

The Role of Tax Planning in Enterprise Management

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Abstract: The role of tax planning in the management of the enterprise is explained, the concept of strategic management, its content and its importance in the market economy. Methods of effective strategic management in enterprises and organizations, ways to increase the efficiency of strategic management and planning of enterprises are studied.

Key words: enterprise, management, economic growth, improvement, economic stability.



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Tax planning is inextricably linked with the planning of business processes of the enterprise and is considered a part of financial management. This part of financial management includes development and adoption of management decisions in the field of finance, reduction of tax payments and regulation of economic activity in order to sustainably develop the enterprise within the current tax legislation.

In this article, we will consider the basic elements of tax planning, its areas of application and principles, and we will focus on the most common mistakes in the calculation and payment of taxes and mandatory payments.

It is known that the special role of tax planning is explained by the large weight of taxes and mandatory payments in the gross income of the enterprise.[5]

The share of tax payments in enterprise expenses is significant and has a direct impact on the formation of economic results, competitiveness and financial stability. Tax liability planning is one of the structural elements of business planning of the enterprise and consists of the process of forming and quantifying them by choosing the optimal option for economic activity, using the possibilities of minimizing tax payments within the framework of the current legislation.

Effective tax planning allows to optimize tax expenses, increase the company's profit and expand its financial potential for further development of production, which ultimately leads to an increase in tax bases and an increase in the amount of taxes paid to the budget.

Basic elements of tax planning

Applying the basic elements of tax planning helps the company to reduce the tax burden, thereby saving tax costs and increasing the amount of financial resources available to the company.

For these purposes, the enterprise is primarily required to:

- developing a strategy for optimizing tax obligations and a plan for their implementation;
- development of various schemes of tax planning. In this case, they are included in the business plan of the enterprise and at the same time serve as a basis for legally reducing the tax burden;
- selection of account policy. Choosing an accounting account allows you to get information at any time necessary for making management decisions, including tax planning;
- timely fulfillment of tax and other obligations. Not to extend receivables for more than three months under concluded contracts;
- compare the dynamics of paid tax payments with the rate of growth of the company's net profit.[4]

Tax reduction and tax optimization are actions of the taxpayer aimed at a specific goal, which allow the enterprise to reduce mandatory payments to the budget within the framework of current legislation. However, before developing various tax planning and tax liability optimization schemes, the following must be done:

- ✓ organization of a reliable tax account;
- ✓ controlling the correctness of tax calculation;
- ✓ minimization of taxes and mandatory payments within the framework of the current legislation.

The company can carry out the first two points on its own, but minimizing taxes and mandatory payments usually requires the involvement of qualified specialists from abroad.

The field of application of tax planning

The following can be distinguished:

- ✓ personal tax planning;
- ✓ corporate tax planning;
- ✓ intercompany tax planning (within a consolidated taxpayer (company, concern, holding, etc.);
- ✓ international tax planning.[6]

Personal tax burden planning is mainly reflected in income, dividends, property, land taxes and tax credits for individuals.

Corporate tax planning covers a simplified taxation system based on general taxes, number of employees and tax credits.

Intercompany tax burden planning is based on the benefits of income distribution between structural units or counterparties, which provide each other with the greatest benefits in the form of various discounts and transfer prices.

International tax planning makes it possible to use various tax management mechanisms and tools within the framework of international treaties and agreements that cannot be used in domestic tax legislation.

Principles of tax planning

Tax planning in enterprises should be based on the following principles:

- ensure promptness in making management decisions by assessing risks related to the introduction of new taxation conditions when the conditions of taxation change within the framework of the tax-budget policy of the next year;

- ensuring the optimality of management decisions made in the field of taxation by assessing its legal consequences when using tax payment minimization schemes and methods;
- providing alternatives through the use of well-thought-out tax schemes that do not cause negative consequences, that is, when the management of the enterprise calculates and evaluates the consequences of certain actions, the benefits that can be obtained due to the decisions made should be compared with For example, not to use suspicious and unjustified measures in the activity of the enterprise;
- compliance with legality by developing schemes and methods that allow to minimize tax payments on legal grounds;
- alternative, that is, there should always be an alternative to choose the best among several options;
- individuality, that is, one or another method of tax reduction can be used only after studying all the features of the enterprise's activity.

The above-mentioned principles of tax planning include the most objective means and conditions of interaction with the tax system in order to legally optimize and minimize taxes.

Compliance with the principles of tax planning creates conditions for the efficient operation of the enterprise and reduces the negative consequences that may arise due to incorrect management decisions in the field of economic activity.[2]

The main goals and objectives of tax planning

The purpose of tax planning is not only to legally minimize tax obligations, but also to increase the efficiency of the enterprise's production activity, to build an optimal business model that can ensure the smallest amount of tax burden. In order to achieve the set goals, tax planning is aimed at solving a number of tasks, which are aimed at optimizing the tax burden:

- minimization of basic tax payments on legal grounds;
- determining the level of the tax burden in the forecast period;
- to determine the amount of tax obligations to be paid in the section of specific payments to the budget and extra-budgetary funds in the next financial year and in respect of them in general;
- calculation of total costs for product production and careful development of the financial part of the enterprise's business plan;
- control over the calculation of tax payments and ensure their timely and full payment.[1]

What is tax planning?

Tax planning in the enterprise consists of strategic and tactical (current) planning. So what is the difference between them?

