



## ISSUES OF IMPROVING THE TAX ADMINISTRATION THROUGH THE FORMATION OF INFORMATION IN THE ELECTRONIC DOCUMENT CIRCULATION SYSTEM

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### ABSTRACT

In the article in order to accelerate the transition of the tax system to the digital economy, the set of information systems of tax authorities is being transferred to a fully unified platform. As a result, data entry, collection, and analysis systems will be optimized, taxpayers' reporting process will be simplified by 5-7 times, human factor intervention will be reduced by 60%, opportunities will be created to create a completely new system of tax administration and control, as well as prevent corruption factors

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## 1. Introduction

Today, our country is becoming a country of democratic changes, wide opportunities and practical work. Based on the advanced ideas and initiatives put forward by our honorable President, a completely new, fair, transparent, consistent and effective system was created in the tax field in our country, which follows the principles of cooperation. The main goal of this is to reduce the burden of taxes on economic entities, increase the income of citizens, ultimately develop production and ensure the stability of the economy. These goals are being achieved through the introduction of consistent tax administration. On December 30, 2019, the new version of the Tax Codex was adopted, and more than 120 new rules were put into practice. Number of taxes from 13 to 9, property tax rate from 5% to 1.5%, value added tax was reduced from 20 percent to 15 percent. The tax burden on wages has been reduced by almost 2 times. Naturally, the question arises: how do citizens, entrepreneurs and manufacturers benefit from such measures? Based on the analysis, in the next four years, tax revenues increased 4 times, and the number of value added tax payers increased from 6,000 to 152,000[2]. Due to these, about 7 thousand enterprises were exempted from paying taxes in the amount of 6 trillion soums on average every year, and these funds are kept with them today. Because the 3.2 percent fees for Pension, School and Road Funds, which were a heavy burden for entrepreneurs until recently, have been canceled. Also, property, income and social tax rates were reduced by 2 times. If we express this by specific examples, the tax burden in the transport sector has decreased by 3 times, in the food industry by 2 times, and in the textile and electrical engineering industry by 20 percent. In addition, as a result of the equal distribution and reduction of the tax burden, the number of profit tax payers has increased by 15.2 times, the number of water resource tax payers has increased by 36.5 times, and the number of land tax payers has increased by 38 times. To summarize, the rate of voluntary compliance with tax obligations on time has increased from 80 percent to 95 percent. The amount of tax collected is exceeding 10 trillion soums every month since the last quarter of 2020. So far, such a result has not been observed in the tax system of Uzbekistan.

## 2. Literature review

The efficiency of the tax administration consists of the state of the tax system, its integrity, stability, fiscal and economic efficiency [3]. It depends on the stability of filling the country's budget system with tax payments, the timely implementation of detection and prevention of tax violations, and the provision of favorable conditions for taxpayers to fulfill their constitutional duties.

Moreover, as an important measure to increase the role of digital technologies and fight against the secret economy, it is necessary to increase the efficiency of the tax administration, to ensure that the tasks of the data center project are implemented as soon as possible [4]. Expanding the data center and modernizing the technological processes of the tax administration will reduce the amount of manual operations, information processing time, formalize and automate procedures as much as possible, and significantly improve the quality of taxpayer service. Full automation is one of the main vectors of tax administration improvement [5].

Entrepreneurship for the purpose of the automated VAT payment control system conducted by subjects on the introduction of electronic invoices public announcement of experimental results, generalization of existing problems and emergency measures should be taken to solve them [6].

Scope and scope of data center information users expansion is necessary because after the tax certification system is fully implemented, tax full coverage of payer information is required.

Data center scalability makes all incoming data streams real allows to combine at the same time. Implementation of planned tasks as a result, to further improve the quality of services provided to

taxpayers In order to phase out the share of interactive services of tax authorities should ensure its increase. Including calculation of taxes, calculation of indicators on cards with budgets and accounts, documents to the taxpayer formation and dispatch, preliminary selection for examination of taxpayers and others [7].

Budget revenues in the tax practice of developed countries the share of taxes in the total amount is 45-55 percent, which is high indicates that it is an indicator. Such tax culture and taxes. The level of collection is also high, it is a quality social, medical by the state and other services are provided.

Due to the high degree of social orientation in Sweden the level of voluntary payment of taxes is ensured. That's why in Sweden paying taxes on time and in full, despite the high tax burden is one of the first in the world. Government in order to prevent tax arrears in Canada primarily their tax on undisciplined taxpayers taking into account specific and specific aspects of debt recovery pays attention to the development of relevant legal norms [8].

### 3. Research methodology

In the research process, research methods such as systematic analysis, logical abstraction, induction and deduction were used to systematize the results of the analysis.

### 4. Analysis and discussion of results

In order to increase convenience for the population and business and to reduce human intervention, the activities of tax authorities are being consistently digitized. The Data Processing Center was another major project along these lines, in accordance with the Decree of the President of October 30, 2020. The buildings were repaired and equipped with uninterrupted power supply devices, precision air conditioners, large-scale servers and computers with the help of 100 billion soums allocated from the state budget.

