

# INCOME TAX PAID BY ENTERPRISES AND ITS FEATURES

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## Abstract

This article examines the reforms carried out in relation to the income tax paid by enterprises operating in our country and their results. It also describes the calculation of advance payments for income tax, existing problems and ways to solve them. Based on the results of the study, conclusions were formed and scientific proposals and practical recommendations were developed. Of particular importance in improving the tax system is the improvement of the administration of income tax. Because although income tax is the main tax that generates budget revenues, it is also an effective means of ensuring the competitiveness of the country's economy. The income tax has a positive impact on improving the competitiveness of the national economy, based on stimulating foreign direct investment, exports and certain sectors of the economy due to the low tax rate.

**Keywords:** tax, tax concept, profit, income tax, taxpayers, tax rate, advance payment.

## Introduction

Income tax is a direct tax that plays a significant role in the economy of the state, it is applied in one form or another in all developed countries of the world. Through this tax, the state implements not only a fiscal function, but also to a large extent a regulatory one, contributing to the development of those sectors of the economy that are in particular need of state support and which the state itself needs. Therefore, the main task of the state is to create favorable conditions for the implementation of economic activities with the possibility of expansion and development of organizations. In this case, a mutual benefit is achieved – maximizing tax revenues of the budget and creating prerequisites for reducing the tax burden of business entities.

The imperious, gratuitous alienation of an individual's property, directed by society to perform socially useful tasks, is known at every historical stage of the development of statehood.

Modern state regulation of the transition of various forms of violent and indiscriminate seizure of a person's property into the legal field, with a clear definition of the elements and rules of differentiated taxation, requires constant improvement of legislative techniques, taking into account economic necessity, while maintaining a balance of private and public interests. Due to the progressive development of the fiscal institutions of the state, at the present stage of society's development, there has been a qualitative transformation of taxes into taxes, the princely treasury into the state budget, usury into the banking system.



In the strategy "Uzbekistan – 2030", adopted in our country on September 11, 2023, the task was set to ensure that business income tax rates would not increase for three years in order to ensure the stability of the tax system. This allows us to create the most favorable conditions for the free activity of entrepreneurs in our country. To improve the administration of income tax, ensure the implementation of the tasks set out in the strategy "Uzbekistan – 2030", the stability of budget revenues and reduce the tax burden on business entities, the following is proposed:[1]

- reduction of the basic income tax rate for small and medium-sized enterprises;
- introduction of a preferential income tax rate for small and medium-sized enterprises. the income tax rate for agricultural enterprises and taxpayers engaged in social activities;
- 83.2% of income tax receipts correspond to the contribution of enterprises belonging to the category of large taxpayers, therefore, to establish the payment of income tax payments by taxpayers belonging to the category of enterprises under consideration;
- it is advisable to cancel the procedure for making changes to the certificate of the amount of annuity payments, which are calculated by the tax authorities on advance payments.

### **Literature Review**

In the early 90s, organizations followed a different path, hiding their revenue side, thereby reducing the expenditure side in the form of taxes and making a large profit. But today such methods do not work, it is no longer relevant. We need to look for other ways to increase profits that are not related to hiding income. Why is it unprofitable to hide your income? This is not profitable for many companies for a simple reason – an objective balance sheet is important. In order to work in foreign markets, in order to work with investors, that is, so that the balance sheet is investment-attractive, and creditors give money for it. But, without hiding income, you still don't want to pay big taxes, which is quite natural, since paying taxes is not the main purpose of the company's activities, its main goal, nevertheless, is to make a profit.

A number of domestic and foreign scientists have conducted research to improve the procedure for calculating income tax and the system for increasing the investment activity of business entities at the expense of the tax rate. In particular: according to Professor Toshmatov, when the real sector represents a small amount of real profit, determined at the end of the reporting period from the amount of current payments accrued on corporate income tax, especially large ones, the deviation of the working capital of the enterprise or the occurrence of arrears calculation of current payments leads to the fact that in order to avoid confusion with the calculation of this tax, it is necessary to abandon the practice of calculating current income tax payments.

Professor N.Kuzieva revealed the relationship between foreign investments and income tax rates. According to Professors A.Juraev and S.Shirinov, income tax is a national means of stabilizing the investment process in the economy and ensuring capital growth as one of the main pillars.[2]

### **Research Methodology**

During the research, the methods of scientific observation, statistical observation, statistical graphs, comparative analysis, grouping of data, abstract logical thinking, induction and



deduction were used. These research methods are used to formulate conclusions and suggestions for improving the administration of income tax.

