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| Research Article

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Current Status of The Information Technology Mechanism Used in the Tax System of Uzbekistan

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Annotatsiya: Ushbu maqolada O‘zbekiston soliq tizimida qo‘llaniladigan axborot texnologiyalar mexanizmining nazariy va iqtisodiy asoslari, bo‘yicha mahalliy va xorijiy olimlaring fikrlari o‘rganilgan. Shuningdek mavzuga doir olib borgan tadqiqotlari natijasi bo‘yicha O‘zbekiston soliq tizimida qo‘llaniladigan axborot texnologiyalarni takomillashtirishga oid xulosa va takliflar ishlab chiqilgan.

Kalit so‘zlar: soliqlar, mexanizm, soliq tizimi, soliq ma’muriyatchiligi, soliq organlari, axborot tizim, axborot texnologiyalar

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1.Introduction.

In order to improve convenience for the population and business, as well as to reduce the human factor, our country is consistently digitalizing the activities of tax authorities. In particular, the Information and Computing Center of the Tax Committee of the Republic of Uzbekistan, in accordance with the Decree of the President of the Republic of Uzbekistan dated October 30, 2020, is fully equipped with uninterruptible power supplies, servers and high-power computers. The Information and Computing Center has implemented technologies for protection against cyberattacks and business analytics. New software products have been developed, such as "e-lease", "e-privilege", "Value Added Tax Payers", "Tax Audits", "Automated System of Desk Control", "Tax Deduction Coefficient". As the President emphasized, this center can be called the "brain" of the tax system of our country. The data of all taxpayers is integrated here. The Information and Computing Center of the Tax Committee of the Republic of Uzbekistan in its activities is guided by the Constitution of the Republic of Uzbekistan, the Tax Code of the Republic of Uzbekistan, the Law of the Republic of Uzbekistan "On the State Tax Service", the Regulation "On Service in the Bodies of the State Tax Service of the Republic of Uzbekistan" and other legislative acts, resolutions of the chambers of the Oliy Majlis of the Republic of Uzbekistan, decrees, resolutions and orders of the President of the Republic of Uzbekistan, resolutions, orders of the Cabinet of Ministers of the Republic of Uzbekistan, internal regulatory documents of the Tax Committee.

2. Literature review.

It is used to automate tax administration processes and resolve issues in the Republic of Uzbekistan. In the context of the development of modern society, the digitalization process is rapidly progressing in all areas: from the economy of countries to the public administration system, education, medicine and even politics. At the same time, digitalization is associated not only with the creation of technically favorable conditions, but also with the revision of the system of interaction between the population, business entities and government agencies. In particular, one of the most important components of the public administration system is tax administration.

Tax administration is carried out through a tax mechanism. Tax administration is a set of measures developed to plan all state activities in the tax sphere, ensure the implementation of laws, regulations and decisions, as well as their organization. The mechanism (from Latin mechanize - to mechanize) is a system for organizing interaction. According to A.N. Bychkov: "A mechanism is a set of interconnected elements that set an object in motion" [2022].

Yu. V. Gorbunov noted that in economics, a mechanism is understood as methods, norms and means of influencing something [2022].

"In 2007, the Nobel Prize for significant contributions to the theory of economic mechanisms (Mechanism Design Theory) was awarded to Leo Gurvis, Roger Myerson - for research into the problems of optimal auctions, and Eric Maskin - for proposing a universal implementation mechanism" [2008]. Later, this concept became known as the concept of the economic mechanism of Leo Gurvis. There are a number of factors that lead to a rapid change in the tax mechanism. These include the depreciation of money, the establishment of new priorities in the process of economic development and a number of other innovations. One of the important components of the financial mechanism is the tax mechanism. In this regard, it is appropriate to make the following comments about the tax mechanism. The tax mechanism can be called a set of control methods used by the administration to organize tax relations. However, this definition cannot reflect the organizational and legal content and essence of the tax mechanism. "The main content of the tax mechanism reflects the process of objective monetary relations associated with the organization of centralized and decentralized monetary funds intended to meet the needs of the state, society and individual entities in funds for the implementation of socio-economic activities. For a broader understanding of the tax mechanism, it is advisable to recall the structural elements of the tax and tax process" [2004]. Digitalization reduces bureaucratic barriers and red tape, while creating many conveniences for the population and business entities. The transparency of the public administration mechanism increases, the risk of corruption decreases, since most processes are carried out through automated systems. In addition, it becomes possible to track any process online, carry out diagnostics if necessary and analyze data in real time. It follows that the digitalization of tax administration is not only a requirement of modern technologies, but also one of the main pillars of the dynamic development of the economy and society. According to Favorite Y. Mpofu, "Digital technologies improve the efficiency and compliance of tax collection by optimizing data collection and processing, thereby reducing administrative costs and minimizing corruption. Digital tools can also be used to identify and mitigate risks, as well as improve the overall reliability of tax systems" [2024].