It serves to ensure effective and continuous operation of information systems, to expand the scope and quality of electronic services to taxpayers. Because the number of users of modern services is increasing very fast. In 2021 alone, the number of personal tax payers will be 40.5 million (1.3 times more than in 2020), the number of sent electronic invoices will be 33.9 million (1.6 times more than in 2020), the online cash register the number of checks registered through machines was 417.4 million (4 times more than in 2020).

Hyper convergent technology has been introduced in the data processing center, and it distributes the load on information systems between servers, ensuring their continuous operation. As a result, the capacity of the center has increased by 8 times, and the range of electronic services has expanded. Complex processes such as calculating balance lines on personal cards have become 10 times faster. For example, it used to take 24 hours to calculate by republic, but now this process is carried out in 2-3 hours. This is also an important factor in reducing the shadow economy.

Cyber attack protection, business analysis technologies have been introduced. New software products such as "Value added tax payers", "Tax audits", "Automated camera control system", "Tax deduction coefficient", "E-Savdo" were developed. The functionality of the "Tax" mobile application has been expanded. In particular, more than 100,000 attacks per month are prevented due to the implementation of the "WAF" software-hardware complex to prevent cyber attacks. Currently, 99.9 percent of invoices are submitted and received electronically. The question may arise, why not 100 percent? Because, 0.1% belongs to organizations that are forbidden by law to submit electronic reports. So, we have practically achieved 100 percent result in this matter. The fact that the invoices for the gold sold by the Almalyk Mining and Metallurgical Combine to the Central Bank are submitted through the electronic system is a

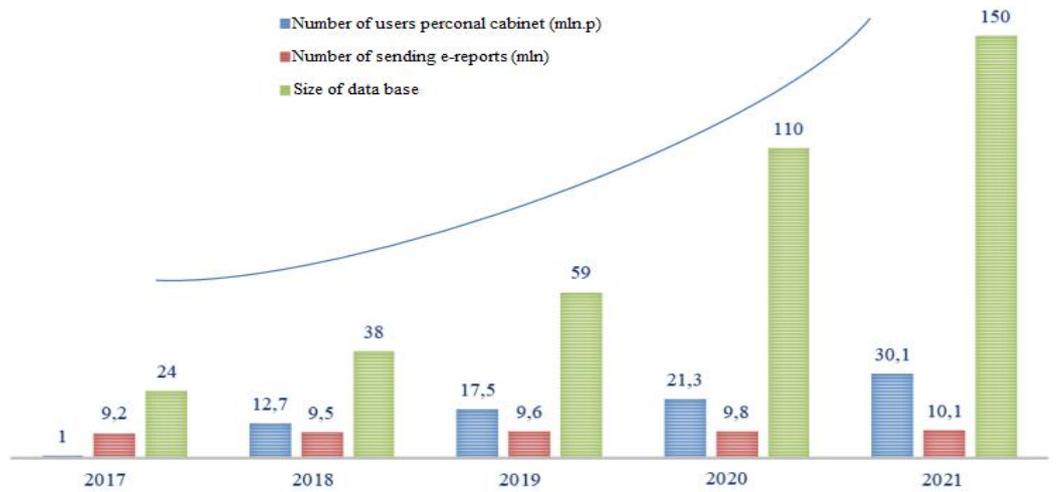
practical confirmation of its becoming more transparent. The registration data of all business entities was revised, errors and deficiencies were eliminated and their integration with the data of other ministries and agencies was ensured. Starting from 2022, a mechanism for automatic formation of value added tax, turnover tax, land tax, property tax and excise tax based on electronic data available in the state tax committee has been launched. The registration data of all business entities was revised, errors and deficiencies were eliminated and their integration with the data of other ministries and agencies was ensured. Starting from 2022, a mechanism for automatic formation of value added tax, turnover tax, land tax, property tax and excise tax based on electronic data available in the state tax committee has been launched. The registration data of all business entities was revised, errors and deficiencies were eliminated and their integration with the data of other ministries and agencies was ensured. Starting from 2022, a mechanism for automatic formation of value added tax, turnover tax, land tax, property tax and excise tax based on electronic data available in the state tax committee has been launched.

In general, the economic reforms carried out by our government in the tax administration system will further improve the investment environment in our country, implement the principles of competition that invite cooperation, regulate the practice of granting tax incentives, introduce measures to encourage taxpayers not to evade taxes, but to pay taxes, and to introduce new is notable for its focus on the systematic introduction of effective tax reforms.

