

Characteristics of Tax Incentives in Service Enterprises

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Abstract: In this article, the importance of tax incentives in the activity of service enterprises is methodologically analyzed. Based on the importance of service enterprises, the application of tax incentives, the opinions of economists and an analysis of the current situation are presented in the work.

Key words: Tax, tax system, service provision, tax incentives, tax exemption, tax burden.



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Introduction

Taxes and tax-free payments are one of the main sources of revenue for any country, regardless of its economic system. Taxes established only from the point of view of budgetary interest are always being polished or improved in various ways. This requires the use of tax incentives to a certain extent.

In order to reduce the tax burden, it is necessary to introduce the same fair tax system for everyone, and gradually adapt tax incentives to the requirements of the times. It should also be noted that it is recognized that the given preference has a negative impact on the competitive environment.

Tax credits refer to various types of tax relief given to taxpayers, whether temporary or permanent, full or partial, and in other forms. Privileges cannot be scientifically based on their content through various economic terms. The mentioned terms can create a feeling of indifference towards enterprises operating in the same direction. A competitive environment and its strengthening should be created without tax incentives. A disadvantage may also exist in relation to which the tax applies. That is, the fact that something is not taken into account when determining taxes can be a factor in creating a tax incentive. In other words, it is possible to fill the gap in tax relations through tax credits. But in order not to create such a gap, reasonable scientific justification of the economic limit of tax payments is required.

Literature review

According to V. G. Panskov, tax concession is defined as a targeted preferential right given to taxpayers or a tax object and target release of the tax base that has the ability to establish economic, budgetary and social efficiency [1].

According to Prof.K.A.Yahyoev, "Taxpayers are exempted from tax, reducing the amount of tax they pay (tax base) or easing the condition of paying tax is a tax incentive" [2], while economist Sh.Gataullin touched on this issue , who put forward the opinion that tax incentives are full or partial exemption from taxes (discounts, deductions, etc.) [3] in accordance with current laws.

N.V. Milyakov recognizes that tax relief is an opportunity to provide certain categories of taxpayers with advantages compared to other taxpayers, including not paying taxes or fees or paying them in small amounts [13].

It is appropriate to bring such different opinions about the essence of tax incentives [4] [5] [6] [7] [8].

Main part

There are a number of objective socio-economic reasons for using tax credits in the tax system, which are as follows:

Firstly, the position and social status of taxpayers (legal entities and individuals) in society are different;

Secondly, it affects the state economy, regulates it, and uses various levers in the implementation of its tasks. One of the main of these levers recognizes the wide application of tax incentives to stimulate some important sectors in society or the activities of taxpayers. That is, the state will have the opportunity to manage or regulate the economy effectively and conveniently through tax incentives, from which it can be seen that tax incentives are an important lever for the state to create its functions and tasks;

Thirdly, one of the main reasons for the use of tax incentives is to achieve a convenient, efficient and reasonable distribution of national income [9]. That is, the financial resources that should be included in the budget as taxes are purposely left to the taxpayers themselves without being included in the budget due to the granting of privileges, thereby facilitating the work of receiving tax payments in the budget and their individual redistribution.

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In our opinion, if any damage is related to the current incentives, then it is appropriate to cover the visible damage (in the form of interest) from the budget. Thus, it is necessary to prohibit the provision (establishment) of incentives based on one or another expenses or other factors of taxpayers. All taxpayers should have the same opportunity in the service area. It is not for nothing that A. Temur says in "Tuzuklari" that "Taxes are the economic support and manifestation of the state" [10].

Also, if we look at the principles of taxation given in Temur's laws, there is a lot of attention to the conveniences created in taxation. According to it, attention is focused on collecting taxes from

taxpayers, according to "Temur Laws", "...whoever improves a desert, or builds a pond, or raises a garden, or improves any waste land, in the first year nothing from it should not be taken, in the second year they should receive what the raiyat gave with their consent, and in the third year the tax should be collected in accordance with the tax law" [10]. It can be seen that taxes are directly related to the economic power of the treasury, in which taxes have always protected the payers, served their interests. That is, saying that they should be exempted from paying taxes is not yet a privilege. Perhaps the amount not collected in the treasury was spent for the incentive of the society at the discretion of the taxpayer. The increase in the power of the state is also related to the creation of this situation. We are sure that the opinions and discussions given on our part will be brought to the fore. In this case, commenting on more than ten terms mentioned above, which are reflected in the discussions, should not be left out of the discussions in any case and should be taken into consideration. But its success requires multifaceted research.

At the same time, the attitude towards the use of tax incentives in society is not clear. The external attractiveness of this tax element hides serious problems for both the state and business, as well as for the economy as a whole [11].

The availability of large amounts of concessions on taxes and fees puts taxpayers in an unequal position, forcing some to give concessions and increasing tax rates to compensate for losses for the state [12].

Thus, it is necessary to restrict taxpayers from the current "privilege" and terms equivalent to it, and if instead of them based on the actual situation, the losses incurred are based, then their compensation from the budget would create an opportunity to optimize tax payments.

The tax incentives in force in Uzbekistan are aimed at supporting entrepreneurship and solving some social issues, but some economists also emphasize the existence of negative aspects of the incentives. That is, giving tax concessions, along with supporting business activities, can also open up ways for entrepreneurs to avoid taxes, and tax concessions can cause service providers to fall into indifference and carelessness.

In order for tax incentives to be fully effective in service sector enterprises, the foundations of the market economy mechanism must be properly established. First of all, it is necessary to strengthen the capabilities of enterprises. It is for this purpose that it is necessary not only to influence tax payers with incentives, but also to reduce the tax burden and regulate the tax base in a parallel direction. The procedure for granting tax incentives should be carried out based on the current situation in our country, that is, incentives aimed at introducing new technologies, expanding service provision, and technical rearmament should be given priority.

Conclusion

In practice, the improvement of the provision of tax incentives services in the direction of stimulating the development of the innovative sector should be considered as an important direction of their optimization. It should be noted that, taking into account that innovative processes are associated with high level of uncertainty, it is important to improve the system of stimulation of scientific research and experimental design work by providing tax incentives in specific directions.

First, enterprises (organizations) use measures aimed at increasing the volume of self-financing and increasing incentives for innovation and investment (in particular, reducing tax amounts, introducing tax deductions, applying depreciation incentives, etc.);

Second, facilitating the provision of external sources of financing for economic entities. This includes state guarantees, credit insurance, preferential subsidization, etc. ensure state support for the provision of services;

Thirdly, to introduce methods of using new financial instruments and increase the role of the state in this regard;

Fourthly, to promote the use of non-traditional sources of financing, as well as the funds of private individuals, and to ensure that risks in such processes are protected by the state;

Fifth, attracting preferential foreign capital, etc.

Considering that modernization of production of tax incentives, technical renewal and diversification, improvement in the direction of wide introduction of innovative technologies is the main modern direction of their optimization, the scientific proposal and practical recommendations developed above in this regard are technical and technological renewal of production in order to ensure competitiveness in our country. Searching for large and small projects, finding the necessary funds and sources for this is of urgent importance. Therefore, the improvement of the state regulation of the provision of tax incentives services in this direction should be recognized as one of the important measures in determining the main directions of the socio-economic development strategy facing the countries of the world, including our country.

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