

ON IMPROVING THE METHODOLOGY OF TAX ADMINISTRATION OF LARGE TAXPAYERS IN THE REPUBLIC OF UZBEKISTAN

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Abstract

The article analyzes the current state of the tax administration of large taxpayers in the Republic of Uzbekistan, the current state of inclusion in the category of large taxpayers, existing problems and a methodology for their elimination has been developed.

In the tax policy implemented in the Republic of Uzbekistan, the issue of improving the tax administration of large tax payers is one of the important directions. Due to the high share of taxes paid by large taxpayers in total tax revenues, taxation of large taxpayers and improvement of their tax administration is one of the urgent issues today.

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Introduction: The process of tax administration not only has a unique structure and content, but also includes many activities (legal, economic, social, cultural). Tax policy is closely related to the effectiveness of the tax system, the effective operation and implementation of the tax administration. The concept of tax administration came as a modern concept synonymous with the concept of organization and management of the tax process.

In the Republic of Uzbekistan, special attention is being paid to the fundamental improvement of service and technical services based on mutual cooperation on the organization of activities of large taxpayers, implementation of their tax administration and fulfillment of tax obligations.

Due to the distinction between large taxpayers and other taxpayers, in many countries the tax administration of large taxpayers is carried out through special administrative and organizational mechanisms.

Due to the high fiscal importance of large taxpayers, the high share of taxes paid by them to the budget in the total tax revenue, it is very important to improve their tax administration.

Literature review: We analyze the research and economic literature on large tax payers and consider their interpretation. The study of foreign literature and scientific works shows that the largest tax payers in the world are studied as large corporate tax payers to legal entities. Studying the problems of the administration of large taxpayers With the establishment of this system, the question of their tax administration is being studied as an actual research direction on a large scale.

There is a wide debate among researchers and scholars regarding the definition of large tax payers. According to V. Perry, a large tax payer is "a structure designed to provide a small part of the largest taxpayers in the state with full control of a small part of the organizational structure attached to the

taxpayer segment" [1]. Some researchers, such as W. McCarten, see large tax payers as the nucleus of the tax administration. Their presence will lead to a complete change in the administration of heat and will open new windows for modernization. W. McCarten described the large taxpayer as "a potential Trojan horse for tax administration fraud, a substitute for institutional fraud for the revenue agency" and "an analytical proxy of the public sector for public revenue management" [2].

H.D. Watts gave the following opinion on determining the status of large tax payers: "There are many problems in defining a large canoe enterprise. For example, size can be measured in several ways, capital employed, value added, turnover, income, equity and market capitalization". H.D. Watt identifies six characteristics that can distinguish large enterprises from small and medium-sized businesses in the non-corporate sector: separation of ownership and control; social organizational structure; special impact on the national economy; multinational trading; various performances; and control from abroad. The criterion of separation changes as the organizational forms of the business change, because firstly, in all large corporations, ownership and management are separate due to the mass circulation of shares; secondly, many large corporations manage international operations through parent-subsidiary relationships [3].

Also, by Z. Akhand and P. Grob [4,5], the achievements and shortcomings of the introduction of the system of monitoring the management of large taxpayers by special units in developing countries were studied in the case of Australia, while in the study of M. Ahmed [6] large taxpayers tax The experience of Pakistan regarding administration is studied.

S.Pepelyaev [7,8], a Russian scientist, paid special attention to the problems of legality of these processes and efficiency of network management, and assessed the legal and functional deficiencies in the activity of tax authorities. At the same time, research on the tax administration of large taxpayers has expanded, researchers such as A. Karataev [9,10], G. Aitkhojina [11], M. Belugina [12], L. Strukova [13] have studied the specific characteristics of large taxpayers. researched scientifically and practically.

Research methodology: The article uses the methods of analysis and synthesis, normative approach, systematic and comparative analysis, and statistical analysis.

