

THE ROLE OF TAXES IN CORPORATE FINANCE

In the Decree of the President of the Republic of Uzbekistan dated September 21, 2018 No. UP-5544 “**On Approval of the Strategy of Innovative Development of the Republic of Uzbekistan for 2019-2021**” provides the main tasks of the Strategy for achieving the main purpose of the Republic of Uzbekistan entering the 50 leading countries of the world by 2030 Global Innovation Index.

Decisions related to the organization of corporate finance management activities in foreign countries are made taking into account the tax factor and the movement of capital is determined based on the degree of tax burden. Practical state of tax relations in countries, investors analyze on the basis of reports Doing Business, Paying Taxes and the World Bank group).

Currently, there is a worldwide practice of comprehensive support for the activities of corporate structures, with the aim of expanding the activities of these corporate structures, competition through taxes aimed at encouraging the attraction of foreign capital. When tax competition among countries requires attention to dramatically reduce the degree of tax burden through the harmonization of tax rates on the part of each country, the issues of minimizing tax reports, simplifying tax control. As a separate direction, the question arises of the development of corporate structures through the organization of free economic zones, where special tax regimes have been established. Therefore, effective organization of tax relations is important in the management of corporate finance on the basis of the above provisions.

During the years of independence in the Republic, a tax system has been formed, aimed at stimulating the financial and economic activities of corporate structures and business development. Priority attention was paid to simplifying the tax system, improving tax legislation in order to reduce the tax burden. As a result, compared with 49.3% in 1992, the tax burden in 2016 was 20.6%. If enterprises in 1992 paid tax at the rate of 45% rate, then in 2017 practiced 7.5% rate. Today, the actual issues has become expanding of the tax base, increasing the legal culture of taxpayers, increase the degree of tax collection and mandatory payments.

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” 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.

The issues of effective organization of tax relations in corporate finance management are in the focus of attention of such leading world research centers, universities, financial and economic organizations, auditing organizations, rating agencies, financial institutions such as: World bank, International Finance Corporation, Center for Economic and Business Research (Centre for Economics and Business Research), Pricewaterhouse Coopers, The European Fiscal Federation (The Confederation Fi scale Europeenne), Financial Institute under Government of the Russian Federation, St. Petersburg State University of Economics, which emphasizes the relevance of the study.

Worldwide research is also conducted on the following issues: establishing effective financial relations with the state in managing corporate finance, improving corporate taxation practices, developing corporate tax management as a structural part of corporate finance management, taking into account the effect of taxes on corporate financial decisions, reducing the tax burden by planning taxes on a corporate scale, improving management practices tax risks, proper organization of tax relations between the state and corporate structures through the development of tax consultants, optimization of taxes in corporate structures.

On this occasion, the English scientist-economist Richard A. Brailey and others who investigated this question noted that: "Corporate finance is all that is connected about maximizing market value." French scientist Pierre Vernimmen and others suggested that "Corporate finance is not only a textbook, but also a practical guide."⁴ And also Stefan A. Ross and others look at the practice of corporate finance in terms of answers to three questions: “Corporate finance in general, “ How should we attract long-term investments? ”, “ Where are you going to get long-term financing: will you attract additional founders or ? ”, “ How will you manage the cost of suppliers and receipts from customers for daily financial activities? ”.

In the above comments, a narrow approach is traced in terms of the financial relations of corporate structures that continue to operate. In our opinion, corporate finance is the organization of a commercial structure through the voluntary association of property of businesses and individuals and financial relations related to the activities of a commercial organization.

Especially in this area of the financial system that the bulk of revenues is formed, distributed across different sectors of the economy, and these revenues serve as a financial source of economic development and the prosperity of society. Incomes of corporate structures are distributed for self-financing, payment to workers and employees and obligations to the state and in other areas. Therefore it is required to pay constant attention to the effective organization of corporate finance. for the socio-economic development of society. Corporate finance now also serves as the backbone of the international financial system. It is in this situation that the effective organization of corporate finance management in the country, along with increased economic development, promotes integration into the international economic process. Because in relations of foreign trade together with the states actively participate also corporate structures.

The theory and practice of corporate finance management, based on the development of the economy, is constantly evolving. Today, the basic theoretical foundations of corporate finance management are considered the concept of cash flow, the concept of time value of money, the concept of risk and return, the market efficiency hypothesis, the theory of the portfolio and the model for evaluating financial assets, the capital structure and the theory of dividend policy, the theory of agency relations and others. In Uzbekistan, these issues are not given attention and their development is a necessity and a requirement of time.

Used Literature

1. <http://www.doingbusiness.org>; <http://www.pwc.com/payingtaxes>
2. *Presidential Decree of the Republic of Uzbekistan dated February 7, 2017 No. UP-4947 "On the Strategy for Action for the Further Development of the Republic of Uzbekistan"*.
3. *Decree of the President of the Republic of Uzbekistan dated September 21, 2018 No. UP-5544 "On approval of the strategy of innovative development of the Republic of Uzbekistan for 2019-2021"*
4. Richard A. Brealey, Stewart C. Myers, Franklin Allen. *Fundamentals of Corporate Finance*. Seventh Global Edition.– McGraw-Hill Education, 2014. – p.51.
5. Pierre Vernimmen, Pascal Quiry, Maurizio Dallocchio, Yann Le Fur, Antonio Salvi. *Corporate finance: theory and practice*. Fourth edition. – Wiley, 2014. – p.10.
6. Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan. *Fundamentals of Corporate Finance*. – McGraw-Hill/Irwin, 2013. – p. 49.