

Issues of Ensuring Economic Security on the Basis of Improving Tax Administration

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Abstract- In this paper have been described the theoretical, legal and organizational foundations of tax administration, as well as the experience of foreign countries in the organization of tax administration. Subjects of the tax administration of the Republic of Uzbekistan and their role in ensuring state budget revenues, analysis of the tax administration activities of the Tax Service bodies, and the evolution of analytical approaches in assessing the effectiveness of the tax authorities were considered.

Keywords: Tax administration, economic security, economy, VAT, taxpayers, optimization, GDP.

1. INTRODUCTION

The importance of tax administration in ensuring the financial stability of the country is increasing in the conditions of global competition. According to the data, "in 2021, the ratio of tax to GDP among the IHRT countries will be 45.1% in France, 46.9% in Denmark, 42.2% in Norway, 42.6% in Sweden, 33.5% in Great Britain, 26% in the USA , which was 6 percent. On the one hand, the tax system is a means of filling the budget, on the other hand, consistently reducing the tax burden, simplifying the taxation system and improving the tax administration are the most important conditions for the rapid development of the economy and the improvement of the country's investment attractiveness.

In the world in 2021, among the OECD countries, the ratio of tax to GDP was 45.1% in France, 46.9% in Denmark, 42.2% in Norway, 42.6% in Sweden, 33.5% in Great Britain, 26.6% in the USA.[1]

Scientific research aimed at improving the behavior of taxpayers, optimization of the tax system, improvement of VAT and excise tax is being carried out by prestigious financial institutions in the world. To ensure sustainable economic growth, a set of measures to further liberalize the tax policy, simplify the taxation procedure, reduce the tax burden, protect the rights and freedoms of economic entities, and put an end to interference in their financial and economic activities, implementation of large-scale tax reforms that contribute to the growth of real incomes of the population, modernize production, serve as a basis for supporting small business and private entrepreneurship, gradually reduce the tax burden, tax information further improvement of maturity is one of the priority areas of scientific research in this regard.

2. LITERATURE REVIEW

The evolution of the financial system and tax authorities N.G. Privalov [3], S.G. Privalova, V.M. Pushkaryova [4], B.M. Sabanti, A.V. Tolkushkin [5], D.G. It was studied by scientists like Chernyk, A.M. Baltina, S.V. Barulina, N.G. Ivanova, T.M. Kovaleva, N.M. Sabitova's researches are devoted to methodological and practical aspects of state funds management.

Many preparations have been made regarding the issue of camera inspection. In particular, B.B. Ibragimov "Cameral control is a tax control carried out without interfering with the taxpayer's work, based on the financial, tax and statistical reports and data available in the state tax service bodies and other agencies in order to determine whether taxes and other mandatory payments have been correctly calculated and paid".[2]

Evaluating the efficiency of state tax authorities, improving tax administration, M.K. Aristarkhova, M.V. Vasilyeva, N.G. Viktorova, E.S. Vilkovala, L.I. Goncharenko, I.V. Deputatova, N.A. Dorofeyeva, D.V. Krylov, E.I. Komarova, M.V. Mishustin, H.M. Musayeva, E.V. Nadtochi, L.P. Pavlova, V.G. Panskov, M.R. Pinskaya, E.E. Smirnov, A.I. Sorokina, A.V. Suvorov, M.A. Troyanskaya, E.P. Fomin, F.F. Khanafeyev, A.T. The research work of Sherbinin was studied.

Issues of improving the tax system and regulation of tax relations Sh.Q. Gataulin, L.V. Khvan, Q.A. Yakhoyev, M.I. Almardanov, A.S. Jorayev, B.I. Israilov, S.K. Khudoykulov, U.A. Radjabov, I. Niyozmetov , Sh. Toshmatov, O. Abdurakhmonov, A. Vakhobov, E. Gadoyev, T. Malikov, O. Olimjonov, Kh. Sobirov, B. E. Toshmuradova, N. Khaidarov, B. B. Ibragimov, etc., were studied in the scientific works of our country's scientists.

The works of these scientists are mainly devoted to issues of taxation and tax control. The issues of assessing the

quality of tax authorities' activities remain insufficiently researched theoretically and practically. As a result, the main goal of the reforms is to achieve the mutual cooperation of taxpayers and tax authorities, which leads to the failure to fully implement the tasks set. Therefore, it is urgent to conduct scientific research on the topic and find solutions to existing problems.

