International Journal of Research in Finance and Marketing (IJRFM)
Available online at: http://euroasiapub.org
Vol. 12 Issue 11, November– 2022
ISSN: 2231-5985 | Impact Factor: 8.132
(An open access scholarly, peer-reviewed, interdisciplinary, monthly, and fully refereed journal.)

THE CONCEPT OF "TAX POTENTIAL" AND APPROACHES TO ITS DEFINITION

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Abstract

Keywords:
Taxes, tax potential, transactional approach, taxation, fiscal function, taxpayer, budget

The article is devoted to the actual problem of disclosing the content of the concept of "tax potential". The authors of the article, based on the analysis of scientific literature, offer their own definition of the concept of "tax potential". The formation of tax potential is a special type of tax relationship between the state and taxpayers. From the point of view of the authors of the article, it is not enough to disclose the tax potential only from the standpoint of the implementation of the fiscal function of the state, or only from the standpoint of a certain aggregate amount of taxes that can be formed.

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INTRODUCTION

In the conditions of the modern economy, it is important to study the problems associated with the formation of the tax potential of the regions of the country, which is directly related to the mobilization of tax revenues to the state budget of the country. Considering that the formation of tax potential is based on determining the possible amount of tax revenues, one of the priority tasks should be to study and find ways to increase tax revenues of the state budget of the country.

As part of the study of the methodological foundations for the formation of tax potential, it is necessary to study issues related to the assessment of this indicator, taking into account the peculiarities regions, directions of their socio-economic development and other features each specific administrative-territorial unit of the country, as well as to develop directions for the development of tax potential in order to increase the self-sufficiency of the country's regions.

Many researchers have singled out the concept of tax potential as a tax category. They explain this by the fact that economic theory is the basic science for financial and tax disciplines.

The assessment of the tax potential of the regions of the country is directly related to the problem of tax collection, the distribution of tax revenues between the budgets of all levels. The purpose of this article is to study approaches to the definition of the concept of "tax potential" and identify the features of tax potential management based on the classification of factors that affect tax potential. Based on the above goal, within the framework of this article, it is necessary to solve the following tasks:

1. taking into account the approaches to the definition of the concept of "tax potential" existing in the scientific literature, to propose the author's definition;

2. to propose a classification of methods for assessing the tax potential of the regions of the country;

3. propose principles for the formation of the country's tax potential

2. to propose a classification of factors in the formation of the tax potential of the region, depending on the level of their formation.

MATERIALSANDMETHODS

Let us analyze several definitions of tax potential found in modern economic literature.According to Karataev and A.S. [1], tax potential (territories, industries, taxpayer) is the total ability to generate tax payments, provided that the efficiency indicators of the use of resources at the disposal of entities implementing state tax policy are maintained. Aronov A.V., Kashin V.A. [2] believe that all objects of taxation constitute the tax potential. The objects of taxation must be grouped according to national, territorial, sectoral or other criteria. Prokopenko R.A. believes that in a broad sense, the tax potential can be considered as the total amount of taxable resources of the region; in a narrow (practical) sense - as the maximum possible amount of taxes and fees [3]. According to A.B. Paskachev , the tax potential can be revealed as a set of the maximum possible amounts of taxes and fees charged in the relevant territory [4]. From the point of view of Bogacheva O.V., the tax potential is defined as the potential budget income per capita [5]. According to Shalyukhina M.N. [6], the tax potential is defined as the total amount of taxable resources of the territory. Slobodchikov D.N. considers the tax potential as a category that characterizes one of the components of interbudgetary relations[7]. The tax potential of the region is a set of the maximum possible tax revenues to the budget, calculated from the tax bases, which can be received within the region at the current (forecast) tax rates, taking into account the established procedure for their accrual in the current economic conditions of the region. The tax base is calculated on a regional basis, taking into account the sectoral structure for each type of tax [8].

Tax potential is the amount of tax revenues of the state budget , which can be received by the budget based on the level of the tax base and the development of the national economy of the country. Tax payments are the main sources of formation of the revenue side of the state budget at all levels.

An analysis of methodological approaches to determining the country's tax potential creates the prerequisites for determining the functional dependencies between the selected macroeconomic indicators and the state of the tax base. Based on the analysis of methodological approaches, an algorithm is developed for an objective assessment of the tax potential in the sectors of the economy of the country and its regions. This improves the efficiency of the tax revenue forecasting process. Based on the tax potential, additional sources of increasing tax revenues of the state budget are identified.

