



Analysis of the Tax Burden and Its Impact on Ensuring the Stability of the Economy

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ABSTRACT

In the conditions of modernization of the economy, the tax policy is important in solving problems related to improving the activity of enterprises, including increasing their production efficiency, stabilizing the economy, and strengthening the financial situation of small businesses and private entrepreneurs. The article, a theoretical study of the current state of ensuring the stability of the state tax policy in the context of economic reforms, identification of existing problems and a specific proposal for the improvement of the new tax policy taking into account the existing traditions of the country in the implementation of economic reforms and structural changes in our Republic and comments were made.

Keywords:

economic stabilization, small business and private entrepreneurship, entrepreneurial activity, budget deficit, tax policy, its essence.

Introduction

The priority tasks of deepening economic reforms are to liberalize the economy, reduce the administrative functions of the state and limit its intervention in the economy. The tasks of accelerating the process of privatization through the development of small businesses, opening wide opportunities for business activities, and preventing a budget deficit have been set. Based on these economic tasks, it is necessary to properly develop and implement the tax policy [1,2]. Tax policy plays an important role in solving problems related to the stabilization of the economy and the strengthening of the financial situation [3,4].

The current tax policy is to drastically reduce the tax burden on businesses. High-income tax prevents enterprises from spending their funds on developing their products, rearming with modern equipment and technologies, and replenishing their working capital. This leads

to a decrease in production. this leads to the failure of the financial system and the aggravation of social problems.

The above circumstances confirm the relevance of the topic of scientific research and the importance of solving problems in this field in state economic reforms and determine the goals and tasks of solving these problems [5,6].

Literature revive

In the works of well-known classical economists A. Smith, and D. Ricardo, the essence of tax policy and problems related to their benefits were studied. Russian economists E. Voznesensky, L.A. Drobozina, V.M. Radionova, G.B. Polyak, V.N. Semenev, V.F. Stolyarov, V. Sengachov, D.G. In the scientific work of many leading scientists, such as Chernik, the problems related to the mechanism of assessing the tax potential of regions in the formation of the source of budget

revenues were studied. Also, these problems are highlighted in the scientific works of the economists of Uzbekistan K. Yakhyoev, K. Toksonov [7,8,9,10].

Methodology

The following methods of analysis were used in the research process: scientific abstraction, grouping of indicators, statistical analysis, comparative and logical analysis, and correlation regression analysis.

As a result of a consistent tax policy strategy to reduce the state's intervention in the economy of Uzbekistan, measures to reduce the tax burden are implemented every year. First of all, they are aimed at production, development of business activities, an increase of real incomes of the population and consumption demands. At the same time, great attention is paid to the unification of taxes and payments. This helps transparency of taxation mechanisms, simplification of activities of enterprises related to tax calculation and payment, as well as effective control of the fulfilment of tax obligations. At the moment, this situation is explained by the need to harmonize the tax system used in our republic with international norms and standards [11,12,13,14].

If we refer to the statistics explaining the tax burden used in the countries of the world, it can be seen that the level of tax payments in relation to GDP is different in different countries. This is explained by differences in the level of economic regulation, the direction of socio-economic policy, the geopolitical location of certain countries and other factors. In general, according to the level of the tax burden, the countries of the world can be divided into 3 groups:

1. High level of taxation - the burden of taxes is more than 40% of GDP (Luxembourg, France);
2. The average level of taxation - the weight of taxes is from 30% to 40% of GDP (Denmark, Sweden, Austria, Germany, Great Britain);
3. A lower than average level of taxation - the weight of taxes is up to 30% of GDP (in

China (15%), India, Egypt, Malaysia, and South Korea);

If we pay attention to the dynamics of changes in the tax burden in the Republic of Uzbekistan, it shows that it tends to decrease and wide opportunities are being created for the activities of our enterprises. This indicates the extremely difficult financial situation of most enterprises. The fourth group of taxes includes land tax, property tax, water resource tax, and environmental tax, which are included in period expenses.

In addition, allocations to extra-budgetary funds, that is, allocations to the yul fund, allowance fund and other funds. Is the impact of these taxes on the financial and economic situation of the enterprise, as well as the tax burden, direct or indirect? the question arises.

The reduction of the tax burden in the economy is being continued along with the improvement of tax calculation mechanisms, the reduction of fiscal functions and the strengthening of the stimulating role of taxes. In the process of improving the tax system in our republic, special attention is paid to the consistent reduction of the tax burden on economic entities according to the tax strategy. First of all, the focus is on reducing the amount of direct taxes levied on personal income. As a result of this, in exchange for the increase in the share of funds remaining at the disposal of the enterprise, increasing the amount of its working capital and maintaining the optimal level, modernizing production, making more investments in order to increase its efficiency, it becomes possible to further stimulate the work of employees. Fiscal policy during the Soviet era involved collecting and redistributing most of the profits. The very high rate of profit tax (in 1990, it was 55 percent) created such a situation that enterprises were not interested in expanding their production and re-equipment. It is for this reason that the tax tactic of reducing the profit tax in our country was taken as the main goal. It should be noted that in order to encourage the production of consumer goods, goods designed for children, and the export of local goods, a low rate of profit tax (up to 7%) is applied to producers of such goods. Fiscal policy during

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The tax policy, which is an important component of the economic policy of any country, on the one hand, serves to provide the treasury (budget) of the state with sufficient financial resources, on the other hand, it is of great importance as the most convenient and effective means of rational organization of the economy by the state. The core of tax policy is tax strategy and tactics. The content and direction of the tax strategy and tactics depend on the content of the reform in the social and economic sphere carried out by the state, the determined strategy of the state in the economic sphere, the form of the methods and means of influencing the economy, and the level of economic development of the country.

