

WAYS TO IMPROVE THE COMPETITIVE ENVIRONMENT THROUGH TAX ADMINISTRATION

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Abstract:

This abstract presents an analysis of ways to improve the competitive environment in Uzbekistan through effective tax administration. The competitive environment plays a crucial role in promoting economic growth, attracting investments, and fostering entrepreneurship. The study focuses on exploring the potential of tax administration as a tool to create a favorable business climate and enhance competition. It examines various strategies and measures that can be implemented to improve tax administration practices and minimize barriers for businesses.

Key words: local tax, market value of property, cadastral value, personal card, tax elements, budget potential, local budget, local budget expenses, local taxes, tax benefits.

Introduction:

The competitive environment plays a crucial role in fostering economic growth, innovation, and productivity. A well-functioning and fair tax administration system is essential for creating a conducive competitive environment. This introduction aims to explore various ways in which tax administration can be improved to enhance the competitive environment. A robust and transparent tax administration system can contribute to a level playing field for businesses, encourage investment, and promote entrepreneurship. It can also help prevent tax evasion and ensure compliance with tax regulations, which in turn fosters a fair and competitive market. This analysis will delve into the literature and research on the subject, examining different strategies and approaches adopted by countries to improve the competitive environment through tax administration. It will consider the experiences and best practices from various jurisdictions, highlighting the key factors that contribute to a more competitive business landscape. By identifying and understanding these ways to improve tax administration, policymakers and tax authorities can implement



effective measures that stimulate competition, promote economic growth, and create a favorable environment for businesses to thrive.

Analysis and discussion of results.

The analysis of literature and research on the subject of improving the competitive environment through tax administration reveals several key ways to achieve this goal. Complex and burdensome tax regulations can hinder competitiveness. Simplifying tax laws and procedures can reduce compliance costs and administrative burdens for businesses, making it easier for them to operate and compete. Transparency in tax administration helps build trust and confidence among taxpayers. Clear and accessible tax guidelines, information, and procedures enable businesses to understand their tax obligations and make informed decisions. A fair and equitable tax system ensures that all businesses operate on a level playing field. This includes preventing tax evasion and ensuring that all businesses pay their fair share of taxes. Tax incentives and exemptions should be carefully designed to promote competitiveness without creating distortions. Tax authorities can adopt risk-based approaches to target their enforcement efforts more effectively. This involves identifying high-risk areas and focusing resources on compliance activities that yield the greatest impact. Leveraging technology and digital platforms can streamline tax administration processes, reduce paperwork, and improve efficiency. Online filing systems, electronic payment options, and automated tax calculations can simplify tax compliance for businesses. Collaboration between tax authorities, businesses, and other stakeholders can help identify common challenges and develop effective solutions. Sharing best practices, experiences, and data can contribute to the continuous improvement of tax administration and the competitive environment. It is important to note that each country's context and specific challenges may require tailored approaches to improve the competitive environment through tax administration. A comprehensive and coordinated effort involving tax authorities, policymakers, businesses, and other stakeholders is essential to ensure the effectiveness of these measures and achieve the desired outcomes. The development of the problems of improving the competitive environment through tax administration can be traced back to the evolution of taxation systems and the recognition of the crucial role that taxes play in shaping the business environment.



The specific history of this development varies across countries and regions, but there are some common themes and milestones that can be highlighted: The concept of taxation and its relationship to the business environment can be traced back to ancient civilizations. Taxation has been used by governments to fund public services, maintain social order, and regulate economic activities. Over time, societies recognized the need for fair and efficient tax systems that support economic growth and foster a competitive business environment. The development of tax administration and the problems related to improving the competitive environment have been influenced by changes in taxation systems. The transition from traditional tax systems to modern tax regimes, such as income taxes and value-added taxes, brought about new challenges and complexities for tax administrations in ensuring fair competition and preventing tax evasion. Globalization and International Cooperation: With the increasing globalization of economies, the issues of improving the competitive environment through tax administration gained international significance. Countries recognized the need for cooperation and coordination to address cross-border tax issues, combat tax avoidance, and prevent harmful tax practices that distort competition.