Analysis and discussion of results: The establishment of the tax administration for large taxpayers in the tax system of our republic was determined by the Decree of the President of the Republic of Uzbekistan No. PF-5116 of July 18, 2017 "On measures to radically improve the tax administration and increase the collection of taxes and other mandatory payments." In this decree, the important directions for the fundamental improvement of the tax administration in the tax system are indicated. In this decree, a priority task such as "setting the criteria for inclusion of economic entities in the category of "large taxpayers"" was defined, and the legal basis of separate tax administration for taxpayers belonging to the category of large taxpayers was formed.

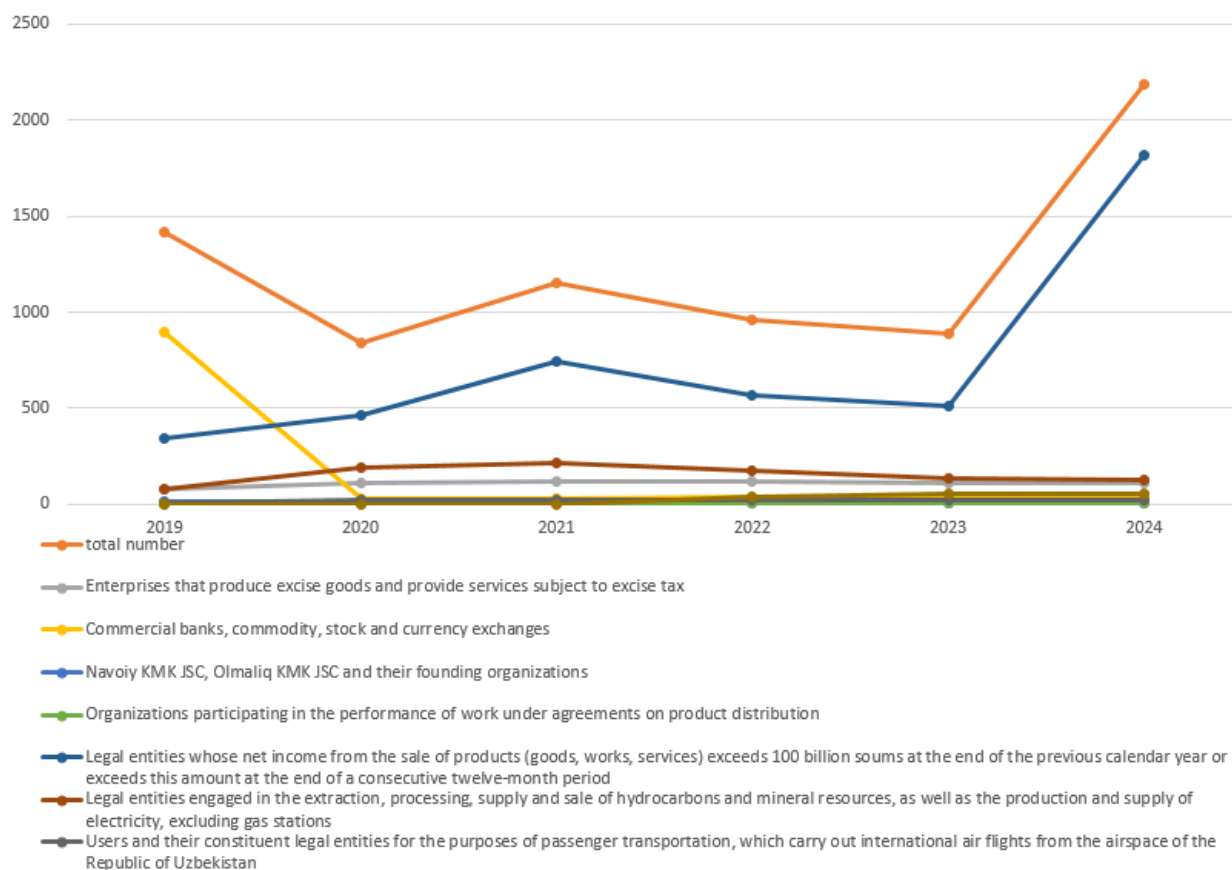
Resolution No. 2019-45 dated July 8, 2019 (registered by the Ministry of Justice of the Republic of Uzbekistan on July 12, 2019 with No. 3172) of the State Tax Committee of the Republic of Uzbekistan "On approval of the regulation on determining the criteria for the inclusion of legal entities in the category of large taxpayers" was approved. It defined the criteria for inclusion in the category of large taxpayers with the status of a legal entity.