If we pay attention to the set strategic tasks in the economic sphere and the level of economic development, the direction of the reforms implemented in our Republic today, it can be seen that they are closely connected with the priority strategic direction of the tax policy. The essence of the priority strategy of the tax policy is to increase the incentive role of taxes, to gradually reduce the tax burden on taxpayers, and thereby ensure a stable flow of revenues to the budget system. This strategic goal, in turn, reduces tax rates, expands tax incentives to the most desirable sectors or types of products, and reduces the types of

taxes aimed at the same tax object. All indicators determined during the analysis of the indicators representing the tax burden in enterprises are studied using practical data. When analyzing the tax burden, it should be taken into account that it is appropriate to look at it not only from the point of view of the firm or enterprise but also from the point of view of the state, enterprise and community [21,22].

Through economic liberalization, the transfer of several powers and tasks of the state to lower levels, i.e., to self-management-based power levels, some types of social services provided to society members by relevant state bodies. The emergence of subjects that perform these services together with state bodies in an alternative way, and the initiative of enterprises, organizations and residents to finance some of these services by themselves will ultimately lead to the liberation of not only state budget revenues but also budget expenditures. and led to the creation of a material basis for reducing the tax burden on taxpayers.

In theory, reducing the tax burden on taxpayers has two different outcomes. The first is that if the strategic policy of reducing the tax burden, as well as other measures related to ensuring its effectiveness, are not implemented, the reduction of the tax burden will lead to a decrease in budget revenues and the emergence of austerity sentiments among certain types of taxpayers. The second result is that the loss of budget revenues due to the reduction of the tax burden is of a short-term nature, and after a certain time, conditions are created for taxpayers to expand production, due to the emergence of an additional tax object due to the reinvestment of the funds earned and left with them, not only the losses in the budget are compensated, but also additional incomes are obtained, and the taxpayers' earnings the possibility of release increases. It can be seen that the implementation of a consistent tax-budget policy, and the development of other related measures related to the reduction of the tax burden in our republic is being achieved in practice [23,24].

It is worth noting that the first of our priority tasks defined in the seven directions last year is to deepen the budget and tax reforms, simplify and unify the tax system, and further reduce the tax burden, logically and theoretically with our tasks in the other six directions. -depends on practice. That is, the fulfilment of this task creates a material basis for the successful implementation of other tasks.

If we focus on fulfilling these tasks, our second priority is to further deepen structural reforms and modernization of the economy, expand its scope, and create the necessary conditions for attracting foreign investments, as a result of the reduction of several tax rates, the abolition of certain types of taxes. is achieved. Reducing the tax burden, in turn, means expanding tax benefits. This makes it possible to attract foreign investments and expand the modernization of the economy.

Deepening tax-budget reforms, simplifying the tax system and reducing tax rates, in turn, are of great importance in solving the third priority issue, which is to expand the network of private ownership, create a favourable environment for business and strengthen its guarantees. It is known that the main goal of any enterprise or firm is to get a firm position and get maximum profit by withstanding strong competition in the market.

At the expense of reducing the tax burden on taxpayers, retention of monetary resources and effective use of these funds serve economic development, as well as solving problems in the social sphere, i.e. increasing the income of the low-income class of the population and improving employment. creates conditions for a positive solution to the employment issue. This situation creates the basis for the implementation of the tactical task of ensuring the rapid growth of purchase demand, which is the factor of activation of production, which is defined as the most important task for reducing the tax burden. Today, reducing the tax burden, and reducing the types of taxes through the unification of taxes can lead to a decrease in the financial resources needed by the state. However, in our republic, the opposite is the case, i.e., the amount and quality of social services provided by the relevant state

bodies is increasing with the reduction of the tax burden. And this is achieved through the results of reforms in the administrative sphere. Achieving the goal of reducing the tax burden on taxpayers requires not only economic methods but also increasing the effectiveness of psychological factors. It is important to raise the tax culture in this place. Increasing the tax culture among taxpayers and employees of the tax service will allow them to understand the true nature of the goal of reducing the tax burden through the tax policy of the state.

