

## The Use and Possibilities of Modern Technologies in Strengthening the Control System of Indirect Taxes

**Ergashev Ilkhomjon Obodovich**

Tashkent State University of Economics of Deputy dean candidate of Economic Sciences

**Abstract:** Information is provided on the use and possibilities of modern technologies in strengthening the control system of indirect taxes.

**Keywords:** Tax audit automation, tax code, tax system, Blockchain technology, digital identification and biometric systems, digitalization, economic stability, state revenues, NKM.



This is an open-access article under the [CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/) license

### INTRODUCTION

The use of modern technologies in strengthening the tax control system creates great opportunities for making the tax collection process more efficient and fair. The introduction of modern technologies can ensure that taxpayers fulfill their tax obligations in full and on time, make the tax collection process more transparent, and increase the efficiency of the tax system.

The Decree of the President of the Republic of Uzbekistan No. PF-5468 dated June 29, 2018 "On the Concept of Improving the Tax Policy of the Republic of Uzbekistan" also sets out a number of priority tasks for the use of information and communication technologies in the tax system.

In an interview with the editor-in-chief of the "Yangi Uzbekiston" newspaper, the President, speaking about supporting entrepreneurship, noted: "The times when business people were remembered only during tax payments and inspections are over. In this regard, we have done a lot to optimize tax legislation, but we still have big tasks ahead of us, and we will definitely implement them."

Modern technologies used to strengthen the tax control system.

Electronic tax systems. Electronic tax systems allow taxpayers to easily and quickly fulfill their tax obligations. Automated tax audit systems allow for accurate analysis of taxpayers' reports and financial status.

Modern technologies and their capabilities used to strengthen the tax control system. Taxpayers can fill out tax returns electronically and send them directly to tax authorities. Taxpayers can pay taxes electronically, using bank cards or other digital payment systems. It allows taxpayers to obtain tax documents, certificates, and confirmation information online.

Tax audit automation. It allows for automatic analysis of taxpayers' tax returns, identifying inaccuracies or errors, and investigating the presence of other undesirable situations in tax payment. When conducting a tax audit, automated systems help to compare taxpayers with other taxpayers and estimate their estimated income and expenses.

Blockchain technology. The unique feature of blockchain is that each transaction cannot be changed. This increases the accuracy and transparency of tax payments. Through blockchain, all tax payments and their historical data are stored in a secure and immutable format, which prevents fraud and incorrect information in the tax system.

Artificial intelligence and data analytics technologies are being used to strengthen tax control. Artificial intelligence systems analyze taxpayer data to assess their ability to pay taxes and predict risks. Artificial intelligence is used to identify suspicious or unusual activities of taxpayers, for example, to detect false declarations or illegal types of taxes. Using data analytics, tax audits can be automated and help identify incorrect or suspicious tax payments.

Digital identification and biometric technologies help in identifying taxpayers and ensuring their proper fulfillment of tax obligations. Verification and identification of taxpayers using biometric systems ensures accuracy and transparency of tax payments. Through this technology, all tax information of taxpayers is linked to a single digital identifier, which allows for centralized tracking of all tax information related to them.

## **LITERATURE REVIEW AND METHODOLOGY**

John W.Young, Emily G.Roberts. "Digital Taxation: Modern Approaches and Challenges" examines the use of artificial intelligence and blockchain technologies in modern digital tax systems, including electronic tax returns, digital payment systems, and taxpayer monitoring. The book also provides recommendations on new approaches to tax collection in the digital economy and how technology can help strengthen tax control.

Daniel D. Sweeney, Laura C. Jackson. "Tax Administration and Technology: Innovation, Efficiency, and Compliance" focuses on the effective integration of tax administration and technology. The book provides detailed information on how the tax control system can be improved through automated systems, artificial intelligence, and data analysis. It also provides scientific analysis of the use of innovative technologies in tax collection processes and their effectiveness.

Anna T.Gallagher, Mark C. Johnson. "Blockchain Technology in Taxation: Enhancing Transparency and Reducing Fraud" analyzes the role of blockchain technology in tax control systems. In particular, it discusses how blockchain technology can be used to increase the transparency of tax payments and tax transactions, prevent fraud, and ensure the security of tax data.