The current tax system of the Republic of Uzbekistan is the main criterion for implementing an effective tax policy of the state. Tax legislation is based on the principles of mandatory taxation and audit, as well as cooperation between tax authorities and taxpayers, fairness, unity of the country's tax system, transparency and fairness for taxpayers. Therefore, the issues of modernization of the automated information system of tax authorities of the Republic of Uzbekistan are of crucial importance for ensuring the implementation of the strategic objectives set by the President and the Government of the Republic of Uzbekistan in the field of improving tax administration processes, developing tax authorities of the republic and transferring them to a

new service-oriented model of activity, including interaction with taxpayers. M.A. Troyanskaya [2017], who conducted a study of tax administration issues, explains that the dictionary meaning of the word "administration" comes from the Latin "administration" - management, leadership and means management by giving orders in a bureaucratic way.

Based on the above conclusions and analysis of the definitions of the concept of "administration", we consider it appropriate to define the content of the term "administration" as follows.

"Administration is the management of a management object, society, industry and state system, carried out by authorized state bodies on the basis of regulatory documents, regulations and plans, as well as rights and obligations within their powers."[1] Based on this definition and the conclusions made, we presented the composition of the main elements of administration in

Figure 1.

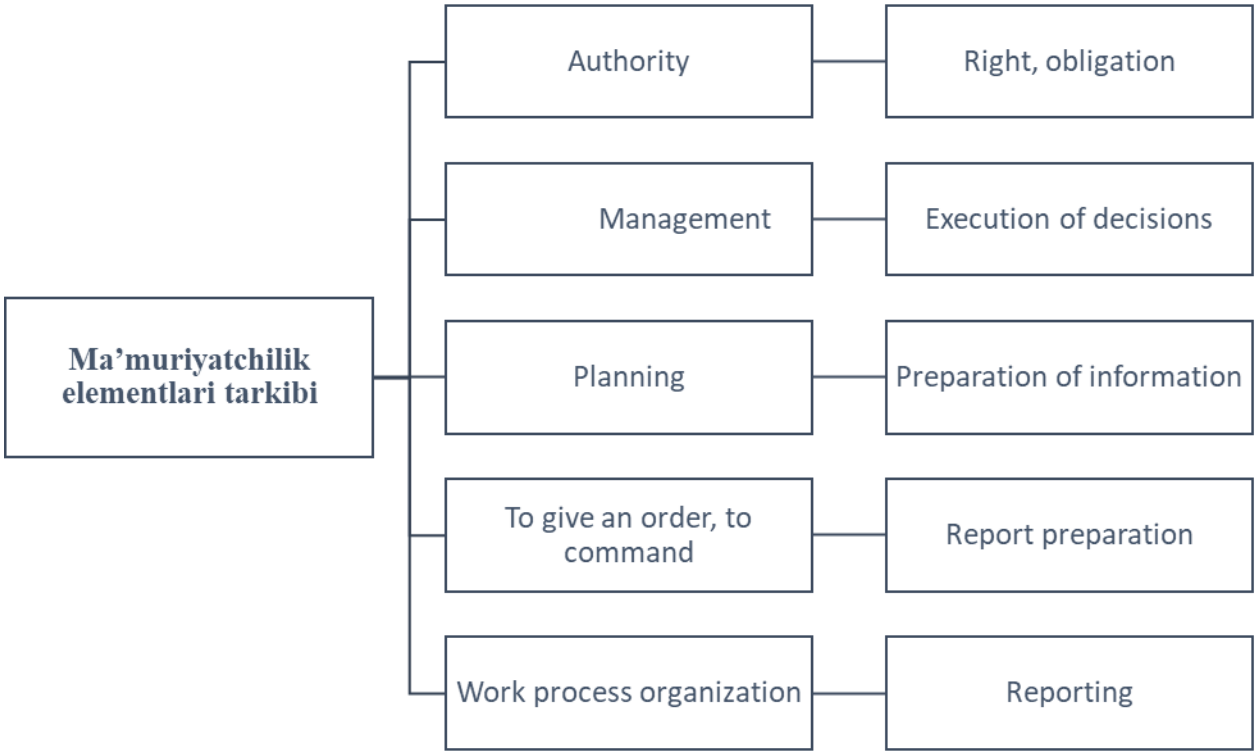

Figure 1. Classification of the main elements of the concept of administration.[2]

In our opinion, this definition reflects the processes associated with the management of a management object, community, industry and state system. An approach to administration based on this system will ensure its effectiveness. The consequence of ignoring or insufficient attention to a certain element may be the failure to achieve sufficient management efficiency or the emergence of dissatisfaction among the administration object. It is also necessary that the approach to the elements of administration be based on certain principles of management. The principles of administration should follow from the specifics of the object.

The use of digital technologies in tax administration is an administrative and legal mechanism for the formation of the revenue side of the state budget and ensuring that taxpayers fulfill their tax obligations. The optimal and effective organization of tax administration as an administrative and

[1] The definition is given by the author.
[2] Image by the author.

legal mechanism for regulating the economy is given special attention in the tax policy of countries with a market economy.

