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The Need, Essence, Tasks and Factors of Effective Tax Policy

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Taxes are an integral part of the modern state, they form a tax system that is constantly changing and improving within the framework of a specific tax policy, depending on the state and development of both domestic and global economic systems. The dynamics and improvement of the tax system includes the regulation of taxation, which is carried out in accordance with the economic strategy of the state and on the basis of long-term tax policy. In the process of regulation, legislation and regulations defining the terms of taxation and tax administration are developed and adopted. Tax policy affects almost all socio-economic spheres of state activity. In particular, according to VGPanskov, the government "stimulates economic development or keeps it at the current level by manipulating tax policy."¹.

Professor K. Yahyoyev, one of the economists of our republic, defines the tax policy as follows: "Tax policy is a set of measures designed to plan all activities of the state in the field of taxation, to ensure the implementation of laws, decrees and decisions, and to organize it."².

According to the definition of Professor J. Zaynalov, "Tax policy is the basic set of measures and activities of the state to ensure the execution of decrees, laws and decisions within the framework of tax relations and to organize it."³.

An effective tax policy addresses four groups of problems:

- economic - increasing the level of economic development, stimulating economic activity;
- fiscal - meeting the needs of all levels of government for financial resources sufficient for the implementation of economic and social policies;
- social - ensuring state policy on income regulation and reducing the level of material inequality;
- international - fulfillment of international financial obligations of the state.

By solving these problems, the tax policy helps to ensure the balance of public interests and private interests in the field of taxes and fees, and to eliminate contradictions arising from the imperfection of legal documents or the unclear performance of the functions of the executive authority. By applying economic methods of regulation, the state creates conditions for solving current problems for society, using tax rates, incentives and sanctions, regulating the taxation system.

¹Panskov V. G. Nalogi i nalogovaya sistema Rossiyskoi Federatsii: uchebnik, M. : Finance and statistics, 2005. S. 49.

²Yahyoyev Q. Theory and practice of taxation. -T. 2003. Page 28

³Zaynalov J. Taxes and taxation. Samarkand. 2002. Page 32

Tax policy - a system of measures implemented by the state in the field of taxes; is a component of financial policy. The implementation of a certain tax policy requires the use of fiscal and regulatory functions of taxes. Through centralized resources, the state promotes balanced production and structural changes, supports the social sphere, and maintains political stability.

Note that the term "tax policy" has two parts: "policy" and "tax." In economic dictionaries, politics is defined as the science of state management, the art of management. This interpretation indicates that the subject of politics is the state, and the distinctive feature of the subject is its dominance and commanding nature. The quality of "tax" in the concept of "tax policy" refers to the field of efforts of the state in the process of tax management, and its essence is revealed in the following definitions.

The tax is:

- ✓ "Government property" (A. Smith);
- ✓ "Economic expression of the existence of the state" (K. Marko);
- ✓ "Part of the wealth that citizens are obliged to give to the state to meet collective needs" (F. Nitti);
- ✓ "The price we pay for the use of public goods" (P. Samuelson);

All the above definitions of the tax in a certain way indicate its fiscal nature as a source of state financial resources and budget revenues. As stated by I. Lang, "in the end, taxes serve the purpose of obtaining income... the primary purpose of taxes is to cover the financial needs of the state (fiscal purpose)⁴.

Different interpretations of the concept of tax policy are given in the works of local and foreign scientists and practitioners. In particular, S. Fisher, R. Dornbush, R. Shmalenzi use the term "fiscal policy" in their works and interpret it as the decisions taken by state bodies regarding their incomes and expenses. In the textbook "Economics", KRM McConnell and SLBrew combine the concepts of fiscal-budgeting and fiscal policy, defining it as changes made by the government in the implementation of public spending and taxation to ensure full employment and non-inflationary national product.

J. Keynes said: "If tax policy is used as a means of achieving a more equitable distribution of income, it will definitely have a stronger effect on increasing the propensity to consume."⁵

In general, "big leaps" in fiscal policy are not possible, because before the implementation of tax policy, it is necessary to create appropriate institutions, which in turn requires a lot of effort and time.⁶

State tax policy is an integral part of financial policy and reflects the level and purpose of state intervention in the economy and changes depending on the situation. The content and goals of the tax policy are determined by the strategic goals determining the development of the national economy and international obligations in the field of public finance. The state tax policy is formed based on the need to stimulate positive structural changes in the economy, consistently reduce the total tax burden, and improve the quality of tax administration.

