

FOREIGN EXPERIENCE IN ORGANIZING OF TAX ADMINISTRATION

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Abstract— This article deals with the organizational structure of tax authorities in foreign countries, the number of employees, salaries and IT costs, electronic filing of tax returns and tax returns. At the same time, the experience of foreign countries in improving tax administration was studied.

Index Terms— tax authorities, organizational structure of tax authorities, tax administration, call-center, taxpayer's personal cabinet, tax return.

1 INTRODUCTION

One of the key elements of any state tax administration system is the structure and hierarchy of tax authorities.

The peculiarities of the organizational structure of tax authorities in different countries depend on several factors, including the existing legal system, the level of economic development and the existing national traditions.

The third priority area of "development and liberalization of the economy" set by the President of the Republic of Uzbekistan Sh.M. improvement of the activity of tax authorities. [1]

The tax authorities oversee not only the taxation, but also the enforcement of laws and regulations on civil status. In addition, it helps taxpayers who want to pay honest and fair taxes, given the frequent fluctuations of the taxation mechanism in the tax system.

Therefore, it is important to study the experience of foreign countries, to further improve our tax system, taking into account its advantages and disadvantages, as well as to improve labor efficiency and knowledge and experience.

2 LITERATURE REVIEW

Issues of assessing the effectiveness of tax authorities in publications published in the CIS countries Aristarchova, M.V. Vasileva, I.V. Deputatova, N.A. Dorofeeva, D.V. Krylov, E.E. Smirnov, A.I. Sorokina, A.V. Suvorov, E.P. Fomin, F.F. Hanafeev, E.D. Shepeleva, A.T. Have been published by scientists such as Scherbinin.

Scientists who have studied research that focuses on the issues of tax administration quality, including the effectiveness of tax control, particularly N.G. Victorova, E.S. Vylkova, L.I. Goncharenko, E.I. Komarova, M.V. Mishustin, H.M., Musaeva, E.V. Nadtochi, L.P. Pavlova, V.G. Panskov, M.R. Pinskaya, M.A. Conducted by Trojan.

Some scientists researched issues of textile development in Uzbekistan as well as N.Q.Yuldoshev [8], Ergashxodjaeva Sh.J. [11], K.S.Kyvyakin [11;12], B.O.Tursunov [8;9;10;11;12;13;14] and many other scientists.

Many economists in our country have been doing re-

search on tax reform. Among them are Sh.Q.Gatulin, L.V. Khvan, K.A. Yaxyev, M.I. Almardanov, A.S. Juraev, Radjabov U.A., B.I.Isroilov, D.M.Mutalova, We can list the scientific works of M. Kamilov, B.R. Sanakulova and others.

2 ANALYSIS AND RESULTS

Historically, the structure of tax authorities is based on the creation of a new department when the new tax is introduced. Later, in some countries, the principle of the category of taxpayers was applied. Currently, Western countries use a matrix principle. It is a combination of the first three principles. The following is the structure of tax authorities in some foreign countries:

Table 1 Organizational structure of tax authorities in foreign countries

Countries	Headquarters	Territorial divisions	Local units	National Data Processing Centers	Call Centers	Others
Australia	1	31	31	2	2	5
France	1	110	1500	9	14	6
Germany	17	12	551	11	-	-
Italy	1	21	108	2	7	-
Japan	1	12	524	-	-	-
Korea	1	6	107	1	1	2
Netherlands	1	14	-	1	1	3
Poland	1	32	400	1	4	-
Turkey	1	30	1063	2	2	45
USA	-	119	134	27	22	-
Brazil	1	10	118	11	-	-
China	1	-	70	72	70	-
India	1	18	500	1	-	-
Russia	1	82	1029	1	1	17
Uzbekistan	1	14	200	1	1	-

Most tax services operate through their regional and local offices. Some tax service centers have established national data processing centers, such as the Centers, to improve efficiency and productivity. It should be noted that almost all of the tax services we are considering have special units for the largest taxpayers, debt collection units and more. For example, in countries such as Korea, Estonia, Iceland, Luxembourg,

