



The Necessity of Establishing the Profit as a Tax Object

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Abstract: Issues of rational taxing of profit based on science are covered. Opinions of economists on profit tax. The figures obtained from the practice were analyzed and suggestions and conclusions were formulated.

Keywords: Tax policy, modernization, taxpayers, profit, profit tax, tax, innovative, object of taxation, tax burden.

The effective conduct of tax policy largely depends on the strength of its legal framework. In this regard, tax legislation on tax policy plays an important role. The Constitution of the Republic of Uzbekistan, tax laws, decrees, codes, decisions and other legal documents have been strengthened as the legal basis of the tax policy of the Republic of Uzbekistan.

Improving the taxation of profitable enterprises as a final financial result is of great importance in all countries and times. Nowadays, the main goal of economic entities of various forms of ownership is to try to get maximum profit while spending less. At the same time, if the company has a strong payment discipline, it will not have to pay any fines by paying taxes to the budget on time.

Profit taxation is one of the main factors in the development of financial relations of enterprises, and this process requires a radical reform of its distribution and redistribution along with the effective use of profits by legal entities.

It provides an opportunity to fully form the organization of decentralized savings by all economic entities that have managed to organize rational taxation of profit on a scientific basis. The more efficient legal entities are, the greater their financial stability, solvency, profit and sum of tax deductions.¹

The possibility of such situations is a reason to think about the calculation of changes in the organization of financial results, the ratio between the costs of distribution and redistribution and the results of real profits, the growth of manufactured products, and the possibility of using them in determining tax rates. is dying. Many experts of the tax system are fully aware of tax rates from

¹ Labyntsev N.T., Tsepilova E.S. Study of the relationship between accounting (financial) and tax accounting of profits in Russia and abroad. //Problems of economics. 2013. No. 3. - With. 8.

profits and the procedure for transferring it to the budget, reducing or increasing the tax rate by a certain ratio, the introduced tax benefits, the procedure for calculating the tax and the payment periods. they are worried about performing the tasks before them. Because, along with the introduction of the new procedure, along with its thorough study, they will also carry out explanatory work to the tax-paying economic entities, urging them to comply with tax discipline.

During the organization, distribution and use of financial resources in enterprises, profit, along with the formation of funds based on certain laws, actively participates in providing the state budget with financial funds, and with these aspects, it stands out as an economic category of market relations.

Profit is the last financial result of economic entities operating on a commercial basis, and it is one of the main financial sources of income of the republican and local budgets. When prices are stable, the increase in profit dynamics indicates that the enterprise is operating efficiently. The increase in profit increases the financial power of the enterprise, the creation of a fund for the development of production and the social sphere, and the possibility of financial incentives for employees.

British economist J. Hicks, winner of the Nobel Prize, states that profit is an indicator that can be used in a certain period of time and should have a positive balance at the end of the period compared to the beginning of the period.²

The scientist S.S. Alieva, who was engaged in the issues of profit formation and distribution, used profit as a payment for the services of entrepreneurial activity, that is, skillfully combining resources for the production of goods and services, making unusual decisions on the management of the enterprise, introducing innovative types of products. , recognizes as a reward for changing the production process, as well as for economic risk.³

One of the main issues in the scientific study of profit tax is the correct determination of its taxation base. Calculation of profit tax requires studying many indicators. These indicators and their relationship with each other, the following indicators influence the factors affecting the amount of profit tax, i.e.: income from the sale of goods, cost of goods sold, income, expenses, income and expenses of financial activity, extraordinary profit and loss, tax rate during the reporting period and other factors.

Profit is the income received from the sale of goods and services, and is the monetary expression of the excess of the costs of production and sale of goods. Part of the profit is paid directly to the state budget or state trust fund through taxes.

We believe that it is inappropriate to consider profit tax and profit tax as the same thing. Profit tax has a broad meaning, while profit tax has a narrow meaning. That is, we believe that the tax levied on profit in accordance with the Tax Code includes taxes other than profit tax.

Profit tax is a tax calculated by deducting from the total income the expenses related to the receipt of income, that is, the expenses proved and confirmed by the document, as well as the losses caused by the taxpayer, provided for in the Tax Code.

Legal entities whose annual turnover (revenue) exceeds 1 billion soums at the end of the previous year are tax payers.

In International Accounting Standard 12 "Profit Taxes", accounting profit is the profit or loss for the period before deduction of income tax expense. Taxable profit is determined by the

² Hicks J. R. The theory of uncertainty and profit //Economica. – 1931. – №. 32. – C. 170-189.

