

The Role of Improving the Tax System in the Development of Entrepreneurship During the Pandemic



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ABSTRACT: This article describes the tax benefits provided to businesses in Uzbekistan during the pandemic, their content and amount. As a result of the analysis, the author made the following proposals: to ensure the complete transfer of all taxpayers to electronic accounts in order to prevent breaking the value-added tax chain, as well as to take measures for electronic registration and protection of the power of attorney for the import of goods and materials; consideration of the issue of administering VAT accounting in the form of compensation payments included in income in the form of wages, that is, the cost of food or the cost of food.

KEYWORDS: business entity, pandemic, tax, property tax, land tax, social tax, sole proprietor.

INTRODUCTION

Due to the negative impact of the global economic crisis due to the pandemic, Uzbekistan is also experiencing test periods. The impact of the pandemic was felt not only in the health and social spheres, but also in the sectors and industries of the country's economy. In particular, this was clearly reflected in the activities of business entities. The decline in cash flows, turnover, and sales due to the spread of coronavirus infection has led to a lack of timely payment of income, land, and property taxes in addition to debt, credit, and lease payments by businesses in the country. As a result, previously, from April 1 to October 1, 2020, social taxes on individual entrepreneurs were reduced by 50%, deductions from wholesalers of alcoholic beverages were reduced from 5% to 3%, taking into account the crisis in the tourism business from April 1 to July 1, 2020. the calculation and payment of the fee has been suspended, the deadline for payment of property tax and land tax by individuals has been extended until October 15, 2020.

However, at a time when the pandemic continues in the world and in our country and the impact of this situation on the activities and income of entrepreneurs, the President of the Republic of Uzbekistan In accordance with the Decree "On the state program" until December 31, 2021, another 20,000 entrepreneurs were provided with benefits to pay land and property taxes in the field of tourism, transport and catering [2].

Despite the benefits provided to businesses and measures aimed at reducing the impact of the pandemic on their activities, the impact of the pandemic on the activities of businesses has been reflected in value chain tax breaks, increased rates on unused vacant land tax even during the quarantine period.

Based on the above, the purpose of the scientific article is to improve the tax administration of business entities during the pandemic. In this regard, the topic of a scientific article is relevant.

MAIN PART

Strategy of actions on five priority directions of development of the Republic of Uzbekistan for 2017-2021 made it clear that the performance of tasks was especially relevant during the pandemic.

Tax incentives to support businesses during the Coronavirus pandemic in our country are reflected in 4 decrees of the President (PF-5969 of 19.03.2020, PF-5978 of 3.04.2020, PF-5986 of 27.04.2020, No. PF-5996 of 18.05.2020) [1,4,5].

The funds remaining in the economic entities as a result of the benefits provided by quarantine will allow them to maintain the stability of their economic activities, to overcome economic difficulties without losses, and especially to pay their employees on time. Based on the decisions of local authorities and tax authorities, the deadlines for the payment of taxes by business entities amounted to 11.5 billion soums.

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Until April 19, 2021, the deadlines for payment of taxes of business entities were postponed on the basis of decisions of local authorities and tax authorities.

In addition, the consideration of appeals to change the deadline for payment of taxes in the amount of 690.2 billion soums is a guarantee that business is developing during the pandemic.

Also, until January 1, 2021, the tax audit (inspection) of business entities has been suspended.

Small businesses and sole proprietors (SOEs) have the right to pay turnover tax, property tax, land tax, water use tax until October 1, 2020 without interest.

In terms of sectors and industries, in 2020, the largest share of deferred taxes fell on manufacturing, transport and construction. According to Articles 100 and 101 of the Tax Code [7], the industries include agricultural production, fishing and fish products, construction materials, cheese and dairy products, beer and wine, cotton enterprises in the refining industry, fertilizers and nitrogen compounds were given the opportunity to pay taxes late [8].

