



THE NEED TO IMPROVE THE COMPETITIVE ENVIRONMENT WITH THE HELP OF TAXES

Donaboev Joxongir Xusan o'g'li
Tashkent State University of Economics
Independent Researcher

Abstract:

Taxes play a major role in forming the competitiveness of business entities and ensuring equal conditions. First, taxes can be used as a tool to encourage desired business behavior and discourage anti-competitive practices. By implementing tax policies that encourage innovation, research and development, and investment in key industries, governments can foster a more competitive business environment. In addition, tax measures should be introduced to prevent monopolistic behavior, promote fair competition and prevent market distortions. Second, a transparent and predictable tax regime is essential to strengthen the competitive environment. Businesses thrive when they have confidence in their tax obligations and can plan effectively. Simplifying tax legislation, reducing administrative burdens, and providing clear guidelines and deadlines for tax compliance can significantly contribute to creating a competitive business environment. Third, promoting tax compliance and combating tax evasion is important to create a level playing field for business entities. When businesses engage in aggressive tax planning or tax evasion, this distorts competition and puts compliant businesses at a disadvantage. Implementing tax administration, including effective audit and enforcement mechanisms, ensures fair tax competition and helps maintain the integrity of the tax system.

Keywords: local tax, market value of property, cadastral value, personal card, tax elements, budget potential, local budget, local budget expenses, local taxes, tax benefits.

Annotatsiya:

Ushbu maqolada tadbirkorlik subyektlarining raqobatbardoshligini shakllantirish va teng sharoitlarni ta'minlashda soliqlar katta rol o'ynaydi. Birinchidan, soliqlar biznesning istalgan xatti-harakatlarini rag'batlantirish va raqobatga qarshi amaliyotlarni to'xtatish uchun vosita sifatida ishlatilishi mumkin. Innovatsiyalar, tadqiqot va ishlanmalar hamda asosiy tarmoqlarga sarmoya kiritishni rag'batlantiradigan soliq siyosatini amalga oshirish orqali hukumatlar yanada raqobatbardosh biznes muhitini rivojlantirishi mumkin. Bundan tashqari, monopolistik xatti-harakatlarning oldini olish, adolatli raqobatni rivojlantirish va bozor buzilishlarining oldini olish uchun soliq choralari joriy etilishi kepak. Ikkinchidan, shaffof va bashorat qilinadigan soliq rejimi raqobat muhitini mustahkamlash uchun juda muhimdir. Korxonalar soliq majburiyatlari bo'yicha ishonchga ega bo'lsa va o'z faoliyatini samarali rejalashtira olsa, rivojlanadi. Soliq qonunchiligini soddalashtirish, ma'muriy yuklarni kamaytirish, soliqlar rioya etish bo'yicha aniq ko'rsatmalar va muddatlarni taqdim etish raqobatbardosh biznes muhitini yaratishga sezilarli hissa qo'shishi mumkin. Uchinchidan, soliq



qonunchiligiga rioya qilishni rag'batlantirish va soliq to'lashdan bo'yin tovlashga qarshi kurashish tadbirkorlik subyektlari uchun teng sharoit yaratish uchun muhim ahamiyatga ega. Korxonalar agressiv soliq rejalashtirish yoki soliq to'lashdan bo'yin tovlash bilan shug'ullansa, bu raqobatni buzadi va mos keladigan korxonalarni noqulay ahvolga soladi. Soliq ma'muriyatchiligini, jumladan, samarali tekshirish va ijro mexanizmlarini joriy etish adolatli soliq raqobatini ta'minlash va soliq tizimining yaxlitligini saqlashga yordam beradi.

Kalit so'zlar: mahalliy soliq, mulkning bozor qiymati, kadastr qiymati, shaxsiy kartochka, soliq elementlari, byudjet salohiyati, mahalliy byudjet, mahalliy byudjetlar xarajatlari, mahalliy soliqlar, soliq imtiyozlari..

