



ADVANTAGES OF DIGITALIZATION OF TAX POLICY

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Abstract: This scientific article analyzes the economic content of the process of digitalization of tax policy, its importance in the modern economy and its impact on the state financial system. During the study, the advantages of using digital technologies in the tax system, the effectiveness of electronic tax services, automated control systems and digital platforms were scientifically studied. Also, the issues of improving tax administration, increasing budget revenues, reducing corruption and creating convenience for taxpayers through digitalization of tax policy were covered. The results of the study show that digitalization of the tax system is one of the important factors in ensuring economic stability and increasing the efficiency of public administration.

Keywords: digital economy, tax policy, electronic tax system, automation, tax administration, state budget, fintech, e-government, digital technologies.


Introduction



Currently, the rapid development of information and communication technologies is causing large-scale changes in all sectors of the economy. The formation of a digital economy has also led to the need to modernize the public administration system. In particular, the digitalization of the tax system is currently one of the important areas of economic reform. Tax policy is the main source of state budget formation. Therefore, the effective functioning of this system plays an important role in the economic stability of the country. The traditional tax system had problems such as the complexity of document management, dependence on the human factor, excessive time consumption, and corruption. The introduction of digital technologies makes it possible to reduce these shortcomings and improve tax administration. Electronic declarations, online payment systems, automated control mechanisms, and analytical platforms based on artificial intelligence serve as important tools for increasing the efficiency of the tax system. Today, in many countries, the digitalization of tax policy is one of the priority areas of economic reform. Through the digital tax system, relations between government agencies and taxpayers are being simplified, budget revenues are increasing, and the possibility of reducing the size of the shadow economy is expanding. Therefore, one of the urgent issues is the scientific study of the benefits of digitizing tax policy.

Main part

Tax policy digitization is the process of automating tax administration and increasing management efficiency by introducing modern information technologies into the tax system.



This process is carried out on the basis of the use of electronic platforms, digital databases, online services and automatic control systems. One of the most important advantages of digitization is the simplification of tax administration. Previously, filing tax reports and making payments required a lot of time and documents, but now these processes are carried out electronically. Electronic declaration systems create great convenience for entrepreneurs and individuals. This not only reduces time consumption, but also reduces errors due to the human factor. Digital technologies also have a positive effect on increasing tax revenues. The ability to detect tax evasion is expanding with the help of electronic control systems. Automated monitoring systems analyze the financial activities of enterprises and make it easier to detect illegal transactions. As a result, the volume of revenues to the state budget increases. Digitization of the tax system is also important in reducing corruption. In the traditional system, due to the direct communication between tax authorities and taxpayers, various illegal situations could arise. The introduction of electronic systems reduces the human factor and ensures the transparency of all operations. This serves to increase the level of openness and trust in public administration. In addition, the digital tax system also contributes to the development of entrepreneurial activity. Online submission of tax reports, electronic invoices and automatic settlement systems make it easier to do business. As a result, entrepreneurs are spending less time on unnecessary bureaucratic processes and are able to focus more on their core activities. Digitalization is also an effective tool in reducing the size of the shadow economy. The expansion of cashless payment systems and electronic monitoring systems is increasing the ability to control economic transactions. This makes it possible to reduce illegal economic activities and tax evasion. The use of artificial intelligence and big data technologies in the tax system is also gaining importance. Modern analytical platforms allow for the early identification of tax risks by processing large amounts of data. This increases the efficiency of tax authorities and ensures economic security. At the same time, the digitalization of the tax system can also pose some problems. First of all, the issue of ensuring information security is important. Cyberattacks on electronic databases can pose a great threat. Therefore, it is necessary to introduce strong protection mechanisms in the digital tax system. In addition, the insufficient development of Internet infrastructure in some regions also negatively affects the digitalization process. The low level of digital literacy can create difficulties for some taxpayers. Therefore, the state should pay special attention to the development of digital skills of the population. Today, many countries are implementing large-scale reforms to fully digitize the tax system. In particular, the development of the e-government system allows for the integration of tax services and acceleration of information exchange. In Uzbekistan, as part of the modernization of the tax system, the number of electronic services is being increased and automated management mechanisms are being introduced. In the future, it is expected that the digitalization of tax policy will become an integral part of economic management. With the help of digital technologies, the efficiency of the tax system will further increase, the stability of the state budget will be strengthened, and favorable conditions for economic growth will be created.



Conclusion

In conclusion, the digitalization of tax policy is one of the important directions of the modern economy. By introducing digital technologies into the tax system, the possibilities of simplifying tax administration, increasing budget revenues, reducing corruption, and developing entrepreneurial activity are expanding. Electronic tax systems are also playing an important role in ensuring the transparency of economic processes and reducing the size of the shadow economy. At the same time, the issues of information security and the development of digital infrastructure also remain relevant.

In the future, the development of artificial intelligence, big data, and automated management systems will serve to further improve tax policy. As a result, the efficiency of public administration will increase and a solid foundation will be created for ensuring economic stability.

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