THEORETICAL AND METHODOLOGICAL BASES OF VALUE ADDED TAX COLLECTION

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Abstract: The article describes the history, content and essence of the value added tax, the theoretical and methodological basis of its introduction and implementation into the tax system of our country. It is also shown that value added tax is an economic category, its different aspects, advantages and disadvantages from other taxes.

Key words: value added, value added tax, tax base, tax object, taxpayers, tax mechanism, tax system, economic category, turnover tax**.**

Value added tax, like other taxes, is reflected in the relationship between the taxpayer and taxpayers. Therefore, when forming the essence of the value added tax, we must understand it as a constant and recurring relationship. The constant repetition of the value added tax is due to its appearance as an economic category, therefore it is appropriate to understand the value added tax only through the category of value[1]. It is also necessary to emphasize that any economic category is first formed as a value category, then such a movement of reality finds its expression in economic relations. Value added tax is no exception.

Thus, the value-added tax is a part of the total social product created as an economic category. It is a product of labor. The incidence of value added tax is based on the distribution of the value created. This is fully reflected in financial relations and the processes that drive it. Therefore, the occurrence of value added tax and its impact on socio-economic processes are directly related to the creation of value. The creation of value-added tax simultaneously creates a unique, appropriate tax relationship and ensures its improvement. Therefore, the essence of the value-added tax is formed and developed within the framework of relations belonging to other taxes [2]. In practice, value-added tax means a mandatory monetary payment that goes directly to the budget. This indicates that the value-added tax is equated with other types of taxes, and moreover, it may cause the definition of indifference depending on the essence of the value-added tax depending on other types of taxes. There would be no need to justify their nature and importance by grouping taxes. It should be noted that value added tax is a functional element of indirect taxes. Its payers are consumers. Based on its nature, it is appropriate to define the value added tax at the level that represents its essence[3].

Thus, the value added tax is the collection of a part of the newly created value in the framework of monetary relations arising in the process of realization of goods, works, services as a compulsory payment to the budget income at the expense of consumers. Part of the new value created by consumers will be collected at the disposal of the state, and part of it will be collected as net income. The value added tax is approved by the Oliy Majlis in a compulsory manner and provided by legal laws.

Therefore, legal entities do not have the right to not pay value added tax and to understate the tax object. Payment of value added tax is the main form of financial relations between the economic entity and the state in the era of the market economy, and the main means of distributing part of the income between the economic entities and the state.

There are many economists who try to explain the value added tax as a compulsory payment. True, there is an obligation to pay value-added tax, but this obligation is introduced by the decision of the Oliy Majlis, the supreme symbol of democracy, that is, by law, and the most basic requirements of the state and the taxpayers of the value-added tax are taken into account. Therefore, the mandatory value added tax is introduced by the Oliy Majlis on the basis of legal and democratic norms [4]. However, compulsion is also characteristic of other types of taxes. In addition, payments and allocations to the budget to other special funds are mandatory. Thus, the value-added tax, by its nature, represents long-term obligations. For example, during the former union, the turnover tax served the economy unchanged for 62 years [5]. In our independent Republic, the value added tax should be a simple, understandable indirect tax that will serve for such a long time. For this, they must be able to fully express the characteristics of the economy of the Republic and be

scientifically based.

If the development of the economy of the Republic of Uzbekistan is represented by free market relations, the relationship between the state and enterprises, associations and organizations working in the conditions of market relations must be based only on legal relations. Such relations are implemented in part by value added tax.

So, value added tax is a category of economic value that forms a certain economic relationship. Such an economic relationship is expressed by the movement of value. First of all, value added tax is a part of the total social product. The economic and social essence of the value added tax is determined by its sphere of influence [6]. The specific mechanism of its formation and use (conditionality of payment, terms of payment and registration of owners) gives it other features related to the tax method of accumulation of funds.

The value added tax is also distinguished by the fact that it takes a leading place in the structure of tax types in our Republic and affects all economic indicators. Value added tax is not considered as a product of the transition from one stage of development to another. It is related to the formation of human society and production processes. Value added tax can change its name but not its nature. The value added tax is essentially similar to the turnover tax that was previously in effect. The turnover tax was considered a centralized net income, strictly transferred to the budget and prevented excess profits in the economy, serving as a source of strengthening the principles of economic accounting. Its importance in economic development is extremely high and serves as a source of strengthening the budget. Sales tax was generally calculated as state-imposed assessments. The fact that enterprises and organizations are given the right to set prices for their goods and services by themselves has taken this right away from the state. As a result, turnover tax was radically changed, and value added tax entered the tax system of our young, independent republic.