Russian scientists Kosarin S.P., Lebedeva Yu.A. and I.V. Milkina in their study on the use of information technologies in the tax system, outlined the main goal of automating the tax system and its effectiveness. According to it, "automation and informatization of the tax system serve to provide tax authorities and taxpayers with timely information on all changes in tax legislation, provide reliable information on taxpayer accounting, increase the efficiency of the tax system due to the timeliness and speed of decision-making, increase the efficiency and productivity of tax authorities, increase the efficiency of control over compliance with tax legislation, reduce bureaucratic red tape, collect data for analysis and forecasting the dynamics of tax revenues and other payments to budgets at all levels, and ensure its efficiency" [2019]. These authors use the concept of "tax machine" when automating the tax system, defining it as "a technology that ensures timely processing of incoming documents and automates formalized tax administration procedures." A. Kabulov studied the structural structure of automation of the tax system of Uzbekistan, the process of formation of the process of informatization and automation in the tax system, as well as the processes related to the functioning of conceptual mechanisms of mutual settlements of tax authorities with the budget and extra-budgetary funds on tax payments (income), and the state of implementation of tax audit plans [2012]. The efficiency of tax administration is inextricably linked with information technology in the context of modern advanced technologies. Analyzing scientific and theoretical views on improving the process of tax collection through the use of information technology in the tax system, it can be noted that today a wide range of scientific research is carried out in this area.

3. Research methodology.

The methodology of our study is economic relations, theoretical and legal foundations of the mechanism of information technology used in the tax system of Uzbekistan. The current state of the mechanism of information technology and the theoretical and legal foundations of the methodology are summarized. In the course of the study, such methods as comparison and grouping of practical material were used, conclusions and proposals were developed.

4. Analysis and results.

Modernization of information technologies, automated systems in the tax system, including issues of increasing the efficiency of creation and use of information technologies, automated systems and complexes that ensure automation of tax administration tasks and interaction with taxpayers, is a complex and large-scale task. The main architectural solutions and directions of development and improvement of information technologies, automated systems are based on the materials of the study of the current situation and experience of building and using a new generation of centralized AAT in the tax service.

As part of the modernization of the technological architecture of the Tax Committee of the Republic of Uzbekistan, it is planned to create and strengthen disasters of a sustainable IT infrastructure for more effective support of existing and prospective tax administration subsystems of the Tax Committee, increase the reliability and availability of infrastructure services, form consolidated information resources, develop the level of electronic interaction with taxpayers and improve the quality of public services. The goals and main tasks of modernization of the automated information system of tax authorities of the Republic of Uzbekistan are presented in Figure 2.