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Malta, Switzerland, Cyprus, Hong Kong, there are no major tax payers. In Uzbekistan, for the purpose of implementation of the Decree of the President of the Republic of Uzbekistan "On measures to radically improve the activities of the state tax service" dated June 26, 2018, PQ-3802, the Cabinet of Ministers of the Republic of Uzbekistan Resolution № 320 dated April 17, 2019 "On the measures for further improvement". IQ Inspection Regulation was approved and established.

The number of employees in the tax authorities of different countries also varies (Table 2).

Table 2 The number of employees in the tax authorities of different countries [16]

Countries	Head-quarters	Territorial divisions	Local units	National Data Processing Centers	Call Centers	Others
Australia	2945	17483	108	-	1207	21
Austria	225	215	7250	-	-	-
Belgium	639	870	8617	223	49	91
Canada	9055	134	20659	7228	1646	-
Denmark	738	1915	3048	270	395	505
Finland	325	-	4706	48	150	-
France	1779	10192	52180	2337	527	2635
Germany	1234	4931	100775	2821	-	754
Greece	600	5800		1800	100	1000
Hungary	1722	3673	15712	1226	264	726
Ireland	663	111	4449	-	-	738
Israel	784	4239	-	343	55	-
Italy	1442	3488	26792	336	561	-
Japan	715	10854	43630	-	-	811
Korea	714	3452	15179	113	120	93
Luxembourg	148	-	707	59	-	-
Mexico	7207	-	20946	7	10	7548
Netherlands	5597	15948	-	1138	428	-
New Zealand	974	-	2016	366	433	-
Norway	298	4828		850	351	46
Poland	374	9354	39280	100	165	-
Portugal	1443	3300	5330	-	147	-
Slovakia	582	135	4626	-	-	-
Slovenia	199	2036		32	-	150
Spain	3606	24006		-	-	-
Switzer-	985	-	-	-	-	-

land						
Sweden	1831	7752	-	-	-	-
Turkey	697	39601		600	79	198
Great Britain	1600	-	40676	2777	19392	375
USA	4569	9400	50462	11945	18333	-
Argentina	3052	8343	7496	95	94	3751
Brazil	1407	1728	21543	1162	-	-
China	850	-	722700	25000	2300	-
Hong Kong	2818	-	-	-	-	-
India	-	-	-	-	-	-
Latvia	873	-	1987	-	23	-
Lithuania	1295	2221	-	70	62	66
Malaysia	2483	346	7709	448	94	-
Malta	764	17	-	-	-	-
Russia	713	11914	131018	153	49	2292
South Africa	3311	1887	2905	2207	762	3872

Our analysis of the number of employees in tax authorities of different countries shows that the number of employees in most tax services has decreased. Iceland (26.5), Denmark (15.4), Finland (16.3), and the Netherlands (18.5) are the highest in the tax services in the country. [2]

At the same time, we are interested in the analysis of the structure of expenditures of tax authorities. In world practice, the share of salaries in the total tax expenditures varies. For example, the highest expenditures are in Switzerland (92.6), Argentina (96.9), and Italy (45.9) and Slovakia (44.8). [3]

Such countries are mainly members of the OECD. However, wages in some developed countries are below average. This is due to the high level of application of information technology, which has allowed reducing the number of tax officers. From this point of view, there are countries like Australia, Great Britain, Finland, New Zealand where the share of salary expenses is on average 60-65%. At the same time, the share of information technology spending in these countries is more than 20% of the total tax administration costs. Also, the size of information technology expenditures is observed in such countries as Denmark, Netherlands, Norway, Sweden, USA. The share of information technology expenditures in these countries is on average 15%. This figure is 11% on average in OECD countries and 8% in non-OECD countries. However, Singapore stands out among the non-OECD countries. In this country, information technology spending was about 35% during the period under review[15]

In most developed countries, the tax authorities are tasked with reducing tax debt, improving the quality of taxpayer services, and expanding the range of public services

provided to taxpayers. Most tax services in developed countries have special centers for handling information such as tax returns and various tax calculations. Because this information is mainly exchanged electronically, the process of identifying and tracking tax debt has become much easier. At present, tax arrears vary greatly from one country to another.