Decision No. PQ-3802 dated June 26, 2018 of the President of the Republic of Uzbekistan "On measures to fundamentally improve the activities of state tax service bodies" also defines the priority tasks related to tax administration performed by state tax service bodies for large taxpayers in the tax system of our country. . In the organization of tax administration for large taxpayers, the "Regulation on Interregional State Tax Inspection for Large Taxpayers", approved by the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 320 of April 17, 2019 "On measures to further improve the activities of state tax service bodies", is of particular importance. earns.

An institutional structure of the State Tax Committee of the Republic of Uzbekistan - the Interregional Tax Inspectorate for Large Taxpayers was established, and its main task was to implement the tax administration of large taxpayers, regardless of their location and their activities.

Changes in the number of large taxpayers

INFORMATION¹



The sharp decrease in the number of taxpayers in 2020 is due to the transformation of commercial banks and their republic-wide branches during this period.

The composition of large taxpayers served by the interregional tax inspection on large taxpayers is 1,416 in 2019, 836 in 2020 and 1,149 in 2021, 957 in 2022 and 886 in 2023, by 2024 and it was 2187.

Today, one of the existing problems in the tax administration regarding large taxpayers is related to the criteria used to determine enterprises that fall into the category of large taxpayers. It is known that according to the regulation on setting the criteria for the inclusion of legal entities in the category of large taxpayers, the net income from the sale of products (goods, work and services) by the end of the last calendar year was 100 billion soums corresponding to the criteria of legal entities, permanent establishments (subdivisions) of foreign legal entities in the Republic of Uzbekistan that exceed this amount at the end of a consecutive twelve-month period taxpayers are defined as large taxpayers.

However, this criterion does not meet today's requirements from the point of view of the existing inflation rate in the country, the increase in the value of production capacity and production volume of enterprises, and their development.

¹ Author's development based on information from the Tax Committee

Changes in the level of inflation in the Republic of Uzbekistan

DYNAMICS²

2019 year	2020 year	2021 year	2022 year	2023 year	Total in 5 years
15,2	11,1	10,0	12,3	8,8	57,4

This criterion was calculated based on the turnover of goods in 2019, and the inflation rate was 15.2% in 2019, 11.1% in 2020, 10% in 2021, 12.3% in 2022, and 8.8% in 2023. , overall increased by 57.4% compared to 2019.

As a result, by 2024, the number of large taxpayers will increase to 2,187, causing difficulties in their tax administration by the Interregional Tax Inspectorate for Large Taxpayers.

The rapid growth of the gross domestic product, the reduction of the tax burden, is leading to an increase in the annual net income of enterprises. As a result, there is a possibility that the number of large taxpayers will increase and the efficiency of quality service will decrease.

Compared to the period when the regulation was approved, the US dollar is now 1.47 times (1 US dollar on July 12, 2019 - 8,578.36 soums, May 29, 2024 - 12,650.09 soums), the base calculation amount is 1.52 times (on July 12, 2019 - 223,000 soums, on May 29, 2024 - 340,000 soums) and the dynamics of the consumer price index increased by 1.72 times.

In the Russian Federation, as a criterion for inclusion in the category of large taxpayers, 35.0 billion rubles or 395.1 million US dollars (1 US dollar on May 29, 2024 - 88.58 rubles), in the Republic of Kazakhstan, the monthly calculation indicator is 3 million times 11.1 billion tenge or It is 24.8 million US dollars (1 US dollar on May 29, 2024 - 443.05 tenge).

For information, currently 100 billion soums is 7.9 million US dollars (1 US dollar on May 29, 2024 - 12,650.09 soums).

Legal entities working with agricultural enterprises (including clusters) are faced with problems due to the fact that they work directly in cooperation with local producers and are closely related.