During the research, it was found that one of the important elements of tax administration is tax control. According to the author's conclusion, tax administration is not focused only on control, which is one of the functions of management. Currently, there are different approaches to management. One of them is a process approach, in which management is viewed as a set of interrelated functions of management. Each function of management consists of a number of closely related activities. Administration is a process of interrelated actions in the field of management.

3. ANALYSIS AND RESULTS

Although the concept of "tax administration" is not strengthened by legislation in Uzbekistan, it is widely used by scientists, members of the legislative and executive authorities.

Based on the study of the definitions of tax administration by foreign and domestic scientists, the author developed his own definition, according to which: tax administration is the activity of state management, which involves the implementation of tasks defined in the state fiscal policy. is a set of economic and legal mechanisms used by authorized state bodies for the purposes of ensuring and forming budget revenues.

Also, according to the results of theoretical studies, it was concluded that control is one of the main functional elements of tax administration. In addition, it is necessary to emphasize that the organization of activities, planning, motivation are included in the functions of tax administration, and these functions serve to ensure the effectiveness of the main control function of tax administration.

The author notes that the tax administration participates in the budget revenue management system. Because the formation of budget revenues, as mentioned above, takes place mainly at the expense of tax revenues. That is why regular simplification of tax administration is important (Fig. 1).

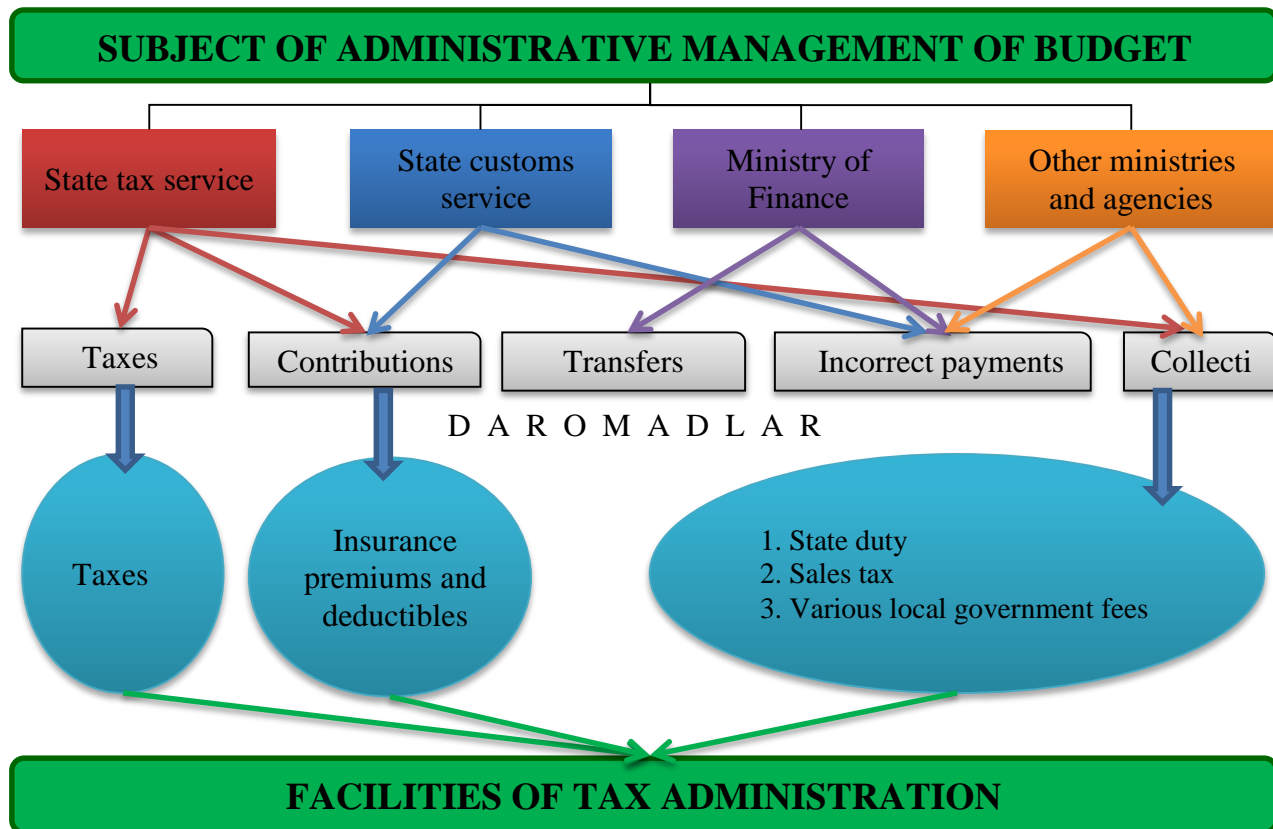


Figure 1. Classification of subjects of administrative management of budget revenues.

