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THE EXPERIENCE OF FOREIGN COUNTRIES IN THE DEVELOPMENT OF TAX CONTROL IN DEVELOPED COUNTRIES

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Abstract. The article discusses the concept of "tax control", its place in financial control. Problems in the Russian legislation in the field of tax control are identified, differences in the application of tax control compared with foreign countries are studied, it is proposed to borrow the most interesting provisions of foreign practice.

Keywords: tax control; financial control; foreign experience; tax offenses.

Introduction

An indispensable condition for the normal functioning of the economy and the financial system is financial control, an integral part of the unified mechanism of state control. Its purpose is to promote the successful implementation of the financial policy of the state, ensuring the process of formation and effective use of financial resources. Financial control is often considered not as an accounting and verification activity, but as a management function and an important tool for implementing the economic role of the state [13]. Financial control is a form of implementation of the control function of finance, that is, the inherent property of finance to serve as a means of controlling the production, distribution and use of the total social product and national income. In other words, the control function of finance is an objective basis for financial control, promoting a balance between the need for financial resources and their availability. The object of financial control is primarily monetary relations arising during the formation and use of financial resources in material production and non-production, in all parts of the financial system. Financial indicators are the direct subject of financial control. Thus, financial control is a set of actions and operations to verify financial and related issues of the activities of business entities and management using specific forms and methods of its organization [3]. An integral part of financial control is tax control, since the object of tax control is economic, distributive relations regarding the formation of financial resources of the state. First of all, it is necessary to establish what type of state financial control tax control belongs to. As V.V. Burtsev rightly notes [2], such a typology should be based on an essential feature.

In his opinion, in this case it is an approach to the state financial system, i.e. to the system of imperative economic relations for the formation, distribution and use of state funds. As a result, they distinguish two types of state financial control: financial and budgetary control, which covers public finances as a whole, and financial and economic control, covering the activities of individual business entities (or economic units). Financial and budgetary control mainly includes various kinds of control measures within the framework of the budget process itself, and financial and



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economic control is expressed in inspections and audits of financial operations of economic entities.

With this in mind, tax control, the subject of which is the timeliness and completeness of the payment of taxes and fees by organizations and individuals, should be attributed specifically to financial control of the second type. Tax control actions cover the entire taxation system, and are also carried out in the context of individual taxes, tax groups, groups of taxpayers, territories. Tax control permeates the economy vertically and horizontally, ensuring compliance with accounting and reporting rules, legislative bases of taxation [18]. In order to objectively assess the essence of tax control, its concept should be considered in two aspects: narrow and broad. In a broad aspect, tax control is a set of state regulatory measures that ensure the economic security of Russia and compliance with state and municipal fiscal interests in order to implement an effective state financial policy. In a narrow aspect, tax control is the control of the state, represented by the competent authorities, over the legality and expediency of actions in the process of introducing, paying or collecting taxes and fees. [5] In modern conditions, the creation of a solid financial basis for the existence of the state and society as a whole, the successful implementation of tax reforms, timely and complete formation of budgets at all levels are impossible without the creation of an effective tax control system designed to ensure the financial interests of the state while respecting the rights of organizations and individuals. The development of both economic and social development of any modern state largely depends on how developed the system of tax control and taxation is. Tax control – Eng. tax control – control over the correctness of the payment of taxes and fees by legal entities and individuals. Tax control is understood as verification of compliance by taxpayers with the legislation on taxes and fees; identification of tax violations; ensuring the receipt of tax payments to the budget at all levels. The formation of tax policy is a set of measures that ensure timely and full payment of taxes and fees, in the amounts necessary to finance state activities [17].

Various definitions of tax control can be found in the literature. E.V. Porollo approaches the characterization of tax control from two points of view: "The essence of tax control can be viewed from two positions: firstly, as a function or element of state management of the economy, secondly, as a special activity for the implementation of tax legislation. These aspects of tax control are in inseparable unity, which makes it possible to present tax control in the form of a classical cybernetic system combining a variety of static elements and their dynamic interaction, continuous development and improvement" [15]. A.V. Bryzgalin believes that "tax control is specialized (only in relation to taxes and fees) supranational (outside the framework of departments) state control..." [7]. O.A. Makarova understands tax control as "the activities of tax officials within their competence and in the forms provided for by the Tax Code, in order to verify the correctness of the calculation and payment of taxes and fees, as well as to identify and eliminate tax