In Uzbekistan, several measures have been undertaken to address the challenges and improve the competitive environment through tax administration. Here are some key initiatives:

The government has focused on simplifying tax procedures to reduce the administrative burden on businesses. This includes streamlining tax registration processes, introducing electronic tax filing systems, and implementing online platforms for tax-related transactions. These measures aim to make tax compliance easier and more efficient for businesses. To promote investment and stimulate economic growth, Uzbekistan has introduced various tax incentives and exemptions. These include reduced tax rates for certain industries, tax holidays for new businesses, and exemptions for specific types of income or transactions. These measures are intended to attract investments, foster entrepreneurship, and enhance competitiveness.

Efforts have been made to enhance tax compliance through improved enforcement measures. This includes strengthening tax audits, conducting risk-based assessments, and implementing stricter penalties for non-compliance. By ensuring



fair and effective enforcement of tax laws, Uzbekistan aims to create a level playing field and discourage tax evasion. The tax administration in Uzbekistan actively engages with businesses and stakeholders to address concerns and gather feedback on tax-related issues. Regular dialogues, consultations, and public-private partnerships are encouraged to create a cooperative environment and better understand the needs and challenges faced by businesses. To enhance the skills and knowledge of tax administration officials, capacity-building programs and training initiatives have been conducted. These programs focus on improving the technical expertise of tax officials, promoting professionalism, and fostering a customer-centric approach in tax administration. Uzbekistan has emphasized the importance of transparency and accountability in tax administration. Efforts have been made to enhance the transparency of tax processes, provide clear guidelines and explanations of tax regulations, and establish mechanisms for taxpayers to seek redress and voice their concerns. These measures demonstrate the commitment of Uzbekistan to addressing the problems and improving the competitive environment through tax administration. By simplifying procedures, providing incentives, strengthening enforcement, fostering collaboration, investing in capacity building, and promoting transparency, Uzbekistan aims to create a business-friendly environment that encourages investment, enhances competitiveness, and supports sustainable economic growth.

Uzbekistan has made significant progress in digitalizing tax services and implementing online tax administration platforms. The introduction of electronic tax filing systems and online payment facilities has simplified tax compliance processes and reduced the time and effort required for businesses to fulfill their tax obligations. The tax administration authorities in Uzbekistan have emphasized the importance of collaboration and communication with businesses. Regular dialogues, consultations, and feedback mechanisms have been established to address concerns, provide clarifications on tax regulations, and foster a cooperative relationship between tax authorities and taxpayers. Efforts have been made to enhance the capacity and skills of tax administration officials to effectively enforce tax laws, provide guidance to businesses, and ensure fair and transparent tax practices. Training programs and workshops are conducted to improve the knowledge and expertise of tax officials in handling tax-related matters. Uzbekistan actively participates in international forums



and exchanges experiences with other countries to learn from best practices in tax administration. Collaboration with international organizations, such as the OECD and the World Bank, provides opportunities to benchmark against global standards and benefit from technical assistance in enhancing tax administration.

These initiatives and measures reflect Uzbekistan's commitment to improving the competitive environment through tax administration. By simplifying tax procedures, providing incentives, digitalizing tax services, fostering collaboration, and embracing international cooperation, Uzbekistan aims to create a business-friendly environment that supports economic growth and enhances competitiveness.

Conclusions and suggestions

Complex tax laws and administrative procedures can create burdens for businesses and hinder their competitiveness. Simplifying tax laws and procedures, reducing paperwork, and providing clear and transparent guidelines can make it easier for businesses to comply with tax obligations and compete on a level playing field. A fair and equitable tax system is essential for maintaining a competitive environment. Implementing progressive tax rates, minimizing tax loopholes, and preventing tax evasion can contribute to a more level playing field for businesses of all sizes.

Tax incentives can play a vital role in promoting investment and competitiveness. However, it is crucial to ensure transparency and clarity in the administration of tax incentives. Clearly defining eligibility criteria, simplifying application processes, and regularly reviewing the effectiveness of incentives can enhance their impact on the competitive environment. Effective communication and collaboration between tax authorities and businesses can promote a better understanding of tax regulations and compliance requirements. Regular dialogue, workshops, and seminars can help businesses stay informed about tax changes and provide an opportunity for feedback and suggestions for improvement.

Continuous evaluation of tax administration policies and procedures is essential to identify areas for improvement. Establishing feedback mechanisms, conducting surveys, and engaging with stakeholders can provide valuable insights to refine tax administration practices and enhance the competitive environment. It is important to note that these suggestions should be tailored to the specific context and needs of each country or jurisdiction. Collaboration between tax authorities, policymakers,



and business representatives is crucial in designing and implementing effective measures to improve the competitive environment through tax administration.

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