

Combination of fiscal and stimulating functions of the tax system to ensure financial and economic security

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Abstract: Today, the economic model of Uzbekistan is not without reason ranked as one of the most stable and dynamically developing in the world. This article was prepared with the aim of informing the general public about the essence of the created favorable conditions for business entities in the course of further improving the business environment in our country.

Keywords: tax system, tax burden, taxes and other obligatory payments, simplified taxation procedure, state budget revenues, optimization of tax rates, economic and financial security.

Introduction

In modern conditions, taxes and tax policy have become the most important object and direction of market reforms in Uzbekistan. Tax policy significantly affects the economic and general state security of the country. The importance of taxes in financial and economic security is determined by the nature of taxes, the occurrence of which is inextricably linked with the emergence of the state and the need to form financial funds for the government to perform functions, the most important of which is historically ensuring the country's security. In the early stages of the formation and development of a state, its security was considered, first of all, as the ability to repel external threats (military attack by other states) (Niyazbayeva & Yessengeldina, 2016; Tursunbaevich, 2019).

In the modern world, the nature of threats and the forms of their manifestation have changed, but the role of taxes as a source of financial resources has certainly been preserved and, moreover, has intensified. Without obvious changes, only the visible, fiscal side of tax relations remained, consisting in the accumulation of funds

in the budget system to finance government spending aimed at ensuring state security. However, the concept of security currently has a broader interpretation: it is inextricably linked with concepts such as economic, financial, social, food, regional security. Therefore, the fiscal function of taxes in ensuring economic security should be considered within a wider range (Mukhtarov, Fox, Mukhamedova, & Wegerich, 2015).

Theoretical background

Thus, the tax system is included in the system of economic and financial security, firstly, as a resource factor in the hands of the state, secondly, as an instrument of influence on economic and social processes, and thirdly, as a factor of feedback and state dependence from taxpayers and territories. Two aspects must be seen in taxes and tax policy: resources and an instrument for ensuring economic and financial security, on the one hand, and the risk and dependence factor, on the other. The role of taxes is both positive and negative (risk factor). As a resource factor, taxes can turn around for the state both as a means of ensuring security (increasing tax potential) and as a factor in increasing threats and risks (loss of tax potential due to objective and subjective reasons) (Kim, Yeji & Cho, Yoon C., 2011; Transition & 2000, n.d.). In the process of market transformation of the domestic economy, the tax system has passed a long but important path of formation and development. In its functioning, two periods can be conditionally distinguished: 1) the formation and adaptation of taxpayers to the tax system; 2) improvement and streamlining in connection with the phased introduction of changes and amendments to the Tax Code of the Republic of Uzbekistan.

When considering the main processes in the tax sphere, it is necessary to distinguish between the objective side of tax policy trends, real tax relations and real quantitative indicators of the tax system and their subjective side, expressing the efforts, goals, intentions and results of the state, various branches, bodies, levels of state power and local self. In addition, in objective processes and in politics, it is necessary to distinguish between internal and external factors and interests that threaten the economic security of the state on the part of the tax system and tax policy. At the present stage, the necessary condition for ensuring the economic security of the state is undoubtedly achieved by strengthening the foundations of the financial security of the state, which, in turn, requires constructive measures to rationally combine the fiscal and regulatory functions of the national tax system.

The tax system is a combination of interconnected taxes levied in the country and methods of taxation, collection and use of tax revenues, as well as tax administration. In developed countries, the share of taxes is more than 90% of budget revenues. Tax regulation is an important element of economic policy, pursuing the following main goals: achieving constant sustainability of economic price increases, ensuring social protection of the population, creating equilibrium in all areas of economic activity. The system of taxes and fees serves as an important mechanism of economic impact on the structure and dynamics of social production, the pace of scientific and technological development, social development and foreign economic relations (Niyazbayeva & Yessengeldina, 2016; Paramonov, 2006; Shilibekova, 2014; Studies & 2009, n.d.).

In the tax system, which is a set of taxes, as well as the forms and principles of their construction, calculation and collection, the following taxes are clearly distinguished: on income (profit) of legal entities and individuals, on income from capital in the form of interest, on property (property); indirect taxes - excise taxes, VAT, sales taxes, customs duties.