Sh.M.Toshpulatov. The manual "Digitalization and Modernization of the Tax System" discusses the digital transformation of the tax system, including electronic tax systems, digital payments, and the automation of tax control. The book examines how technology can simplify the tax collection process and help taxpayers fulfill their obligations accurately and fully.

A.R.Tursunov. "Tax Administration and Digital Technologies" is devoted to the basic principles of tax administration and the use of modern technologies. The book discusses the effectiveness of electronic tax declarations, electronic identification of taxpayers, and tax payment systems in digital format. The book also provides practical advice on how to use digital technologies to quickly and easily fulfill taxpayer obligations.

R.Sh.Rakhmonov. The manual "Tax Audit Automation and Artificial Intelligence" discusses automated tax audit systems, how to optimize the processes of analyzing taxpayers and auditing

using artificial intelligence. It also discusses the possibilities of using technologies to increase the efficiency of tax audits.

Z.A.Mirkasimov. In his article "Digital Identification of Taxpayers", the role of technologies in the implementation of digital identification of taxpayers is analyzed. The possibilities of accurate and secure registration of taxpayers using biometric identification and digital identifiers are considered.

F.S.Yunusov. In his article "Electronic Tax System and Its Efficiency", the advantages of the implementation of the electronic tax system and its efficiency in the tax collection process are analyzed. It is discussed how electronic tax systems ensure timely and full fulfillment of taxpayer obligations.

A number of modern technologies can be used to strengthen the tax control system.

Data analysis. Monitoring taxpayer activities and identifying suspicious transactions using big data analysis. Assessing taxpayers and detecting fraud using algorithms.

Online monitoring. Real-time monitoring of transactions carried out by entrepreneurs. Opportunities for taxpayers to submit and monitor their reports through mobile applications.

Electronic document management. The ability to submit and store tax documents in electronic form, as well as their prompt verification. Ensuring the authenticity of documents and preventing their alteration.

Artificial intelligence. Analysis and forecasting of taxpayer behavior using artificial intelligence. Using data to identify and prevent dangerous situations.

Monitoring the activities of entrepreneurs by location.

Using IoT devices to strengthen control over products and services.

Open data platforms. Information provided by the state: Creating an open database for citizens and entrepreneurs, thereby ensuring transparency among taxpayers.

These technologies help make tax control more efficient and reliable, and also ensure fairness and equality among taxpayers.

## **RESULTS AND DISCUSSION**

Today, mobile applications and digital platforms allow taxpayers to easily and quickly fulfill their obligations. Taxpayers can make tax payments and submit reports using their mobile phones. Providing online assistance and advice to taxpayers through mobile applications, as well as quickly obtaining information on tax payments, creates opportunities.

John W. Young, Emily G. Roberts in their scientific works present practical methods and technological solutions for optimizing tax systems through digital economy and technologies.

Daniel D. Sweeney, Laura C. Jackson in their scientific works emphasize the existence of new approaches to how to increase the efficiency of working with taxpayers through the integration of artificial intelligence and automation technologies in tax systems.

Anna T. Gallagher, Mark C. Johnson in their scientific works and applications propose new approaches to ensuring security and transparency in tax systems using Blockchain technology, including methods for detecting and preventing fraud.

Sh.M.Toshpulatov scientific works and literature present practical approaches and experiences in modernizing the tax system using digital technologies. The book contains new recommendations related to the integration of technologies in facilitating tax control and taxpayer interaction.

A.R.Tursunov scientific works are aimed at assessing the effectiveness of introducing artificial intelligence and digital technologies in tax systems. Also, new approaches related to the modernization and digital transformation of tax administration are presented.

R.Sh.Rakhmonov scientific works present new approaches to automating tax audits and automatically controlling taxes using artificial intelligence. This process allows for quick and accurate analysis of tax data.

Z.A.Mirkasimov scientific works present new scientific recommendations on increasing transparency and preventing fraud in the tax system through digital identification

F.S. Yunusov in his scientific works Assessment of the effectiveness of electronic tax systems and analysis of their importance in working with taxpayers.