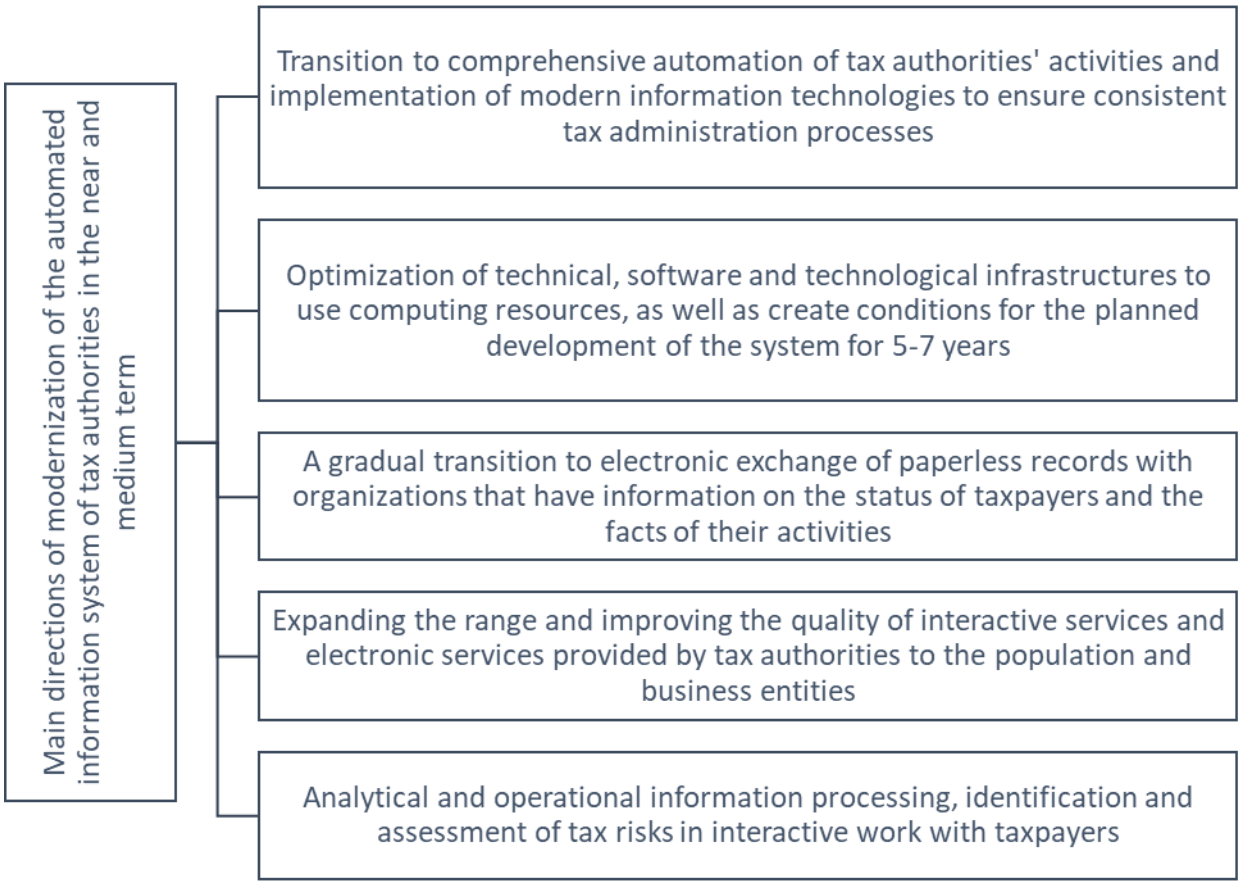

Figure 2. Goals and main tasks of modernization of the automated information system of tax authorities of the Republic of Uzbekistan[3]

The automated information system of tax authorities of the Republic of Uzbekistan is a means of effective organization of work of tax authorities, subordinate organizations and institutions and is used for implementation of tax administration and automation of processes on the territory of the republic. The main tasks of modernization of the automated information system of the Tax Committee of the Republic of Uzbekistan for the near and medium term, within the framework of the formulated goals of development of tax authorities of the Republic of Uzbekistan, are:

1. Transition to comprehensive automation of tax authorities' activities and implementation of consistent tax administration processes using modern information technologies and means of their implementation in the tax system;
2. Optimization of the information technology, software and technological infrastructure of the tax system in order to create conditions for the rational use of computing resources, reduction of the total cost of ownership and operating costs, as well as the planned development of the System for 5-7 years;
3. Ensure a gradual transition to paperless document management and exchange of documents in electronic form, including with interested government agencies and organizations that have information about taxpayers, the status of taxpayers and the facts of their activities;

[3] The image was developed by the author based on information from the Tax Committee of the Republic of Uzbekistan.

