

Instruments and Directions of Tax Policy Regulation

Nabieva Nilufar Olim qizi

Student, University of Geological sciences

Rejapov Xayrillo Xikmatullayevich

Scientific supervisor PhD, associate professor

Abstract: The article examines the importance of the country's tax policy and its regulation tools today. In addition, the main changes and updates in the regulation of tax policy are also studied in the article.

Keywords: Tax policy, tax strategy, budget, tax theories, Gross National Product.

Enter

In the conditions of modernization of the economy, the role of the state in the regulation of the economy is strengthened, and the tax policy serves as an important tool in the implementation of the goals and tasks set for itself. President of the Republic of Uzbekistan Sh.M. Mirziyoyev says: "Strictly following the tax-budget policy, fulfilling the social obligations of the state, the amount of wages, pensions, allowances and scholarships, financing large investment projects and strengthening the country's defense capabilities - these are the most important tasks implementation is primarily determined by the efficiency of the Ministry of Finance and the minister personally"¹.

It can be seen from the fact that Chapter V of the Tax Code of the Republic of Uzbekistan is called "Tax control" that regulation of the tax system by the state is an urgent topic for today.²

Analysis of literature on the topic

Tax policy is an integral part of economic policy, and it is the activity of the state in the field of taxation aimed at specific goals in a certain period. It is a set of measures carried out comprehensively by the relevant authorities of the state, aimed at introducing taxes, creating a tax-related legal framework, forming a mechanism for the practical operation of introduced taxes and tax-free payments, and increasing their efficiency.³

The tax concept is a set of ideas for the implementation of tax directions with a clear scientific basis.⁴

¹ Mirziyoyev Sh.M. Critical analysis, strict discipline and personal responsibility should be the daily rules of every leader's activity. - Tashkent, "Uzbekistan", 2017. - P.29-30.

² <https://lex.uz/docs/-4674902>

³ Jorayev A, Safarov G. "Tax theory". Study guide. - T.: "Economy-finance", 2008

⁴ <https://elib.buxdu.uz/index.php/pages/referatlar-mustaqil-ish-kurs-ishi/item/12495-soliq-siyosati-va-uning-asosiy-yo-nalishlari>

7	ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume: 6 Issue: 7 in Jul-2023 https://globalresearchnetwork.us/index.php/ajebm
	Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Tax refers to a payment collected by government bodies from organizations and individuals to support the activities of state or local government. Taxes are the main source of state budget revenues.⁵

Analysis and results

Tax policy is an integral part of economic policy, and it is the activity of the state in the field of taxation aimed at specific goals in a certain period. It is a set of measures carried out comprehensively by the relevant authorities of the state, aimed at introducing taxes, creating a tax-related legal framework, forming a mechanism for the practical operation of introduced taxes and tax-free payments, and increasing their efficiency. The tax policy determines the features and directions of the country's tax system, the introduction of taxes, and ensuring the ratio between them.

In the current conditions, countries with a developed market economy are implementing tax policies to achieve the following important goals:

- participation of the state in regulating the economy and social reproduction aimed at stimulating or limiting economic activity;
- meeting the needs of sufficient financial resources for carrying out economic and social policy at all levels of government and for the performance of tasks assigned to relevant authorities and management bodies;
- implementation of state policy on income regulation.

The formation of tax policy is based on two interrelated methodological conditions:

- use of tax payments to form the revenue part of budgets at different levels and to solve state budget tasks;
- use of tax as a method of indirect regulation of economic activity. Practical activities for the implementation of these principles are ultimately aimed at ensuring economic growth, which is the main problem of the country.

The methods of implementation of tax policy depend on the goals that the state is trying to achieve by conducting this policy. The following methods are more common in modern world practice:

- a) changing the tax burden on taxpayers;
- b) replacing one form or method of taxation with another;
- c) change the distribution area of one or another tax or the entire taxation system;
- d) introducing or canceling tax credits and preferences;
- e) introduction of a stratified system of tax rates.

The development of production in economic sectors and the increase of their investment potential are, of course, closely related to the tax policy. Today, one of the main tasks of reforming the national economy is to develop production and, therefore, to increase the share of the private sector.

As part of the reforms implemented in Uzbekistan, a strong budget and tax policy is being implemented to create a favorable business environment and improve the well-being of the population by increasing their incomes. Taking into account that taxes are the main source of budget formation, they are optimized and the tax burden on the economy is reduced. As a result of the use of tax incentives for the development of

⁵ <https://uz.wikipedia.org/wiki/Soliq>

entrepreneurship, the share of this sector in the GDP is 56.9%, and the share of population employment is more than 78.1%.