Due to quarantine, almost all over the world, including Uzbekistan, most people use the Internet due to limited mobility. From this year, in accordance with Article 278 of the Tax Code of the new edition, foreign legal entities engaged in the sale of electronic services, the place of sale of which is the Republic of Uzbekistan, are considered "taxpayers" in the provision of such services to individuals. Today, 9 foreign companies are registered as voluntary taxpayers in Uzbekistan through the VAT office platform of the State Tax Committee. Google Commerce Limited will be one of the first companies to pay 85,000 euros in VAT to the state treasury in the first quarter of this year.

It should be noted that the violation of tax legislation in the production and sale of food, medical equipment and medicines necessary for the population in the business entities allowed to operate during the quarantine period, ie unreasonable increase in prices, incomplete disclosure of income (profit) and There are a lot of cases like hiding. The State Tax Committee, the Department of the Prosecutor's Office and antitrust authorities are reporting on this on official channels.

In addition, despite the introduction of electronic VAT invoices from the beginning of 2020 [9], despite the fact that most operators provide their services free of charge until May 1 this year, in practice, three types of tax evasion are more common:

1) Cases of unreasonable VAT accounting of the buyer by the buyer (cases when the supplier of the goods does not have an invoice for VAT or the seller is not a VAT payer.

2) Cases in which the supplier issues an invoice that does not reflect the income from sales in the monthly VAT report submitted by the supplier. The buyer shall indicate in the VAT report the invoice received from the seller and take into account the VAT on it.

3) "One-day firms" as suppliers of goods carry out non-commodity operations (without work, services) and issue fake invoices. Reducing the amount of tax that the buyer pays to the budget, taking into account the amount of VAT on the fake invoice.

The status of "chain failure" is determined by the software product "Risk Analysis", which automatically compares the invoices of suppliers and buyers. The tax authorities have established a system of sending notifications to the "personal account" of the taxpayer on the portal my.soliq.uz on the shortcomings identified in the VAT report. The VAT payer must recalculate any VAT voluntarily, submit a corrected report, or justify the identified discrepancy (disproportion). Otherwise, the tax authorities may take measures to calculate the amount of VAT paid to the budget on the payer's personal card. The revised report is submitted for the month in which the VAT error was detected.

According to paragraph 13 of Article 373 of the current Tax Code, compensation payments (compensations) included in income in the form of wages include the cost of food or compensation for food value. In practice, enterprises withhold personal income tax (Article 371 SK) and social tax on the value of food services provided to employees from abroad, and these costs are deducted from the income tax deductible. Deducts from the monthly salary of employees, along with the cost of services and the amount of VAT specified in the invoice. In this process, the calculation of taxes, deductions and their reflection in the accounting account was considered in a conditional example.

CONCLUSION AND RECOMMENDATIONS

In addition to the benefits and privileges provided by decrees and decisions, it is detrimental to the improvement of tax administration in their implementation and application. Therefore, in order to address the problematic situations in practice, the following proposals and recommendations should be considered and implemented:

1. Ensuring the full transfer of all taxpayers to electronic invoicing in order to prevent the chain breakdown of value added tax, as well as electronic protection of powers of attorney issued for the import of goods and tangible assets;
2. Further simplification of quarterly and annual tax reporting forms for business entities that pay income tax as part of improving tax administration;

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3. As the allowance for children under two years of age is not subject to income tax exemption and is not included in the total income in Article 370 and not included in the total income in Article 369 of the Tax Code, the amount of this allowance shall be subject to personal income tax. Therefore, the relevant amendments and additions to the current Tax Code should be made immediately.

4. Consideration of the administration of VAT accounting in the case of compensation payments to income in the form of wages, ie food value or food value, in accordance with paragraph 13 of Article 373 of the Tax Code.

5. At the increased rates on unused land plots for land tax levied on legal entities even in the quarantine period, including property and land taxes up to 3 times the established rate up to 3 months, after 3 months - 5 times, after 6 months - 10 times , Inventory in conjunction with the land cadastre service offices and non-calculation of land tax at a high rate during the quarantine period and delays in payment due to the fact that from the 12th month onwards there are cases of support in the amount of 2 times the last increased amount every 12 months.

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