4. Expand the range and improve the quality of interactive services provided by tax authorities to the population and business entities;
5. Ensure the intellectualization of analytical and operational information processing technologies, creation and development of components implementing a set of tasks related to the identification and assessment of tax risks in interactive work with taxpayers.

Interested parties in the automated information system of the Tax Committee of the Republic of Uzbekistan are government agencies and budgetary organizations, state customs control bodies, and other areas of public administration that exercise state powers and use information taken into account by tax authorities.

Information technologies used in the tax system are implemented by tax and other government agencies through the performance of functions established by the legislation of the Republic of Uzbekistan, which may include the following activities:

The Tax Committee of the Republic of Uzbekistan uses the following software products:

- "Accounting for receipts of payments to the state budget and off-budget funds (1-N)"
- "Bank-SQ"
- "Processing data on daily receipt of accrued pension contributions"
- "Collection of taxpayer documents"
- "Accounting for debts of legal entities and individuals"
- "Maintenance of reports on tax debt"
- "Accounting for benefits of taxpayers of legal entities"
- "Form for receiving tax calculations and financial statements in electronic form"
- "Procedure for the liquidation of enterprises not carrying out financial and economic activities"
- "Statistical data on legal entities"
- "Identification of value added tax payers"
- "Accounting of inventory items located on state Income"
- "Reception and processing of electronic reports of entrepreneurs in order"
- "State duty"
- "Information on taxpayers - individuals"
- "Accounting of tax audits"
- "Registration and accounting of cash register equipment"
- "Accounting of cash receipts"
- "Accounting of administrative practice"
- "Accounting of appeals of state tax service bodies on the application of financial sanctions to the court and their results"
- "Coordination of audits"
- "Monitoring of large taxpayers"
- "Accounting of computing equipment, printing devices and peripheral devices to them"

- "Determining the level of use of software products implemented in the practice of the State Tax Service"
- "Accounting of responsible employees of the State Tax Service"
- "Interactive service for the provision of public services"
- "Statistics of the use of the interactive service"
- "Orders on business trips, accounting of auditors"
- "Accounting of employees" Database
- "Automated Document Execution Control System"
- "Electronic Information System of Internal Departmental Documents"

Thanks to the implementation of automated information systems (AIS), paper document flow between the structures of the state tax service bodies has been minimized. A significant amount of information, archives, incoming and outgoing documentation has been converted into electronic form and systematized. The efficiency of tax authorities has increased significantly, the level of responsibility for collecting taxes and mandatory payments, collecting tax arrears and preventing violations of tax legislation has increased. Information exchange with structural divisions of the State Tax Service at all levels, as well as with specialized ministries, departments and other organizations has significantly accelerated. The implementation of such automated information systems as the "Automated Document Execution Control System", "Electronic Information System of Internal Documents", "Personnel Records Database", "Accounting of Computing Equipment, Printing Devices and Peripherals", "Remote Control System for the Activities of State Tax Service Bodies", etc., has made it possible to automate many areas of the internal activities of the state tax service bodies.

Conclusions and suggestions

The following conclusions have been made on improving the information technology mechanism used in the tax system of Uzbekistan.

It is necessary to reduce the level of the shadow economy, create equal conditions for doing business, including by reducing the regulatory and administrative burden, automate the procedures for complying with tax legislation and simplify the procedure for paying it, which necessitates reducing the level of shadow turnover in the economy of our country and creating favorable conditions for the development of legal entrepreneurship.

The amount of tax overpaid to the tax authorities is subject to refund to the taxpayer upon his written application within fifteen days from the date of receipt of such application by the tax authority, and for business entities with a high sustainability rating - within three days.

Provision of online services to self-employed individuals who have reached the age of eighteen and have not reached the age of thirty, paying social tax, and improvement of tax administration through the use of digital technologies.

In order to expand the use of modern information and communication technologies in tax administration, we believe it is necessary to introduce a mandatory system of electronic registration, storage and accounting of consignment notes for all business entities from July 1, 2024.

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