

DIGITALIZATION OF TAX ADMINISTRATION - A STRONG GOAL MEETING MODERN REQUIREMENTS

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DOI: 10.5958/2249-7323.2022.00010.4

ABSTRACT

This article provides the main directions of the State Tax Committee of the Republic of Uzbekistan in the development of entrepreneurship, reducing the number of types of taxes, expanding the ranks of disciplined taxpayers, improving the methodology of using advanced information and communication technologies (ICT). It also includes the use of advanced information and communication technologies based on the methodology of further improving the activities of taxpayers in the context of digitalization of the economy.

KEYWORDS: *Budget Policy, Tax Administration, Business Entities, Tax Reporting, Tax Revenues, Tax, Interactive Service, Efficiency, Digital Platform, Digital Transformation, Methods And Tools, Advanced Information And Communication Technologies, Analysis, Optimization, Web Services, Modern Techniques.*

1. INTRODUCTION

The large scale reforms carried out in our country show that the upbringing of young people with a mindset that ensures the necessary adaptation to social changes and guarantees a worthy place in the information environment has become a key priority of state policy. As a result of digital technologies, today the main communication between taxpayers and the state tax service has moved to a virtual platform. We all know that modern ICT plays an invaluable role in the growth of the global competitiveness of the country's economy in the context of digitalization. At present, in the field of taxation many calculations and forecasts are carried out by the State Tax Committee on the basis of advanced ICT, the experience of cooperation between the information systems (IT) operated by the Committee has been established. However, new methodological solutions, technologies, software products, innovative mechanisms of collection, processing and converting have not been sufficiently developed in providing reporting data to users through the use of advanced ICT for population registration.

2. REVIEW OF THE LITERATURE

Analysis of the relevant literature. The digitization of the world economic system requires the effective use of advanced information and communication technologies (ICT) in the sectors of industry and national economy of any country.

In this process, in the context of the formation of the digital economy, it is important to use advanced ICT, which allows the development of industrial production, services, and high-quality scientific achievements in the field of taxpayer services.

Significant scientific works of foreign and local authors are devoted to the improvement of methods of effective use of ICT in various sectors of the economy. Particularly, foreign scholars

such as N.Vinner, K.S.. Loudon [1], O.Machlup, J. F. Neumann, M. Hammer, K. Shannon, V. Ashbi have made significant contributions to the development of the theory of effective application of ICT in the management processes. It should also be noted that the full list of works of foreign scholars is not devoted to this topic. In this regard, Cudri N. and Powell A. provided a multifaceted analysis of the concept of “big databases”, as well as a historical chronology of the emergence of this concept in scientific research. In their research, scientists such as Gesse B., Mozer R. and Riley W. have explored the possibilities, threats, and technologies of big data processing in the modernization of social processes.

In their research, Russian scientists have repeatedly tried to study the effective use of modern ICT in business, as well as to develop innovative methodological solutions and technological mechanisms based on the use of advanced ICT in the digital transformation of the global economic system. Such scientists include Andreeva G.N., Bondarenko V.M. [2], Venderov A.M., Glazyev S.Yu., Glushkov V.M., Doljenko A.I. [3], Kosarev V.P. [4], Kutsenko S.P., Lapidus L.V. Romanov A.N., Telnov Yu.F., Titorenko G.A., Tikhomirov N.P., Trofimov V.V., Shkarupeta E.V. and many other researchers. Speaking about the effective use of ICT in statistical activities, which is inextricably linked with all sectors of the national economy in the context of the formation of a digital economy, the research of Lyubavina S.V. showing that modern information systems cannot be imagined without the use of databases and internet network software systems is particularly noteworthy. Also E.S. Kadtsyna using the example of the Ural region of the Russian Federation in her article shows the need to develop a methodology for the use of modern ICT in all sectors and spheres of the economy in the modern period, and T.N. Savina in her study recognized the digital economy as a new development paradigm.

Comprehensive scientific research of local specialists is devoted to solving the problems of effective use of ICT in networks and sectors of the national economy of the Republic of Uzbekistan in the context of the formation of a digital economy. Scientific research of our local scientists, such as: A. Abdugafarov, R.Kh. Alimov [5], R.Kh. Ayupov, B.A. Begalov [6], T.F. Bekmuratov, A.B. Bobojonov, B.K. Gayibnazarov, S.S. Gulomov, R.A. Dadabaeva, Sh.U. Djanadilov, V.K. Kabulov, A.T. Kenjabayev, T.S. Kuchkarova and others are devoted to the development of a methodology for the use of modern ICT in all networks and sectors of our national economy, including statistics. In the context of the formation and development of the digital economy, the issues of improving the methodology for the widespread use of ICT in the activities of taxpayers of the Republic of Uzbekistan remain debatable. The relevance and insufficient development of the problem made it possible to conduct a study on this issue and determine the topic of this article.