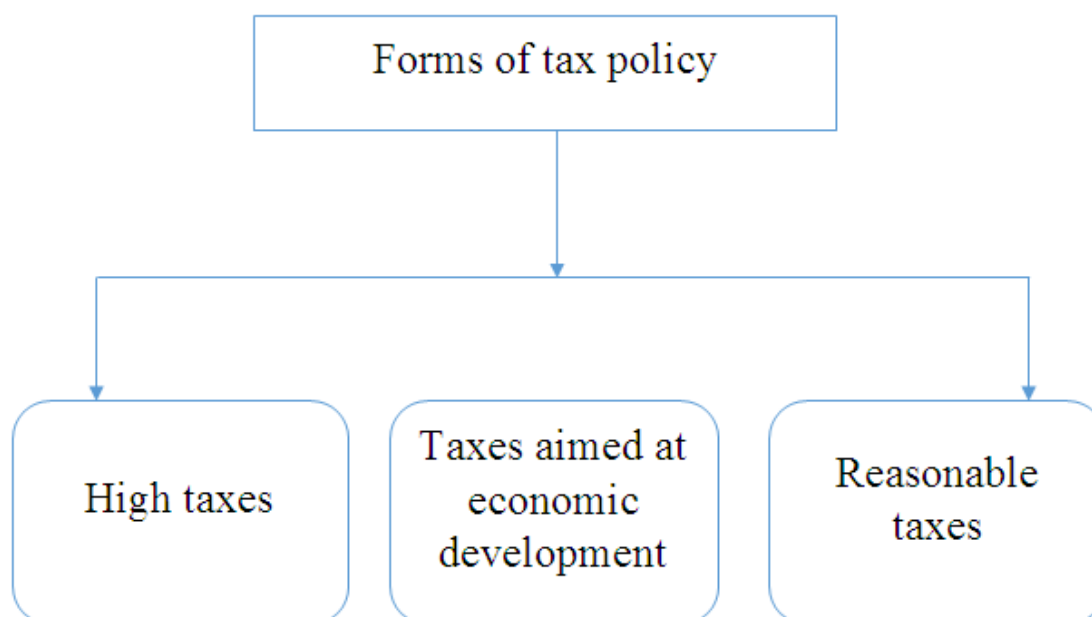


Figure 1. Forms of tax policy⁶

At this point, let's talk about the content of tax policy. Tax policy is an integral part of economic policy, and it is the activity of the state in the field of taxation aimed at specific goals in a certain period. It is a set of measures carried out comprehensively by the relevant authorities of the state, aimed at introducing taxes, creating a tax-related legal framework, forming a mechanism for the practical operation of introduced taxes and tax-free payments, and increasing their efficiency. The tax policy determines the features and directions of the country's tax system, the introduction of taxes, and ensuring the ratio between them.

Also, to ensure the stability of the tax policy, its strategy and tactics should be developed. Taking into account the nature and duration of the measures to be implemented, tax policy is divided into: tax policy strategy and tax policy tactics. The classification of tax policy according to the period of implementation can be expressed as follows by Fig. 2.

The main directions and measures of tax-related economic relations intended for a certain longer period are expressed in the tax policy strategy. This, in turn, is directly related to the scientifically based tax concept.

