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## Prospects for Creating Favorable Conditions for Business by Reducing the Tax Burden

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**Abstract:** *The article describes the mechanism for calculating the tax burden, its importance and impact on the activities of organizations. Distinguish the concepts of tax burden, tax burden, the seriousness of taxation. Other indicators that characterize the organization's taxation will be considered. The role of the tax burden for the business entity has been identified. Different approaches to determining this indicator have been considered, and the advantages and disadvantages of existing methods of calculating the tax burden have been identified. Attention is paid to the interpretation of the value of the tax burden. The structure of taxes and fees was determined in the calculation of the tax burden.*

**Key words:** *tax burden, tax weight, tax burden indicators, tax amount, tax revenue elasticity.*

**Introduction.** In the implementation of comprehensive economic reforms, which are currently being carried out on the path of building a democratic state of our country, first of all, it is important to further improve tax policy, simplify the types of taxes and their mechanism. Especially in the context of modernization of the economy, it is important to gradually reduce the tax burden on taxpayers in our country, as a result of which the tax system will work more efficiently.

Indeed, both the state and taxpayers have a vested interest in reducing the tax burden on businesses, setting an optimal tax burden on them, and maintaining that amount.[3-4-5] Optimal assessment of the level of the tax burden, on the one hand, stimulates the financial and economic activities of enterprises, on the other hand, ensures a steady decline in state budget revenues.

It is well-known that taxes have been the subject of much debate in human history. Because taxes are an important source of revenue for the state budget and ensure the relationship between the state and society. [6-9]

The problem of taxes is one of the most difficult and complex problems in the practice of economic reforms in our country. On the one hand, the tax system is causing a lot of controversy today, on the other hand, taxes are one of the most important pillars of direct market relations, and the positive outcome of economic reforms depends in many ways on them.

**Analysis of the literature on the subject.** Taxes have been around since ancient times, but in those days, taxes served as a sign of someone who was not free and liberated. Adam Smith (Scottish philosopher and economist, 1723-1790), in his book *The Causes and Nature of Wealth of Nations* (1776), first established the principles of taxation, emphasizing the importance of taxes and saying that paying them to the state was a sign of freedom, not slavery. justified. [8-18-24]

N. Turgenev in his book "Experience of Tax Theory" (1818) notes that "the success of education also influenced the improvement of the tax system, depending on the degree of their beneficial impact on the customs of peoples", "Taxes on knowledge" appeared with and became a sign of it On the information disseminated among the people depending on the purpose, distribution and method of collection of taxes; Depending on the amount of taxes collected, it is possible to think about its wealth, which are the two most important features of knowledge and enlightenment. " occurred. Taxes have served as a source of funding for government agencies and the fulfillment of their responsibilities. With the development of the state, its tasks and functions have acquired new features.

However, the role of taxes as a source of funding for the state and its agencies has not changed.

It is worth quoting the definitions of taxes given by various economists. "Taxes," writes Ricardo, "are part of the land and the labor of the country, which are at the disposal of the government, and are ultimately paid out of capital or of the country's income."

It should be noted that D. Ricardo clarified the essence of taxes, which in turn developed the theory of taxes, developed by A. Smith. [7-16]

Another acceptable definition is given by S.Pepelyaev: "Tax is based on the obligation to alienate the property of individuals and legal entities in order to ensure the solvency of public authorities, on the basis of individual impartiality, non-refund, state coercion and it is the only form prescribed by law which does not have the character of punishment or contribution. "[14-21]

For example, according to Professor D. Chernik, "Taxes are compulsory levies levied by the state on businesses and citizens at rates legally set." [24]

**Research Methodology.** Expert assessment, deduction and induction determination were the leading methods in considering the problem presented in the article.

**Analysis and results.** The need to achieve the goals and objectives of liberalization, modernization and reform of the economy should be achieved not through administrative means, but through the implementation of real market mechanisms, and taxes and duties have a special place among the economic incentives used in this process.[10-17] Theoretical study of the issues of the optimal (acceptable) tax burden and the limits of the provision of tax benefits, as well as the provision of practical recommendations on them make it the most pressing and urgent issue of today's agenda.

Determining the optimal amount of tax burden in any country is included in the category of key macroeconomic issues. The term "tax burden" is a relative term because it expresses the amount of tax through certain financial indicators.

Modernization of the economy, as well as technical and technological re-equipment requires enterprises to constantly reduce production and sales costs. [13-20]

There are many descriptions in the scientific literature that the lower the tax burden, the more sustainable the economy. This means that the lower the tax rate, the higher the country's economic development.

Researchers have used various methods to calculate the tax burden on businesses. Tax costs are almost the same as material costs. Therefore, the issue of the size and composition of the tax burden is one of the focus of taxpayers.

