

The Functions and Principles of Taxes Needed in the Economy of the Country

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Abstract. This article provides information about the functions and principles of the tax system. The tax system is regulated by functions and principles.

Key words. tax, system, history, budget, tax policy, function, principle, system, law.

While there are different opinions in the field of taxation in the world economic development, there are also different opinions regarding the tax administration and its interpretation. In the economic literature, there are different views on understanding the essence of tax administration. According to the English scientist O. Nogina, tax administration is a set of activities related to tax collection. Another group of economists, in particular, the American scientist A. Tate, consider tax administration as a set of activities aimed at collecting all taxes as much as possible at a minimum cost.

To understand the principles of taxation, it is necessary to first consider the concept of principles. Thus, principles are called basic and dominant ideas or leading rules that determine the beginning of something. Tax principles can be called the main ideas that exist in the field of taxation. In addition, the system of principles differs in different tax areas. There are three main systems of principles.

Economic principles include the main important rules that explain the appropriateness of taxes and evaluate them as a separate economic phenomenon.

When applied to the current conditions, the following economic principles of an effective taxation system can be described:

According to the principle of sufficiency of taxation, the level of taxation should be such that it can guarantee the achievement of the efficiency of the national economy, which the state is striving for. The taxation system should ensure the collection of financial resources necessary for the implementation of state policy in the economy, social protection, defense capability and other areas.

It should also be noted that tax rates are not an indicator of the tax burden. Because the taxpayer, while paying taxes, while enjoying free services from the government, at the same time reduces some of his expenses. In general, the principle of sufficiency requires that when determining the tax policy, it should be strictly harmonized with the adopted socio-economic policy of the state.

The principle of taxation is to encourage entrepreneurship and investment. The tax system allows economic entities, including foreign entities, to direct funds for the development of production, the purchase of equipment and modern technologies, that is, capital accumulation and, in this way, the improvement of technologies, the production of competitive products. should be encouraged.

The tax system should not hinder the effective distribution of resources and should not limit the factors of independent management of the economy.

The impact of taxes is also evident in the composition of investments. The different tax regimes introduced for different types of assets will be reflected in the investment opportunities and portfolios of investors. Shortcomings and defects in the tax system can lead to a decrease in economic growth, which ultimately affects the change in state budget revenues.

The principle of fairness of taxation. According to the principle of fairness of taxation, taxes should be determined according to general objective rules recognized as reasonable and fair by the society. The principle of fairness is divided into several main groups of taxation principles. It is appropriate to study them in two groups. It is necessary to distinguish between horizontal and vertical justice. The principle of horizontal justice envisages the application of roughly equal conditions of taxation to taxpayers in different conditions of income.

Vertical justice means the application of somewhat softer conditions of taxation for subjects working in somewhat difficult economic conditions, and more severe conditions for subjects with the possibility of easy income. The second principle may be violated within the scope of the incentive function of taxes.

The principle of simplicity and impartiality of taxation. This principle envisages simplicity in determining the tax base, calculating taxes, simplifying the content of submitted reports, as well as setting uniform rates for the most important types of taxes, and reducing the benefits as much as possible. What is meant here is that the benefits given within the incentive function of taxes should not have an individual nature, but should be used to encourage certain types of activities, regardless of the form of ownership of taxpayers and to which office they belong. it is necessary to focus on increasing the production of various types of products.

The principle of ease of administration of taxation. One of the important requirements for an effective tax system is that it is easy to manage. The effectiveness of tax collection depends in many cases on the tax payers' understanding of taxes.

In some countries, an extremely complicated system of taxation applies. For example, the scale and type of rates, the composition of taxes, the rules and procedures for their payment are too many. Moreover, they do not contribute to the increase of tax revenues and do not play a role in the performance of the incentive function of taxes.

It is extremely important to maintain a balance between administrative management and achieving the goal of realizing the principles of taxation. Complicated measures are less effective, and success in their implementation largely depends on the collection and use of information. The level of development of the tax service and tax culture should also be taken into account.