Based on the fact that the fulfillment of tax obligations of farms depends on the funds allocated by clusters, grain enterprises, based on the fact that such enterprises operate in direct cooperation with local producers and are organically connected, clusters are created in order to work directly with them, to optimize the number of large tax payers, and to strengthen the activities of regional tax inspectorates. , we consider it appropriate to transfer the tax administration of grain enterprises to regional tax offices.

The fact that legal entities operating in the financial sector are recommended to be included in the category of large taxpayers by international financial organizations and the International Monetary Fund and some problems arise in the implementation of tax administration for legal entities engaged in insurance activities is coming Today, 19 insurance organizations from legal entities engaged in insurance activities in the Republic are not included in the category of large taxpayers. The tax administration of these 19 insurance organizations is carried out by regional tax authorities. We can see that legal entities engaged in financial activities in most studied foreign countries are included in the category of large taxpayers.

The list of large taxpayers whose profit tax will be fully transferred to the republican budget of the Republic of Uzbekistan was approved by the decision of the President of the Republic of Uzbekistan No. PQ-422 of December 29, 2023. In this list, it is appropriate to include organizations that are part of JSC "Uzbekiston temir yollari" as well as large tax payers.

² <https://cbu.uz/oz/monetary-policy/annual-inflation/indicators/>

Today, one of the existing problems in the tax administration of large taxpayers is that if the legal entities included in the category of large taxpayers do not meet the criteria specified in paragraph 4 of the "Regulation on determining the criteria for the inclusion of legal entities in the category of large taxpayers" by the end of the calendar year, these economic entities will be subject to the next three will remain in the category of large tax payers during the year.

It would be appropriate if, during the year, when the criteria are changed (for example, when the volume of goods turnover increases), it is determined that the provision of services to enterprises that are not considered large tax payers will be provided by the regional tax authorities.

The list of large taxpayers subject to the requirements of the regulation shall be approved annually by the Tax Committee no later than one month before the beginning of the next tax period.

In order to ensure the correct distribution of this norm, the state budget revenue forecast indicators and the forecast between large taxpayers and regional tax payers, it is proposed to form a list of enterprises transferred to the category of large taxpayers by October 1 every year.

Conclusions and suggestions: Today, taxation is becoming a priority in the tax policy of Uzbekistan in terms of the procedure, principles of taxation, their tax mechanism and classification of taxpayers into different categories in the tax policy. Based on the strategy and tactics of the current tax policy, separate tax administration is being improved for certain groups of taxpayers. This will depend on the extent to which the principle of fairness of taxation is applied.

Therefore, based on the above analysis, we believe that it is appropriate for large taxpayers to implement the following proposals related to further improvement of tax administration and elimination of existing problems:

1. The Regulation approved by the decision of the Ministry of Justice of the Republic of Uzbekistan on July 12, 2019 No. 3172 "On approval of the regulation on the establishment of criteria for the inclusion of legal entities in the category of large taxpayers":

Sub-paragraph "b" of paragraph 4 is changed to - Commercial banks, insurance organizations, commodity, stock, currency and other exchanges;

Sub-clause "v" of paragraph 4 - change to "Navoiy KMK" JSC, "Almaliq KMK" JSC, "Uzbekiston temir yollari" JSC and the organizations included in them;

Sub-item "d" of Clause 4 - the net income from the sale of products (goods, work and services) is higher than 735 thousand times the base calculation amount at the end of the previous calendar year or exceeds this amount at the end of the consecutive twelve-month period, and to change that legal entities with an annual average of not less than 10 employees, permanent establishments (subdivisions) of foreign legal entities in the Republic of Uzbekistan, grain enterprises, cotton-textile clusters are excluded;

Paragraph 6 shall be changed to "If the legal entities included in the category of large taxpayers do not meet the criteria specified in Clause 4 of this Regulation by the end of the calendar year, these economic entities will remain in the category of large taxpayers for the next three years, except for the cases where changes and additions to the criteria have been made." ;

Point 7 that the list of large taxpayers subject to the requirements of this Regulation shall be approved annually by the Tax Committee under the Cabinet of Ministers of the Republic of Uzbekistan no later than three months before the beginning of the next tax period.

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