

IMPROVING THE COMPETITIVE ENVIRONMENT THROUGH TAXES

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Abstract:

This abstract Improving the competitive environment through taxes is a key objective for governments seeking to foster economic growth and attract investment. This abstract provides an overview of various strategies and measures that can be implemented to achieve this goal. Firstly, simplifying tax systems and reducing complexity can enhance the competitiveness of businesses. This can be achieved by streamlining tax procedures, reducing administrative burdens, and ensuring clarity in tax regulations. By making tax compliance easier and more straightforward, businesses can focus on their core operations and become more competitive. Furthermore, providing support and education to taxpayers can improve their compliance with tax obligations. Offering assistance, guidance, and resources to businesses helps them navigate the complexities of tax administration, reduces errors, and fosters a culture of compliance. In addition, leveraging technology and digitalization can enhance competitiveness. Implementing online tax filing systems, electronic payment options, and automated tax processes can streamline tax administration, reduce paperwork, and increase efficiency for businesses. Overall, improving the competitive environment through taxes requires a comprehensive and holistic approach. Governments need to continuously assess and update their tax policies, streamline processes, provide support and education, embrace digitalization, and foster collaboration. By doing so, they can create an enabling environment that promotes competitiveness, drives economic growth, and attracts investment.

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:

Creating a competitive business environment is crucial to economic growth and attracting investment. One of the main factors affecting the competitiveness of business entities is the tax system. Taxes play an important role in shaping the business landscape. They can enhance or hinder competitiveness depending on their design, structure and management. An optimal tax system should be aimed at creating a level playing field, encouraging entrepreneurship, innovation and increasing efficiency. The goal of improving the competitive environment through taxes is to create an environment where businesses can thrive and compete effectively. For this, it is necessary to implement measures that ensure fairness, simplicity, transparency and efficiency in the tax system. Simplifying tax procedures and reducing administrative burdens can significantly increase competitiveness. Businesses often face complex and time-consuming tax compliance processes that can divert their resources and hinder their ability to compete. Simplifying tax procedures and reducing administrative burdens frees up time and resources for businesses to focus on core activities and gain competitive advantage. Transparency and fairness of tax policy are also important. When business entities clearly understand the tax law and perceive the tax system as fair, they can engage in efficient economic activity. Clear guidelines, consistent enforcement and effective measures to combat tax evasion are competitive. and serves to ensure a reliable business environment. Automation of tax processes, online tax payment systems and digital payment options can simplify compliance and reduce administrative burdens. Cooperation between tax authorities, business entities and other stakeholders is important to improve the competitive environment through taxes. Participation in dialogue, seeking opinions and involving business entities in the development and evaluation of tax policy ensures that the tax system meets their needs and increases competitiveness.

Improving the competitive environment through taxes is not without its challenges and potential problems. Some of the key issues that may arise in this process include: Tax laws and regulations can be complex and challenging to understand, especially for small and medium-sized enterprises (SMEs). Excessive complexity can create compliance burdens and increase administrative costs for businesses, which can hinder their competitiveness. High tax rates can discourage businesses and



investment, especially if they are not accompanied by corresponding benefits or quality public services. Excessive tax burdens can undermine the competitive position of businesses and make it difficult for them to compete effectively. Inconsistent or frequently changing tax policies can create uncertainty for businesses. Predictability and stability in tax regulations are crucial for businesses to make informed decisions and plan for the future. Inconsistent tax policies can disrupt business operations and undermine their competitiveness. Tax evasion and the presence of a large informal economy can distort the competitive environment. Businesses operating in the informal sector often do not comply with tax obligations, giving them an unfair advantage over compliant businesses. Addressing tax evasion and promoting a level playing field is essential for a competitive business environment. Cumbersome tax administration processes and excessive paperwork can impose significant burdens on businesses. This can divert their time, resources, and focus away from core activities, reducing their competitiveness. Simplifying tax procedures and reducing administrative burdens can alleviate this problem. Lack of transparency in tax administration and corruption can undermine the competitive environment. When businesses perceive that tax policies are arbitrary or susceptible to corruption, it erodes trust and hinders their willingness to invest and compete. Enhancing transparency and combating corruption are crucial for improving the competitive environment. In a globalized economy, countries often engage in tax competition to attract businesses and investment. This can lead to a race to the bottom, where countries reduce tax rates and offer generous incentives to attract businesses, which can create distortions and erode the tax base. Balancing tax competition with the need for a fair and competitive environment is a challenge. Addressing these problems requires a comprehensive approach that involves simplifying tax regulations, reducing tax burdens, ensuring consistency and stability in tax policies, combating tax evasion, promoting transparency and accountability, and fostering a level playing field. Governments need to strike a balance between revenue generation and creating a business-friendly tax environment that enhances competitiveness.

