

## **IMPROVING THE TAX RATIO UNDER THE CORPORATE FINANCE**

In “On the Strategy for Action on the Further Development of the Republic of Uzbekistan”, in five priority areas, “continuing to reduce the tax burden and simplify the tax system, improve tax administration and expand appropriate incentive measures”<sup>1</sup> is defined. The fulfillment of these tasks requires the improvement of the scientific and methodological foundations of the organization of tax relations in the management of corporate finances.

It is known that the state through taxes not only regulates the economic processes in the country, but also accumulates the necessary financial resources to perform its functions. The basis of state tax management is the introduction of taxes, drawing up parameters of the state budget through tax forecasting, increasing the level of tax collection, improving tax administration. It also ensures the implementation of corporate tax management through the choice of taxation procedures by corporate structures, adaptation to preferences and benefits, assessment of the impact of contracts on tax consequences.

Tax management in the scale of the state and corporate structures acts as similar and at the same time opposite concepts. That is, if tax management by the state streamlines the tax system, and also ensures that taxes are paid to the budget on time and in full, then taxpayers, by way of management of tax obligations, try not to pay taxes as much as possible, and to a lesser extent. In such cases, it is necessary to act in terms of patterns of a market economy. That is: "State tax management pursues state interests; corporate tax management is the interests of a particular organization, a specific community."<sup>2</sup>

From a legal point of view, due to the fact that the existence of taxes is regulated by the state for corporate structures, in many cases the established tax burden leads to a discrepancy in the balance of interests. Because corporate structures as taxpayers manage their tax liabilities within the framework of state tax legislation.

In practice, taxes are an important means of economic streamlining. In such conditions, in corporate structures, financial decisions should not be made without taxes. It is considered expedient that in enterprises on an ongoing basis there should be specialists internal and external, the main functions of which are tracking and analyzing the activities of the enterprise in terms of taxes. If in the financial strategy of the corporate structure taxes are ignored, then someone will have to calculate them in a timely and correct way and take measures to optimize them. Forming taxpayers approach that "it turns out you cannot pay taxes, then you need to pay as little as possible," is carried out by accommodating their tax obligations by non-prohibited legislative methods, which is a requirement of a market economy and serves as a justification for their rights.

We consider that it is necessary to pay attention to corporate tax management as an integral part of corporate finance management such issues as tax liabilities management, tax planning, tax risk management, organization of internal tax control, and development of tax reduction schemes within the law.

One of the main directions of effective organization of tax relations in the management of corporate finance is tax planning. Tax planning incorporates processes, starting with the choice of the legal form and the decision to determine the region of activity to ensure the fulfillment of tax obligations in the prescribed manner. Proceeding from this, we will dwell below on the essence and significance of tax planning, the place and role in the system of corporate finance management.

We think that tax planning is a type of financial planning defined to fulfill tax obligations in the prescribed manner, as well as to reduce taxes and mandatory deductions, using privileges and other legal methods of reducing tax obligations provided by law. In a market economy, the need for tax planning can be emphasized by the idea of T.S.Malikov that "every taxpayer should know how much soums, when and for what he pays taxes."

It must be emphasized that the practice of tax planning will be effective only if it is organized on the basis of the strategic, current and operational planning stages. It should also be emphasized that in corporate structures that continue their operations, in cases involving diversification and expansion, with partial strategic tax planning, attention should be paid to priority planning. Here it is important to pay attention, in general and privately, as the main aspects to the following. In turn, in the implementation of tax planning it is considered important to determine its effectiveness. Because this practice requires certain costs from corporate structures. Therefore, below we present the features that need to be addressed in the current tax planning, and the criteria for evaluating its effectiveness.

In assessing the effectiveness of tax planning, it is advisable, first of all, to draw attention to the positive result achieved by the existing practice. To do this, it is necessary to determine the result by deducting the organizational costs of tax planning and the losses incurred at tax risk from the results achieved by reducing or delaying tax liabilities. The effectiveness of corporate tax planning logically causes a decrease in state budget revenues.

Therefore, it is necessary to emphasize in particular that the state should consider a number of measures to limit tax planning on a corporate scale. B.Toshmuradova underlined this: “In practice, the right to use many states has formed special methods for preventing tax defaults, as well as the possibility of seriously limiting the scope of tax planning.”<sup>4</sup>

While analyzing the practical state of tax planning in corporate structures, we have witnessed two points:

Firstly, corporate structures with state participation seek to fulfill tax obligations in a timely and complete manner; they do not pay serious attention to reducing obligations through tax planning. We became witnesses of this situation when studying the activities of the joint-stock companies “Almalyk Mining and Metallurgical Combine”, “Uzdonmahsulot”, “Uzkimyosanoat”, “Uzbekenergo”, “Uzbekkumir”, “Uzkurilishmateriallari”, “Toshkent don mahsulotlari”, “Dunyo-M”, “Don-xalqirizqi”, “Dustlik Don Makhsulotlari”, “Eyvalemahsustemirbeton”. This is also evident from the financial indicators of JSC Almalyk GMC and their share in macroeconomic indicators.

Secondly, in private corporate structures, and in joint-stock companies with foreign capital participation, we see that tax planning, first of all, is aimed at minimizing tax liabilities and optimizing payments. The joint ventures of “KhorazmShakar”, “Deutsche Kabel AG Tashkent”, a foreign enterprise “Widetentsystem”.

### **Used Literature:**

- 1 . Decree of the President of the Republic of Uzbekistan of February 7, 2017 No. UP-4947 “On the Strategy for Action for the Further Development of the Republic of Uzbekistan”
2. Under. ed. A. G Porshneva. Tax management. - M .: INFRA-M, 2003. - p. 26.
3. Malikov T.S. Jalilov P.T. Budget and tax policy. Monograph. - T .: "Akademnashr", 2011. - B. 195.
4. Toshmurodova B. Tax Control. Educational manual. - T .: "Economics and Finance", 2007. - B. 71.