As a subject participating in the budget revenue management system, the tax service authorities, as the main body of the tax administration system, firstly, organizes effective activities, secondly, assesses the effectiveness of the activities of tax authorities in all areas, and thirdly, tax authorities cooperate with taxpayers. It is necessary to take measures to improve the relationship between taxpayers, tax authorities and employees, and to communicate tax relations to taxpayers in a simple and comprehensible way, to improve the tax legislation in accordance with the level of economic development.

In the results of the research, the author concluded that there are the following problems related to the organizational and legal foundations of tax administration: the legal status of the term tax administration is not defined; tax legislation does not clearly define the structure of the tax administration system; the basics of tax administration were not formed as a separate procedural document; the organization of the tax administration does not fully correspond to the principles of the digital society; the mechanism of voluntary fulfillment of tax obligations is not sufficiently encouraged; the level of administrative costs (time and money spent) in fulfilling tax obligations remains high; targeted mechanisms for granting tax incentives have not been established; the control mechanisms aimed at reducing the level of informal economy, as well as stimulating the processes of legalization of business activities are not fully developed; there are no uniform standard and perfect software products that ensure the exchange of information between taxpayers and tax authorities; criteria for assessing the effectiveness of tax service bodies and employees are subordinated to departmental interest.

The issues of tax administration and taxation are reflected in one legal document. This causes various confusions in the work of the tax administrator. Tax administration in foreign countries is free from the principle of administrative pressure.

The analysis of the revenue formation of the budget of the Republic of Uzbekistan for 2016-2022 showed that the revenue of the annual state budget is mainly formed at the expense of total taxes and other revenues, customs revenues.

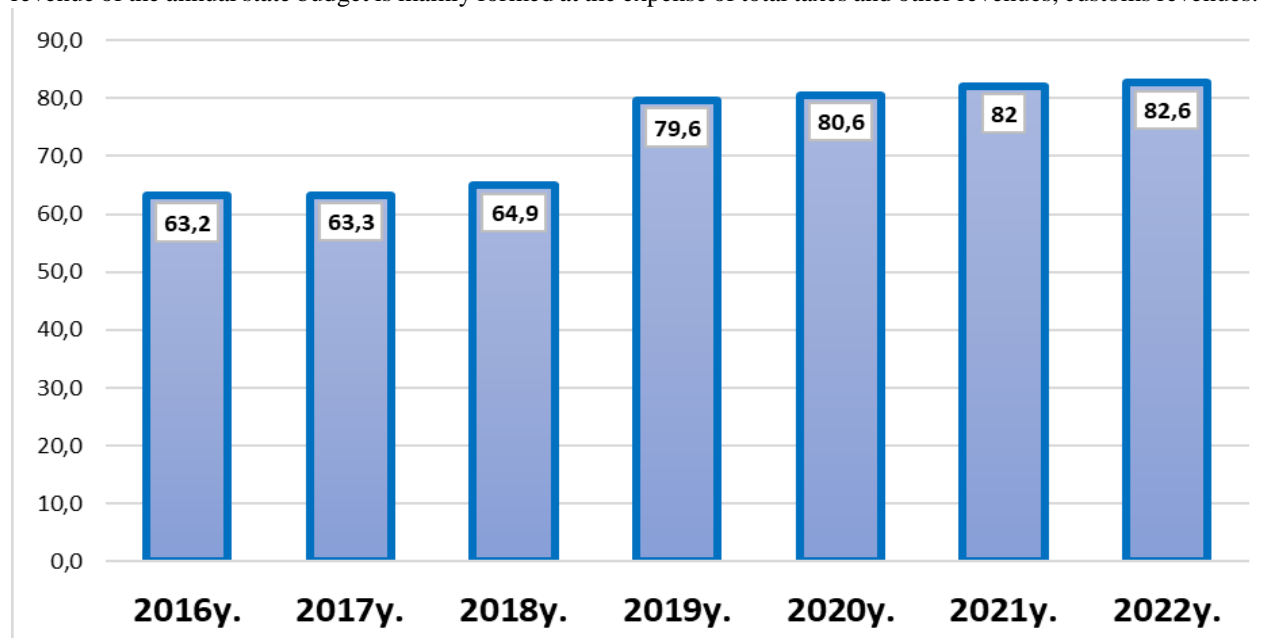


Figure 2. 2016-2022 share of tax revenues in the state budget revenues of the Republic of Uzbekistan

The analysis of this data shows that the share of tax revenues from total budget revenues increased by 19.4% in 2022 compared to 2016 due to the effective organization of tax and customs authorities. (Figure 2).