Solving the priority task of ensuring the growth of tax revenues and increasing the level of collection of tax payments requires a scientific approach to quantifying the tax potential of the region. The choice of an indicator that reflects the potential ability of a country is often complicated by the lack of a reliable statistical base.

In our opinion, the approach to assessing the tax potential based on the indicator of taxes actually collected in the country is very incorrect. This approach creates a gap between the amount of taxes actually collected in the region and the potential ability of the region to generate tax revenues. Due to the different performance of the tax authorities, different amounts of taxes can be collected in regions with equal tax potential.

The tax potential is characterized by the levels of development of the country's economy, the availability of taxable resources, determined by tax bases. For example, the tax base for income tax is the taxable amount of profit, received by all business entities registered in the country, while the tax base for personal income tax is the total income, taking into account the application of tax benefits. The value added in the production process forms the basis of the value added tax tax base. The value of taxable property is the tax base for property tax. As can be seen from the above example, each type of tax has its own tax base, but some components of the tax base of individual taxes are included in the tax base of other taxes. For example, wages of employees are the basis of the taxable base of personal income tax, but at the same time, they are partly included in the taxable base of value added tax, excise tax and income tax.

The objective determination of the tax base and the calculation of the tax potential on this basis depend on the system of indicators of the development of the macroeconomic situation in the regions ,the impact of industry and regional factors. The calculation of the tax base includes indicators that have a key influence on its formation: place and role in the overall system of the national economy; specialization of the region by sectors of the economy, features of the location and functioning of the main sectors of the economy; the population of the region, the share of the urban population; gross regional product; the volume of industrial output in the context of the main industries; financial and economic condition of the enterprises of the main branches of the region, the number of profitable and unprofitable enterprises; the level and dynamics of wages. On the basis of the above parameters, an information base is formed for calculating the total income of the region.

The tax potential characterizes the possibility of economic growth of the regions of the country and the corresponding increase in tax revenues. This is of exceptional importance in forecasting tax revenues for budgets of all levels. They should more reliably reflect the needs of the regions in the resources of the republican budget in the form of subsidies, subventions, grants and transfer financing. The tax potential of the region is considered for the calendar year as the total tax potential for all taxes collected throughout the country .Therefore, the analysis of interbudgetary relations inevitably requires a comparison of the tax potentials of regional budgets. Thus, the specificity of the tax potential of specific regions of the country is revealed, hiding the sources of tax revenues for budgets of all levels.

ANALYSIS AND RESULTS

In the theory and practice of determining the tax potential, there are several approaches to assessing the country's tax potential for the current and forecast periods. They are based on the tax revenues actually collected in the regions, the total taxable resources, and the incomes of the population. Each of these approaches can be used to assess the tax potential at a certain point in time, some of them, by applying additional mechanisms.

Methods based on indicators of the economic activity of the region are indirect .They imply the determination of the tax potential as a derivative of some indicator. The tax potential in the calculation acts as a dependent factor, while the indicators of economic activity are included in the calculations as independent variables.