3. RESEARCH METHODOLOGY

In the process of globalization, based on the requirements and challenges of the time, in solving the existing problem, in the activities of the State Tax Committee of the Republic of Uzbekistan, in developing directions for improving the methodology for using information and communication technologies, comparative, systematic, economic-statistical, SWOT-analysis, monographic research methods, questionnaire survey, grouping, comparison, induction, deduction, optimization method, as well as methods of working with WEB-sites, computer networks and special software packages were used.

4. DISCUSSION OF ANALYSIS AND RESULTS.

In this process, taxpayers are successfully crossing a complex but important path: easily mastering unfamiliar but useful opportunities, quickly adapting to innovations, and actively learning to make more efficient use of conveniences.

In what way is this important to them? In general, why is the digitization of the tax system

relevant? The reason is simple, but very important: it creates a convenient and reliable, transparent environment for taxpayers to fulfill their tax obligations in a timely and voluntary manner. In addition, digital technologies do not allow exaggerating or hiding any information, since human participation in their management is minimal. Automated systems cannot be fooled. In return, it is impossible to carry out illegal activities, steal funds or spend them inefficiently and aimlessly. As a result, the flow of legal funds into the economy will increase, taxes will be paid on time and correctly, and the budget distribution will be transparent. All this means an effective fight against the “shadow economy”. [7]

So, to what extent is the tax service in our country implementing the broad and unprecedented potential of the digital platform in becoming a reliable partner of honest taxpayers? What are the reasonable opinions and positive conclusions about the results today and in the future?

It is clear that due to the widespread use of modern information technology in the tax administration, taxpayers do not have to worry about saving time, they can simply forget about the extra costs. Just one example: currently there is no time or address limit for free access to more than 50 interactive and information services through the Electronic Tax Services Portal – my.soliq.uz.

In particular, the portal covers everything from the independent calculation of taxes to the possibility to submit reports and tax returns, appeals. For instance, taxes are paid electronically through the taxpayer’s personal account, 12 types of documents and 27 types of reports are sent electronically.

For this purpose, there is a separate personal account for individuals and legal entities, individual entrepreneurs. Services related to them are also placed in special sections. One of the main conveniences and advantages of the portal is the service of online payment of all types of taxes and other mandatory payments. For example, individuals can determine and pay amounts of income tax, land and property taxes using the portal. [8]

In 2021, taxpayers have used such important services on the portal more than 188 million times. So there is no need to exaggerate its importance and effectiveness. The interactive services of the portal are available through the mobile application “SOLIQ”, the number of features of which is constantly growing. In Particular in 2021, a service was launched to inform the tax authorities about the negative cases of tax evasion, concealment of real income, non-compliance with trade rules through the system of the mobile application “Tax Partner”. This service has been used more than 18,000 times in the past. Another service has been launched in a mobile app - over 1.2 million people have achieved self-employed status through the self-employment registration system for 71 activities. [9]

The digitalization of the tax system has turned many difficulties into history. Here is an example: the daily paperwork of invoices, powers of attorney, certificates of completion, consignment notes and dozens of similar transactions between suppliers and buyers is rapidly gaining momentum. Because for those interested in innovation and seeking convenience, this is clearly an unnecessary concern.

A sensible solution to meet their modern needs and desires is, of course, electronic document exchange. Based on this modern need, from January 1, 2020, an electronic invoicing system (EI) was introduced for all businesses. Ultimately, the EI system serves to solve large-scale, time-consuming tasks faster, cheaper, more conveniently, and without intermediaries. If earlier the cost of paperwork, delivery to the address and carrying of the invoice “stole” from 3 to 10 days, now it takes several minutes to form an EI and send it to even the most remote partners. This means an average savings of 6.5 million soums for an enterprise generating 1,000 invoices per month. To date, the total number of users of the EI system has exceeded 652,000 people. They registered more than 60 million EI with a total value of more than 2.101 trillion soums, including value

added tax of 210 trillion soums. [10]

As of now, 23 companies have been granted the status of an operator in the EI document management system, which has increased the number and quality of the services they offer, and expanded the user's ability to use the facilities efficiently..

