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## The Importance of Digitizing the Tax System

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**Annotation:** This article reveals the role of tax in the economy, the need for its digitization in the context of globalization, and the role of the state in this. At the same time, the state of taxation in Uzbekistan and its changes have been studied and analyzed. The activities of economic entities are aimed at making a profit, and the state must provide appropriate conditions for the realization of this goal.

**Key words:** Tax, tax system, digitization, taxation, profit, realization, administration.

The tax system, as an integral part of the economy, is the most important mechanism for achieving the priority goals of the country's socio-economic development.

The concept of improving the tax policy of the Republic of Uzbekistan adopted in 2018 made it possible to create a favorable environment for reducing the tax burden, simplify the taxation system, improve tax administration, develop entrepreneurship and attract foreign investments.

The activities of economic entities are aimed at making a profit, and the state must provide appropriate conditions for the realization of this goal. The state is a multi-functional system, therefore, in order to fulfill them, it is necessary to mobilize a part of the funds received from economic entities, to fill budget and extra-budgetary funds by collecting taxes and fees. At the same time, the process - taxation - is constantly regulated, expressed in the introduction of new tax obligations and cancellation of previously existing ones, addition of benefits or their regulation, etc.

Any changes regarding the increase in the amount of tax benefits are welcomed by the management of the companies. But these accounts - the books must reflect the document flow of the relevant enterprise, the methods used is important, and to confirm each, the company and other local documents must be clear in the accounting policy.

The modernization of traditional production networks against the background of the introduction of information technologies and digitalization of economic processes creates the basis for the formation of new markets, as well as new approaches to analysis, forecasting and management decisions. The organization of tax control over the activities of physical and legal entities depends on socio-economic conditions.

Analysis of literature on the topic. Humanity has reached the threshold of the fourth industrial revolution based on digital technologies. At the end of the 20th century and the beginning of the 21st century, they began to talk about the possibility of stopping globalization, and now they began to apply, write and discuss digitization in all areas of the world.

Indeed, the digital transformation of all industries is underway. At the World Government Summit in Dubai, there was a discussion about the exchange of information between the human brain and its digital version. Originally, the term "digital economy" was first mentioned in Japan at the height of the Japanese crisis of the 1990s.

Further west, Don Tapscott's 1995 book, *The Digital Economy: Opportunities and Threats in the Networked Information Age*. Internet business is definitely changing the way.

In fact, a number of works are being carried out for the development of the digital economy in our country, and important decisions have been made by the government. Among them, naming 2020 as the "Year of Development of Science, Enlightenment and Digital Economy", February 19, 2018 "On Measures for Further Development of Information Technologies and Communications" and July 3, 2018 "Development of Digital Economy in the Republic of Uzbekistan" The presidential decree and decision "on measures" in our republic, the management system serves to create sufficient conditions for the development of the digital economy, modern and innovative information technologies, in this case, special attention should be paid to the issues of ensuring information security, in this regard, the creation of a legal basis for digital creates conditions for economic development.

Research methodology. The expert assessment, deductive and inductive determination approach was the leading method in considering the problem posed in the article.

Analysis and results. The digital economy is not only an information economy, but also a trust economy system that allows the use of IT technologies to ensure voluntary compliance and compliance with tax laws and legislation. The effectiveness of the tax administration consists of the state of the tax system, its integrity, stability, fiscal and economic efficiency.

It depends on the stability of filling the country's budget system with tax payments, the timely implementation of detection and prevention of tax violations, and the provision of favorable conditions for taxpayers to fulfill their constitutional duties. At the current stage, the main task of tax authorities is to almost completely exclude direct interaction with taxpayers and transfer all operations to electronic format.

Recently, the tax service has been effective in expanding the list of documents in electronic form. Since October 2018, a major project based on "big data" has been launched in Uzbekistan, which became the basis for an automated VAT payment control system. Experiments on the introduction of electronic invoices have already been successfully conducted by business entities in Chirchik city, Tashkent region, Navoi and Syrdarya regions.

