



THE IMPORTANCE AND DEVELOPMENT PROSPECTS OF THE APPLICATION OF DIGITAL TECHNOLOGIES IN THE TAX SYSTEM

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Abstract

This article presents the importance of introducing and developing digital technologies in the tax system in Uzbekistan, existing problems and proposals for their elimination. Advanced foreign experiences in automating tax administration, increasing tax revenues and ensuring transparency in the taxation process in the conditions of a digital economy are also considered. The conclusions and proposals presented in the article can contribute to the innovative development of the tax system of our country.

Keywords: Digital technologies, tax system, automation, tax administration, digital economy, transparency, innovation.

Introduction

In a market economy, the integration of the national economy with digital technologies is of strategic importance for the stability of the state budget and the tax system. The main goal of the activities of economic entities is to make a profit, and for this process to be effective, the state must create the necessary opportunities and conditions. Among these opportunities, the development of business infrastructure, expanding access to financial resources, as well as supporting trade and service provision through digital platforms play an important role.



The large number of tasks assigned to the state means that it has a multi-sectoral management system. Therefore, part of the funds received from the profits of economic entities, including small businesses, family businesses and individuals engaged in individual activities, are mobilized in the form of taxes and fees. These funds serve to replenish not only the state budget, but also extra-budgetary funds. The tax system has a dynamic structure, in which the process of introducing taxes, improving taxation mechanisms, developing new taxes and abolishing old ones, as well as introducing benefits and preferences, is constantly taking place. This process is an important component of state fiscal policy, serving to ensure economic growth, entrepreneurship development and social stability.

In particular, the Decree of the President of the Republic of Uzbekistan No. PF-5953 dated June 5, 2020 "On additional measures for the widespread introduction of modern information and communication technologies in tax administration" established a number of priority areas for the modernization and further improvement of tax administration. They are as follows:

- **Transition to a remote communication system:** remote organization of communication between state tax service bodies and taxpayers, full automation of processes, and an increase in the number of interactive state services.
- **Information systems integration:** establishing electronic cooperation with information systems of government bodies and other organizations, effectively organizing information exchange, and eliminating existing problems.
- **Working with Big Data:** organizing the storage, processing, and effective use of large amounts of data.
- **Widespread implementation of centralized systems:** expansion of systems such as "Online cash registers", "Electronic invoices".
- **Reducing the shadow economy:** Widespread implementation of modern information and communication technologies in the activities of tax authorities in order to increase transparency and create a level playing field for entrepreneurs.
- **Training personnel in the field of taxation:** using modern technologies and distance learning methods, developing advanced knowledge and skills in the field of taxation and developing mechanisms for their effective implementation in practice.



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- **Remote tax control:** conducting control through remote analysis without directly interfering with the activities of taxpayers, which serves to reduce the "human factor" and the risk of corruption.

The main tasks of information and communication technologies in the tax system are: processing data on tax revenues and collection statistics based on special algorithms, transmitting this data to the relevant authorities, analyzing the dynamics of revenues, creating an analytical database for making management decisions, and automating the processes of preparing reports.

Below are several prominent scholars who have studied the topic of digital technologies in taxation policy and their main points:

In general, all researchers emphasize the need to adapt the tax system to the requirements of the times in the context of digital technologies, to develop new approaches and mechanisms. This will not only increase the efficiency of tax collection, but also ensure economic stability and fair competition.

The main goal of the introduction and development of digital technologies in tax authorities is to optimize tax administration processes and increase their efficiency. In this case, various tasks performed by tax authorities, including the same repetitive operations, are automated using modern technology and information systems. These digital systems accelerate the process of processing tax information, simplify the work of inspectors and relieve them of complex, time-consuming calculations. As a result, tax control is carried out more accurately, quickly and efficiently through convenient statistical and analytical calculation tools based on computer technologies.

The results of the analysis show that the automation process in the Uzbek tax system is not yet fully formed, and there are also some shortcomings in supporting innovations and introducing innovations. This creates certain obstacles to achieving the forecast indicators of tax revenues. In order to eliminate these problems and increase the efficiency of the system, the following proposals are put forward:

- 1. Transition to full use of digital technologies** - the formation of a highly automated tax management system that covers all processes.
- 2. Strengthening coordination and communication** — eliminating gaps in cooperation between multiple institutions due to the complexity of the tax system.



3. Facilitating tax payments - developing electronic platforms, automated online payment systems, and interactive services.

4. Increasing transparency - introducing mechanisms to provide taxpayers with open and accurate information on the spending, calculations, and changes of funds.

5. Reducing the digital divide - implementing convenient and modern technologies that allow offline declarations and payments for taxpayers who do not have access to the Internet.

6. Creating a unified information platform - connecting state tax authorities to a single information system that is integrated with other state institutions and banks, allowing for data verification and identification.

Nowadays, digital and information and communication technologies are increasingly becoming an integral part of the economy and the financial system. The effective functioning of the financial system directly depends on the stability of state budget revenues, and taxes play a major role in this process as a key source. Therefore, the widespread involvement and development of digital technologies in the tax system is an important factor not only in optimizing tax administration, but also in ensuring the financial stability of the state.

Although a number of decisions and decrees in this direction have been adopted by the President of Uzbekistan, in practice there are still problems that hinder the effective functioning of the system. In particular, the insufficient level of automation, the underutilization of the potential of digital infrastructure, and the lack of institutional coordination are among them.

These urgent problems can be solved through sustainable innovations and comprehensive integration of the tax system with modern information and communication technologies. In this regard, one of the priorities is not only to modernize the technical base, but also to create a convenient service system for taxpayers, optimize information exchange mechanisms, and increase transparency.

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