Although the goals of tax policy can be divided into primary and secondary goals, in essence, they are all interrelated, and it primarily consists of providing the state with financial resources, creating conditions for regulating economic processes, and eliminating inequality in the level of income of the population. All tasks of tax policy can be conditionally divided into two large

⁴Lang I. Proekt kodeksa nalogovykh zakonov. Bonn: Federalnoe ministerstvo finansov, 1993. S. 29-30.

⁵Keynes Dj. Obshchaya teoriya zanyatosti, protsenta i deneg /per. English E. V. Vinogradova. M.: Eksmo, 2007, S. 42

⁶Tax-budget policy in countries with an economy in transition. International Monetary Fund. Washington, 1993. Page 2

groups: fiscal and economic or regulation.

Features of the tax policy are related to the legal regulation of the field of taxes and levies, which in fact determines the status and parameters of the tax system, the content of tax legal relations. The legal norms established by the law are implemented in the process of regulation, planning and control of the state revenues formed at the expense of taxes and fees in the implementation of the tax policy. The starting point of the implementation of tax policy is not only to ensure the legal procedure for collecting tax payments from taxpayers, but also to comprehensively assess the economic relations that develop under the influence of taxation. Therefore, the tax policy is not only the system of measures established by the state in the field of taxation and compliance with the requirements of tax laws, but also the continuous and consistent improvement of the current norms and rules.

Long-term tax policy for the future is a tax strategy, and short-term tax policy is a tax tactic. Tactics and strategy become indispensable if the state seeks to reconcile public, corporate, and private economic interests. It is important to note that some of the tactical measures taken by the state to coordinate taxation turn out to be economically or socially ineffective in the long run. Thus, the liberalization of the tax system, the reduction of tax rates and the establishment of a flat scale, on the one hand, ensure a decrease in the circulation of money in the shadow economy, on the other hand, the absence of progressive taxation leads to a violation of the principle of justice in the determination of taxes. This hinders the implementation of the tax strategy, affects the solution of economic and social development problems.

The tax strategy of the state represents a set of main goals and the main means of achieving them in the future. The strategy includes real opportunities for the development and operation of the state, and therefore represents a response to objective internal and external influences. In the process of developing the strategy, the most optimal way to ensure general development and security of the country is chosen from the alternatives. The tax tactics of the state allow to solve specific current problems in a timely manner and to describe the strategy in detail. It is focused on solving the more specific problems of the country's economy at a certain stage of development through the timely application of taxation regulation tools, equipment and methods. Tactics differ from tax strategy in terms of flexibility, effectiveness and immediate response to changes in the country and the world. It mainly focuses on reducing income inequality and solving social problems, supporting small and medium-sized businesses, and solving other similar tasks.

The following main functions of the tax system are considered in the development of the tax policy:

- fiscal - attracting funds to budgets at all levels in order to provide the state with the financial resources necessary to perform its functions;
- economic or regulatory - increasing the level of economic development of the state, expanding business and entrepreneurial activities in the country;
- international - strengthening of economic relations with other countries, elimination of unfavorable conditions for the balance of payments;
- control - participation in the organization of control over the activities of economic entities.

One of the main tasks of the state tax policy is to create favorable conditions for the active financial and economic activity of economic entities, to stimulate economic growth by harmonizing personal and public interests, that is, to find an optimal balance between the funds remaining at the disposal of the taxpayer and the funds redistributed through tax and budget mechanisms. It is an important task of the modern state to carry out the optimal tax policy, which allows to develop and modernize the business and at the same time fill the budget.

The content and goals of the tax policy are determined by the tasks of the state at each stage of the country's development. By developing specific directions of the state tax policy, economic

(promoting economic growth, eliminating inflationary processes, reducing the budget deficit, balancing the size of budgets at different levels) and social (providing employment, stimulating the growth of the population's income and living standards, providing national income to the least protected segments of the population) redistribution in favor of) problems; also ensures the solution of the problems of optimization of tax benefits based on achieving parity between state, corporate and private interests in the field of taxation.

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