

## Some Theoretical views on the Economic Significance of Taxes

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### *Abstract*

*This article describes some of the views on the economic nature of taxes, their role in the development of the tax system, the socio-economic significance of taxes, as well as their role in the development of the state budget and society.*

**Keywords:** *tax, tax policy, state budget, finance, tax relations.*

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## **INTRODUCTION**

In the current situation, modernization of the country's economy, further improvement and implementation of economic reforms in the tax system, strengthening the incentive function of taxes, development of small businesses and further strengthening its role in the economy are becoming the most important issues of socio-economic development.

In the course of studying concrete practical problems of taxes and tax relations, one often encounters its theoretical problems. In this regard, the development of fundamental problems of taxes and tax relations, the scientific basis for solving the tasks of fiscal policy is of great practical importance.

## **RELATED WORKS**

It is appropriate to cite the definitions of taxes given by various economists. "Taxes," writes D. Ricardo, "constitute part of the land resources and labor of the country at the disposal of the government, and ultimately they are paid from the capital or from the income of the country" [1]. It should be noted that D. Ricardo highlighted the essence of taxes, which in turn contributed to the development of the theory of taxes, developed by A. Smith.

Another definition of taxes is given by SG Pepelyaev: "Tax is a law on the basis of compulsory, individual, impartial, non-refundable, compulsory state security of property of individuals and legal entities to ensure the solvency of public authorities and non-punitive or non-contributory law. is the only defined form"[2].

Professor D.G. According to Chernik, "Taxes are compulsory levies levied by the state on businesses and citizens at rates legally established" [3].

Professor B.G. Boldyrev's textbook Capitalism Finance defines taxes as follows: "Taxes are obligatory payments levied by the state on individuals and legal entities." [4] . However, these definitions do not fully reflect the organizational and legal aspects of taxes. In addition, it does not provide sufficient information on the purpose for which these payments are collected and when they are collected.

Taxes are the main source of state budget revenues and an important tool for managing the economy. However, this definition does not fully reflect the essence of taxes and does not reflect the organizational and legal aspects of taxes. Moreover, as an economic relationship, it cannot answer the question of what is the object of the relationship.

There is generality and specificity in the definition of taxes in the economic literature. In general, taxes are a necessity for the existence of the state, financial support of state and local authorities, payments that are compulsorily levied at the rates set for the state to perform its functions and do not give its payers an individual equivalent right [5].

It should be noted that prof. O. According to Olimjanov, taxes are defined as follows: "Taxes are payments levied on individuals at the discretion of the state in the amount and within the period established by law to meet the needs of the state and society in money" [ 6].

In another literature, tax relations are considered to depend on both the first and the second subject in terms of their integrity as an economic category [7].

## **DISCUSSION**

The occurrence of taxes can also be traced from ancient sources. However, it is only through the

types of taxes that have emerged that the state has used taxes as a weapon in regulating socio-economic processes.

If we take a look at the socio-economic stages, we can conclude that state taxes are regularly used in the regulation of socio-economic processes. Even in the formation of statehood, taxes took the lead. Because the emergence of the state is based on perfectly unstable socio-economic relations. That is why in the early stages of the emergence of the state, in reviving financial and economic affairs, the rulers of the state tried to take advantage of various tax payments and solve the problems they faced. However, it should also be noted that all representatives of medieval financial science were of the opinion that it was important for the state to use taxes cautiously in the performance of its duties. Such an idea is important even in the current stage of development in the regulation of socio-economic relations.

Taxes, by their very nature, represent a monetary relationship that creates new value.

Hence, the essence of taxes lies in the monetary relationship associated with the creation of new value. They are also an integral part of finance and are backed by long-term legal norms. But taxes reinforced by laws may not serve to achieve the intended results under the influence of various factors. That is why the President of the Republic of Uzbekistan Sh.M. It must be based directly on the priorities of the Action Strategy set by Mirziyoyev.

Given that taxes represent a monetary relationship associated with the creation of new value, their full disclosure is related to the functions of taxes, as well as the obligatory payments that occur between the state and its payers, ie legal entities and individuals, representing tax relations on the one hand. Therefore, it is necessary to express the essence of taxes through the relationship of tax payments and tax functions.

Taxes participate in all stages of extended production through an objective distributional relationship and are reflected in the production relationship. Due to the fact that the tax society represents the economic base of production, the regulation of consumption through the production of goods and the creation of centralized monetary funds are widely used for social protection and other socially necessary purposes.

In view of the above, it should be noted that in practice, the essence of taxes can be expressed through their legal actions:

First, when a taxpayer pays a certain amount of money to the state, he does not receive goods or services in return. There is no correlation between the amount of tax and the social benefit he consumes. If the taxpayer compares the profit or benefit shown by this feature with the taxes paid, then such a situation may lead to the decay of income, tax evasion. Only if the state uses the taxes collected from its citizens effectively and transparently, and if the majority of citizens agree to provide the state's economic, social and other programs at their own expense, will the basis for high tax ethics be established at the state level.

Second, as long as the responsibility for full and timely payment of taxes rests with the taxpayers, it is not voluntary but mandatory and inevitable.

Thirdly, with the recovery of the part of the income actually generated in favor of the state, which was previously determined by law.

