

**WAYS TO IMPROVE THE METHODOLOGY OF TAX
ADMINISTRATION IN UZBEKISTAN
(on the example of advanced foreign countries)**

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Abstract:

The article states that the methodology of tax administration is an important aspect of any tax system, and its continuous improvement is important in ensuring the effective collection, compliance and fairness of taxes. This article examines the main problems encountered in the methodology of tax administration and suggests a strategy for improvement. In order to solve these problems, several strategies for improving the tax administration methodology are proposed. By addressing these challenges and implementing the proposed strategies, tax administrations can improve their efficiency, encourage voluntary compliance, and optimize revenue collection. The improved methodology of tax administration helps to create a fair and efficient tax system that supports economic growth and sustainable development.

Keywords: tax administration methodology, tax administration land, land tax, real estate, local budget, local budget revenues, local authorities, local taxes, resource taxes, tax, budget, tax rate, tax reporting, tax receipts, tax credits.

Introduction:

The tax administration plays an important role in the effective functioning of the country's tax system. It is the backbone that ensures the correct collection, calculation and enforcement of taxes, which significantly contributes to government revenue and economic development. However, tax administration also faces challenges and complexities that require continuous improvement. The methodology of tax administration in the conditions of Uzbekistan has been improved over the years, aimed at increasing efficiency, transparency and compliance with legislation. It examines issues related to the methodology of tax administration in Uzbekistan and creates a basis for exploring potential solutions and strategies for solving them. By identifying these issues and proposing



improvements, Uzbekistan can improve tax collection mechanisms, encourage voluntary compliance, and contribute to a more robust and fair tax system.

The methodology of the tax administration has been developed and improved over time in different countries, and it is difficult to pinpoint the date or country in which it was first created. The practice of tax administration has evolved over the centuries in response to changing economic, political and social conditions. Ancient civilizations such as Egypt and Greece had simple tax systems and administrative procedures for tax collection. However, more complex systems of tax administration emerged in Europe during the Middle Ages, particularly during the Roman Empire and later during the Renaissance. In the modern era, many countries developed tax administration methodologies in parallel with the expansion of industrialization in the 19th and 20th centuries and the need to more efficiently collect revenue to support growing governments and public services. For example, the United States tax administration methodology was significantly influenced by the Revenue Act of 1862, which established the country's first income tax. Over the years, the Internal Revenue Service (IRS) was created to administer and enforce federal tax laws. Similarly, the methodology of the United Kingdom's tax administration has a long history and was created in 2005 by the modern HM Revenue and Customs (HMRC) combining various tax administration functions. The methodology of tax administration has been shaped by historical, social and economic factors and has evolved over time to meet the changing needs of different countries for tax collection and compliance.

The methodology of the tax administration of Uzbekistan includes strategies, processes and procedures used by tax authorities to manage and manage the state tax system. The main components of the tax administration methodology in Uzbekistan include:

It is the process of collecting taxes from taxpayers, establishing payment channels, deadlines, and procedures for remittance of taxes to the government. Determining tax obligations of taxpayers and business entities based on income, profits or other types of taxable activities. Measures taken to ensure compliance with tax laws and regulations, including inspections, fines and legal action against non-compliant taxpayers. Providing assistance and support to taxpayers such as tax information, guidance on tax law and responding to taxpayer inquiries and concerns. Using modern technologies and digital platforms to simplify tax administration processes, improve data management and improve services to taxpayers. More effective assessment of potential risks of tax evasion and non-compliance with targeted



enforcement measures. Encouraging voluntary compliance through various means such as taxpayer education, incentives, and simplified tax reporting procedures. Implementation of tax policy: we can exemplify the alignment of tax administration with the broader tax policies and objectives set by the government. The methodology of the tax administration of Uzbekistan is constantly developing in order to solve problems and improve the efficiency of revenue collection. It aims to strike a balance between encouraging taxpayer compliance, ensuring fairness and minimizing the administrative burden on taxpayers. The government is working on modernizing the tax administration system in order to follow international best practice and increase the efficiency of general tax collection.

In our opinion, tax administration methodology includes various approaches, strategies and methods used by tax authorities to effectively administer tax legislation, collect revenue and ensure compliance. Tax authorities aim to encourage voluntary compliance by providing clear and transparent guidance on tax obligations, simplifying tax forms, and implementing taxpayer education and awareness programs. Tax administrations often use risk-based methodologies to direct resources to high-risk areas or taxpayers. This is the use of data analytics and profiling to detect potential tax evasion or non-compliance.

Embracing modern technologies such as data analytics and digital platforms will help the tax administration improve efficiency, accuracy and service to taxpayers. Providing convenient and efficient services to taxpayers is essential to support compliance. This includes online application and payment systems, electronic communication and responsive customer support. Tax authorities often cooperate with other government authorities, international organizations and foreign tax authorities to fight tax evasion, share best practices and share taxpayer information. A transparent and fair tax administration methodology builds trust between taxpayers and authorities. A clear explanation of tax policy and decision-making processes is essential to increase taxpayer confidence. Effective auditing and enforcement are essential to prevent violations and detect tax evasion. Tax administrations continuously evaluate their processes, policies and results to identify areas for improvement and implement reforms to improve efficiency and effectiveness. These are the main areas that tax administrations around the world take into account when developing their tax administration methodology.

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When studying the improvement of tax administration in European countries, we can see that they have faced several problems and challenges. In particular, European countries often have complex tax systems with multiple tax rates, deductions and exemptions. Simplifying tax laws and regulations can increase compliance and reduce administrative burdens. Solving cross-border taxation issues can be difficult, especially in the EU, due to differences in tax rules between member states. It is important to improve coordination and harmonization of tax policy. Fighting tax evasion and fraud is a constant challenge for tax authorities. Strengthening data analysis and information sharing between countries will help identify non-compliant taxpayers and fight fraud. The rise of the digital economy creates challenges in taxing digital transactions and services appropriately. Addressing the taxation of digital businesses and transactions is critical to a fair and efficient tax system. Some businesses use aggressive tax planning techniques to minimize their tax liability. Implementing measures to prevent abusive tax avoidance schemes is necessary to create a level playing field. Value Added Tax (VAT) fraud remains a significant problem in some European countries. Strengthening control and cooperation



between tax authorities is aimed at effectively combating VAT fraud. High administrative burdens for businesses can deter investment and hinder economic growth. Simplifying tax compliance processes and reducing red tape can improve the business environment. Addressing complex tax treaty rules and transfer pricing issues requires coordinated efforts among countries to avoid double taxation and ensure fair tax allocation for multinational corporations. Digitization and the use of advanced technologies in the tax administration are increasing efficiency and accuracy. However, the introduction and adaptation of new technologies is definitely a challenge for some tax authorities. Effective tax collection and enforcement mechanisms are important to ensure timely payment of taxes and prevent tax arrears. Solving these problems requires the cooperation of tax authorities, politicians, businesses and other stakeholders. To meet the changing needs of taxpayers, the methodology of the tax administration is regularly evaluated and continuously improved.

Based on the above, we offer the following:

Tax authorities should work on simplifying tax procedures and forms, making them convenient and understandable for taxpayers. Investing in the development and implementation of modern tax administration systems, including electronic filing platforms and online services for taxpayers. Transparent and accessible information: providing taxpayers with clear and understandable information on tax rules, procedures and compliance requirements through official websites, publications and help centers. Implement risk-based audit approaches that focus on high-risk taxpayers and transactions, allowing for more efficient use of resources and targeting potential tax evasion. Develop closer partnerships with the business community, professional associations and tax experts to gather feedback and input on tax policy and administration.

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