1. In the strategic planning of taxes, the organizational legal form of the enterprise, its location, types and specialization of business activities, and the current regimes of taxation are selected. At this stage, decisions are made not only in terms of the most favorable tax regime, but also to avoid double taxation, etc. is also accepted for the purpose. Capital placement, investment policy, financing strategies are determined within this stage;

2. In tactical (current) planning, calculations are made for all types of taxes for the next reporting period, using all the possibilities provided for optimization and minimization of the amount of taxes within the framework of the current legislation.[9]

Tax planning objects

Not only the objects of taxation, but also the processes of management activities that affect the formation of the tax base are the objects of tax planning. The need for tax planning arises from the current tax legislation, which provides for various tax regimes, methods of calculating the tax base and tax benefits. From a theoretical point of view, tax planning objects can be grouped as follows:

- proprietary or non-proprietary rights. For example, owning one's own property or using other people's property;
- behavior of the subject. For example, selling goods or importing them;
- results of economic activity. For example, the profit or income of the enterprise.

Minimization of tax and customs obligations

First of all, the goal should be to increase the after-tax profit of the enterprise, not just to reduce any tax. Minimization of tax and customs obligations can be achieved due to the following legal measures:

- reduction of the tax base or exemption from tax and customs payments (by applying tax and customs benefits) within the framework of the current legislation;
- use of lower tax rates;
- use of an acceptable organizational and legal form, which allows, for example, to use a simplified system of taxation and not to pay general taxes;
- involvement of non-residents in the formation of the authorized capital of the enterprise (in order to use the tax and customs benefits granted to foreign investors by the government's decision and the Tax Code of the Republic of Uzbekistan).

Taking into account the above and strictly following them creates the basis for effective tax planning in enterprises and conditions for their stable operation, which gives them competitive advantages.

- firstly, enterprises that have a quick impact on the changes made to the tax legislation within the framework of tax planning have high competitiveness;
- secondly, tax obligations and economic sanctions can be reduced by regulatory authorities;
- thirdly, tax planning leads to savings of both equity and debt;
- fourthly, savings achieved as a result of minimizing tax payments can be used in the implementation of effective investment and social policy in the enterprise.[8]

The most important thing in reducing tax payments is strict compliance with current legislation, which means correct and smooth accounting and reporting, all regulatory legal acts on taxation and accounting. related to the fulfillment of requirements.

Errors in calculating and paying taxes and mandatory fees

Avoiding errors in calculating taxes and fees is an important factor in minimizing them. But sometimes there are cases that lead to the application of much larger financial sanctions by the tax authorities. Mistakes are mainly related to the lack of knowledge and deficiencies in the work of accounting and economic services specialists. Errors in the calculation and payment of taxes and mandatory payments are primarily caused by:

- ✓ simple arithmetic and counting errors;
- ✓ incorrect formalization of primary documents or their absence at all;
- ✓ incorrect interpretation of the current tax legislation;

- ✓ ignorance of changes in the tax legislation or failure to act on them in time;
- ✓ failure to submit calculations and reports to tax authorities or failure to submit them on time;
- ✓ failure to pay or fail to pay taxes on time.[7]

What else should be considered?

In recent years, measures have been regularly taken to support enterprises of the real sector of the economy, in particular, by easing the tax burden, simplifying and unifying the taxation system, and providing additional broad tax and customs benefits. In addition, government decisions were made to reduce the tax burden by gradually reducing tax rates on certain types of taxes for enterprises of certain sectors of the economy and enterprises in the field of small and private entrepreneurship.

In addition, the state provided additional benefits to exporting enterprises, small business entities, and enterprises making investments and developing new types of products.

Today, the tax benefits granted to legal entities are stipulated in more than 27 articles of the Tax Code of the Republic of Uzbekistan. In addition, more than 200 decisions have been adopted by the President and the Government of the Republic of Uzbekistan, which means that there is a wide field of activity in the field of tax planning.

Due to the use of tax and customs benefits in the country as a whole, the financial resources of legal entities in the amount of 10-12% of the GDP are released every year, and they are directed to investments and solving social issues of the company's employees.[3]

During the years of independence, the tax burden on the economy gradually decreased. This was one of the important factors of economic growth and an incentive to attract foreign investments to the republic, to activate processes in the field of economic activity, and to increase the level of utilization of production facilities. The reduction of the tax burden made it possible to stabilize the financial situation of individual enterprises, revive investment activities at the expense of enterprises, diversify and modernize production.

In order to avoid mistakes in the calculation and payment of taxes and mandatory payments, enterprises must pay special taxes (Corporate income (profit) tax; Individual income tax (highest rate)VAT; Small business and a single tax payment for micro-enterprises; develop a methodology for internal control of calculations on the rate of allocations to the Pension Fund off-budget (the highest rate and the amount of allocations to the State Fund for Employment Assistance) and take the necessary procedures in it for timely execution, it is necessary to provide for the scheme of document circulation and interaction of structural units in the enterprise. This methodology is the basis of tax planning in any enterprise.

Despite the measures taken by the state, there are a number of problems in the tax sector that require a quick solution. These are the frequent changes of the tax legislation and as a result the reduction of the opportunities of enterprises, the large number of taxes and the fact that this leads to large transaction costs in business, the high tax burden on certain sectors and this leads to financial stability and production. is an obstacle to modernization.

In such conditions, tax planning plays a decisive role in the activities of enterprises, that is, it encourages the flexible and harmonious organization of financial services, helps to reduce tax expenses, which ultimately improves the price competitiveness of the products of economic sectors. can provide. However, it should not be forgotten that saving money in taxes today can lead to huge financial losses tomorrow.[10]

In addition, in tax planning, as well as the state of the regional budget, the role of the enterprise in the formation of the regional budget, etc. Important factors such as it should be noted here that it

is not appropriate to plan taxes using only foreign experience and shortcomings in the tax legislation, because these methods require an individual approach in each specific case and depend on certain risks. And they can eventually lead to litigation.

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