In 2022, receipts from the administration of the Tax Committee within the State budget will amount to 148.4 trillion soums (82.6% of the total State budget revenues), receipts from the Customs Committee will amount to 40.7 trillion soums (22, 8%) and other incomes and non-tax receipts 25.7 trillion soums (3.8%) (reimbursement of value added tax (reimbursement) 19.3 trillion soums) and took into account 1% ("cash-back") return of the purchase amount to citizens (0.8 trillion soums). In this case, the forecast set by the Tax Committee was fulfilled by 6.0 trillion soums or 4.2% more, and the amount of revenue collected by tax authorities was 20.4 trillion soums or 16% compared to 2021.

and increased by 44.8 trillion soums or 43.3% compared to 2020. The forecast set by the Customs Committee was fulfilled with an increase of 4.9 billion soums or 11.9%, and budget receipts compared to 2021 amounted to 12.8 trillion soums or 38.5% compared to 2020 and increased by 21.3 trillion soums or 86.3%.

The collection of taxes and fees (collectibility) is one of the main indicators of the efficiency of tax authorities. The tax and fee collection indicator is defined as the ratio of the amount of taxes and fees collected by tax authorities to the amount of taxes and fees calculated in the budget. (Table 1)

Table 1. Analysis of the state of collection of taxes and fees by tax authorities in Uzbekistan in 2016-2022

By republic	2016 y.	2017 y.	2018 y.	2019 y.	2020 y.	2021 y.	2022 y.	2021y.ga nis. 2022y.da o'sish (%)
Total collected taxes and fees (billion soums)	48825,8	58931,2	78276,8	83323,7	103566,4	127900,0	148383,3	116,0
Accumulation rate (%) against calculation prediction	100,5	103,5	125,6	111,1	104,0	113,5	115,7	

When analyzing the number of taxpayers in the regions, it was found that the largest number of taxpayers in the accounts of the tax service bodies belong to the city of Tashkent, Fergana, Tashkent, Samarkand and Andijan regions (Table 2). This trend continues to grow over the years. The main reasons for this are the good infrastructure and the ability of the population to pay. Therefore, taxpayers tend to operate in these areas.

Table 2. Analysis of the dynamics of taxpayers registered with the tax authorities in Uzbekistan in 2016-2022

By republic	2016 y.	2017 y.	2018 y.	2019 y.	2020 y.	2021 y.	2022 y.	2021 ratio. Growth in 2022. (%)
Tax payer XYuS registered with the tax authority (number)	616720	878236	1007241	1055590	1185159	1225166	1280670	104,5
From this,								
Company and organization number	365683	598580	647118	731536	826728	848394	866800	102,2
in percent (%)	59,3	68,2	64,2	69,3	69,8	69,2	70,0	
the number of YTTs on the account	251037	279656	360123	324054	358431	376772	383982	101,9
in percent (%)	40,7	31,8	35,8	30,7	30,2	30,8	30,0	

According to the data of the table, mostly (69.2, 69.3, 69.8 and 70.0 percent) taxpayers have the status of a legal entity. The fact that taxpayers have the status of a legal entity is a positive thing. Due to the fact that legal entities have the obligation to keep accounting records, the possibility of keeping and determining tax bases is high. As a result, the effectiveness of the tax control result increases.

In the author's dissertation, taking into account the number of taxpayers on the account of tax authorities and the differences in tax and non-tax incomes of administratively managed subjects of tax authorities in the regions of our Republic, taking into account the level of complexity (weight of the burden) of the work of tax authorities in the methodology of assessing the activity of tax authorities considers necessary.

Reducing tax and levy debt is also one of the main areas of activity of tax authorities. In the scientific work, it is believed that the size of debt to the budget system of Uzbekistan in terms of taxes and fees limits the size of the state's financial resources.

