



THE MAIN REASONS FOR THE OCCURRENCE OF TAX DEBT

Yuldashev Dilshod Rustamovich

Tashkent State University of Economics Independent

Abstract:

This article aims to improve the mechanism of tax collection, improve service and education for taxpayers, simplify the tax system and procedures, develop effective communication channels between taxpayers and tax authorities, and improve the mechanisms of tax collection. In addition, the theoretical and practical aspects of the formation of trust and perception of justice and the use of effective coercive measures also increase compliance, the trends in the development of relations, and the main reasons for the occurrence of tax arrears on taxes and fees.

Keywords: tax arrears, property, cadastral value, personal card, tax elements, budget capacity, local budget, costs of local budgets, judicial execution, lender, creditor, debtor.

Introduction:

To reduce the current business and small businesses of our state, reduce the impact of the taxes and fees in their activities, i.e. any economic than the form of ownership, i.e. It is no secret that the fact that it is the basis for the EU to ensure its full economic freedom of economic freedom of energy is the most important of these taxation principles. Our years of independence are given great importance to preventing the growth of debt, especially tax debt. The lending and borrowers, legal and regulatory frameworks that regulate relations between the creditor and debtors have been created. Due to the participation of the hearing, the activity of taxes to collection of taxes in budget and extra-budgetary funds is yielding certain positive results.

Discussion of analysis and results

During the years of independence, important measures were taken to establish the legal framework for the formation of a market economy and to establish a market



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infrastructure. Nevertheless, there are still cases when the heads of some business entities do not comply with the laws and regulations adopted by the government and act as they see fit. One of such situations is the failure to pay taxes allocated to the budget and special extra-budgetary funds on time. The head of the Ministry of Labor and Social Development of the Kyrgyz Republic noted that the most important priority areas for deepening economic reforms and the economic and social development of the labor market are: “The 2019 new tax policy cycle increased the tax burden on wages by 1.5 times, as a result of which the number of people employed in the formal sector increased by 500 million compared to the previous year.” As a result of the reforms, 93 new business entities were established last year, or almost 2 times more than in 2018. In addition, according to the new edition of the Tax Code of 2020, if an enterprise returns to its account the amount of tax that it has overpaid or that the tax authority has unjustifiably overpaid, it must return to its account the interest calculated on it at the rate of the central bank's key rate. – deya tikldadi.

Since ensuring an economically healthy environment is of great importance in the development of the republic's economy, it was determined that it is necessary to take appropriate measures and create favorable conditions for their effective operation, taking into account the capabilities of economic entities striving to fulfill their obligations.

The formation of the state budget is mainly the responsibility of the tax service bodies. The following five main functions of the tax are:

- fiscal (treasury) function;
- the function of regulating the economy;
- the function of stimulating;
- the function of controlling;
- the function of providing information.

The financial system, in the process of fulfilling its fiscal (treasury) function, encounters various conditions with economic entities. The most common and frequent case of meetings is the collection of tax debt owed by business entities on budget and extrabudgetary funds. First, you need to understand what tax debt is.



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Tax debt is the amount of accumulated debt on taxes and other mandatory payments, including financial sanctions that have not been paid within the period specified in the Tax Code of the Republic of Uzbekistan. Today's economy is like a living organism. The reason is that if any part of a living organism slows down in its ability to perform its functions, it will have a negative impact on the entire organism. In order to develop the economy, it must be improved in one way or another. State intervention in the economy is a timely process for the financial system to perform its function of regulating the economy. Legal and private entities that are involved in financial transactions must be aware of the risks and be able to pay them on time. Taxpayers' arrears to the budget have a negative impact on other sectors of the economy.

Failure of taxpayers to pay taxes on time primarily affects the reduction of state budget revenues. As a result, the funds necessary to cover the expenses incurred by the state are transferred to other tax-paying entities. Failure of an enterprise, regardless of whether it is large or small, to pay taxes on time increases the tax burden on other enterprises. The main reason for the emergence of tax arrears is the decrease in the solvency of taxpayers. If these causes are eliminated, it will be possible to maintain economic balance.

Reasons related to the taxpayer:

- errors and shortcomings in the management of enterprises;
- failure to work in accordance with the business plan;
- decrease in the profitability of production;
- decrease in market demand for goods produced by enterprises;
- increase in the debt of enterprises;
- decrease in the ability to pay.

