



## Issues of taxation of small and medium business entities during the development of their activities during the covid-19 crisis

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In the article, the Covid 19 pandemic showed its unprecedented negative impact on the economy, social and political life of the countries of the world, in particular, it is noted that the industrial and business sector of the world economy, especially small business and private entrepreneurship, is the most affected sector. Despite this, during the pandemic, a number of indulgences and benefits were provided in order to save small businesses and private entrepreneurship entities in our country as much as possible, to bring them out of the crisis period with minimal damage. This article continues the main directions of infrastructures to support the development of small businesses and private entrepreneurship during the pandemic and the work carried out over the years. In this regard, conclusions and proposals have been developed on the taxation of enterprises based on the positive results of their activities.

### Keywords:

tax, budget policy, income tax, budget, tax administration, business entities, tax reporting, tax revenues, tax incentives, tax rate.

### Enter

It is known that small business and private entrepreneurship are the main link that ensures stable growth of the economy of any country and employment of the population. Small business and private entrepreneurship activities are regularly supported by the state as a priority direction of the ongoing economic reforms. It should be noted separately that during the pandemic, this support and special attention to business entities will have a great impact on the strengthening of our national economy, the increase of our entrepreneurs, at the same time, on the increase of our national treasury, and the opening of new jobs.

Various positive changes taking place in our economy are closely related to the development of small business and private entrepreneurship. The economic basis of our society is based on the market economy. Taking into account the above, our state is investing in the development of small business and

entrepreneurship in order to increase its coffers, and this is bringing benefits every day.

**Analysis of the literature on the subject.** Scientists in the field have given different rates on the infrastructures that support and stimulate the development of small business and private entrepreneurship.

In particular, Professor Jennifer L., Ph.D. According to Vulley's analysis, small business and private entrepreneurship have not only an economic but also a social impact on the state, not only the state but also society is interested in this. In addition, Jennifer L. Woolley expressed economic interest in the study and analysis of the stabilization of small business and private entrepreneurship development through infrastructures in public and private organizations, causing great interest in continuous research and practical application.[1]

Russian scientist M.E. Kosov, candidate of economic sciences, lists infrastructures as organizations whose goal is to help small businesses, and he cites two main approaches to studying infrastructure problems:

a) includes the analysis of the infrastructure from the point of view of deepening the social division of labor.

b) the need to increase the role of the state in terms of economic practice, regulation of infrastructure development.[2]

According to Russian scientists Altynnikova L.A., Golaydo I.M., Kuznetsova I.V., in order to increase the efficiency of infrastructures, small business and private business entities should develop feedback channels with infrastructures.[3]

It should be mentioned that our scientists who conducted research in this direction have thoroughly studied the field, for example, Academician of the Academy of Sciences of the Republic of Uzbekistan S.The training manual issued under the general editorship of Gulomov provides information on the creation of the necessary organizational infrastructure for the production and sale of products in small businesses, the creation of the market infrastructure during the step-by-step transition to the market economy, and the preservation of the national infrastructure. [4]

Our scientists B.Yu. Khodiev, M.S. Kosimova, A.N. The Samadovs covered basic information on market infrastructures that develop small business and entrepreneurship. In this, information is given about the role of banks, which are the main links of the infrastructure, tax and taxation policy, concessions, audit services and tasks of providing information. [5]

From this we can conclude that in the development of small business and private business, it is necessary to carry out constant research in this field to adapt the infrastructure environment to business entities, to support their development in a permanent way. Research methodology It should be noted that in this article, the authors used a number of scientific methods, in particular, methods such as systematic analysis, comparison and discussion. At the end, conclusions and

proposals are presented using a methodological approach based on the principle of complementarity.

### Analysis and results

It is known that the spread of corona virus infection, which shook the whole world, brought the economic and social life of all countries to a state of crisis. In particular, the sharp reduction in production and consumption volumes in countries with great economic potential caused the derailment of global production chains and trade relations, a sharp drop in the prices of raw materials in the international financial markets, and the deterioration of the economic situation.

This crisis has not spared our country either. Perhaps, it had a negative impact on the economy of Uzbekistan and led to a sharp decrease in production and service figures in the priority areas of the economy, industry, transport, agriculture and trade, a slowdown in the turnover of goods, and a decrease in budget revenues.