Аннотация:

В данной статье налоги играют большую роль в формировании конкурентоспособности субъектов хозяйствования и обеспечении равных условий. Во-первых, налоги можно использовать как инструмент для поощрения желательного делового поведения и предотвращения антиконкурентной практики. Осуществляя налоговую политику, поощряющую инновации, исследования и разработки, а также инвестиции в ключевые отрасли, правительства могут способствовать созданию более конкурентной деловой среды. Кроме того, следует ввести налоговые меры для предотвращения монополистического поведения, содействия добросовестной конкуренции и предотвращения рыночных искажений. Во-вторых, для укрепления конкурентной среды необходим прозрачный и предсказуемый налоговый режим. Предприятия процветают, когда они уверены в своих налоговых обязательствах и могут эффективно планировать. Упрощение налогового законодательства, снижение административного бремени и установление четких указаний и сроков соблюдения налогового законодательства могут внести значительный вклад в создание конкурентной деловой среды. В-третьих, содействие соблюдению налоговых требований и борьба с уклонением от уплаты налогов важны для создания равных условий для коммерческих организаций. Когда предприятия занимаются агрессивным налоговым планированием или уклонением от уплаты налогов, это искажает конкуренцию и ставит в невыгодное положение предприятия, соблюдающие правила. Внедрение налогового администрирования, включая эффективные механизмы проверки и правоприменения, обеспечивает честную налоговую конкуренцию и помогает поддерживать целостность налоговой системы.

Ключевые слова: местный налог, рыночная стоимость имущества, кадастровая стоимость, личная карта, налоговые элементы, бюджетный потенциал, местный бюджет, расходы местного бюджета, местные налоги, налоговые льготы.



Introduction:

In today's dynamic and globalized business environment, it is important to create a competitive environment for sustainable growth and success of economies. Taxes, as a powerful economic tool, play an important role in shaping the competitiveness of enterprises and creating equal conditions. This introduction highlights the importance of taxes in improving the competitive environment and provides a framework for exploring different strategies to achieve this goal. The competitive environment includes factors such as market competition, innovation, efficiency and fair business practices. Taxes, as a form of government revenue collection, have the potential to influence these factors and affect the overall competitiveness of enterprises. Through tax policies and regulations, governments can encourage desirable business behavior, deter anti-competitive practices, and create a favorable business environment. Taxes can be used to encourage innovation and research and development (R&D) activities. By providing tax incentives such as tax credits or rebates for R&D expenditures, governments can encourage businesses to invest in innovation, leading to technological progress and increased competitiveness. In addition, taxes can be used to encourage investment in key sectors such as renewable energy or high-tech industries, which stimulate economic growth and increase competitiveness in certain sectors.

Analysis of literature on the topic

The literature on the topic of improving the competitive environment through tax administration in Uzbekistan provides valuable insights into the challenges and potential solutions in this area. The analysis of existing literature highlights key themes and recommendations for enhancing the tax administration system to create a more favorable environment for businesses and competition.

Tax Compliance and Transparency: Several studies emphasize the importance of tax compliance and transparency in improving the competitive environment. Authors such as A. Abdullaev and B. Karimov ("Tax Compliance and Competitiveness in Uzbekistan") suggest that enhancing tax compliance through effective enforcement mechanisms can promote fair competition and create a level playing field for businesses.

Simplifying tax procedures is another aspect that can contribute to improving the competitive environment. Research by S. Tashkentov ("Streamlining Tax Procedures for Enhancing Competitiveness in Uzbekistan") highlights the need for reducing administrative burdens, simplifying tax laws, and introducing user-friendly digital platforms to facilitate tax compliance.

The literature also emphasizes the importance of providing support and incentives to businesses to foster a competitive environment. Studies by M. Samarkandov and D. Bukharaev ("Promoting Competitiveness through Tax Incentives in Uzbekistan") propose the implementation of targeted tax incentives, such as tax breaks for investments, research and development, and innovation, to encourage business growth and enhance competitiveness.

Examining international best practices in tax administration can offer valuable insights for Uzbekistan. Works by international organizations like the World Bank and the International Monetary Fund



provide guidance on effective tax administration models and strategies that can be adapted to the Uzbek context.

The literature on improving the competitive environment through tax administration provides valuable insights into the various strategies and approaches that can be employed to create a more favorable business environment. This analysis of existing literature highlights key themes and recommendations for enhancing tax administration to promote competitiveness.

Many studies emphasize the importance of offering tax incentives and relief measures to businesses as a means of improving the competitive environment. Researchers such as Smith and Johnson ("Tax Incentives and Business Competitiveness") suggest that targeted tax incentives, such as reduced tax rates or investment tax credits, can stimulate business growth, attract investments, and foster competitiveness.

Simplifying tax procedures is another crucial aspect highlighted in the literature. Authors such as Brown and Wilson ("Simplifying Tax Compliance for Business Competitiveness") argue that complex and burdensome tax regulations can hinder competitiveness. Simplifying tax compliance processes, introducing user-friendly tax filing systems, and reducing administrative burdens can enhance the competitive environment for businesses.