In the State Program for the implementation of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 in the "Year of Support for Youth and Public Health" (paragraph 50) for 2021, it is determined to ensure the full implementation of electronic invoices by the State Tax Committee and the Ministry financeThe Committee has already made efforts to ensure that this task is undertaken.In particular, this year the system was introduced to exchange electronic contracts (powers of attorney) for the supply of inventory and goods (works, services).

In addition, in 2021, an electronic system of registration of contracts between business entities in the personal account of the taxpayer – the Single Electronic Contracts information system was launched. A unique number is attached to the contract registered through this system. Now, on the basis of this unique number, it is possible to automatically generate primary documents such as electronic invoices, power of attorney, act of work performed, consignment note.

Another prospecting project to reduce the share of hidden turnover in the national economy is the system of online cash registers and (or) virtual cash registers. This system serves to see in real time what products are purchased or sold, to automate the process of detecting errors in VAT and to eliminate unreasonable approaches to VAT accounting. All information on trade transactions is received online by the state tax service. [11]

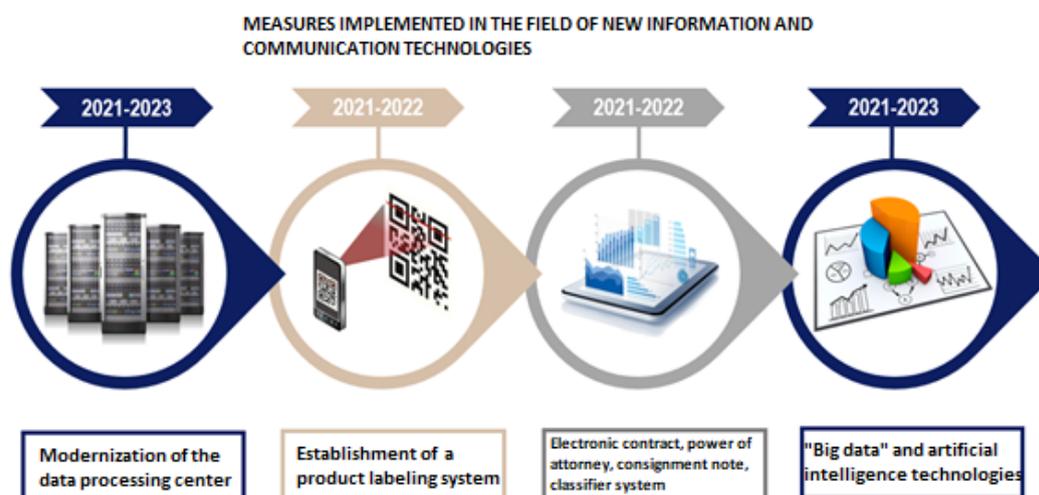
To date, a total of more than 205,000 online cash registers or virtual cash registers have passed state registration. In particular, the database of the State Tax Committee received information that more than 565 million cheques worth over 155 trillion soums were sold.

It would be expedient to improve the information systems of the State Tax Committee in the following areas:

- 1) In order to prevent the sale of goods without income or balance, create in the E-aktiv automated information system the ability to record inventory, analyze inventory, remotely record the movement of inventory, record incoming and used goods at each warehouse, as well as product balances and integrate it with the electronic invoicing system and online checkout.
- 2) Develop risk analysis mechanisms to identify doubtful amounts of money to ensure proper accounting of cashback amounts and prudent use of budgetary funds. In this case, it is allowed to register a large number and amount of checks, cancel it after the check is issued or when cases are identified that do not reflect tax reporting through automated systems, and taking measures to cancel these amounts of money.
- 3) Electronic payment services of payment organizations, commercial banks (including through mobile applications), as well as e-commerce platforms – Marketplaces are integrated into electronic checks of tax authorities during electronic operation checks for distance trading and paid services using information systems and automatic formation of a mandatory display of fiscal marks, as well as the creation of a mechanism for automatically issuing these checks for cashback and reflecting the amount of turnover as a separate line in tax reporting.

The introduction of such modern technologies dramatically reduces the human factor in the work of the tax service. This is an important achievement in the field of preventing corruption, fighting the "shadow economy", and this is our biggest goal. Therefore, the digitalization of tax administration is not only today's demand and choice, on the contrary, this effort will be constantly updated and improved in accordance with the globalization of the world economy and the

development of modern technologies. [12]



As a result of the implementation and effective use of the above-mentioned digital systems, all participants in economic processes - businesses, public authorities, the budget and citizens - will benefit from cost reduction, automation of management processes using modern management methods and information resources, improved consumer price statistics, a larger tax base and higher tax collection rates.

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