Countries such as Greece, Slovakia, Hungary, Portugal, Cyprus are distinguished by the large tax debt. [3] Countries with low tax debt include Denmark, Germany, and Singapore. The share of tax debt in the total value of tax collection in these countries does not exceed 2%. Reduction of tax debt in all countries is one of the priorities of tax (fiscal) authorities.

The tax control of fiscal bodies is one of the priorities of both OECD countries and non-OECD countries. In turn, tax inspections are the main form of tax control in all countries under analysis. In developed countries, 30-40% of tax authorities are employed by tax inspections. [3] This type of activity allows tax authorities to determine whether taxpayers have paid or have not paid taxes in full. The largest share of tax authorities carrying out tax audits is in Austria (69.8), Japan (63.1), Singapore (51.8). An important form of tax inspection is registration and registration, which covers almost all taxpayers. The system of taxpayer registration and registration is an important element of tax administration in most developed countries. An average of 20-50% of tax officers are employed by tax authorities in developed countries.

Currently, the widespread use of information technology is a trend in modern tax administration. The tax authorities of developed countries widely use modern information technologies in their work, which is a positive trend. In this regard, the quality of services provided to taxpayers has improved, and the quality of services provided to taxpayers has improved. Many countries use different methods of taxation. These include paying taxes on the Internet, by mail, and other methods.

Non-electronic, partially electronic methods of tax payment are used worldwide. In European countries full-scale e-services for taxpayers are developing rapidly. It is worth mentioning that countries such as the Netherlands and Estonia use more than 90% of this method. Among the countries we analyze, there is a large share of businesses paying taxes through telecommunications channels. All this shows that the use of modern information technologies has a positive effect on the quality of taxpayer services. There are opportunities to increase the use of the full payment method of taxes through electronic payment systems.

Currently, in most developed countries, tax returns are filed electronically, and online services are used to notify taxpayers. Electronic filing of income tax from individuals is most common in Australia, Denmark, Italy, Argentina and other countries. The use of electronic filing of income tax returns for individuals is not widespread in the Czech Republic, Luxembourg, Slovakia, Malta, and its share is about 1%. Electronic filing of income tax returns for individuals is 100% in Italy, Argentina, Brazil.

Electronic filing of tax returns for individuals started in Uzbekistan seven years ago. Electronic filing of tax returns has

become more widespread in Uzbekistan in recent years. For example, in 2017, the number of tax returns on income tax of individuals was 525069 (94.4%), while the share of tax reporting electronically is 100%.

The share of electronic filing of corporate tax returns in OECD countries in 2011 was 68% on average, which is higher than in non-OESR countries.

Thus, it is worth noting that electronic reporting for corporate income tax and other taxes has been developed in Uzbekistan. This is due to the fact that the activities of tax authorities have improved the quality of public services provided to taxpayers. At the same time, it is necessary to highlight the problem of increasing the volume of tax reporting electronically from taxpayers and increasing the share of taxpayers who have access to the database of tax authorities without having to go there. Currently, the taxpayer can electronically request information on the status of tax payments, statements on transactions with the budget and other documents.

Today, the effectiveness of tax authorities cannot be improved without the use of modern digital technologies. The global trend is evolving towards electronic filing of tax returns and the use of electronic methods of tax payment. Worldwide, online services are becoming more and more popular, enabling taxpayers to provide information services faster and more efficiently. For example, in the UK, the official website of the Internal Revenue and Tax Service has a special online services section that allows taxpayers to file declarations electronically, learn how to fill out declarations, tax rates and other tax conditions. In many countries, there is also the news of a "personal cabinet for a taxpayer."