Table 3: The amount of taxes and fees owed to the state budget in Uzbekistan for 2018-2022.*

By republic	2016 y.	2017 y.	2018 y.	2019 y.	2020 y.	2021 y.	2022 y.	2021 ratio. 2022 (%)
Total tax and compulsory payment debts (billion soums)	9 299,5	5 938,0	3 543,4	2 836,4	5695,5	10249,3	11906,8	116,2
From this,								
Tax arrears to the budget (billion soums)	6 533,7	4 239,5	1 136,0	1 036,2	4428,1	7506,2	8745,3	116,6
in percent (%)	70,3	71,4	32,1	36,5	77,7	73,2	73,4	
Debt to the trust fund (billion soums)	2 237,3	1 466,4	2 407,3	1800,2	1267,4	2743,1	3161,5	115,2
in percent (%)	29,7	28,6	67,9	63,8	22,3	26,8	26,6	

While there has been a decrease in debts over the years, the level of debts in Bakun has increased by almost 100% in 2022 compared to 2021. The most dangerous aspect of these debts is that they mostly correspond to non-working enterprises.

One of the reasons for the increase in indebtedness in 2022 is due to the government's tax and payments due to the economic situation in the country and the state of emergency (Sovid-19). The amount of debt for taxes and payments increased by 116.6% compared to the previous year and amounted to 8745.3 billion. amounted to soum.

The assessment of the effectiveness of the tax authorities includes the reduction and regulation of tax liabilities of taxpayers to the budget system of the Republic of Uzbekistan.

Users of the website of the Republican Tax Service can familiarize themselves with tax legislation, forms of tax reports, and get answers to the most common questions about taxes. The "Find Out Your Debt" and "Taxpayer's Personal Cabinet" services are especially popular among site visitors. Thus, at present, tax authorities provide a wide range of services electronically, paying great attention to the development of their information supply.

Indicators for assessing the activities of tax authorities in Uzbekistan are determined based on normative documents. Currently, the following main criteria are defined for assessing the effectiveness and efficiency of tax service authorities:

- the number of taxpayers who satisfactorily evaluate the quality of the work of tax service bodies, as well as the number of complaints regarding their actions and decisions;
- the total amount of taxes and other mandatory payments collected as a result of camera control;
- the amount of state budget revenue increase reserves and the level of their recovery determined by the results of timekeeping review and tax audits;
- completeness of collection of estimated tax and other mandatory payments and reduction of tax debt;
- level of use of "personal cabinet" in interactions with tax authorities;
- coverage of taxpayers using software products for accounting of electronic invoices and automated monitoring of online cash registers.

Taking into account the above, we can consider the indicators of the effectiveness of the activity of the territorial bodies of the tax committee, dividing them into two groups.

The first group includes quantity and quality indicators calculated on the basis of reports of tax authorities. Such indicators have a quantitative value. In turn, some of them are simple indicators, and some are integral indicators with

two or more components. It should be noted that these are internal indicators, and their number is constantly changing.

Common indicators include:

- "Deviation of actually received taxes from the expected (forecasted) tax revenues to the Republican budget";
- "deviation of actual receipts from expected payments to state trust funds";
- "reduction of land and property tax arrears from natural persons";
- "decreasing the debt due to the tax collected from natural persons for the use of water resources";
- "decrease in debt accepted for payments to state special purpose funds".

Integral indicators include:

- "effectiveness of the activities of tax authorities in terms of tax collection, taking into account deviations in tax burdens on value added tax and tax on profits of organizations";
- "Efficiency in resolving control cases, court cases and tax disputes before the court";
- "effectiveness of work of tax authorities in reducing tax debt";
- "effectiveness of tax authorities' activity on price control for taxation purposes";
- "quality of state registration of taxpayers";

Quantities listed as

The second group of indicators includes analytical indicators, which are evaluated on the basis of control work, service records, conclusions and other factors. Scores for analytical indicators are determined by the head of the higher tax authority. The effectiveness of the SHO activity is evaluated by summing up the indicators of the two groups. After that, the rating is determined, and the system of financial incentives for the employees of the tax authorities is applied according to the rating.

In the conditions of a complex economic situation, the high-quality cooperation of tax authorities with taxpayers in the process of organizing and conducting tax audits is also very important to ensure business stability and a steady flow of taxes and fees to the State budget of the Republic of Uzbekistan. It's no secret that the effectiveness of control (inspection) work, which is one of the main areas of activity of tax authorities, is evaluated by various indicators, including effectiveness.