Below we look at the following types of scientific calculation of the tax burden.

### 1-timetable. Methods of scientific determination of the tax burden

Authors	Calculation procedure and method used
Jorgensen, Siebert	This author suggests two options for calculating the tax burden: a) The first direction represents the econometric modeling of savings and investments. b) The second approach is defined by the approach to estimating the tax burden, i.e. the study of the impact on economic activity through effective tax rates (ETR).[25]
King, Fullerton	The effect of taxes on investment is based on changes in the value of capital and is measured by marginal effective tax rates (METR). In this case, the rate of return on investments is calculated for the pre-tax and post-tax periods.[26]
L. Popova	The absolute and relative tax burden that can be placed on business entities arises from the impact on their final results.
A.Podderiyogin	The tax burden represents all types of taxes and duties paid by an enterprise[27]
A. Medvedev	Each tax group has the power to influence the tax burden based on its source of payment[12]. In this method, the tax burden is determined by the ratio of the total amount of profit that the enterprise can receive, so this method is used to study the impact of direct taxes on the tax burden on enterprises.
M.Litvin	All taxes paid by the enterprise are calculated taking into account the personal income tax.[23]

Using the above methods, it is possible to assess the overall impact of the tax burden.

Today, the tax burden in the industrialized countries of the world and the Middle East, which is rich in mineral resources, is 20-25%, while in the developing world it is around 35-40%, and the level of 20% achieved in Uzbekistan. The difference between them raises legitimate questions as to whether the current tax burden on them is light or heavy for the economies of these countries, or what percentage of the optimal (acceptable) tax burden should be for the current state of their economies. For example, in order to clarify the views of foreign experts on the weight of the tax burden, who are currently studying the tax relations in our country, let's say that the tax burden is heavy, according to your calculations, we have a tax burden. You cannot get a definite answer to the question of what level the indicator should be.

This is due to the fact that to date there is no universally recognized methodology for determining the optimal tax burden for every country in the world.

We believe that the theoretical study of the optimal (acceptable) tax burden should be carried out from two perspectives.

First, to achieve uniformity of economic categories used in determining the tax burden;

Second, to develop a single science-based methodology for determining the optimal (acceptable) tax burden.

The first aspect of the issue is that the tax burden in the West is determined in relation to gross national income, and in our country in relation to gross domestic product, and in turn, the tax burden in the West is based only on taxes, and in our country on taxes and duties. explained by the fact that it is determined on the basis of payments. Thus, the diversity of the categories used to determine the tax burden makes the tax burden indicators, which have the same meaning in the form, into an incomparable category. The existence of a single approach to determining the tax burden ensures objectivity in the comparative assessment of each country's economy.

Based on the above analysis, it should be noted that in the development of a methodology for determining the optimal tax burden, the GDP per capita, natural population growth, the share of youth in the total population and the share of the active layer and labor force, the share of retirees in the population, the highest employment rate, the naturally necessary unemployment rate and similar criteria should be used as a basis.

The development and implementation of an optimal tax burden for each country, including Uzbekistan, will lay the foundation for sustainable economic development and improved living standards.[15]

Independent implementation of the goal of optimizing taxation (in the system of corporate tax management) requires a tax analysis of the enterprise. This process should begin with an assessment of the tax burden on the economic entity.

There are several methods for determining the tax burden at the enterprise level in the scientific literature. The difference between them is reflected in the number or use of taxes in the calculation of the tax burden, as well as in the determination of integral indicators in relation to the amount of tax.

The main idea of each methodology is to show the tax burden on a particular economic entity in order to use it to compare the level of taxation in different sectors of the economy. Each of them also calculates the impact of changes in the number of taxes, tax rates and benefits on the level of taxation applied to the economic entity.

Here are some tips to help you get started: The method of determining the tax burden on economic entities, developed by the Department of Tax Policy of the Ministry of Finance of the Republic of Uzbekistan, is determined by the ratio of all paid taxes to sales proceeds (including proceeds from the sale of other assets):

$$SYU = \text{Sum} / \text{Tum} * 100\%$$

where, SYU is the tax burden;

Amount - the total amount of tax paid;

Tum is the revenue from total sales.

The tax burden calculated by this method determines the share of taxes paid in sales revenue, but does not describe the impact of taxes on financial position because the composition of sales taxes is not taken into account.

The methodology for determining the tax burden, developed by M.N. Krainin, suggests a comparison with the sources of payment of taxes. In this case, each group of taxes will have its own criteria for assessing the weight of the tax burden, depending on the source of payment.[19-22]

In addition, this method disproves the common notion that the cost includes a large amount of tax that is beneficial to the entity by reducing profits.

The author of the methodology believes that the reduction of profits, on the one hand, limits the free means of the economic entity, on the other hand, the entity is "punished" by the budget due to the reduction of the amount of income tax.

