



THE SIGNIFICANCE AND ROLE OF THE TAX SYSTEM IN THE MODERNIZATION OF THE ECONOMY

Turaev Alijon Akmal o'g'li

Assistant, Department of Investment and Innovation, Samarkand Institute of Economics and Service

Abstract: *This article shows how the tax system affects the development of the country's economy through modernization.*

Key words: *Tax, tax system, economy, modernization, enterprise, privilege, tax policy.*

In order to further develop the development of our country, the Action Strategy Program was developed on the five priority areas of further development of the Republic of Uzbekistan in 2017-2021¹. On this basis, the President's Decree No. PF-5468 of June 29, 2018 "On the Concept of Improving the Tax Policy of the Republic of Uzbekistan" was adopted². The most important aspect of this concept is that it is not an exaggeration to say that, in accordance with it, the Strategy of Actions and the development and adoption of the concept were necessary to fully implement the tasks of reducing the tax burden and improving the tax administration in the country.

the current socio-economic changes shows that the modernization of the economy is the basis of the achieved achievements and successes.

The goal of economic modernization is to update the country's economy, to move the country's economy to the path of innovative development based on the development of priority areas that require the application of scientific achievements, to increase the competitiveness of the country's national economy, and to fully satisfy the growing and changing needs of the population.

Improving tax relations in the economy is one of the most striking manifestations of modernization. First of all, this allows to solve important social problems, such as attracting national and foreign investments, ensuring the well-being of the population. Therefore, optimizing tax relations and ensuring harmony with other economic categories is one of the most important issues.

Issues of tax regulation that serve the processes of economic modernization and technical renewal are equipped with the most advanced technologies and a new industry that provides deep processing of raw materials and the production of competitive finished products, serves to regulate the export-import potential of our country and create new jobs. serves to organize enterprises. However, it is possible to expand the volume of production of products that are competitive in the world market in terms of quality and price and to adopt new types of products only by regulating financial relations.

Modernization is modern in society means "modernization" from the English language.

P. Shtompka shows various forms of modernization:

- firstly, modernization is a set of progressive social changes while society moves forward;

¹ Decree of the President of the Republic of Uzbekistan on the Strategy of Actions for further development of the Republic of Uzbekistan. – T., February 7, 2017

² Mirziyoev Sh.M. No. PF-5468 dated June 29, 2018 " On the Concept of Improving the Tax Policy of the Republic of Uzbekistan " ² decree// People's word June 30, 2018



Innovative Society: Problems, Analysis and Development Prospects (Spain)

- secondly, modernization - refers to bringing backward or lagging societies to reach the leading developed sector or country.
- thirdly, the concept of modernization means movement along the center of modern society³.

Modernization in a broad sense reflects the processes of renewal and development in society. Economic modernization implies the deepening of economic reproduction achieved by increasing the division of labor, increasing the efficiency of production equipment, turning science into a productive force, and developing rational management of production.

Modernization has become a factor in the development of commodity-money relations, the formation and development of national and transnational markets, the formation of economic forms and institutions adapted to ensure the circulation of capital. Foreign investments, which serve to connect the country's economy with the world economic community, play a key role in this.

Modernization represents the transition from a traditional society to one based on industrialized, large-scale mechanized production and rational management of social processes based on laws. In theory, modernization means a set of processes, such as industrialization, secularization, urbanization, general education, establishment of competent political power systems, strengthening of territorial and social mobilization, leading to the formation of a "modern open society" as opposed to a "traditional closed society".

One of the main reasons for the low effectiveness of modernization incentives is that tax and customs incentives are given without any conditions and cannot be withdrawn. The enterprise using the benefits does not accept any obligation to increase the quality of the manufactured products, increase the volume or increase the export volume.

It is necessary to reduce the benefits provided separately by government decisions and instead use benefits in the form of targeted tax credits aimed at the development of certain industries. First, it provides additional funds to the state budget and, in turn, reduces the tax burden on the economy, and secondly, it leads to an increase in healthy competition.

It should be noted that the results of reforms in the tax system in 2018-2020 showed the level of stability of state finances.

In particular, in the following years, we can see that the rates of a number of taxes in our country are being significantly reduced. We can say that this, along with the modernization of the tax system, will lead to a more positive shift in the economy.

In today's global economy, the electronicization of more data sharing is essential to effectively improve the tax system. In this case, the transition to full electronic submission of tax and financial reports is a great help to save businessmen from spending a lot of time in queues, as well as saving their additional expenses, i.e. their funds.

Through these automated programs and methods, it is possible to quickly analyze the data on the funds paid to the state budget. Also, legal entities that are tax payers are registered on the Internet under "Personal have been able to pay taxes and other mandatory payments online through their offices. This prevents extra work and distractions.

In general, the main goal of the tax policy in Uzbekistan is the correctness, transparency, and openness of the payments to the budget, as well as the possibility of processing and sending electronic data. This will contribute to the optimization of tax-budget relations in the modernization and reform of the tax administration, the independent income of taxpayers, the improvement of the efficiency of tax audits, the prevention of unjustified interference and audits in the activities of taxpayers, and the further reduction of costs without the mandatory payment of inappropriate additional tax payments for inactive reporting periods. We believe that it can create many opportunities.

³ Sztompka, P. (2015). Modernization as social becoming: 10 theses on modernization. In global modernization review: New Discoveries and Theories Revisited (pp. 25-31).