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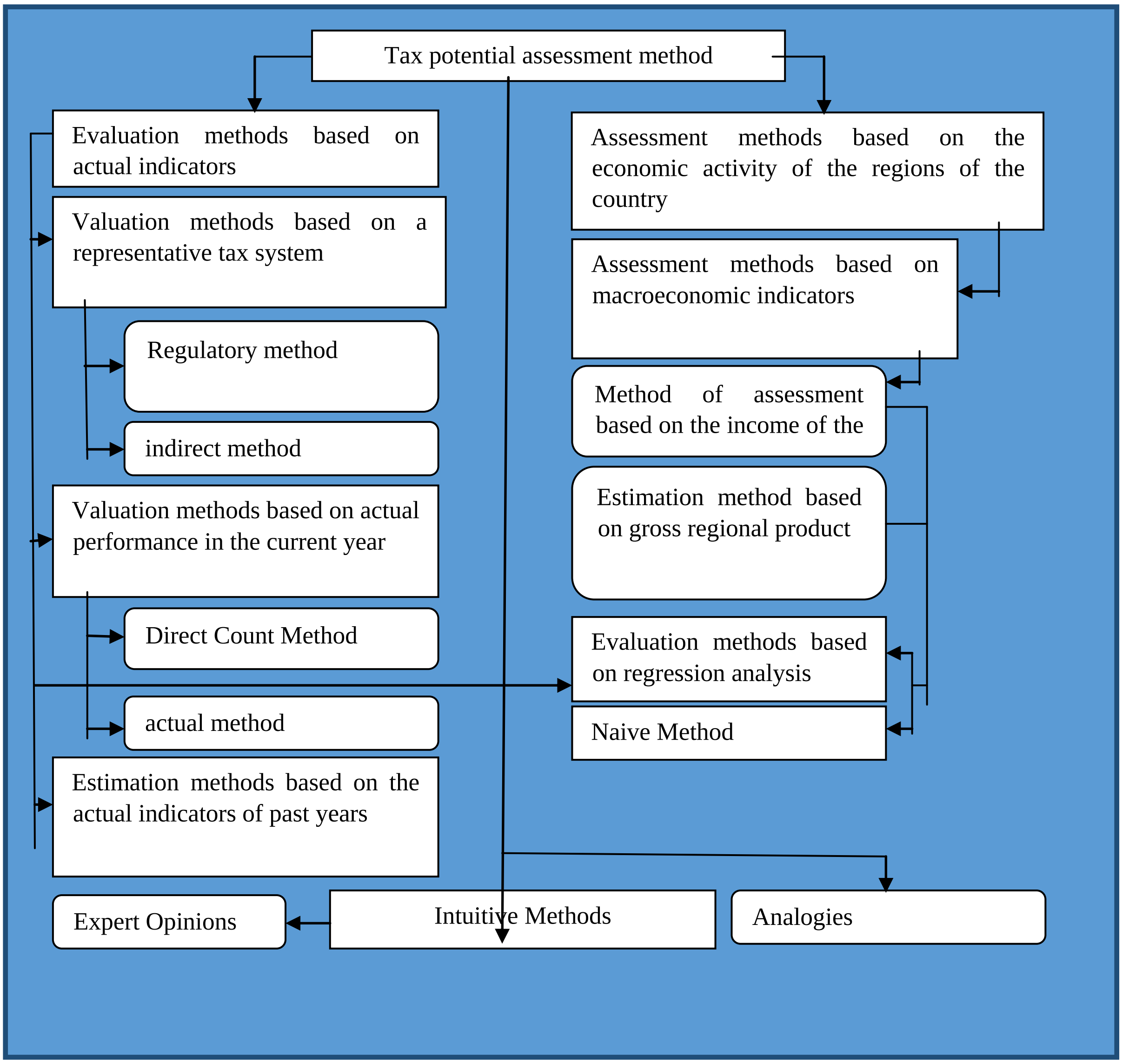
Methods based on indicators of the formation of tax revenues are direct ways to assess the tax potential of the region. These methods involve the inclusion in the calculation of the tax potential of indicators characterizing the tax bases.



With the complexity of the object of taxation, its novelty, uncertainty, insufficient completeness of information and the impossibility of complete mathematical formalization, the method of expert assessments is used in the process of assessing the country's tax potential.

One of the common methods for assessing the tax potential of the regions of the country is carried out on the basis of a representative tax system. The essence of this method lies in the fact that the amounts of tax payments that can be collected in the region are calculated under the same conditions and with the same composition of taxes and tax rates in all regions. To apply this method, it is necessary to have data on actually collected taxes and their tax bases. This allows you to calculate the amount of income by region. This value is taken as a measure of the region's tax potential.

[1]Author's own development

The method, implemented on the basis of a representative tax system, makes it possible to objectively assess the tax potential of the region. In the conditions of the Republic of Uzbekistan, when deductions from national taxes serve as the main tax sources of income for local budgets, the application of the method based on a representative tax system is greatly facilitated. At the same time, it is only necessary to resolve the issue of choosing tax resources included in the calculations of potentially taxable resources of the country's regions.

When calculating the tax potential of the country, it is necessary to make an expected assessment of additional tax revenues that will be collected in the regions of the country as a result of measures taken to improve tax administration, restructure tax debts, pay off arrears of previous years, and also take into account changes in budget and tax legislation.