### **Discussions and Results**

The conditions of severe political and economic instability, the constant state of turbulence in which enterprises and organizations are forced to operate dictate their priorities in managerial and financial accounting. Optimization is currently the main tool for the survival of many Russian enterprises. One of the effective ways to increase efficiency and save financial resources is tax optimization. Speaking of taxes, it is impossible not to mention what this tax is charged on. It is calculated from the net profit of organizations. In turn, profit is the amount by which revenues exceed the costs of the enterprise. For completeness, these concepts should be disclosed.

Income is the amount received from the results of an organization's activities (provision of goods and services). They are accounted for without value added tax and excise taxes. The expense is the amount that the company spends for further work. The expenses must be fully legitimate and documented. They are divided into expenses related to production and sales and non-operating expenses. Expenses from the production and sale of goods can be expenses on staff salaries, funds for the purchase of materials and raw materials, depreciation expenses, and so on.[3]

Non-operating expenses can be spent on litigation, negative exchange rate differences and similar expenses. In addition, there is also a closed list of expenses, it is also taken into account when calculating the tax. These can be accrued dividends, loan payments, and so on.

It should also be noted that there are two ways to account for income: the cash method and the accrual method. Each legal entity can independently choose which of the options is best to apply. There is only one limitation here: banks cannot use the cash method, in turn, absolutely any organization can choose the accrual method.

An optimally structured systematic approach will significantly reduce the cost of income tax, which will have a positive impact not only on the income of the enterprise, but also give the opportunity to reach a new, higher level of development of the organization.

The optimization of profit taxation makes it possible for an organization to adapt its economic activities to the conditions of the current tax system, in order to reduce the tax burden within the framework of the law, and achieve optimal profit margins.

Corporate income tax is a tax that directly reflects the final results of financial and economic activities of organizations, expressed in profit. Income tax is the main amount in the tax burden of the organization.[4]

Significantly reduce their tax liabilities, while not violating the current legislation, organizations are allowed to properly organize the process of optimizing profit taxation. This is one of the activities of modern organizations, which is an important element of successful work. Without taking any measures to reduce the tax burden, organizations may become bankrupt or seriously reduce their net profit, the size of which is very important for the development of production activities and ensuring financial stability. In this regard, today, in order to achieve a positive effect in the work on optimizing profit taxation, the following tasks are being solved:[5]

- study of the theoretical foundations of tax optimization;
- familiarity with the practice of using optimization methods;
- study of the principles and problems of tax optimization.

**1-table The mechanism for calculating current income tax payments[6]**

The reporting period	Calculation mechanism
I quarter	The amount of the monthly lump sum payable is taken to be equal to the amount of the monthly lump sum payable in the fourth quarter of the previous tax period
II quarter	The amount of the monthly lump sum is the amount of income tax accrued in the first quarter, equal to one third
III quarter	The amount of the monthly lump sum is assumed to be equal to one third of the difference between the amount of income tax accrued in the second quarter and the amount of income tax accrued in the first quarter.
IV quarter	The amount of the monthly lump sum is assumed to be equal to one third of the difference between the amount of income tax accrued in the third quarter and the amount of income tax accrued in the second quarter.

The calculation of the monthly bill payment is carried out by the tax authorities. In this case, the taxpayer has the right to submit to the tax authorities a certificate on the amount of annuity payments, based on the amount of expected profit in the current quarter, no later than the 15th day of the first month of the next quarter. In the event of an unjustified reduction in the amount of expected profit, the tax authorities have the right to amend the certificate of the amount of tax payments provided by taxpayers.[7] Calculated monthly annuity payments are paid no later than the twenty-third day of each month of the reporting period. Taxpayers, including the newly created tax authority, whose total income for the current reporting period exceeded ten billion sums, pay monthly tax fees from the next quarter.

### Conclusion

Thus, based on the above approaches, it should be assumed that the modernization of the current taxation system in the Republic of Uzbekistan can be carried out through the modification of the corporate income tax. In my opinion, the application of such an approach will contribute to the further development of the domestic tax system, reduce the number of types of tax exemptions, optimize tax administration in relation to legal entities, increase transparency and simplify the tax system.

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