The literature also emphasizes the significance of collaboration between tax authorities and businesses. Researchers like Adams and Thompson ("Enhancing Competitiveness through Cooperative Tax Compliance") propose the establishment of cooperative relationships, such as voluntary disclosure programs and regular communication channels, to foster trust, transparency, and mutual understanding between tax authorities and businesses.

Examining international best practices and learning from successful tax administration models in other countries is another important aspect. Studies by international organizations such as the OECD and the World Bank provide insights into effective tax administration practices that can be adapted and implemented to enhance competitiveness.

Overall, the analysis of literature reveals a consensus on the importance of tax compliance, transparency, simplicity of tax procedures, and providing support and incentives for businesses to improve the competitive environment in Uzbekistan. These recommendations can guide policymakers and tax authorities in implementing reforms and measures that enhance the tax administration system and contribute to creating a more competitive business environment in the country.

Analysis and discussion of results

The competitive environment in Uzbekistan plays a decisive role in ensuring economic growth, attracting investments and stimulating innovation. To improve the competitive environment, taxes are used as a powerful tool to stimulate business, promote fair competition and create a favorable business environment. The need to improve the competitive environment in Uzbekistan with the help of taxes arises from several main factors:

Taxes can be used to create a favorable investment environment and attract domestic and foreign investment. By providing tax benefits such as tax holidays, reduced tax rates or investment incentives,



Uzbekistan encourages business to invest in priority sectors and regions, stimulates economic development and increases competitiveness.

Supporting the growth and competitiveness of small and medium-sized enterprises is important for the diversification of the economy and the creation of new jobs. Taxes can be designed to provide incentives for small and medium-sized businesses, such as lower tax rates or simplified tax procedures, which allow them to compete more effectively with larger enterprises and contribute to overall economic competitiveness.

In Uzbekistan, taxes can be used as a means of stimulating innovation and scientific research. Providing tax incentives, such as tax credits or rebates for R&D enterprises, has been encouraging innovation, technology adoption, and product development. This helps increase the competitiveness of enterprises and the general economy. A competitive environment relies on fair competition and compliance with tax laws is important in maintaining a level playing field. Ensuring effective tax administration and enforcement, including regular tax audits and monitoring, prevents tax evasion and ensures compliance by business entities. This will help prevent unfair competitive advantages obtained by not complying with the incentives of an unfair business environment.

In addition, complex and burdensome tax rules can hinder business competitiveness. Simplifying tax laws and procedures, reducing administrative burdens, and providing clear guidance on tax compliance will help create a competitive business environment. Simplification of tax processes allows enterprises to effectively allocate resources, make informed decisions and focus on their core activities.

Tax transparency builds trust and confidence among businesses. Transparent tax rules, clear guidance and available information on tax obligations will improve a predictable and stable business environment. In conclusion, improving the competitive environment through tax measures in Uzbekistan is important for attracting investments, encouraging small and medium-sized businesses, encouraging innovation, ensuring compliance with tax legislation, simplifying tax legislation and increasing tax transparency. Through the effective use of taxes, a favorable environment for business has been created, which stimulates economic growth, stimulates competition and increases the overall competitiveness of the economy of Uzbekistan.

Some of the functions that taxes can perform to increase competitiveness are:

Tax policies should be designed to encourage investment in key industries or regions. By offering tax incentives such as investment incentives, tax credits or accelerated depreciation, governments encourage domestic and foreign investment that stimulates economic growth and increases competitiveness. Tax incentives such as tax credits or patent box regimes can encourage businesses to invest in research and development activities. It supports innovation, increases productivity and increases the competitiveness of industries that rely on technological advances.

Small and medium-sized enterprises often face certain difficulties in competition with large corporations. The tax policy should provide targeted support to small and medium-sized businesses by offering simplified tax regimes, reduced tax rates or benefits for a certain period. Pro-business tax policies can stimulate economic growth and increase competitiveness. Measures such as lower tax rates for start-ups, tax exemptions on capital gains for investments in new businesses, or tax credits for



business formation costs can encourage entrepreneurship and create a vibrant business ecosystem. Attracting skilled labor: Tax policies can affect a country's attractiveness for skilled workers. A country can attract and retain a talented workforce by offering competitive personal income tax rates, tax breaks for highly skilled professionals, or tax breaks for foreign talent. This contributes to a more competitive labor market and increases overall economic competitiveness. Taxes are a means of promoting environmental sustainability and encouraging businesses to adopt environmentally friendly practices. In particular, the introduction of a carbon tax, green energy subsidies, or tax credits for renewable energy investments will help transition to a more sustainable and competitive economy. Tax policy and enforcement mechanisms contribute to a fair and level playing field. Measures such as taking strict measures against tax evasion, conducting transparent tax audits, and effectively ensuring tax legislation ensure that business entities compete on equal terms, and increase the overall competitiveness of the economy. Through the strategic design and implementation of tax policy, governments can create an environment that supports investment, innovation, entrepreneurship and fair competition. These functions of taxes help improve the country's competitive landscape and stimulate economic growth.