Value added tax occupies an important place among the taxes in effect in the Republic of Uzbekistan. This indirect tax has a very large comparative weight among budget revenues. Value added tax plays a major role in the development of the economy of many countries, including the Republic of Uzbekistan. It is also recognized as a successful measure of taxation in trade. With this tax, we have the privilege of exact determination and refund of export tax. Value added tax is neutral in relation to foreign trade and technical methods. In addition, the forms and methods of doing business do not affect the value added tax. Value-added tax can thus be positively evaluated, because the above-mentioned conditions are important aspects of value-added tax in an economy that provides freedom of choice for market instruments in the allocation of resources.

Apart from the positive aspects mentioned above, VAT is extremely stable as rate changes do not affect the increase or decrease in revenues[7]. In addition, value added tax, which is a simple tax levied on transactions, is gaining special importance in the framework of tax relations as a reliable and relatively easy-to-understand means of taxation.

Value-added tax was first proposed by the French economist Morris Lore [8] in 1954, and is successfully used in many countries with a market economy. For example, in the countries of Eastern Europe (Germany, Denmark, the Netherlands, France, Switzerland) in the late 60s, (Belgium, Great Britain, Italy, Luxembourg, Norway) in the early 70s, value added tax was introduced and is still valid. Value added tax has been introduced and collected in more than 35 countries in Asia, Africa and Latin America. Value added tax has been introduced since 1992 in all countries that are part of the Commonwealth of Independent States (CIS).

Value added tax is introduced in all countries that are members of the Organization for Economic Co-operation and Development (OECD), with the exception of Australia and the United States. All of these countries use the VAT credit calculation method except for Japan, which uses the VAT exclusion method. This method requires enterprises-individuals to keep value added tax accounts at the appropriate rate for all types of taxable raw materials and materials at all stages of supply. Taxpayers have the right to have the amount of value added tax collected from suppliers of raw materials and materials deducted from the credit. As confirmation of this, a tax invoice is written for such raw materials and materials that meet certain requirements. Almost all countries that are members of the OECD have set a maximum amount of annual turnover (tax threshold), and because of this they have the right not to register for value added tax.

The value added tax system was introduced in two stages. The implementation of general tax reforms in 1986, which was applied first in most of the Northern European countries and in the countries that first

entered the European Union, then in the OECD countries, led to the spread of value added tax outside Europe. As a result, 23 of the 25 WTO member countries introduced VAT within a very short period of time, reflecting a number of interrelated influences and causes[9]. One such reason is that, for example, value-added tax changes production and consumption to a lesser extent and has a more neutral effect on prices. In addition, it reduces the chances of fraud as the product can be tracked through suppliers. This makes it possible to set much higher rates of value added tax, and therefore to get more revenue than other types of generalized taxes on consumption. It is also very important that the VAT invoice method allows you to know exactly the amount of VAT collected on certain goods. This method gives a more precise tone to the regulation through customs. For this purpose, it is necessary to introduce the value added tax in the countries that want to join the European Union (EU).

In most countries, value added tax accounts for between 12% and 30% of government tax revenue, which is an average of 5-10% of gross national product [10]. The value-added tax (together with the excise tax), which has been in use in Uzbekistan since 1992, has completely replaced the previous indirect taxes - taxes on trade and turnover. However, the value-added tax surpassed them in terms of its role in forming the revenue part of the budget, its impact on the economy of the republic and enterprises, and determining the proportion of prices. Value-added tax has become one of the main sources of the budget of the state of Uzbekistan from the time of its introduction to the present day.

Value added tax is an indirect multi-stage tax levied at each stage of the process, from production and distribution to the consumer and sale. Its object is added value, i.e. value added to the value of raw materials, materials or products purchased by the manufacturer or service provider for the performance of a new product or service. This tax limits all elements of the product price and encourages the producer to reduce production costs [11].

In the process of calculating the value added tax, the state receives information about the rate of turnover of industrial and commercial capital, which facilitates macroeconomic regulation. In addition, the state will have the opportunity to earn income until the goods are sold to the population - the only and last payer of this type of tax.

Global practice provides for almost the same system of calculating value added tax. The payer pays the difference between the amount of tax from the buyer for the goods sold, works performed, services rendered and the amount of tax paid by the supplier for material resources, fuel, works and the value of which is included in production and turnover costs[12]. If the tax to be paid turns out to be negative, that is, if this tax increases, the balance is included in the account of future payments or, as is accepted in developed countries, it is covered by other amounts from the budget.

A VAT-based taxation system allows taxes to be disaggregated, as tax is collected on all of a firm's sales, but taxes paid on intermediate purchases are later recovered from the total amount. Known as a 'tax credit', this allows the tax system to self-regulate, improving the way taxes are collected.

The main advantage of value added tax is that it is possible to calculate the amount of tax paid at each stage of production. This allows, for example, the calculation of tax credits for exports and the prevention of distortions in the provision of export subsidies. In addition, the use of such multi-level taxes reduces the amount of taxes on the production of products within the framework of a single firm structure or association of enterprises, and thus encourages vertical integration of firms.

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