Reasons related to the taxpayer:

- unhealthy economy;
- high level of tax burden;
- uneven distribution of the tax burden;
- decrease in incomes of the population;

Increase in the prices of resources that affect production. Let's take a closer look at the reasons for the increase in tax debt. The reasons for the increase in tax debt are:



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- Management errors and shortcomings in the enterprise, no matter how many shortcomings such an enterprise creates, management errors can lead to bankruptcy. The head of the enterprise, first of all, must have complete information about the enterprise under his management. This requires knowledge of what products the enterprise produces, how long it takes and in what quantities to produce them, the quality and competitiveness of the products, the existence of market demand for the manufactured goods, production costs and, of course, the possibilities of making a profit. It is necessary to take into account these and similar emergencies, in order to avoid putting the managed enterprise in an economically unstable state, that is, in a state of bankruptcy, when the costs of production are not covered.
- For example, the E. Saror farm in Surkhandarya region has a total area of 51 hectares and a winter farm, which has accumulated 189.1 million roubles of debt due to lack of winter farming equipment, management errors and other shortcomings. It is based on a business plan.
- in order to determine the future of the company's activities, the company must have its own business plan, which is still a secret. A properly drafted business plan will help a company avoid mismanagement and mismanagement of its business plan. It will also help it to take into account political and economic changes in the world and, accordingly, to change the business plan and continue to operate without any problems.
- a decrease in the profitability of production is due to an increase in the costs of production and related costs for the enterprise. The obsolescence of production technologies and the low production capacity of these technologies compared to new methods lead to a decrease in profitability. If the enterprise is not provided with new equipment, this means that it will lose its place in the market to competing enterprises.
- a decrease in demand for goods manufactured by the enterprise in the market is due to the low quality of the product compared to other products, its high price and low level of profitability.
- An increase in the company's debt leads to a decrease in the volume of production, a decrease in the volume of production leads to a cessation of production. A



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decrease in the company's production capacity below the break-even point leads to the termination of the company's activities due to financial losses. This, in turn, affects other sectors of the economy due to the economic chain reaction. For example, there is no sector where an increase in the unemployment rate does not affect society. The activities of any enterprise produce important results for society. It can be considered natural that accounts receivable differ in enterprises operating in different sectors of the economy. In addition, there is a tendency for the accounts receivable of enterprises to increase from year to year. Of course, this situation is positive on the one hand, that is, one can cite indicators such as the annual increase in the enterprise's wages, the increase in the volume of products, as well as the employment of workers. But the second part of the story is that if the enterprise's wages increase, the quality of products should increase, and the income itself should increase. The increase in revenue is a result of the company's creditworthiness, which is why it is necessary to reduce the amount of creditworthiness that has already been incurred.

As a result of the lack of action on the market, all the disciplined traders who meet the requirements of the market will be forced to compete and either leave the market or pursue the path of market escape. Taxes distort competition in the domestic market by giving subsidies to enterprises and foreign investors. Taxes and subsidies that are too expensive for the affected enterprises reduce the tax base and thus increase the tax burden on other enterprises. The changes and additions also undermine the incentives for the leaders of the companies that have changed, increasing the efficiency of their companies and encouraging them to strengthen their relations with the government. Businesses with special needs need to pay more taxes, which tax collectors respond by seeking to reduce their tax burden through bribery and corruption. In general, when businesses pay more taxes relative to their profitability, the government seeks to support strategically important businesses by meeting their tax needs and providing certain incentives. Although each such tactic is clearly intended to provide a means of manipulating economic benefits, it is still possible that this strategy could lead to the destruction of the economic order. In addition to granting tax exemptions to enterprises, the budget and other state bodies have the right to extend the terms of tax debt. These situations



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are manifested as state assistance to taxpayers in the process of transition to a market economy or state support to prevent enterprises from going bankrupt. However, the frequent repetition of such situations can lead to the indefinite continuation of tax debts.

- A decrease in the population's income leads to a decrease in its consumption of alcohol. After the consumption of alcohol decreases, the demand for the product produced by the enterprise increases. This decrease in demand forces the company to produce other products or reduce the price of its products by reducing its own costs in order to maintain its production.

- as a result of the increase in the cost of resources that affect production, prices in a market economy are determined by the market based on supply and demand. Thus, companies are forced to purchase resources at market prices to produce products. Naturally, all resources have a limit. The increase in the cost of resources, which directly affects the cost of oil, creates difficulties for enterprises to operate. The decline in the ability to pay, ultimately leading to bankruptcy of the enterprise. First, in order to reduce tax debt, it is important to identify the factors that cause such situations and eliminate them. It is also important to remember that shortcomings in this area should be prevented. Enterprises engaged in the underground economy, illegally earning profits, and citizens engaged in illegal business activities without registering in the established order have shown their negative impact on the economy. Social and political protection of taxpayers, creation of favorable conditions for them, and state intervention in the economy always mean caring for taxpayers. However, the continuation of this situation may contradict the requirements of a market economy.

Conclusions and suggestions

Reduce costs for forced collection work for forced collection activities for forced taxation work for tax debt bodies, ie the right to compulsory tax debt by the state tax returns, ie the organization of the organization, agency and especially servicing institutions. In order to transfer all stages in electronic form, their existing ones are further improved.



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