With the help of the new system, monitoring of VAT payment chains was introduced in almost real time. The system made it possible to identify gaps in the taxpayer-contractor chains, fee-for-service schemes became economically inefficient, and VAT payments began to grow. In addition, with the transition of business entities to online cash registers, the amount of payment, the amount and name of goods (services), VAT and other information prescribed by law began to be transferred directly to the data processing center (data center) of the State Tax Committee, which ensured the transparency of business. , has created an environment of trust between entrepreneurs and tax authorities, because quick access to information and their automated analysis do not require additional checks.

The project to modernize the data center of the tax authorities had high hopes for reducing the "shadow" and "secret" sector of the economy, increasing the transparency of the economy, and creating equal competitive conditions. For taxpayers, it means creation of "smart" portals and individual active services, more convenient working conditions and minimal administrative burden.

Further, as an important measure to increase the role of digital technologies and fight against the secret economy, it is necessary to increase the efficiency of the tax administration, and ensure that the tasks of the data center project are implemented as soon as possible.

Expanding the data center and modernizing the technological processes of the tax administration will reduce the amount of manual operations, information processing time, formalize and automate procedures as much as possible, and significantly improve the quality of taxpayer service. Full automation is one of the main vectors of tax administration improvement.

For the purpose of the automated VAT payment control system, the results of the experiments conducted by business entities on the introduction of electronic invoices should be announced to the public, the existing problems should be summarized, and emergency measures should be taken to solve them. It is necessary to expand the scope and scope of users of the data center information, because after the full implementation of the tax certification system, it is required to fully cover the information about taxpayers.

Data center scalability enables real-time integration of all captured data streams. In order to further improve the quality of services provided to taxpayers as a result of the implementation of planned tasks, tax authorities should ensure a gradual increase in the share of interactive services. Including the calculation of taxes, calculation of indicators on cards of accounts with budgets, formation and sending of documents to the taxpayer, initial selection of taxpayers for verification, etc.

Currently, the main problems in the field of tax administration, including collection of taxes and other mandatory payments, expansion of the tax base and improvement of the legal culture of taxpayers, are as follows:

- 1) effective control and cooperation with the ministries and agencies interested in the activities of tax authorities, as well as the lack of good isolation of the system of using state services;
- 2) analysis of the state of tax legal relations and development trends, development of medium and long-term directions of tax policy, study of current tax problems, as well as implementation of reliable forecasting of tax revenues to the budget;
- 3) the possibilities of the institute for pre-trial settlement of tax disputes, tax appeals and methods are not being used sufficiently;
- 4) work aimed at improving the legal culture of taxpayers, ensuring their voluntary fulfillment of their constitutional duty to pay taxes, especially imperfection in local areas;
- 5) the lack of proper effectiveness of tax control over the activity of markets and trading complexes does not ensure the full mobilization of existing reserves to replenish local budgets, as well as guaranteeing the return of cash;
- 6) to improve the indicators of tax collection and other compulsory payments, to prevent corruption, and also to attract conscientious and highly qualified employees to serve in the tax authorities, it is necessary to improve the mechanisms of financial incentives for the employees of the state tax service bodies.

The improvement of tax administration is based not only on legislation, but also requires changing the culture and ideology of relations between tax authorities and taxpayers - further development of the tax administration system is necessary.

### **Conclusions and suggestions.**

Thus, the introduction of digital technologies into the processes of tax administration allows processing a large amount of data, spending less time on it, and getting the relevant information needed by a particular taxpayer faster. In addition, working on software products provides "transparency" to the business processes implemented in the country's economy.

All these factors affect the overall efficiency of the tax administration. It should be noted that the calculation process software, which is currently being improved, allows obtaining detailed and summary information for calculating taxes and fees. If there are differences between the methods of accounting and tax accounting, it is necessary to form tax registers, the amount of the difference, all types of reports, the structure of which is necessary for their recognition in the preparation of the established rules of the accounting policy of the organization.

In general, the tax accounting system is built according to the budget of each independent company, but it should be built in such a way to reduce the tax burden of the company as much as possible, and to pay the tax obligations correctly and on time.

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