The principle of taxation is to make the process of tax collection as cheap as possible. This principle envisages reducing the costs of tax collection by the state and taxpayers as much as possible. For this purpose, along with improving the taxation procedure in our republic, in order to reduce the costs of taxpayers through the use of computer technologies, methods of direct control of the correctness of tax information, as well as optimization of taxes, service centers maintained at the expense of the state, tax free counseling centers were established by the bodies.

The principle of comparison of tax rates of taxation. Tax rates should be compared with rates of similar taxes in other countries, that is, conditions of economic activity equal to those of other countries should be created, taking into account the specific characteristics of the region. If strict conditions are set, this situation will make it difficult to attract investments to the republic's economy, on the contrary, if easy conditions are created, it will have a negative impact on the country's budget.

In general, taxation is always based on generally defined principles. However, taxes are a category of expenditure. Therefore, their functions, which indicate their socio-economic essence and purpose, are different. Basically, the following functions of taxes are distinguished:

The main function of taxes is that they have a fiscal (Latin *fiscus* - treasury) nature. The essence of the function in this place is that with the help of taxes, financial resources of the state are generated and material conditions are created for the state to operate. In the current situation, material opportunities are created for the functioning of the entire market economy system. Through taxes, a part of the income of enterprises and citizens is allocated to the state apparatus, defense of the country, the part of the industry that does not have its own source of income at all (many cultural institutions, including libraries, archives, etc.) or necessary in order to maintain its underfunded sectors (fundamental library, theaters, museums, many educational institutions, etc.)

Regulatory function of taxes - through taxes, the state tracks production conditions, sales of goods and services, creates a specific tax climate for economic activity. Taxes, through their economic function, affect reproduction, stimulate or reduce its growth rates, accelerate or slow down the accumulation of funds, expand or reduce the demand for the solvency of the population.

The importance of the regulatory function of taxes increases in market conditions, during which methods of administrative dependence of entrepreneurs disappear or remain very little. The very concept of a higher organization, which has the right to manage the activities of enterprises with the help of orders, instructions and orders, is gradually disappearing. However, the need to monitor economic activity and stimulate its development in the direction acceptable to society remains.

The redistributive function of taxes - with the help of taxes, the state redistributes a part of the profits of enterprises and entrepreneurs, the income of the population, in which the received tax is used for the development of sectors supporting production and social networks, i.e. infrastructure, funds that will be reimbursed after a long period of time, and the fund is directed to investment in demand sectors. The redistributive function of taxes is explained by the fact that it is of social importance. A properly structured tax system allows to give a social orientation to the market economy. In the world experience, we can see that progressive rates of taxation have been introduced, citizens in need of social protection have been fully or partially exempted from taxes for a certain period or for life. The same approach is expressed in the Law of the Republic of Uzbekistan "On Income Tax from Citizens". For example, the minimum non-taxable income is not included in determining taxable income, while excess income is taxed at higher progressive rates.

In the market economy, taxation performs important tasks related to the concentration of financial resources, monitoring of economic activity and redistribution of income to socially important goals. It is impossible to form an effective market economy without a well-designed, clearly implemented tax system.

The incentive function is one of the most important functions of the tax system, it has a stimulating effect on the development of production, on the effective use of material resources, financial and labor resources, accumulated property, or encourages to develop production,

strengthen financial situation and revive investment activity by reducing the tax burden. Through the incentive function of taxes, the state ensures the development of the economy, thereby expanding the base for the performance of the fiscal function, and by supporting production, conducting a reasonable state tax policy, without increasing the tax burden, economic entities can operate freely. ensures that it shows.

The control function of taxes consists of a rather complex process of checking the calculations of relevant tax indicators, such as tax base, benefits, provided by the taxpayer, the object of taxation. Tax accounting allows tax authorities to more effectively control how taxpayers fulfill their tax obligations through defined tax accounting forms.

The function of providing information to the process of tax calculation is of great importance, and it is very necessary to provide information about the amount of expenses and the specific tax revenues used to fulfill the socio-economic functions of the state through this function. If this is done, taxes will be paid in full, on time and easily.

A brief review of tax functions allows us to conclude that taxes perform important tasks of restoring financial resources, regulating economic activity, and redistributing income for socially important purposes.

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