The President and the Government of the Republic of our Republic have taken a series of measures to solve these problems immediately, to mitigate the negative effects of the global crisis, to support the rapidly developing sectors of the republic's economy, such as tourism, transport, pharmaceutical and textile industries, and agriculture, which are considered important sectors of the economy, and to ensure their stability. marked.In particular, the President of the Republic of Uzbekistan dated March 19, 2020 No. PF-5969 "On priority measures to mitigate the negative impact of the coronavirus pandemic and global crisis on economic sectors";

PF-5978 dated April 3, 2020 "On additional measures to support the population, economic sectors and business entities during the coronavirus pandemic";

No. PF-5986 dated April 27, 2020 "On measures to provide additional support to persons who have lost their main sources of income, segments of the population in need of social protection, and business entities during the fight against the spread of coronavirus infection";

PF-6002 No. PF-6002 dated May 18, 2020 "On further measures to support the population and business entities during the coronavirus pandemic"

PF-6029 of July 20, 2020 "On additional measures to support the population, business entities, catering, trade and services to reduce the negative impact of the coronavirus pandemic";

No. PF-6035 dated July 25, 2020 "On measures to mitigate the coronavirus pandemic, to fundamentally improve the sanitary-epidemiological peace and health care system of the population";

Decree No. PF-6038 of July 2020 "On additional measures for social protection and material support of the population in need of assistance during the coronavirus pandemic";

PQ No. 4700 dated May 1, 2020 "On additional measures to ensure food safety, rational use of available resources, and state support for agriculture during the coronavirus pandemic";

With the decisions of June 8, 2020 No. PQ-4742 "On Measures to Simplify State Regulation of Business Activity and Self-Employment" during the crisis, macroeconomic stability, long-term stability of economic sectors and industries in our country.

In particular, by the decree of the President of March 19, 2020 No. PF-5969, without establishing a legal entity under the Ministry of Finance of the Republic of Uzbekistan, 10 trillion. "Crisis Fight Fund" in the amount of soums was established, the funds of the state budget of the Republic of Uzbekistan, preferential loans of international financial institutions and other sources not prohibited by law were determined as the main income of the fund. to expand the provision of guarantees and compensation for interest expenses on loans granted by the State Fund for the Support of Entrepreneurship Development under the Small Business and Entrepreneurship Development Agency, primarily for the production, purchase and sale of socially important consumer goods;

implementation of additional infrastructure projects aimed at expanding economic activity and employment in the

regions of the republic, as well as, first of all, construction of engineering communications in small industrial zones;

c) expansion of social support to the population, including allocation of additional funds for:

strengthening measures to support low-income families and increasing the number of pension recipients, including through the Council of the Federation of Trade Unions of Uzbekistan;

Supporting the Public Works Fund under the Ministry of Employment and Labor Relations of the Republic of Uzbekistan by expanding public works, organizing "Ishga Merhamat" monocenters and vocational training centers, as well as organizing vocational and language training for labor migrants;

g) to ensure the stable operation of economic sectors through the following:

Taking measures to support strategic enterprises by the state by allocating interest-free budget loans to extinguish the loans attracted under the state guarantee of the Republic of Uzbekistan, as well as for the implementation of first-level expenses;

compensating part of the transport costs of business entities engaged in foreign trade;

provide additional measures to support the economic sectors and sectors most often affected by the negative impact of the spread of the coronavirus infection, as well as commercial banks in cases of deterioration of the quality of the loan portfolio;

provision of deferment of tax payment deadlines by allocating interest-free budget loans for a period of up to three years and encouraging entrepreneurial activity. By decree, the "Republican Commission for Combating the Crisis" was established, and regional headquarters of the Republican Commission for Combating the Crisis headed by the Chairman of the Council of Ministers of the Republic of Karakalpakstan, governors of regions, districts and cities were established, and the following were defined as the main tasks of the commission;

fight against the spread of the coronavirus infection and ensure the continuous operation

of economic sectors and sectors during other global threats;

rapid resolution of problematic issues related to social support of the population and development of additional measures;

special attention was paid to the appeals made by the leaders of all levels in order to solve the problems and difficulties of the population and business entities in the departmental organizations, and the issues of increasing personal responsibility in relation to not allowing formalism, bureaucracy and bureaucracy were determined.