⁶ Jorayev A, Safarov G. "Tax theory". Study guide. - T.: "Economy-finance", 2008

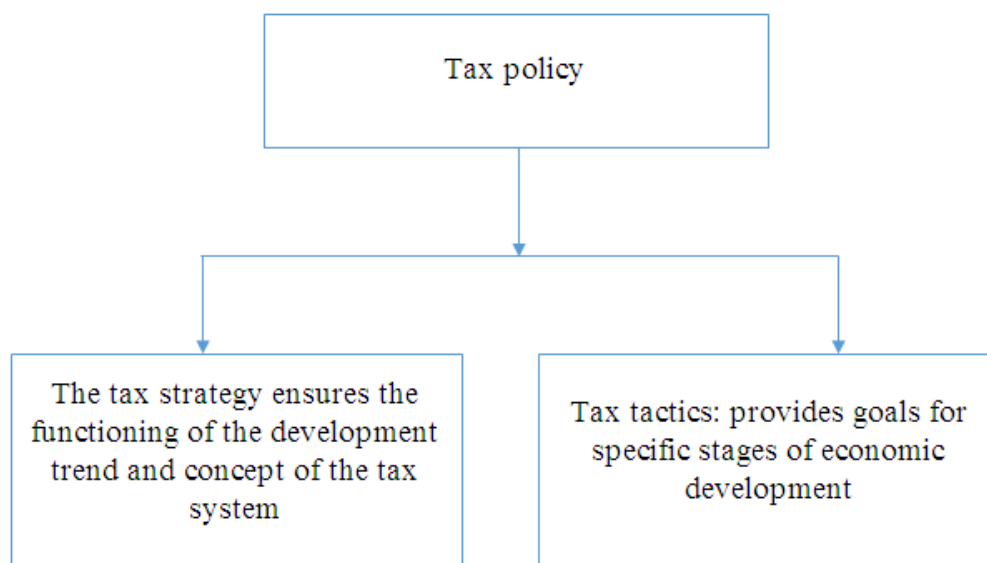


Figure 2. Classification of tax policy⁷

Tax policy tactics refers to frequently changing efforts that ensure the implementation of a defined tax policy strategy, that is, a set of directions aimed at solving short-term and small-scale financial measures - it is considered as a tax policy tactic. The strategy of tax policy is stable compared to the tactics of tax policy, that is, less variable, all of them are interdependent, complement each other and form the essence of tax policy as a whole.

The objectives of the tax policy are determined based on the social and economic process in the country. Also, the goals of the tax policy are based on the level of socio-economic development of the society, the tasks of strategic development of the country's economy, and the international financial obligations of the state. Therefore, the tax policy of the state fulfills the following goals.

The economic goal of the tax policy is focused on increasing the level of economic development, revitalizing work activity, and stimulating economic activity.

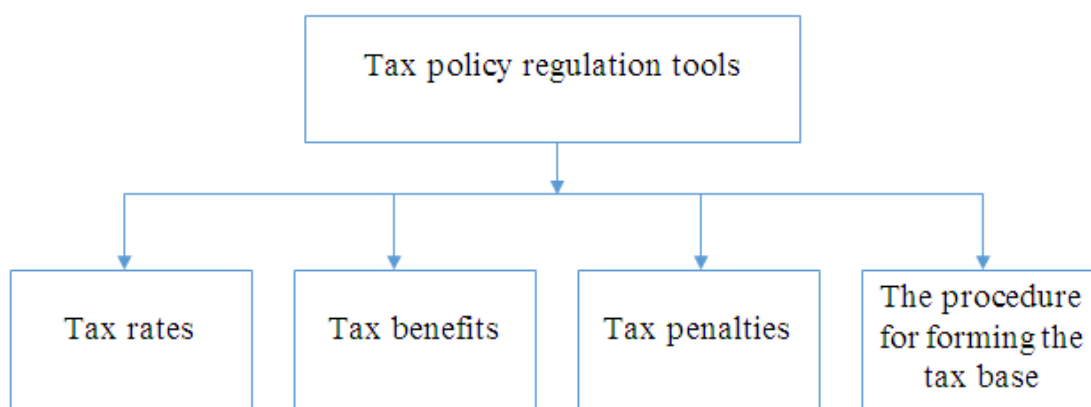


Figure 3. Tax policy regulation tools⁸

⁷ Jorayev A, Safarov G. "Tax theory". Study guide. - T.: "Economy-finance", 2008

⁸ Jorayev A, Safarov G. "Tax theory". Study guide. - T.: "Economy-finance", 2008

The effectiveness of the tax policy is largely expressed by the strength of its legal base. Currently, the tax mechanism serves as the main tool for regulating the economy of many countries (Fig. 3). The tax mechanism embodies the organizational aspects of the country's tax system, legal norms and management methods.

The independence of the Republic of Uzbekistan and the transition to a market economy, the new conditions of economic development required the introduction of a completely new system of taxation and the creation of a new structure of the mechanism that would ensure the functioning of such a system at a somewhat optimal level.

The Constitution of the Republic of Uzbekistan includes the duty of citizens to pay taxes: "Citizens are obliged to pay taxes and fees established by law."⁹ There are also sentences about the implementation of a unified tax system in the territory of our republic and the authority to determine it: "The unified tax system is in force in the territory of the Republic of Uzbekistan. Only the Oliy Majlis has the right to impose taxes."¹⁰

Today, the legal foundations of the tax policy of our republic are explained by the Constitution of the Republic of Uzbekistan, the Tax Code of the Republic of Uzbekistan, the Law "On State Tax Service", other tax-related laws and decisions of the government, Presidential Decrees and other normative documents. In the conditions of economic liberalization in our country, one of the tools that ensure the full and accurate implementation of the tax policy is a unique way of gradually optimizing the impact on the development of production and the full and timely financing of public expenditures in the process of improving the tax policy. It is related to solving the problem of development and identification of directions.

