

FOREIGN EXPERIMENTS ON TAXATION OF THE PROFITS OF LEGAL ENTITIES

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Abstract:

In this article, as a result of studying the foreign experience of taxing the profits of legal entities, the issues of improving the legal base in our country were studied and studied in depth the organizational forms, legal organization and importance in the development of the economy. Also, the trend of development of taxation of the profits of legal entities in mamlkatim, the state of which it is today, has been analyzed on the basis of accurate data.

Key words: tax, profit tax, budget policy, budget, tax administration, local budget, tax burden, representative tax rate, tax report on the average rate, market value, tax revenues, tax deductions, tax rate, tax deduction.

Enter

One of the important links of the tasks associated with ensuring the effectiveness of the tax-budget system in the new development strategy in our republic is the fact that serious attention is paid to the issues of the stability of local budgets and the socio-economic development of territories by strengthening their income base.

There are different systems of taxation of income of legal entities in different countries. Some of these include the federal income tax, which is set by the Internal Revenue Service (IRS), to the system of taxation of legal entities in the United States. In addition, there are state taxes and local taxes. In the UK, however, legal entities are required to pay income tax, which is regulated by the Queen's revenue and Customs Directorate. Tax rates may vary depending on the size of the company and the level of profit. The system of taxation of income of legal entities in Germany includes corporate income tax and sales tax. Corporate income tax is set by the federal government and sales tax is levied by local governments. It is defined as a corporate income tax in France. Tax rates may vary depending on the size of the company and the level of profit. The tax system in China includes corporate income



tax. The tax rate may vary depending on the company and the type of industry. Of course, these are just a few examples and there are many other countries that have different systems of taxation of corporate profits.

At the moment, similar principles of taxation of profits have been formed in developed countries. Basically, production costs, various benefits and deductions applied by the organization are excluded in order to obtain the taxable part of the profit from gross income. In Japan, profit tax payers are both legal entities and individual entrepreneurs. Revenue from profit tax is set to be distributed between the National, prefectural and municipal budgets. Profit tax rate 30.86%¹.

This tax is paid by all corporations residing in Japan, including Joint Stock Companies and limited liability companies. The Japanese government plans to reduce the tax to at least 30%, but this tax rate is still one of the highest. The Japanese Prime Minister hopes that corporations will direct these funds to investments.

In the US, companies use a progressive scale of General profit tax rates, but there is an alternative in the form of a minimum payment, thanks to which companies have the right to apply a single rate with some discounts. Tax fluctuations vary from 15 to 35% depending on the company's taxable annual income. Sometimes the rate can change to 38 and 39%. Individual holding companies and businesses that provide personal services use special tax regulations. At the local level, the corporate tax rate varies in each state (from 1 to 12%). The alternative tax can be applied by companies with about 100 or more shareholders, as well as companies with annual income not higher than \$ 7.5 million over the past 3 years. For non-residents of the country, the profit from transport services in the United States is taxed at the rate of 4%. The United Kingdom is recognized as one of the countries with low taxes favorable to corporations. At the moment, the corporate profit tax rate is 19%, but by 2020 it was planned to reduce it to 17%. Tax residents pay the profit tax uniformly regardless of the location of the companies that are registered in this particular country and have established a management center there. In the UK, non-resident companies pay the profit tax according to the same rules as non-resident companies, representative offices of foreign companies². There are five types of legal entities considered in the

¹ Официальный сайт экономических показателей [Электронный ресурс]. – Режим доступа: <http://ru.tradingeconomics.com>

² Официальный сайт экономических показателей [Электронный ресурс]. – Режим доступа: <http://ru.tradingeconomics.com>



UK. A full partnership is not recognized as a legal entity and is therefore subject to the profit tax of each participant in the partnership³.

According to the latest data, the leading countries of the world are striving to reduce corporate tax. Thus, for the further growth of GDP, a new trend of attracting new businesses and investments was formed. Basically, this tax policy is due to the desire of governments to return economic indicators to the pre-crisis period⁴

In accordance with the development strategy of the new Uzbekistan for 2022-2026, the tasks of the president of the Republic of Uzbekistan were set out to continue the policy of reducing the tax burden and simplifying the taxation system, improving tax administration and expanding the appropriate incentives. The unification of taxes and other mandatory payments, which, according to the decrees and decisions adopted by the president of the Republic of Uzbekistan, have the same objects of taxation, was defined as one of the measures carried out to improve the effectiveness of tax administration. In this regard, it should be noted separately the reforms implemented in relation to taxation of the profits of enterprises. In this, attention was paid to reducing the tax burden on profits, reducing additional tax types, simplifying the calculation of profit taxes, and optimizing tax rates.

From foreign experience, worldwide profit tax rates (corporate tax) have been 38.0 percent since 1990, which in turn is 32.1 percent relative to GDP. Since that time, countries have expressed that the impact of high profit tax rates on attracting investments is enormous.⁵ There was a decline in all major regions of the world, including the largest economies. In the United States, the tax cuts and Jobs Act of 2017 brought the country's legal corporate income tax rate closer to the world's highest tax rates than the average. In Asian and European countries, corporate income tax rates are lower than in other regions, and in many developing countries, corporate income tax rates are higher than the global average.

The state's choice of a specific method for eliminating double taxation depends on the concept of "tax neutrality" of the goals of its tax policy. The creation of such tax rules when taxing international business, they do not prevent the development of

³ Медянникова А. А. Сравнительный анализ налогообложения прибыли организаций в России, Великобритании и Японии // Международный студенческий научный вестник. – 2016. № 4. – С. 568–569.

⁴ Гуленко С. ОЭСР: Ведущие страны мира сокращают корпоративный налог [Электронный ресурс]. – Режим доступа: <http://offshoreview.eu/2016/09/23/oesr-vedushhie-strany-mirasokrashhayut-korporativnyy>.

⁵ <https://taxfoundation.org/publications/corporate-tax-rates-around-the-world/#Changes>



economic activities abroad, thereby ensuring the neutrality of commercial decisions from a tax point of view. The above methods of eliminating double taxation ensure import, export and national neutrality, respectively. The problem of eliminating international double taxation is closely related to the problem of tax evasion and tax evasion.

There are measures among states to apply a mechanism to eliminate double taxation in tax evasion, including provisions governing transfer prices in tax law, over-capitalization and restrictions on the possibility of using benefits. The territorial system of taxation and the system of tax lending make it possible to solve the problem of double taxation at the level of legislation of individual countries. International treaties on the Prevention of double taxation help solve the problem of double taxation at the interstate level. In international practice, such treaties, in addition to generally exempting income from foreign sources from taxation, also have restrictions on Taxation.

In conclusion, it can be noted that in order to adapt the taxation of the profits of enterprises in our country to international standards, it is necessary to stratify the profit tax rate, in which small business entities, agricultural enterprises and non-profit organizations should be introduced its relatively lower rate and a higher rate of profitability to higher types of activities,

At the same time, in international templates of profit taxation, the implementation of the regulatory potential of the tax should be aimed not at reducing the tax burden of organizations, but at macroeconomic growth and long-term development of economic entities. To do this, tax regulatory mechanisms such as depreciation policies, investment tax incentives, deductions, etc. must be manifested in high efficiency.

Conclusions and suggestions

In the development of the economy of our country, it is considered important to improve the profit tax administration, and it pays special attention in our scientific research to the issues of improving the existing problems and the mechanism of their elimination, directly considering it as a link in the policy of increasing the Real income of non-profit entities. It was also covered by proposals based on scientific innovations to improve the mechanism for levying profit taxes introduced in the tax administration.



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