

Tax system and its role in government regulation

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Abstract - This article examines the issues of state regulation with the help of taxes, proposes a new classification of tax literature, and analyzes the problems and their solutions in the tax system. Together with these, we propose legislative regulation of tax control in order to improve tax system.

Key words: tax system, state, market, economy, budget, economic growth.

INTRODUCTION

In the context of deepening market relations and economic liberalization, tax policy plays an important role. In turn, this is closely related to the need for its purposefulness. Tax policy, being an integral part of the country's budgetary policy, serves to form the budget revenue base and is closely interconnected with the global economic policy of the state. That is why, within the framework of economic policy aimed at the formation of a market economy and its integration into the world economy, the Republic is pursuing a flexible tax policy. It aims at socially-economic development, strengthening of economic stability, growth of production volumes and development of the real sector of the economy, stimulation of investments in the economy, creation of favorable conditions for the implementation of activities in the field of small and medium-sized businesses. One of the most important tools for influencing the economy is taxes. With their help, the state collects funds to meet public needs, stimulates priority types of entrepreneurship, and solves urgent social problems.

The modern tax system is a product of the long-term development of world civilization. The emergence of taxes is associated primarily with the formation of statehood. Chronicle sources of such ancient states as Egypt, Athens, Rome and others indicate the

widespread distribution of various types of taxes and all kinds of payments. Uzbekistan also has a rich history of taxation. Since the time of the Arab conquest, taxes such as "zhuzya", "hirozh", "vazifa", "zakot" and others have been levied from the population. In the conditions of feudal fragmentation, these taxes increased, became tougher, were left at the mercy of tax collectors, gradually losing their economic function, turned into an instrument of personal enrichment. The increase in the number of ill-considered taxes and their collection led to a deterioration in the living standards of the general population and social explosions. The role of taxes as a financial instrument for ensuring state power, a mechanism for regulating the economy and social issues with the development of commodity-money relations has become increasingly stronger. Since gaining independence, Uzbekistan is gradually mastering, creating its own system of tax regulators, which is one of the most important characteristics of any sovereign state. Taxes, like the entire tax system, are a powerful tool for managing the economy in market conditions.

As noted by the President of the Republic of Uzbekistan Shavkat Mirziyayev: "The main idea of the new Tax Concept being introduced in 2019 is to reduce the tax burden, introduce a simplified and stable tax system and, through this, increase the competitiveness of our economy, create the most favorable conditions for entrepreneurs and investors" [1].

It is taxes that make up the revenue side of the state and local budgets of the country, thus being the main source of state revenue. But taxes, being a tool for the formation of state monetary funds, represent a form of alienation of funds from legal entities and individuals to budgets of various levels or to off-budget funds. Accordingly, taxes have an impact on the

conditions and results of economic activities of enterprises. Therefore, we believe that the study of tax payments, types and their characteristics, as well as ways to optimize them is relevant.

LITERATURE REVIEW

At the end of the 19th century, two main concepts can be traced that formed the basis for the development of all scientific theories, including the construction of an effective tax system. V. Yarotsky, researching in 1896-1909. the history of the appearance and the theoretical foundations of taxation, makes a generalizing conclusion that there are two directions in scientific theoretical thought that consider taxes. However, he does not give them a name.

Having studied these directions, we believe that the first concept should be called absolute. The essence of this theory is that the state recognizes the absolute right to demand taxes, and the citizens - the absolute obligation to pay them. Therefore, taxes are understood as compulsory fees levied by the state from legal entities and individuals to cover their expenses or to fulfill certain economic tasks, without providing payers with a special equivalent (those services that the state power provides to the taxpayer). Thus, taxes are assigned a sign of one-way movement of value - a sign without equivalence. However, people unite in the state so that it takes over part of their concerns: defense services, law enforcement, political structure, economic and social regulation, etc. The state provides these services to all members of society, regardless of whether they are taxpayers or not. Therefore, it is hardly appropriate to talk about a one-way movement of value. There are a lot of supporters of this theory: A. Trivus, A. Sokolov, B.G. Boldyrev, V.K. Babaev, A.V. Bryzgalin, L.A. Drobozin, N.I. Khimicheva, T.F. Yutkina and others. This point of view was reflected and prevailed in Russian tax legislation and scientific thought before the introduction of the Tax Code. The second point of view, in our opinion, should historically be called a relative theory. It boils down to the fact that the tax is "a kind of price for the monopolistic purchase and sale of state services in the performance of its functions ..." [2. S. 498]. In this case,

the state acts as the seller, and the society represented by the subjects of taxation: enterprises, organizations and the population as the buyer. In this market of services, the state acts as a monopolist, therefore, being interested in the maximum level of its income, it dictates the conditions in this kind of "market". Taxpayers, on the contrary (since no one has ever rejoiced at the need to pay taxes), are interested in minimizing taxation. Both of these theories were born at about the same time. However, we believe that the absolute theory manifests itself, becoming a state theory, with the prevalence of centripetal forces in the country: the creation of a centralized state, a long struggle for the country's independence, when the idea of a single, strong state becomes an ideology. Relative theory comes to the fore with the strengthening of centrifugal forces: the struggle of individual principalities, provinces, cities, vassals for their independence, financial independence, for their "independence".