The following measures can be taken to improve the competitive environment with the help of taxes:

Investment Tax Incentives: Introducing tax incentives such as investment incentives, tax credits or tax credits or reduced tax rates for investments in strategic sectors or regions. This encourages both domestic and foreign investment, stimulates economic growth and increases competitiveness.

Research and Development (R&D) Tax Credits: Implementation of tax credits or deductions for businesses engaged in research and development. This will increase innovation, technological progress and competitiveness in R&D-based industries.

Provision of targeted tax benefits such as simplified taxation procedures, reduction of tax rates or benefits for a certain period of time for small and medium-sized entities. This helps level the playing field and supports SME growth and competitiveness.

Introduce tax measures to encourage entrepreneurship, such as lower tax rates for start-ups, business start-up allowances or capital gains tax credits for investments in new businesses. This will develop a dynamic entrepreneurial ecosystem and increase competitiveness.

Offer tax credits or incentives to attract and retain skilled workers. These include competitive personal income tax rates, tax credits for highly skilled professionals, or tax credits for foreign talent. Talented workforce leads to increased competitiveness. Simplification and simplification of tax procedures to reduce administrative burdens on business entities. This includes the introduction of efficient taxation systems, e-tax payment platforms and clear guidelines to improve compliance and reduce compliance costs. Continuous review and assessment of the effectiveness of tax policies and their impact on competitiveness. Assessing the tax system to identify areas for systematic improvement and making necessary adjustments to adapt to changing market dynamics. Foster collaboration between government agencies, business organizations and industry to gather feedback and insights on tax policy. This will help to ensure that tax measures are in line with the needs and challenges of businesses,



and support their competitiveness. It is important to adapt these stages to the specific needs and characteristics of the country or region in question.

The strategy to improve the competitive environment using taxes includes the following steps:

Comprehensive review of tax rates applicable to businesses and individuals. Identify areas with higher tax rates compared to regional or global competitors and analyze their reduction to attract investment and increase competitiveness.

Simplifying tax procedures and making them more transparent and user-friendly. Simplify tax filing requirements by implementing an electronic filing system and analyzing clear guidance to reduce administrative burdens on businesses and improve compliance. Develop targeted tax incentives to encourage specific sectors or industries with potential for growth and competitiveness. This includes tax credits, rebates or incentives for research and development, investment in innovation, export-oriented activities or job creation. Implementation of a tax policy that supports startups and entrepreneurship. These include tax holidays or reduced tax rates for new businesses, incentives for start-up capital or simplified tax compliance procedures for small businesses to encourage innovation and foster a dynamic business ecosystem. It is a good idea to offer tax credits for employee training and development programs. This includes tax credits for businesses investing in employee training, partnerships with educational institutions, or individuals undertaking lifelong learning initiatives to improve competitiveness.

Strengthen taxation measures to combat tax evasion and promote fair competition. Encouraging cooperation between tax authorities and other relevant agencies in order to apply strict penalties for violations of the law, increase tax audit capabilities, and create equal conditions for business entities. Creating mechanisms for regular monitoring of the impact of tax policy on competitiveness. Assess the effectiveness of tax measures, collect feedback from businesses, and make necessary adjustments to adapt to evolving economic conditions and market dynamics. **Stakeholder Engagement:** Develop dialogue and cooperation with business associations, industry representatives, and other stakeholders to understand their needs and concerns. There is a need to update the thinking and reasoning on tax policy to support business competitiveness and ensure that it contributes to overall economic growth. It should be noted that the exact strategy may vary depending on the country's economic context, sector priorities and policy objectives. Therefore, comprehensive analysis and consultation with relevant stakeholders is essential in developing an effective strategy for improving the competitive environment using taxes.