Taxes influence the process of reproduction by regulating economic activity [8]. The state uses income taxes to influence the process of capital accumulation. (E.g. through accelerated

depreciation deductions).

Accelerated depreciation is an important factor in increasing capital investment in the corporate sector of the economy, as its application can increase scientific and technological progress, stimulate structural changes in the economy, create opportunities for development.

The economic interests of the parties must be taken into account when distributing revenues between taxpayers and the budget through taxes. Taxpayers do not receive as much income as the state wants, and there is a certain limit to the amount of taxes that can be budgeted. At the same time, the tax is determined taking into account the activities of taxpayers in the production of goods and profits.

Therefore, the State should make extensive use of taxes to develop macroeconomics, create market infrastructure and raise sufficient financial resources for other national purposes.

The application of taxes in response to market economic relations has led to the provision and development of socio-economic development. When unstable processes of transition occur, on the one hand, the state has managed to regulate them using reasonable taxes, on the other hand, the state through taxes creates the basis for the organization of sufficiently centralized funds in the performance of its tasks and functions. Thus, the objective necessity of taxes stems not only from the emergence of modern relations, economic and social structures, but also from the need to regulate such structures and relations, to finance the functions and responsibilities of the state in governing the state.

Thus, the objective necessity of taxes was related to:

- Adoption of laws reflecting market economic relations;
- The existence of economic entities of different forms of ownership and free prices only with the formation of legal, legal, democratic relations between the population and economic entities;
- From centralized administrative division to self-financing, with the implementation of independent distribution and planning of economic indicators in economic entities;
- The difficulties that may occur in the activities of economic entities in the stages of transition to market economic relations, the reduction of production or cessation of activities will reduce budget revenues and ensure that there will be significant revenues to cover them only through indirect taxes.

However, the above evidence was related not only to the application of modern tax relations, but also to the need to revise the tax system [9].

The creation of new tax bases, the creation of a basis for the organization of their sources and objects within the law, thereby creating conditions for the functioning and development of pluralism, free movement and their expansion to non-illegal boundaries also necessitated the stabilization of various tax elements.

Thus, in a market economy, the basis was created for each firm, regardless of its form of ownership, to operate freely and be responsible for all its activities, and for government intervention to be carried out by law, ie through taxes.

Taxes are an important category of advanced commodity production, which is, of course, closely related to a broader category - the state budget. Because taxes are involved in the formation of

the budget [10].

Taxes ensure the accumulation of financial resources at the disposal of the state, which are used to address the national and regional challenges of economic development, to stimulate efficiency and quality of work, to regulate income based on the principles of social justice.

The state imposes taxes to form the state budget, taxes are not intended to cover any specific expenses, which is based on the need to prevent expenditures from revenues from certain types of income from becoming dependent on them. However, in some cases, along with general taxes, targeted taxes are also set, the implementation of which can play a positive role in economic activity.

In order to better understand the essence of this or that economic category, it is necessary to identify its common features. For example, credit as an economic category has general characteristics such as urgency, repayment, payment of a certain amount of premium (interest), which serve to shed more light on the essence of the credit category. The same tax category has a number of distinctive features that serve to distinguish taxes from other payments.

## **CONCLUSION**

Based on the above, in our opinion, the general characteristics of taxes can be expressed as follows:

1. When a taxpayer pays a certain amount of money to the state, he does not receive any goods or services directly in return. There is no direct correlation between the amount of tax paid by a particular taxpayer and the social benefits he consumes. By the same token, the tax differs from the price, (as a fee for voluntary consumption of goods or services) from permits (licenses) and brokerage fees, because these are mandatory or voluntary payments, but always a certain benefit (benefit) from the service provided by the government ).

The lack of a direct, eye-catching link between taxes paid to the state and the economic and social benefits they receive in return causes taxpayers to view taxation as a burden, which may also approve the direction of public spending through taxes.

A separate taxpayer usually does not compare with the taxes paid by the company and the profits or benefits it sees. As a result, some citizens try to evade taxes and hide their income. The principles of high tax ethics arise only when the state uses the taxes collected from its citizens effectively and transparently, and when the majority of citizens agree to finance the socio-economic and other programs of the state at their own expense.

2. Taxes are mandatory payments. Although the responsibility for the full and timely payment of taxes rests with the taxpayers, they do not pay voluntarily, but compulsorily, and the state severely punishes those who evade paying taxes.

3. By paying taxes in favor of the state, a predetermined, and most importantly, legally prescribed part of the income is collected. The laws of many countries, including Uzbekistan, state that only the Supreme Legislature or its authorized bodies have the right to set and determine taxes. No one has the right to set new taxes or determine their amounts at will. The main characteristic of taxes is that the payments have a legitimate, transparent nature.

4. Another sign of taxes is that they come to the state or local budget, that is, taxes do not come to extra-budgetary funds or various other funds.

5. One of the common features of taxes is the emergence of the process of redistribution of property between the state and legal entities and individuals. Simply put, taxes levied on businesses and the population actually mean that they transfer a portion of their property to the state. Thus, the property belonging to business entities becomes a mandatory payment in the form of income and becomes state property.

There is now a need for a deeper study of the general characteristics of taxes. At this point, the problem of creating a variable and constant existing, significant optimal common denominator in any economic situation, which can more fully and accurately and in detail illustrate the general features of taxes, must be addressed.

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