In addition, with this decree, a number of benefits and facilities were created in the tax field in order to support some sectors and industries of the economy, which were negatively affected by the coronavirus infection, as well as private business entities.

Interest-free deferral of the above-mentioned taxes (payment in installments) on a simplified basis until December 31, 2020, according to the taxpayer's application, the conclusions of the heads of the regional divisions of the Ministry of Economic Development and Poverty Reduction and the Ministry of Finance, for a maximum period of 6 months, unless other documents are required is given.

During the pandemic, it is very important to bring the development of business entities to a new stage, to open new opportunities for entrepreneurs, and to increase the potential of infrastructures that are the basis of changes in this system and the trends of rapid development.

The analysis of the organizational development showed that the condition for solving the problems of small business and private entrepreneurship during the pandemic is aimed at the simultaneous operation of state, regional and regional infrastructures in one system.

In the third direction of the Action Strategy approved for the five priority directions of the development of the Republic of Uzbekistan in 2017-2021, "strengthening macroeconomic stability, protecting the right of private property and further strengthening its priority position, encouraging the development of small business and private entrepreneurship,

reducing the tax burden and simplifying the taxation system measures such as "continuation of the policy, improvement of tax administration and expansion of appropriate incentive measures".[6]

It should be noted that as a result of the implemented reforms, in the new annual report of the World Bank "Doing Business" 2020, Uzbekistan moved up 7 places and took 69th place among 190 countries of the world. This allowed our country to enter the ranks of the 20 countries that have made the greatest progress in improving the business environment. Also, in the "Index of Economic Freedom" ranking, Uzbekistan rose to 26th place and took 114th place in 2020, according to the results of the "Index of Competitive Industrial Productivity" 2020 ranking, it took 92nd place among 152 countries.

As the President noted, the issue of supporting entrepreneurship, which plays an important role in the development of our country's economy and ensuring a prosperous life, is one of the strategic directions of state policy. [7].

In accordance with the Law of the Republic of Uzbekistan "On Guarantees of Freedom of Entrepreneurial Activity" dated May 2, 2012 No. O'RQ-328, entrepreneurial activity is to obtain income (profit) carried out by the subjects of entrepreneurial activity in accordance with the law, at their own risk and under their own property responsibility. is defined as initiative activity aimed at.

Studies show that different opinions and approaches have been expressed by economists regarding the concepts of "business" and "entrepreneurship", and a single definition has not been reached. These concepts are treated as synonyms.

The word "business" is an English word, and it is entrepreneurial activity, or in other words, entrepreneurial activity aimed at profiting people [8].

In order to regulate the implementation of private business activities without establishing a legal entity, the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 6 of January 7, 2011 "On approval of the list of activities that individual

entrepreneurs can engage in without establishing a legal entity" was adopted. Based on this decision, it was established that starting from April 1, 2011, individuals cannot carry out activities that are not included in the list approved by the decision. A list of 87 types of activities that private entrepreneurs can engage in without establishing a legal entity is included (appendix-1).

The new Tax Code of the Republic of Uzbekistan consists of 2 (general and special) parts, 21 sections, 72 chapters and 483 articles. The following procedures for taxation of small business entities were established:

- based on the volume of turnover of small business entities, a turnover tax was introduced instead of the previous single tax payment. In this case, legal entities whose total income does not exceed one billion soums and whose income is 100 million. individual entrepreneurs whose income exceeds 1 billion soums but up to one billion soums are tax payers

- starting from July 1, 2020, the procedure for the full return of the excess amount generated by the value added tax, that is, the "negative" residual amount, was introduced;

- the basic rate of personal income tax is 12 percent and the VAT rate is 15 percent;

- a new procedure was introduced to provide the option of delaying or paying taxes in installments;

- division of economic entities into 3 segments (green, yellow and red corridors) using risk analysis software based on 42 risk criteria, and in case of deficiencies, a new tax inspection.

### Conclusions and suggestions.

- In order to increase the innovative activity of enterprises, to introduce the procedure for granting benefits in the form of additional deductions from the profit tax in relation to the amount of expenses for scientific research and experimental construction developments;

- It is necessary to introduce the patent box regime for income from intellectual property. In this case, it is appropriate to

introduce a reduced rate of profit tax when taxing the profit received as a result of the use of one's own patents, licenses, know-how and other non-material objects in production, which are part of intellectual property objects.

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