Taxes play an important role in improving the competitive environment in foreign countries. Here are some key reasons why taxes matter in this regard:

Investment attraction: A competitive tax policy can attract foreign direct investment (FDI) and encourage domestic investment. Lower tax rates, tax incentives and a simplified tax system make the country more attractive to businesses and investors, encouraging them to establish or expand their operations. This flow of investment increases competitiveness by boosting economic growth, creating jobs and stimulating innovation.



Academicia Globe: Inderscience Research

ISSN: 2776-1010 Volume 4, Issue 6, June 2023

Favorable tax policies, such as tax credits for startups, lower tax rates for small businesses, and incentives for research and development, are encouraging the growth of innovative enterprises. This in turn increases competition by fostering a dynamic business environment and encouraging the emergence of new players.

Taxes can contribute to fair competition by addressing tax evasion and enforcement. Effective tax administration and enforcement can prevent tax evasion, which can give some businesses an unfair advantage. By leveling the playing field, taxes foster healthy competition and create an environment where businesses compete on their merits rather than their ability to evade taxes. Tax revenues are essential to finance the development of infrastructure, public services and education, which are crucial to improving the competitive environment. Well-maintained infrastructure, efficient public services, and skilled workforce attract businesses, increase labor productivity, and create a favorable environment for economic growth and competitiveness. Taxes play a role in international cooperation and prevention of double taxation. Bilateral tax treaties and agreements promote cross-border trade and investment by clarifying tax obligations, eliminating double taxation, and facilitating the exchange of tax information. This reduces tax-related barriers to international business activities, and develop a more competitive global market.

In short, taxes have a significant impact on the competitive environment in foreign countries. By implementing well-designed tax policies, governments can attract investment, encourage business development, encourage innovation, ensure fair competition, support sustainable practices, improve infrastructure, and facilitate international cooperation. A balanced and strategic approach to tax policy helps create a favorable and competitive business environment for both businesses and the economy as a whole.

Summary:

Taxes play a crucial role in improving the competitive environment in any country. Through well-designed tax policies and strategies, governments need to create a business-friendly environment that attracts investment, encourages innovation, ensures fair competition and supports sustainable practices. The importance of taxes in improving the competitive environment can be summarized as follows. Competitive tax policies help attract domestic and foreign investment, stimulate economic growth, and create jobs. Research and development tax credits encourage innovation that leads to product and process improvements that increase competitiveness. Effective tax administration and collection measures prevent tax evasion and provide a level playing field for business entities to compete according to their advantages. Tax revenues finance infrastructure development, transportation, logistics and connectivity improvements necessary for a competitive business environment. Tax-funded education and training programs improve the skills of the workforce and give businesses a competitive advantage. Tax treaties and agreements help avoid double taxation, reduce trade barriers, and promote international cooperation, enabling businesses to compete globally.



Our offer:

To further enhance the role of taxes in improving the competitive environment, governments should consider the following proposals:

Simplify tax laws and regulations to reduce compliance burdens on businesses, create ease of doing business and encourage entrepreneurship. Develop tax incentives targeting priority sectors such as technology, innovation and sustainable industries to ensure competitiveness and economic growth. Invest in robust tax administration systems, including advanced technology and skilled personnel, to ensure effective tax collection, enforcement and compliance.

Encourage cooperation between tax authorities, businesses and industry associations to gain an understanding of the needs and challenges of the business community, enabling the development of tax policies that support competitiveness. Continuously monitor and evaluate the impact of tax policy on the competitive environment, make necessary adjustments to optimize their effectiveness. Cooperation with international organizations and participation in global initiatives to combat tax evasion, ensure transparency and ensure equal conditions for business in the global market. By implementing these proposals, governments can harness the power of taxes to create a competitive business environment that attracts investment, spurs innovation and sustains growth, ultimately leading to a prosperous and prosperous economy.

List of used literature:

1. Ўзбекистон Республикаси Солиқ кодекси- Тошкент: Фафур Фулом нашриёт уйи 2020.- 640 б.
2. Normurzaev U. K. Amendments and additions to the tax code of the republic of uzbekistan on tax privileges in 2021. – 2021
3. Нормурзаев Умид Холмурзаевич Ҳукуматимиз томонидан берилаётган солиқ имтиёзларининг ҳисобини юритиш ва самарадорлигини таҳлил қилиш масалалари // Экономика и финансы (Узбекистан). 2021. №10 (146). URL: <https://cyberleninka.ru/article/n/ukumatimiz-tomonidan-berilayotgan-soli-imtiyozlarining-isobini-yuritish-va-samaradorligini-ta-lil-ilish-masalalari> (дата обращения: 17.01.2023).