Table 4 Tax legislation in Uzbekistan in 2016-2022
Information on control activities carried out by state tax authorities.

By republic	2016 y.	2017 y.	2018y.	2019 y.	2020 y.	2021 y.	2022 y.	2021 ratio. by 2022 (%)
Total number of control cases under tax legislation	185052	188697	652674	443899	100054	91196	45417	-49,8
From this,								
Documentary (inspection) inspection number	18524	15435	7165	5143	10563	22139	6454	-29,2
The number of cases where the violation was detected	17065	13942	6467	4454	6681	10182	5297	-52,0
Inspection efficiency (%)	92,1	90,3	90,2	86,7	63,2	45,9	78,6	171,2
Additional taxes and fees are calculated	1 305,4	1 355,4	1 298,0	996,8	3098,7	5419,6	11218,1	206,1
(billion soums)	50,3	34,7	18,2	17,4	4,1	10,2	23,4	229,4

In (%) collection of additional estimated funds	166528	173262	645509	438756	89491	69057	38963	263,5
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The improvement of the quality of conducting tax audits in Uzbekistan, the collection of the necessary evidence base for the detection of tax violations, as well as the increase in the efficiency of work on the resolution of tax disputes before the court, allow to significantly reduce the number of cases considered in courts. gives The improvement of the quality of decisions issued by tax authorities will lead to a decrease in the number of complaints considered by the SCO. The activity of the tax authorities in resolving the disputes brought to the tax authorities can be an indicator of the evaluation of the effectiveness of their activities.

Subjects of the Republic of Uzbekistan differ in the amount of administratively managed income and the number of taxpayers registered in the tax authorities. At the same time, the amount of work of the tax authorities is not taken into account when evaluating the efficiency of the activity. It is desirable to develop a system of using KPI indicators to motivate employees of tax authorities. It is necessary to establish a system of incentives for taxpayers to reduce tax debt and to increase attention to the use of collateral and guarantee mechanisms.

Based on the results of our research, in order to evaluate this indicator, we offer an evaluation indicator that shows the quality of service for legal entities through the personal office of the taxpayer and for individual entrepreneurs through the personal office of the taxpayer.

Also, based on the results of our research, we believe that it is necessary to assess the irregular risks of tax authorities. It is desirable to evaluate the level of factors affecting the occurrence of irregular risks based on criteria. The following criteria were proposed for evaluating factors in this category (Figure 3).