ANALYSIS

The relationship between the ratio of direct and indirect taxes and the level of tax culture. After all, it is the tax culture that affects the efficiency of tax collection, the scale of tax evasion, together with other factors, creates favorable conditions for increasing the role of direct taxes. If in Western countries, declaration has become an integral part of civil mentality, and public morality is focused on public condemnation of those who hide income, then in developing countries, the culture of relations of the business world and citizens with the state has not yet received the proper level.

Changing the ratio between direct and indirect taxes in favor of the first was also a consequence of the construction of Western societies on the principle of social justice. After all, direct taxes, which make the level of taxation directly dependent on the level of income, are considered fairer, than indirect ones. Development of direct taxation with high progressive rates inherent in the tax systems of Western countries in the 50-70s, made it possible to transfer the main burden of taxes to the wealthy segments of the

population and to use the financial resources accumulated by the state to implement social programs, government orders, capital investments.

In accordance with Article 23 of the Tax Code of the Republic of Uzbekistan "taxes are understood to be the obligatory monetary payments to the budget established by this Code, levied in certain amounts, which are regular, irrevocable and free of charge" [2]. In accordance with the Tax Code, "other compulsory payments are understood to be the compulsory cash payments to state trust funds, customs payments, as well as fees, state duties, established by this Code, the payment of which is one of the conditions for the performance of legally significant actions in relation to payers by authorized bodies and officials, including the granting of certain rights or the issuance of licenses and other permits" [3]. The economic content of taxes is that they represent a part of production relations for the withdrawal of a certain share of income from business entities, citizens, which is accumulated by the state to carry out its functions and tasks. Payments are often selective; not everyone pays them, but only those payers who use in their activities what is not their property. Taxes are universal. According to the degree of competence of the authorities of various levels regarding the establishment of the introduction of taxes, as well as their use, they distinguish: national and local taxes. On the economic basis of the object, all taxes are divided into income taxes, consumption taxes and property taxes. By the nature of the reflection in accounting, taxes are distinguished:

- included in costs (land tax, property tax);
- included in the price of products (VAT, excise tax);
- paid from profit (income tax);
- withheld from employee income (income tax).

Indirect taxes traditionally include value added tax, excise tax, import customs duties, as well as the turnover tax and sales tax not typical for Uzbekistan [4]. "The essence of indirect taxes is that the state obliges the person who sells the goods (works, services) to pay a certain amount from this sale, including this amount in the price of the goods (works,

services). As a result, it turns out that although the seller of the goods (works, services) acts as a legal payer of these taxes, ultimately they are paid by the buyer, since the amounts of these taxes are included in the price of the given goods" [5].

At present, there is still a lack of clarity and clarity of the provisions of regulatory documents on taxation, their inconsistency and confusion [7]. This greatly complicates the study of these documents by the taxpayer, and therefore his mistakes in calculating taxes remain inevitable. Only the stability of tax legislation, as well as legal guarantees for the taxpayer from the state, provided by a clear tax policy on legislation on taxes and fees, will make it possible to talk about the formation of a coherent and lawful system of legislation in this area. Also, a significant problem remains the presence of risks of economic entities - the possibility (threat) of financial and other losses associated with the formation and spending of state funds. The enterprise, carrying out its activities, may face the negative impact of tax factors. The consequence of such an impact may be an economic or financial loss caused by pre-tax collection or imposition of fines, accrual of penalties. Therefore, it is necessary to develop measures aimed at minimizing tax risks. Their reduction will lead to a decrease in the fiscal risks of economic entities and an increase in their tax security [6].

CONCLUSION

It is also necessary to regulate at the legislative level the issue of increasing the efficiency of tax control. To date, there are no instructions on the frequency and duration of tax audits, on the forms and procedures for the participation of taxpayers in the examination of audit reports, on the procedure and timing for making decisions, etc. This can be achieved by applying the following measures:

- ✚ creation of an effective system for selecting taxpayers for conducting control audits, which makes it possible to choose the most optimal direction for the use of limited human and material resources of the tax inspectorate, to achieve maximum efficiency of tax audits with

minimal expenditure of effort and funds, through the selection of such taxpayers for audits, the likelihood of detecting tax violations that seem to be the greatest;

- ✚ the use of effective forms, techniques and methods of tax audits, based both on the unified comprehensive standard procedure for organizing taxpayer audits, developed by the tax department, and on a solid legislative basis, which provides tax authorities with broad powers in the field of tax control to influence unscrupulous taxpayers;
- ✚ the use of a system for assessing the work of tax inspectors, which makes it possible to objectively take into account the results of the activities of each of them, to effectively distribute the workload when planning control work.

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