In this regard, a number of works are being carried out in our country to adapt to the conditions of the digital economy. In particular, the concept of "Improving the tax policy of the Republic of Uzbekistan" adopted in 2018, the decree of the President of the Republic of Uzbekistan "On additional measures to improve the tax administration" dated July 10, 2019 Decision No. PD-4389. The concept of improving the tax policy of the Republic of Uzbekistan is to reduce the tax burden and simplify the tax system, improve tax administration, made it possible to continue the tasks of creating a favorable environment for the development of entrepreneurship and the attraction of foreign investments. However, there are a number of shortcomings and problems in the tax system that prevent the increase of business and investment activity, the formation of a healthy competitive environment, as well as the effective implementation of tax reforms.

The principles of organizing tax administration in the digital economy are outdated and do not provide comprehensive services to taxpayers, as well as voluntary fulfillment of tax obligations by them, the level of administrative costs (time and money spent) in fulfilling tax obligations remains high, there are no clear criteria and mechanisms for granting incentives in the tax sector, public control mechanisms aimed at reducing the level of the secret economy, as well as encouraging processes of business legalization are not perfect, communication between the taxpayer and the tax authorities there are no uniform standards and software products that provide information exchange, which reduces the quality of tax accounting, interdepartmental information cooperation, which hinders the expansion of the tax base and the provision of stable tax revenues, is poorly established, there are systematic deficiencies in the field of training highly qualified personnel and in the evaluation of the activities of tax authorities.

When developing countries try to create an efficient tax system, they face difficult challenges. First, the majority of workers in these countries tend to be employed in agriculture or the unorganized sector of small enterprises. Because they rarely receive a regular, fixed salary, their income fluctuates, and many workers are paid in cash without being reflected on the books. Therefore, it is difficult to calculate the base for income tax. In addition, workers in these countries typically do not spend their earnings in large stores that keep accurate records of sales and inventory.



**Figure 1. Dynamics of database volume, number of uses personal account and sent electronic reports [6].**

As a result, modern revenue instruments such as income tax and consumption tax play a smaller role in the economy of these countries, while the possibility of high levels of taxes by the state is practically excluded. Second, it is difficult for taxpayers to create an effective tax administration without skilled and qualified personnel when there are insufficient funds to pay tax officials well and to computerize their activities (even to provide efficient telephone and postal communications). Your ability to track your earnings is limited. As a result, governments often take the path of least resistance by creating opportunistic tax systems instead of creating smart, modern and efficient tax systems. Thirdly, In many developing countries, due to the organizational structure of the economy and financial constraints, statistical and tax authorities face difficulties in obtaining reliable statistical data. The lack of such information prevents policymakers from assessing the possible impact of major changes in the tax system. As a result, minor changes are often preferable to major structural changes, even when the latter is clearly preferable. This perpetuates inefficient tax structures. It prevents policymakers from assessing the potential impact of major changes in the tax system. As a result, minor changes are often preferable to major structural changes, even when the latter is clearly preferable. This perpetuates inefficient tax structures. It prevents policymakers from assessing the potential impact of major changes in the tax system. As a result, minor changes are often preferable to major structural changes, even when the latter is clearly preferable. This perpetuates inefficient tax structures.

Fourth, income is unevenly distributed in developing countries. Under these conditions, higher tax revenues require taxing the rich more than the poor. However, the economic and political influence of wealthy taxpayers often prevents them from implementing fiscal reforms that increase their tax burden. This partly explains why many developing countries do not make full use of personal income and property taxes, and why their tax systems rarely achieve satisfactory progressivity [6].

## 5. Conclusions and suggestions

The main goal of ensuring effective tax administration in the conditions of the digital economy is to focus taxpayers' attention on the development of production and achieve stabilization of the economy, avoiding excessive red tape. Also, ensuring the stability of tax revenues to the state budget through digitalization of the tax system; improving the quality of tax services by improving the professional skills of tax authorities and introducing digital technologies to the tax administration; creation of reliable relations between tax authorities and taxpayers to satisfy their needs based on the voluntary fulfillment of tax obligations by all categories of taxpayers; to reduce costs related to the fulfillment of tax obligations, to form a transparent and stable tax system that provides favorable conditions for all categories of business

entities; formation of a tax control system based on the system of risk analysis and remote analytical work, which allows to reduce interference in the activities of taxpayers, as well as the "human factor" in the state tax service bodies, as well as the negative manifestations of corruption. Completion of the specified tasks allows to increase business activity and reduce administrative costs for fulfilling tax obligations.

In the era of digital economy, the following goals can be achieved in the effective development of tax administration:

- Improving the tax policy and reducing the level of secret turnover in the economy;
- Development of service-oriented tax services;
- Introduction of tax risk assessment system and improvement of tax accounting;
- Further improvement of activities of state tax service bodies;
- Development of anti-corruption mechanisms in state tax service bodies. In the conditions of the current market economy, the role of the state in the regulation of the economy is increasing, and the tax policy plays an important role in the implementation of the goals and tasks set for itself. The state stimulates or restricts the development in the economy through its tax policy. I think that economic relations between the state and taxpayers will only develop in the era of digital economy.

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