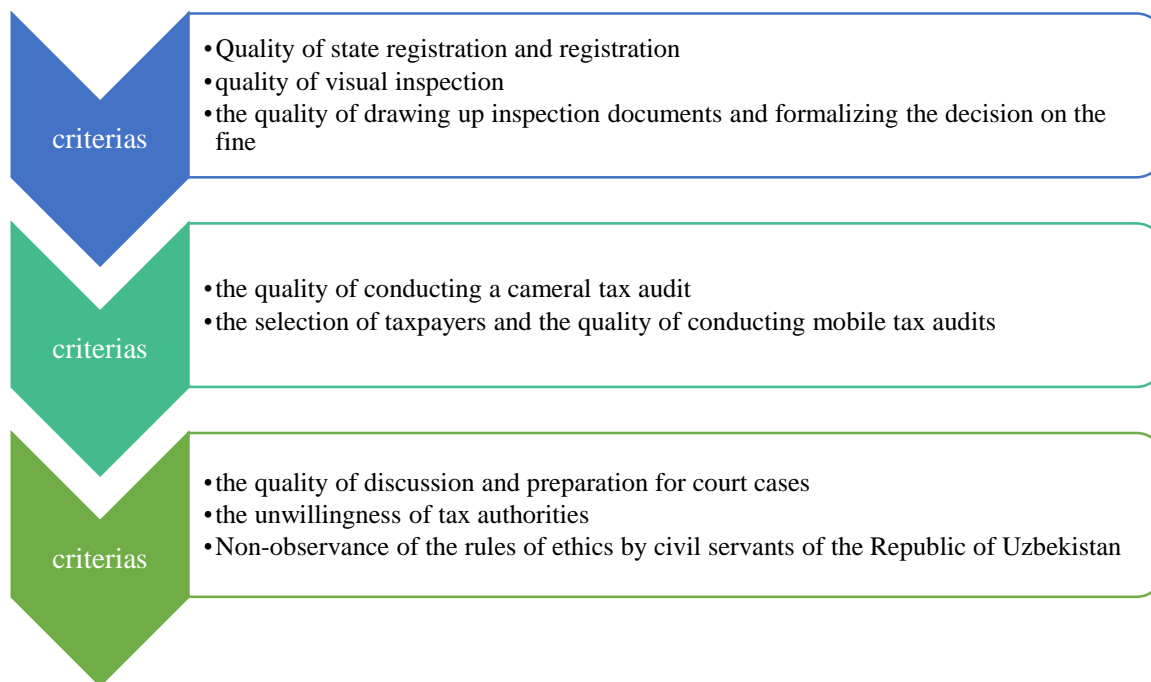


Figure 3. Evaluation criteria of factors affecting the occurrence of irregular risks

Taking into account these factors affects the assessment of the effectiveness of the SSO, including the quality of tax administration, and the scale allows to assess the level of influence of these factors and to plan control measures and increase their effectiveness.

The introduction of advanced information and communication technologies in the prevention and detection of violations of tax legislation, audit work, and elimination of tax risks serves to create a positive experience in the system. For this purpose, it is proposed to classify the risk and set the criteria for improving the quality of work in this direction. Dividing the tax risks faced by taxpayers into regular and irregular risks and determining their determining

factors serve to increase the effectiveness of tax control activities. In this regard, based on the results of the research, tax authorities proposed a scale for assessing irregular risks.

4. CONCLUSION

As a result of the scientific research carried out to obtain the degree of Doctor of Philosophy (PhD) on the topic "Improving tax administration in Uzbekistan", the following conclusions were reached regarding the problems of tax administration in our country. Also, scientific proposals for improving the tax administration were developed.

1. Tax administration in the Republic of Uzbekistan appeared with the transition of our economy from a planned form to a system based on market relations, with the establishment of tax authorities as an independent state control body that forms budget revenues.
2. During the past 32 years of independence, tax service bodies and tax administration have gone through the stages of formation and development. Each of these periods has its own characteristics and served to form state budget revenues and ensure state independence. We believe that studying the tax administration in stages of development will serve to further increase its quality and efficiency in the future.
3. The legal foundations of the tax administration of our country were formed during the years of independence. In the second decade of independence, as a result of paying attention to the function of taxes to stimulate the economy in the state fiscal policy, the principle of administrative pressure was gradually abandoned in the tax administration. The peculiarity of this period is characterized by the easing of the financial penalty system and the introduction of the principle of presumption of the right of the payer.
4. The issue of evaluating the effectiveness of the state administration agencies also corresponds to the second decade of the years of independence. Accordingly, there was a need to assess the effectiveness of tax authorities and the tax administration system. But there are still views on this issue from a departmental point of view.
5. The use of a risk-oriented approach in the implementation of control measures allows the budget to increase tax revenues. Based on the study of foreign experience, it was concluded that the tax authorities of different countries use information technologies in their activities. The activity of tax authorities in Uzbekistan is also related to the wide use of modern information technologies, as well as the provision of electronic services to taxpayers.

Based on the above scientific conclusions reached in our research work, the following proposals and recommendations were developed for the development of tax administration in our country and the improvement of its implementation mechanisms.

1. The definition of the concept of tax administration was developed in order to prevent confusion arising in the relationship between taxpayers and tax authorities.
2. In order to evaluate the practice of formation of the tax administration system, the organizational stages and legal bases of the formation of the tax administration in our country were classified and their systematization was proposed.
3. In order to improve the quality and efficiency of the tax administration, it was recommended to categorize the level of tax risk and the criteria for determining it were developed.
4. It was proposed to digitize elements of the tax administration and introduce their electronic settlement system.
5. Due to the fact that the promotion of the work of tax employees is an important factor in ensuring the efficiency of the activity, it was recommended to improve the system of motivating the employees and evaluate the results of the employees.
6. In order to improve the system of indicators for assessing the effectiveness of tax authorities, the main directions of activity were proposed.
7. It was recommended to transfer non-strategically important large taxpayers from the Tax Committee Inspectorate of Large Taxpayers to regions based on the principle of territoriality and organize on-site accounting.
8. As a result of the analysis of taxpayers' activities, it was proposed to group existing tax risks into low, medium and high levels;

Taking into account the proposals and recommendations developed according to the results of our scientific research will serve to improve the activity of tax authorities and the quality and efficiency of tax administration.

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