In addition, from a legal point of view, the solution to the problem is complicated for commercial organizations, which are determined to benefit from the capital account. In this case, the ratio of all taxes paid to the profit of the economic entity is assessed as the tax burden.

The following formulas should be used to determine the tax burden under this method:

$$SYu = ((Tum - Xsm - SF) / ((Tum - Xm)) * 100\%$$

where, Tum is the total sales revenue;

Xsm - costs of production of goods (works, services) sold (less indirect taxes);

SF is the actual profit that remains at the disposal of the economic entity after all taxes have been paid.

This formula shows the ratio of taxes paid by the company to profit. The main difference in this approach to assessing the tax burden is that indirect taxes are not considered taxes that affect the profitability of an economic entity.

This method not only shows the impact of direct taxes on the financial condition of the enterprise, but also does not assess the impact of indirect taxes. Given that indirect taxes also affect the benefits of the economic entity, it is not advisable to use this method in the process of determining the tax burden.[11] In other words, indirect taxes lead to an increase in the price of goods, which reduces demand, which in turn reduces the profitability of the enterprise. Businesses can also be real payers of indirect taxes as primary consumers. This has a direct effect on indirect taxes on corporate profits.

**Conclusions and suggestions.** In the context of modernization of the economy, the practical results of tax reforms carried out by the Government are mainly aimed at simplifying and unifying existing taxes, improving the mechanism of accounting of business entities with the state budget, reducing the number of tax returns.

The main directions of the tax policy pursued by the Government of the Republic are important in reducing the tax burden on legal entities and individuals, simplifying the tax system, reducing tax rates, reducing the number of taxable items.

In tax practice, the issue of optimizing the tax burden on businesses is noteworthy in the following.

First, the optimization of the tax burden on enterprises is determined by their timely and unconditional payment, strict compliance with the law. At the same time, the form of accounting and other reports is kept clear and accurate, and the law is strictly followed.

Second, another form of tax burden optimization is that the taxpayer can achieve optimization of tax liabilities by using existing legislative privileges and other preferences in order to pay less tax.

Reduction of the tax burden means that, under other conditions, a part of the funds received from the budget in the form of taxes at the disposal of business entities will be left at the disposal of these entities. In this case, the issue of reimbursement of non-budgetary funds in the interests of the budget as a result of reducing the tax burden is of particular importance.

Currently, economists are proposing a few memos to cover the expected losses from the reduction of the tax burden. The most important of them are:



1. Reduction of the tax burden automatically leads to the revival, development or expansion of production, which ultimately leads to an increase in the object (base) of taxation. This, in turn, can ensure that the budget is "compensated" for the "lost" funds as a result of the reduction of the tax burden.

Whether this option is a sensible option depends on whether we find clear answers to the following questions. Will the reduction of the tax burden really lead to a boom in production? If this happens, how long can it happen? What should we do if it "prolongs"? Who guarantees that "if we reduce the tax burden today, production will grow tomorrow" and who will be able to do it? If we can't do it, then what will happen to us?

2. The budget can compensate for the "lost" funds as a result of reducing the tax burden by borrowing.

Indeed, it is. But when choosing this option, the following questions should be on our table: How much money should be borrowed? Who or who can give us that much money? But it also results in a number of problems.

3. A specific option to compensate for budget losses as a result of reducing the tax burden is, in a sense, to reduce budget expenditures. However, the choice of this option is based on the question: "Is it possible to reduce budget expenditures?" If so, how much should it be reduced? If budget spending is cut, who will be affected in the first place? What will be the consequences if budget expenditures are reduced? Wouldn't it be more costly for us to reduce them?" leads to the question: And that, in turn, leads to a number of social problems.

Although the questions in each option are very simple, not everyone is and will not be able to answer it in a meaningful, reasonable, accurate and reasonable way. Responding to them competently requires, first of all, an unconditional understanding of the specific life principles of taxes and taxation. The answer given without regard to such vital principles remains worth a penny.

Therefore, any "answer" that comes to our lips is not, as we thought, the answer to these questions. From the above considerations, it is clear that the issue of reducing the tax burden is one of the most pressing issues in our economic life today.

At present, as a result of a consistent policy to reduce government intervention in the economy, Uzbekistan annually takes measures to reduce the tax burden. [1-2] First of all, they are aimed at developing production, entrepreneurship, increasing real incomes and consumer demand. At the same time, great attention is paid to the harmonization of taxes and fees. This will help to increase the transparency of taxation mechanisms, simplify the activities of enterprises in the calculation and payment of taxes, as well as effective control over the implementation of tax obligations. At the same time, this is due to the need to bring the tax system in the country in line with international norms and standards.

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