In each country, in accordance with the state tax policy, specific tasks are set. For example, in the USA and Canada, it means maintaining a competitive environment, protecting the interests of the middle class, equitable distribution of national income for the majority, and stimulating the development of medium and small businesses. In Great Britain, Ireland, France - employment promotion, promotion of savings and long-term investments. The peculiarities of the tax systems of each country are determined by the state structure and administrative capabilities of each level of government, the degree of interference of state bodies in the economy, and the nature of economic policy. These features determine the tax burden of the economy, the ratio of direct and indirect taxes, the distribution of taxes between the levels of the budget system, the nature and purpose of tax benefits. Legislation of most countries is aimed at simplifying calculations and the procedure for levying various taxes, minimizing tax costs.

The choice of ways to increase the effectiveness of tax control is one of the urgent tasks that have to be solved by the current program of reforming the country's tax system. For the formation of tax revenues of the budgetary system of a developing country, the effective tax control plays a decisive role. The control of tax authorities over the completeness and timeliness of the calculation and payment of taxes to the budget, over compliance by taxpayers with payment discipline, is an integral condition for the normal functioning of any tax system, ensuring the stability of the revenue base of budgets of all levels. In a transitional market economy, the importance of tax control is great.

The concept of improving the tax policy of the Republic of Uzbekistan provides for a radical reform of the tax system, including the reduction of taxes and mandatory payments, the abolition of inefficient tax benefits. The main goals of the concept are to create a favorable competitive environment, ensure stability and simplify tax legislation, reduce the tax burden, increase the investment attractiveness of the republic, and improve tax administration. The document implies a radical simplification of the tax system: reduction in the number of taxes and tax regimes, unification of tax payment rules for different categories of taxpayers, simplification of tax calculation methods, categorical rejection of individual tax benefits.

During the years of independence, the tax system of the Republic of Uzbekistan has been fundamentally reformed, in proportion to the development of the country's economy, and now taxes are in place, which include national traditions and international best practices.

Large-scale tax reforms have been implemented in the tax system, contributing to the growth of real incomes of the population, serving as the basis for the modernization of production, supporting small business and private entrepreneurship. Especially, the process of liberalization of the budget and tax system has become an important factor in the sustainable development of our economy.

If in 1991 the tax burden was 41.2% in relation to the gross domestic product, then during the past years, as a result of the implementation of a rational policy, this indicator has almost halved [1].

The tax system and its elements are presented in detail in the tax code of the Republic of Uzbekistan. According to article 23 of the tax code in the Republic of Uzbekistan

The following taxes and other mandatory payments apply:

1. Taxes include:

- a) corporate income tax;
- b) personal income tax;
- c) value added tax;
- d) excise tax;
- e) taxes and special payments for subsoil users:
 -  tax for the use of subsoil;
 -  excess profit tax;
 -  bonus (subscription and commercial discovery).
- f) tax for the use of water resources;
- g) property tax;
- h) land tax;
- i) tax on the improvement and development of social infrastructure;

j) tax on the consumption of gasoline, diesel fuel and gas for vehicles.

2. Other mandatory payments include

In the cases and in the manner established by the Tax Code, the following taxes may be applied, paid under the simplified taxation procedure:

- ✚ single tax payment;
- ✚ single land tax;
- ✚ a fixed tax on certain types of entrepreneurial activity [2].

As noted, there are two types of taxation procedures in the country, namely: general and simplified systems. Large enterprises pay taxes on a general basis, and small businesses and producers of agricultural products pay a simplified (single) tax in return for several taxes and mandatory payments.

Existing taxes not only provide the state budget with sufficient financial resources, but also stimulate the development of entrepreneurship in the country.

Conclusion

Optimization of tax rates leads to important qualitative changes in the composition of state budget revenues. The most important is a phased reduction in the share of taxes levied on corporate income and an increase in the share of resource taxes. This situation encourages the creation of favorable conditions for active investment and the rational use of natural resources.

The ongoing modernization of the economy of Uzbekistan, in recent years, aimed at creating favorable conditions for business entities, providing assistance to their activities, further strengthening guarantees of their rights and freedom, including in the field of taxation, creates a favorable environment for the development of entrepreneurship and strengthening its position.

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