Sacrifice for the future of the motherland is not only loving it, being intolerant and fighting against aggressive forces but also paying it on time, realizing that it is a mandatory payment and the reasons for reducing the tax burden on the part of the state. It requires embodying the feeling of true understanding. Only then will the tax revenues go to the budget on time, the interruptions in the financing of expenses from the budget will be eliminated, the expenses related to the implementation of tax control will be reduced, and the most important thing is to ensure the great future of Uzbekistan at the expense of improving the tax culture of the taxpayer. harmony of spiritual foundations is achieved.

The level of tax revenues is not only influenced by socioeconomic factors but also depends on the effective use of tax tactics and the extent to which they fulfil their tasks. The impact of these functions can be judged through the tax burden on economic entities.

It should be noted that tax regulation is a delicate and complex process. It determines not only the tax burden of enterprises but also the level of profitability of this or that activity, the possibilities of various organizational and legal formalization of entrepreneurial activity and several other factors.

The tax burden on economic entities is the result of the state tax policy and shows the qualitative description of any tax policy strategy. In addition, the level of taxes is determined, on the one hand, by the efficiency of social production, and on the other hand, by the amount of the state's need for financial resources. Therefore, the reduction of the burden of the tax burden will depend, first of

all, on the reduction of state expenses and the level of payment of social services.

In our opinion, a reasonable tax policy strategy should be created not only depending on the underlying principles but also taking into account several macroeconomic indicators.

It is known that the national system of generalized economic calculations is being introduced in Uzbekistan. The essence of the idea of creating a system of national accounts is to determine general indicators of economic development at different stages of the reproduction process and to see these indicators about each other. Some key macroeconomic indicators are directly related to tax relations. What this means is that the state determines the tax credits and revises the tax rates based on the level of economic growth in the national economy. With little or no economic growth, the economy cannot afford to raise tax rates. Because macroeconomic indicators do not allow it, or vice versa.

In our view, based on the system of national accounts and foreign experience, three main criteria for assessing the effectiveness of taxation in Uzbekistan can be seen. These are:

- The amount of the tax opportunity.
- The level of the tax burden on the population.
- It consists of the total size of the tax burden.

Some experts associate the effectiveness of tax tactics with the contribution of taxation to GDP. Experts from another group recommend calculating the tax burden by combining all the taxes. In this case, allocations to off-budget funds and the volume of product sales are also included in the tax burden.

In our opinion, it is appropriate to use the three main criteria mentioned in the analysis of the current tax system.

Tax potential of the state means all types of tax payments for products (services, works), in particular, tax on profit (income) and a set of social taxes of this type. This indicator is calculated as the difference between the gross value added and the net profit of the economy.

The main macroeconomic indicator of the assessment of the tax system is the level of the tax burden on taxpayers, and its quantitative

assessment is the level of income. Exceeding this level does not allow the taxpayer to organize simple reproduction. This level depends on the state's obligations to the individual citizen, as well as the economy as a whole (for example, subsidies for housing, health care, scientific research and economic programs, etc.).

Describing the level of distribution of the tax burden to members of society, it can be said that most taxes on production, especially indirect taxes, are included in the cost of goods and ultimately fall on the consumer. The tax burden of the population and the tax potential per capita can be determined concerning the average income per capita.

The third criterion for evaluating the current tax system is expressed as a ratio of the level of the total tax burden (corrected by the tax burden coefficient calculated in the form of gross added value) to the volume of GDP. Mathematical calculations show that the share of the total tax burden is expressed by dividing the contribution of the total gross added value by the tax burden coefficient of the population. As a result of the research, the logical and mathematical interdependence of the main criteria for assessing the effectiveness of taxation was determined. Therefore, the change in the level of the tax burden is always directly proportional to the change in the weight of the tax burden and inversely proportional to the change in the weight of the gross value added. The calculations show that the tax potential of the country increased 6.4 times during the years of independence.

Conclusion

Thus, the considered method determines the tax burden based on the main macroeconomic indicators. On this basis, when calculating the tax potential of the whole country, calculating the tax burden as a set of all tax sums and payments, when calculating the tax burden, when paying for the labour of hired employees, for each soum, the sum of all taxes, as well as the weight of the tax burden, the gross added value it is suggested to adjust (increase) it to the tax burden coefficient of the population, determined by the weight share.

At this point, in our opinion, it is necessary to note that there is a specific type of legality. Although this thing is not reflected as a legality in the economic (financial) literature, in our opinion, all the evidence is sufficient and there are all the grounds to formalize it as a legality. This law can be expressed in the following way: if the free market economy requires a lighter tax burden on business entities (entrepreneurs), on the contrary, a socially oriented market economy is more burdensome on them (entrepreneurs) imposes a tax burden. Because the stronger the social orientation of the market economy, the higher the state budget costs, the more the need to increase the tax burden naturally arises.

In our opinion, the rate of development of business activities in our republic is largely determined by the correct understanding of the essence of this law by our businessmen and the level of its natural acceptance by our businessmen.

In our opinion, the conclusions made above and the legality stated by us are important, and they should again be at the centre of entrepreneurs when proposals and recommendations are being developed on the impact of taxes, tax system, taxation and tax policy strategy on the development of entrepreneurship.

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