Improving the competitive environment through taxes requires the implementation of various mechanisms and solutions. Simplifying tax laws and regulations can reduce complexity and make it easier for businesses to understand and comply with



their tax requirements. This can be achieved by streamlining tax laws, eliminating unnecessary substances, and providing clear guidelines and guidelines. Tax incentives can be offered to encourage specific activities that contribute to competitiveness, such as research and development, investment in technology, export promotion and job creation. These benefits can be in the form of tax credits, exemptions, discounts or accelerated depreciation. Ensuring consistency and stability in tax policy is critical to creating a predictable business environment. Governments should not make frequent changes to tax laws and regulations and should provide advance notice of any proposed changes to give businesses time to plan and adapt accordingly. Improving the efficiency of the tax administration can reduce the administrative burden on business entities. This can be achieved by using technologies such as online tax filing systems, tax process automation, and simplification of tax forms and procedures. Strengthening measures to combat tax evasion and the informal economy is critical to creating a level playing field. This may include introducing strict audit and enforcement mechanisms, promoting tax compliance through education and awareness campaigns, and imposing penalties for non-compliance. Increasing transparency in tax administration and decision-making processes will help build trust between business and government. This can be achieved by public disclosure of tax policy, clear guidelines on tax compliance, and measures to prevent corruption and bribery. Coordinating tax policies and cooperating with other countries to resolve international tax issues is important to prevent harmful tax competition and ensure a fair and competitive global business environment. This may include participation in international tax treaties and organizations, adaptation of tax policy to international best practice. It should be noted that specific mechanisms and solutions for improving the competitive environment through taxes may differ depending on the country's economic conditions, tax system and policy priorities. A comprehensive approach that takes into account the specific circumstances of each country is necessary to achieve effective results.

In conclusion, improving the competitive environment through taxes is a multifaceted and complex task that requires careful consideration of various factors. By implementing the right mechanisms and solutions, governments can create a favorable business climate that encourages competitiveness, innovation, and growth.



Simplifying tax regulations, reducing tax rates, providing targeted incentives, ensuring consistency and stability in tax policies, enhancing tax administration efficiency, combating tax evasion, promoting transparency and accountability, and coordinating international tax policies are some of the key strategies that can be employed. However, it is important to recognize that tax policies alone cannot guarantee a competitive environment. They must be complemented by other supportive measures such as infrastructure development, access to finance, skilled workforce, and effective legal and regulatory frameworks. Additionally, ongoing monitoring, evaluation, and adaptation of tax policies are necessary to ensure their effectiveness and relevance in a changing economic landscape. Overall, a comprehensive and well-balanced approach is required to create a competitive environment through taxes. By continuously striving to improve tax systems and align them with the needs of businesses and the broader economy, governments can foster an environment where businesses can thrive, innovation can flourish, and economic growth can be sustained.

Proposal: Create a competitive tax environment for economic growth. Complex and burdensome tax rules can deter businesses and hinder competitiveness. Simplifying tax laws and procedures reduces compliance costs and administrative burdens, making it easier for businesses to operate and compete. High tax rates can discourage investment and hinder competitiveness. Gradual reduction of tax rates, in particular corporate income tax and personal income tax, can encourage business entities and individuals to engage in productive economic activities. Introducing targeted tax incentives to promote specific sectors, research and development, innovation and job creation. These benefits may include tax breaks, rebates and incentives aimed at encouraging investment and growth in strategic sectors. Strengthening tax administration by investing in modern technologies, automation and qualified personnel. This will increase the efficiency and effectiveness of tax collection, reduce administrative costs, and minimize tax evasion. Participate in international tax cooperation to prevent harmful tax practices, base erosion and profit shifting. Active participation in global efforts to align tax policy with international standards and combat tax evasion. Strengthen tax education and awareness programs to improve the understanding of tax rules, rights and obligations of businesses and individuals. It fosters a culture of tax compliance and helps businesses make



informed decisions. Regular monitoring and evaluation: creating mechanisms for monitoring and evaluating the impact of tax policy on the competitive environment. This allows policymakers to assess the effectiveness of measures, identify areas for improvement, and make necessary adjustments.

By implementing these proposals, Uzbekistan can create a competitive tax environment that will attract investment, promote economic growth, and increase its overall competitiveness in the global market. should work closely together to ensure

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