³ Alieva S.S. Improving the formation and distribution of enterprise profits in the context of economic modernization. (using the example of enterprises in the Samarkand region). Abstract of the dissertation for the scientific degree of Ph.D. – T.: BFA, 2011. – p. 9-10.

tax authorities in accordance with the rules and recognized as profit for the period for which profit taxes are paid.⁴

Special attention should be paid to the concept of "temporary differences" in the correct determination of the profit tax base. International Accounting Standard No. 12 "Profit Taxes" defines temporary differences as follows:

Temporary differences are differences between the carrying amount of an asset or liability and its tax base reflected in the statement of financial position. Temporary differences are differences that arise as a result of the transfer of some items of profit-forming income and expenses to the user of the accounting report in the reporting period, and to the profit tax base in another period.

Form 2 "Report on financial results" is the source of information on the above indicators.

Article 295 of the Tax Code of the Republic of Uzbekistan stipulates that profit is an object of taxation according to the profit tax.

Due to the reduction of the tax burden and the profit tax rate, the tax base is expanding and the number of profit tax payers is increasing (**Figure 1**).

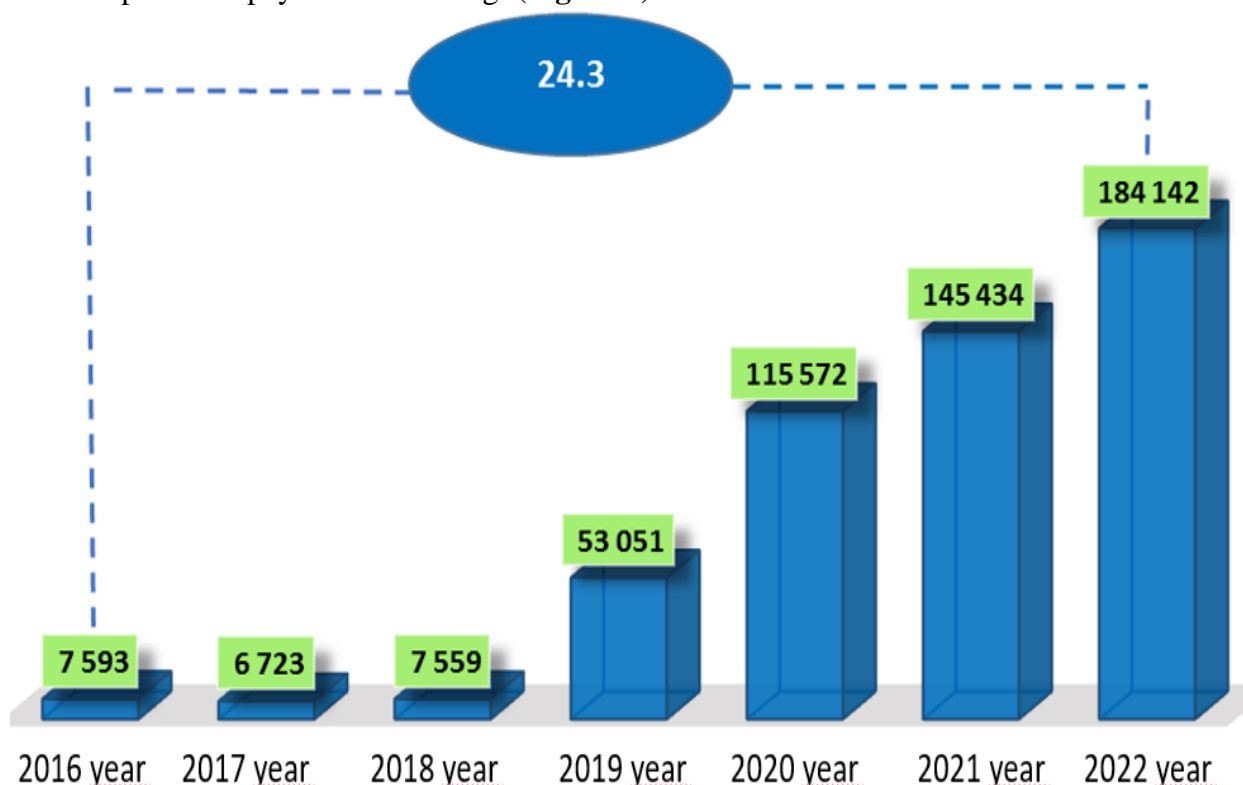


Figure 1. Dynamics of the number of tax payers in 2016-2022 according to profit tax.⁵

In 2016, there were 7,593 profit tax payers in our republic, and by 2022, this figure will be 184,142, an increase of 24.3 times.

The number of enterprises paying profit tax was 53,051 in 2019, 115,572 in 2020, 145,434 in 2021 and 184,142 in 2022. We consider it the implementation of the Decree of the Republic of Uzbekistan "On the Concept of Improving the Tax Policy" and the new Tax Code of the Republic of Uzbekistan, which came into force on January 1, 2020.

If we analyze the profit tax rate by years (Figure 1), it was 36.0 percent in 1997, 31.0 percent in 2000, 15.0 percent in 2005, and 9.0 percent in 2010. interest, from 7.5 percent in 2015 and later,

⁴ No. 12 BHXS "Profit taxes." https://mf.uz/media/file/buhuchet/2021/msfo_proekti/26_05_2021/Uzb_GVT_BB2020_IAS12.pdf. 11.01.2022.