According to the Law of the Republic of Uzbekistan from June 13, 2017 "About modification and additions in some acts of the Republic of Uzbekistan, and recognition of some legal acts invalid", Article 22 of the Tax code of the Republic of Uzbekistan is changed. "22-1. Taxpayer Personal Cabinet ". [4] It provides the ability to pay taxes, fill out tax returns, learn about tax arrears, and more.

The website of the tax service of the Republic of Uzbekistan can also find Internet services, which are constantly improving. In all the countries we study, there is an increase in the cost of IT services in tax services. Recently, the quality of public services to taxpayers has become one of the main goals of the development of strategic public administration systems in foreign countries. In almost all OECD countries, the goals and objectives of tax authorities are planned, and the quantitative and qualitative indicators for achieving these goals are identified. The main purpose of the tax authorities of foreign countries is not only replenishing the treasury with taxes, but also reducing the cost of tax administration, reducing the tax debt, reducing the amount of administrative work, and improving the quality of public services. In almost all countries, a Strategic Plan for the Development of Tax Authorities for the Medium-Term Period and a report on the results will be formed and published. The information on the goals and objectives faced by the tax authorities, as well as the performance indicators of tax authorities and the criteria for their evaluation are provided in this way. The openness of such plans and

reports gives an idea of the effectiveness of the tax authorities.

As a matter of fact, in foreign practice, the effectiveness of the tax authorities' activity is assessed by the number of tax audits and the number of tax returns filed by taxpayers and other such indicators. Quantitative indicators are formed on the basis of statistical tax reporting of tax authorities. With the development of communications and information technology, the quality indicators used to assess the performance of tax authorities have also begun to be used. These qualitative indicators include the quality of public services provided by taxpayers, the level of satisfaction of taxpayers with the activities of tax authorities, their compliance with the needs of taxpayers, and more. An effective system of strategic planning and management of tax authorities has been introduced in developed countries. Results-based management has allowed the tax authorities to set key performance indicators that allow them to measure results and costs for achieving them. The key indicators for achieving a particular goal are related to the resources and results obtained. The system of financial incentives for tax officials also depends on these key indicators.

4 Conclusions

Thus, there is no uniform approach to tax administration in foreign countries. The structure and hierarchy of tax authorities is largely dependent on historical development, national traditions, and the priorities of the country's tax administration.

The main efforts of tax authorities of different countries are to address the issues of quality tax administration, including the use of a risk-based approach to control measures, the use of modern information technologies in the activities of tax authorities, and the improvement of the quality of public services. At present, the concept of a risk-based approach to conducting oversight activities has been positively represented in the National Security Service of Uzbekistan. The use of a risk-based approach to oversight measures can increase tax revenues in budgets. As a result of the study of foreign experience we have come to the conclusion that tax authorities of different countries use information technologies in their activities. The activity of tax authorities in Uzbekistan is also related to the use of modern information technologies and provision of electronic services to taxpayers.

It is worth noting that information technology is an important factor in modern development. The development of tax authorities is impossible without modern information technologies. In our view, the continuation of research in this area will allow us to fulfill the new challenges facing the tax authorities.

Recently, improving the quality of public services has become an important area of activities of tax authorities in different countries. This tendency is also characteristic of Uzbekistan.

Increasing the services provided to taxpayers, as well as improving the capacity and quality of informing taxpayers plays an important role in the work of tax authorities. This is primarily due to the problem of developing taxpayers' elec-

tronic filing of tax reports via telecommunications channels and increasing the share of taxpayers who have access to information about their budgeting status from the tax authorities' database. All of this reflects the attractiveness of electronic filing of taxpayers, the use of electronic services for taxpayers, and the effectiveness of measures taken by the ICSSO to create a tax-friendly environment for taxpayers. The work in this direction is still being carried out today.

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