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offenses and the causes that give rise to them, compliance with legislation on taxes and fees" [7]. From the above definitions of tax control, it can be concluded that the authors, revealing the concept of this phenomenon, agree that tax control aims to ensure the completeness, timeliness of payment of taxes and fees to the budget, compliance with tax legislation, the application of liability measures for these violations. It should also be noted that all the authors note the legal aspect of this control activity, emphasizing that it is regulated by the relevant legal norms. Tax control is a necessary condition for the existence of an effective tax system, which is characterized by the completeness of accounting of taxpayers and objects of taxation, and a decrease in the number of court proceedings and complaints against the actions of subjects of tax control prohibited by the Tax Code of the Russian Federation [10]. In order to identify weak links and positive aspects in the activities of tax control authorities in the Russian Federation, it is necessary to study the experience of foreign countries. Currently, the task of improving the quality of state control over tax offenses is considered from two positions: 1) from the side of improving state regulation of relations on the calculation and payment of taxes and fees; 2) from the side of analysis and borrowing of international experience. Let's take a closer look at the second position. Generalization and analysis of the experience of foreign countries in the field of tax control, the introduction of advanced forms and methods of its implementation, which have proven their effectiveness in practice, can have a significant positive impact on the tax system of any country. The experience of France is of considerable interest to Russia. Thus, the Tax Code in force in France was widely used in the preparation of the Tax Code of the Russian Federation. In particular, VAT in Russia was introduced on the model of the French tax system. All necessary measures to combat tax evasion are provided for in the French Tax Code. Such a comprehensive document exists in few countries. In France, it is updated annually when approving the Budget Law. Two volumes of explanations (annual comments) are attached to the Code. Let's focus on a number of specific issues of the functioning of the French tax control system. The implementation of inspections is entrusted to the tax centers established in each department, which send notifications to payers, study the declarations submitted on a voluntary basis. All individuals are required to submit a declaration, regardless of the amount of their income. Tax officials carry out two types of control. At their workplaces, they work with declarations (desk control). The information available in the database is compared with the information provided in the declaration, often discrepancies are found already at this stage, and the inspector turns to the taxpayer, demanding appropriate explanations. If these explanations do not satisfy the tax administration, it may require additional taxes or apply to other controlling units for more detailed control. On-site control is usually carried out if there are serious grounds for suspicion of concealment of income. The peculiarity of tax control in France is that, unlike in Russia, the French taxpayer must be warned about the tax audit at least 8 days in



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advance. Without warning, a sudden check can be carried out only if there is reliable information that the company is evading taxes. Inspections are usually carried out in the three preceding years. There are no special provisions on the frequency of inspections. With the rarest exceptions, repeated checks for one period are usually not carried out. The choice of the company to be inspected is carried out according to many criteria, based on risk analysis. Firstly, those enterprises that are potential violators are selected, and, secondly, information from informants is used. The duration of the verification procedure depends on the size of the enterprise: for small enterprises — no more than three months, for large ones no deadlines are set. The period of verification of individuals may not exceed 12 months. Relations between the tax authority and the taxpayer are built in the form of an exchange of views: each side defends its rightness. The tax administration is obliged to answer the taxpayer's questions in writing, the latter can use these answers for his protection. As a result of the detection of offenses, the tax authorities apply various sanctions. Sanctions depend on whether the payer's actions were intentional or unintentional, as well as on whether the taxpayer helps the tax authorities. In case of simple mistakes, mild penalties are applied. Additional taxes are charged administratively. The criminal punishment is symbolic, but this measure is resorted to more and more often, while the charge of tax evasion is presented personally to the head. In the event that the payer has paid an excessive amount of tax, the corresponding difference is returned to him, as a rule, with interest. Usually, when an overpayment is detected, a refund is made immediately [13]

As for the tax control of Germany, a special body of the German Ministry of Finance, whose competence includes issues of practical implementation of the country's tax policy, is the tax police — "Steifa". Operational search units and the investigative apparatus of "Shtoifa" are engaged in the investigation of offenses related to the concealment of income and tax evasion, as well as, under the supervision of the prosecutor, carry out special measures to curb various types of crimes in the economic sphere. The responsibility of the supervisory authorities is provided for by the German Criminal Code. Thus, paragraph 353 of the Criminal Code provides for liability for illegal collection of unforeseen fees and reduction of payment. Paragraph 355 establishes liability for violation of tax secrecy in the form of imprisonment for up to two years or a monetary fine. The Russian Criminal Code provides for criminal liability for disclosure of tax secrets in the event that the disclosed information is a commercial or banking secret. Responsibility for violation of the obligation to maintain accounting books is provided for in paragraph 283 of the German Criminal Code [13]. When conducting investigations in cases involving violations of financial and tax legislation, representatives of "Steuf" have the same rights as police officers who are guided in their activities by the relevant provisions of the Code of Criminal Procedure. The German Tax Code grants significant powers



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to the tax police to conduct searches and personal searches of citizens, detain suspects and confiscate documents [1].

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