The given Figure 4 shows the analysis of budgeted revenues by types of taxes in the 1st quarter of 2022-2023. VAT, Excise Duty, Profit, Personal Income Tax have a high share in it. Taxes on the use of water resources and turnover are the taxes with the lowest share.

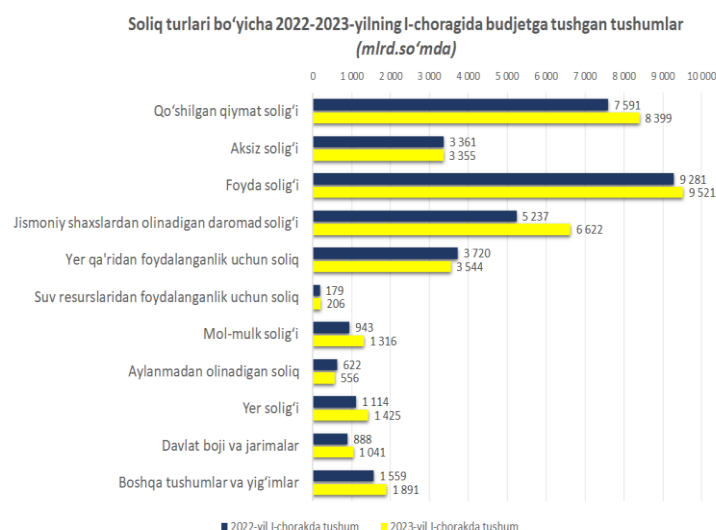


Fig. 4. Budget revenues in the first quarter of 2022-2023 by types of taxes (in billion soums)¹¹

⁹ Constitution of the Republic of Uzbekistan. T.: "Uzbekistan", 2017. Article 51.

¹⁰ Constitution of the Republic of Uzbekistan. T.: "Uzbekistan", 2017. Article 132

¹¹ <https://soliq.uz/storage/files/April2023/000000008643bcfa0187930f0c4c0051.png>

Increases or decreases state budget expenditures, regulates direct management of the economy. Because these activities have a direct impact on total demand. Taxes are the main source of financing of public expenditure.

In the years of independence, sustainable economic growth was ensured as a result of the implementation of comprehensive measures aimed at ensuring macroeconomic stability, increasing the competitiveness of the economy, deepening structural reforms, and the use of economic resources.

A new tax system has been formed in our country that fully meets market principles. The Tax Code of the Republic of Uzbekistan was adopted, modern methods and mechanisms of tax management were introduced, and an integrated system of tax authorities was created. The current tax policy in Uzbekistan is aimed at further reducing the tax burden on economic entities, developing small business and private entrepreneurship, and increasing the real income of the population and their purchasing power.

The main task of tax policy should ultimately be focused on ensuring economic growth. It is only when economic growth is achieved that it serves to develop production and ensure its efficiency, to increase the standard of living of the population.

Conclusion

In the process of studying the issues of improving the tax policy and increasing the impact of the tax policy on ensuring the country's macroeconomic stability, the following conclusions were reached and a number of recommendations were developed:

1. In accordance with the tasks of a certain stage of the transition to market relations, the instruments of the budget and tax policy also change. One of the most important tasks of reforming our national economy today is to ensure the compatibility of state budget revenues and expenditures.
2. The strategic task of the state budget and tax policy is to direct state funds to have a targeted impact on the developing market economy and its infrastructure in order to ensure structural restructuring, economic independence and, ultimately, an increase in the well-being of the population.
3. One of the important ways of improving the taxation system is to regulate the tax system, reduce the types of taxes, simplify the calculation mechanism and reduce the periodicity of payments.

References

1. Mirziyoyev Sh.M. Critical analysis, strict discipline and personal responsibility should be the daily rules of every leader's activity. - Tashkent, "Uzbekistan", 2017. - P.29-30.
2. Decree of the President of the Republic of Uzbekistan dated July 18, 2017 No. PF-5116 "On measures to fundamentally improve the tax administration, increase the collection of taxes and other mandatory payments".
3. Constitution of the Republic of Uzbekistan. T.: "Uzbekistan", 2017. Article 132
4. Constitution of the Republic of Uzbekistan. T.: "Uzbekistan", 2017. Article 51.
5. Jorayev A, Safarov G. "Tax theory". Study guide. - T.: "Economy-finance", 2008
6. <https://uz.wikipedia.org/wiki/Soliq>
7. <https://elib.buxdu.uz/index.php/pages/referatlar-mustaqil-ish-kurs-ishi/item/12495-soliq-siyosati-va-uning-asosiy-yo-nalishlari>

8. <https://lex.uz/docs/-4674902>
9. <https://soliq.uz/storage/files/April2023/000000008643bcfa0187930f0c4c0051.png>