⁵ Prepared by the author based on the information of the Tax Committee.

from January 1, 2019, the rate of profit tax was reduced from 14 percent to 12 percent. In 2020-2023, this indicator was 15.0 percent.

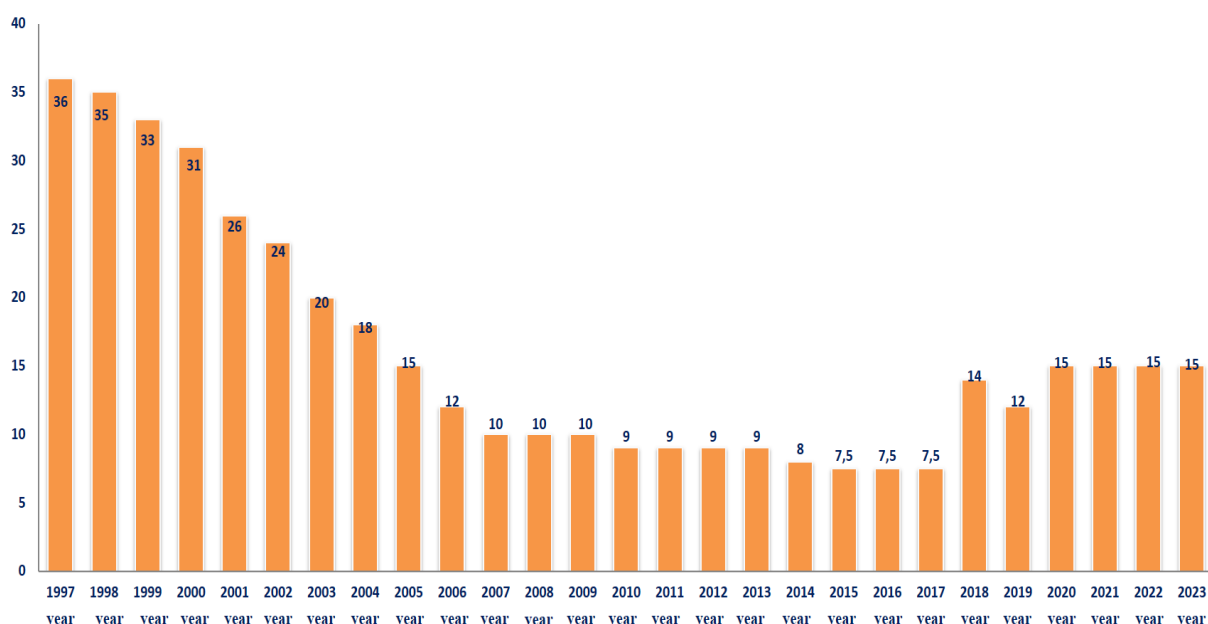


Figure 2. Trends in the rate of profit tax for legal entities in the Republic of Uzbekistan in 1997-2023⁶

Today, profit tax has been introduced in almost all countries of the world. In particular, at present, profit tax is charged in 218 countries of the world. The rate of profit tax in 44 of these countries is 0-10%, 50 is 10-20%, 111 is 20-30%, 26 is 30-40%, and 2 is 45-55%.

We make the following suggestions and conclusions in the research of the profit taxation system:

1. Enterprise profit, as an economic category, serves not only to ensure the economic growth of enterprises, but at the same time, it serves as an important source for providing budget revenues with profit tax. Therefore, it is important to determine the limit of taxation by determining and regulating the profit. We believe that the role and importance of the profit tax in the socio-economic development of the country and in the regulation of budget revenues is huge.

2. Profit tax is a tax calculated by deducting from the total income the expenses related to the receipt of income, that is, the expenses proved and confirmed by the document, as well as the losses caused by the taxpayer, provided for in the Tax Code.

3. It is necessary to ensure the regulation of the financial mechanism of the strategy for its improvement in taxation of profits. In this way, it is possible to maintain the organic relationship between the elements of enterprise profit taxation, i.e. tax rate, tax base, tax allowance, tax payment periods, etc. within optimal limits.

4. We believe that it is appropriate for the state to conduct an active tax policy to stimulate the production of innovative products by enterprises that pay profit tax.

It is necessary to analyze the negative factors that hinder the taxing of profits in the tax policy and assess the possibility of making effective profit tax benefits.

Then, by regulating the tax base, an opportunity will be created for the investment flow of each enterprise, the increase in the volume of innovative products, the increase in the volume of products that substitute for imported goods and for export, and the development of the mechanism

⁶ Prepared by the author based on the information of the Ministry of Economy and Finance of the Republic of Uzbekistan and the Tax Committee.

for ranking the appropriate tax elements will be raised to a stable stage.

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