Currently, the digitization of the sector in our state system in a short time, including the gradual modernization of the data processing center, in turn, has given taxpayers the opportunity to register, choose a tax regime, monitor their relations with the budget online, form and submit reports, and fulfill tax obligations electronically from anywhere in the world through their personal account. To date, about 50 such remote services have been launched on the electronic state services portal of tax authorities - my.soliq.uz. At the same time, new tools have been introduced - electronic invoices, electronic contracts, online cash registers, digital marking, a single electronic national catalog of products. Any tax control measures are carried out on the basis of segmentation covering 76 criteria, with advance warning and without the human factor, through the "Threat-Analysis" program. In the ongoing process of digitization, including in accordance with the Decree of the President of the Republic of Uzbekistan "On measures to introduce modern information technologies into the settlement system in the sphere of trade and services and to strengthen public control in this area" dated September 6, 2019, starting from January 1, 2019, business entities are gradually switching to the use of online and virtual cash registers. Today, 149.3 thousand business entities have been provided with more than 182.8 thousand online and virtual cash registers. In order to reduce the costs of business entities when purchasing these devices, in the first stage (until January 1, 2021), a benefit was provided in the form of reducing the accrued and payable profit or single tax payment or fixed tax amount by the amount of relevant expenses for installing an online cash register. As a result, businesses covered their costs through taxes owed to the budget in the amount of 22.7 billion soums.

## **Conclusion**

Modern technologies, including electronic tax systems, artificial intelligence, blockchain, biometric identification and mobile applications, play an important role in making the tax control system more efficient and transparent. These technologies help to motivate taxpayers to fulfill their tax obligations correctly, detect fraud and optimize the work of the tax system. At the same time, they make it possible to ensure the security of tax information, increase the transparency of the system and improve state revenues.

In Uzbekistan, modern technologies, including electronic tax systems, artificial intelligence, blockchain, mobile applications and biometric technologies, are playing a major role in strengthening tax control and increasing the efficiency of taxpayers in timely fulfillment of their obligations. These technologies increase the transparency of the tax system, help prevent fraud, optimize the tax collection process and develop the overall economy.

## **REFERENCES USED:**

1. John W. Young, Emily G. Roberts. "Digital Taxation: Modern Approaches and Challenges". Springer.2020.

2. Daniel D. Sweeney, Laura C. Jackson. "Tax Administration and Technology: Innovation, Efficiency, and Compliance". Routledge.2021.
3. Anna T. Gallagher, Mark C. Johnson. "Blockchain Technology in Taxation: Enhancing Transparency and Reducing Fraud". Elsevier.2022.
4. Tareq M. Al-Dhaheri, Iman A. Al-Obaidi. "Artificial Intelligence in Tax Administration". Wiley.2021.
5. Rainer Böhme, Sophie Stoss. "Digital Transformation of Tax Systems". Cambridge University Press.2023.
6. Michael J. Evans, Fiona L. Green. "Taxation and Technology: Challenges and Opportunities". Oxford University Press. 2019.
7. Formby, Jon P., Terri G. Seaks va U. Jeyms Smit. "Soliq progressivligining ikkita yangi ko'rsatkichini taqqoslash." The Economic Journal 91, №. 364 (1981): 1015-1019.
8. Ueska, Luis va Abdelkrim Araar. "Soliqlar va o'tkazmalarining progressivligi: Meksika ishi 2012 yil." (2014).
9. Sh. M. Toshpulatov. "Soliq tizimini raqamlashtirish va modernizatsiya qilish". "Tafakkur". O'zbekiston, Toshkent.2021.
10. A.R.Tursunov. "Soliq ma'muriyati va raqamli texnologiyalar". "O'zbekiston Respublikasi Iqtisodiyot vazirligi". O'zbekiston, Toshkent.2020.
11. R. Sh. Raxmonov. "Soliq auditini avtomatlashtirish va sun'iy intellekt". "Moliya va soliq". O'zbekiston, Toshkent.2023.
12. Z. A. Mirkasimov. "Soliq to'lovchilarini raqamli identifikatsiya qilish". "Zamonaviy iqtisodiyot". O'zbekiston, Toshkent.2022.
13. F. S. Yunusov. "Elektron soliq tizimi va uning samaradorligi". "Iqtisodiyot va buxgalteriya". O'zbekiston, Toshkent.2020.