the tax legislation and the actual situation. It is a fact that individual entrepreneurs and economic entities engaged in business activities reduce or do not pay taxes in various forms to the state budget in relation to their real income (profits), that is, there are cases of hiding taxes, which is one of the big problems of our current economy.

However, the chamber tax inspection regulations specify the existence of errors and omissions in the tax reports submitted by the taxpayer, as well as the sequence of checks on the correct and full payment of taxes to the state budget. However, sending a questionnaire to taxpayers by the tax service authorities will result in delays in paying taxes for a certain period of time and excessive time spent as a result of identified deficiencies. In this case, considering the procedure for sending the questionnaire sent to the taxpayer by the tax authorities, we believe that it is appropriate to fundamentally change the procedure for sending the questionnaire specified in the tax legislation.

The persistence of such situations in the budget and tax policy of our country, and the fact that some of our taxpayers do not realize their responsibility to the state and society, is a big obstacle in the development of our economy. It can be seen from this that any targeted funds for the socio-economic development of our country are considered one of the important tasks in increasing the development and economic potential of our country. This is one of the important factors in increasing the amount of funds that go to our country's budget.

In particular, it is determined that the tax service body will conduct internal tax audits based on external and internal sources, and within the framework of ensuring the electronic interconnection of information in state and non-state organizations today, it will be possible to reduce the amount of taxes that will fall to the budget in the future and the reduction of excess time. That is, the regular remote reporting of every movement of individuals and legal entities related to their economic activities to the tax authorities ensures that the tax paid to the budget will be paid on time in the future.

In addition, in the current budget and tax policy, by directing all our efforts to areas with a high level of risk and minimizing the administrative burden on honest taxpayers, i.e., the tax burden, we regularly reduce the pressure on business entities by the tax authorities of the Republic of Uzbekistan under the slogan "Taxman-helper". working as assistants.

Summary. Based on all the information mentioned above, we found it appropriate to carry out the following works. It should be said that these opinions and comments will in turn lead to the achievement of efficiency in the objective implementation of tax audits.

Information about the material assets and paid taxes of each taxpayer is defined as a tax secret in the tax code, but today, due to the fact that unpaid taxes are only determined after a certain time, tax authorities receive information from commercial banks only through a one-time request, which leads to the delay of taxes paid to the budget . is coming For this reason, the tax service authorities and commercial banks are demanding a direct and open remote exchange of information. We think that it is appropriate to introduce the following proposals in order to positively solve the problems encountered in the practice of this tax legislation:

first of all, all operations of the bank related to money statements within the scope of the activities of individuals and legal entities, as well as the circulation of funds, must be continuously visible in the tax

authorities, in a clear and transparent manner. This is an important factor in the correct and timely payment of taxes to the budget through the fact that the tax authorities are constantly informed of the information about suspicious money inflows and outflows to the accounts of our economic entities.

secondly, the questionnaire sent to taxpayers by the tax authorities is canceled, the documents requested in this questionnaire are requested from the relevant state and non-governmental organizations, a chamber tax audit is conducted in the appropriate order, and if a difference is detected, the taxpayer is sent a request for the detected deficiency, which causes the taxpayer to spend excessive time. This is the reason why the response letter to the questionnaire sent to the taxpayer is not sent on time.

thirdly, it is necessary to conduct a re-cameral tax audit for the period in which the cameral tax audit was conducted in the activities of our economic entities. Repeated camera tax audits for a certain period of time can raise suspicions of the tax payer in the activities of tax officials, which leads to cases of corruption.

The correct establishment of a reasonable tax control system in the state tax service bodies of the Republic of Uzbekistan, and full compliance with the tax system legislation will serve to eliminate the secret economy.

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