Another method for estimating the amount of expected tax revenues to the state budget of the country is the method of determining the tax potential of the country's regions on the basis of compiling a tax passport of the country's regions. The tax passport of the country's regions is a document that reflects the peculiarity of the economic development of the country's regions. It contains a system of indicators reflecting trends in the development of the macroeconomic situation, the impact of various factors on the tax base of the region and the level of tax burden by type of taxes in dynamics. It should be noted that the tax passport contains the general economic characteristics of the region: retail trade turnover, industrial output, investments in fixed capital, dynamics of accounts payable and receivables of taxpayers, average monthly wages, and agricultural products. The tax passport of the regions of the country also contains the main indicators used to calculate the tax base: gross regional product, gross profit, gross total income of individuals, wage fund, turnover of goods subject to and not subject to value added tax. In addition, the structure of tax revenues by sectors of the economy and tax debts on taxes to the budget system are reflected. Assessment and forecasting of the tax potential allow improving the processes of forecasting tax revenues to the state budget, identifying and comparing tax opportunities and the level of tax activity of regions.

It is important to note that an indispensable condition for increasing the tax potential of the country's regions is the monitoring of regional tax legislation in order to identify shortcomings and unaccounted for opportunities, assess interregional differences in tax potential, diversify the tax potential of the country's regions by type of tax, taxpayer, industries.

To increase the tax potential of the regions of the country, the issue of stimulating the regions to search for and increase their own revenue sources is of no small importance. This turns the subsidized regions of the country into regions that finance their expenses with their own income.

It is the comparison of actual tax revenues with the tax potential of the territory that makes it possible to determine the possibilities for increasing tax revenues.

Based on the definition, we propose to calculate the tax potential of the region according to the following formula (1):

$TC = (TB_i \times TR_i) \times X_1 \times X_2 \times \ldots \times X_m$,(1).

TC- tax potential;

TB_i- tax base for i - tax;

$X_1 \times X_2 \times \ldots \times X_m$- coefficients that determine the given conditions.

The list of coefficients reflecting the given conditions of the study may be different depending on the purpose of the study and factors influencing the magnitude of the tax potential. The main values of the coefficients can be:

the level of tax collection;
tax evasion rate;
indicator of the quality of tax legislation.

The direct counting method is based on the additive property of the tax potential: the tax potential of a region is equal to the sum of the potentials of individual taxes. The tax potential under the direct count method is calculated using the following proposed formula (2):

$TC = \sum TB_i \times TR_i$,(2)

TC- tax base of tax i;

TR_i- tax rate i , in percent. The above formula for the tax potential in general terms is the sum of all taxes received by the regional budgets.

The tax potential under the actual method is calculated based on some actual values of tax amounts. This method is based on the idea that only two things prevent the full use of the tax potential: non-payments and benefits. The tax potential is calculated according to the formula (3):

$TC = ATR + CTD + TEX$,(3).

TC- tax potential;

ATR- actual receipt of taxes;

CTD- debt for the reporting period;

TEX- the amount of tax not received as a result of the application of benefits.

DISCUSSION

In this section, the significance of the results should be discussed and compared with the results of previous scientific studies using relevant information.

CONCLUSION

1.In recent years there have been significant changes in the tax system of the Republic of Uzbekistan: in January 2020, the new edition of the Tax Code of the Republic of Uzbekistan was put into effect; By the Decree of the President of the Republic of Uzbekistan dated June 29, 2018, was adopted The concept of improving the tax policy of the Republic of Uzbekistan. These reforms, implemented in the country's fiscal policy , caused a fundamental change in both the tax system and the structure of tax revenues of the country's state budget . In this regard, it should be especially noted that in calculating the tax revenues of the state budget of the country, changes in the budgetary and tax legislation governing the procedure for calculating and paying taxes should be taken into account.

2. The tax potential characterizes the possibility of economic growth of the regions of the country and the corresponding increase in tax revenues. This is of exceptional importance in forecasting tax revenues for budgets of all levels.

3. The choice of an indicator that reflects the potential ability of a country is often complicated by the lack of a reliable statistical base. With the complexity of the object of taxation, its novelty, uncertainty, insufficient completeness of information and the impossibility of complete mathematical formalization, the method of expert assessments is used in the process of assessing the country's tax potential.

4. There is a close relationship between tax potential and forecasting tax revenues. With the help of tax revenue forecasting methods, it is possible to determine the tax potential of the country's regions. The forecast value of the tax potential should be formed taking into account tax risks.

5. The system of indicators used in each section of the tax passport is built taking into account their dynamics, which makes it possible to determine the trends and significance of individual factors affecting the tax characteristics of the region, sources or methods for determining each indicator.

In this regard, the concept of the tax potential of a subject of the Russian Federation can be interpreted as a possible amount of tax revenues to the budget of a subject for a certain period, based on the data of the subject's tax passport.

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