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THE PROCEDURE FOR IMPROVING THE MECHANISM FOR CHARGING TAX DEBT OF INDIVIDUALS

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Abstract: In this article, proposals are made for the emergence of tax debt as a result of the submission of property land and declaration to individuals, problems encountered when charging the amount of debt at the expense of his property, as well as the way to eliminate it, recommendations are made to improve the mechanism for charging tax debt.

Keywords: Tax committee (SQ), tax service authorities (SCO), Bureau of compulsory enforcement (MIB), Mahalla Citizens' Assembly (MFY), District Court of Civil Affairs (FS), improvement of the mechanism for collection of tax debt, physical person, citizen, declaration, property tax, land tax, artificial tax debt, payment notice, fine, pensions, QR-code o'1g', tax debt.

Thematic literature analysis. Scottish scholar A. Smith (1935) in his research titled "An Inquiry into the Nature and Causes of the Wealth of Nations" (1776) was first to elaborate taxation principles, he also showed the value of taxes and indicated that paying of taxes to the government is not a sign of slavery but the sign of freedom [2].

In order to pay taxes a taxpayer should have a certain income source. An income could be derived form 3 sources. It's land, capital and labor, all other income sources are secondary and ultimately formed from above showed 3 sources [3].

English economist D. Ricardo in his book "The Beginning of Political Economy and Taxation" (1817) underlines that taxes are the land product that comes at the disposal of the authorities and forms part of the country's labor, and ultimately they are paid at the expense of capital or at the expense of the country's income. It should be noted that D. Ricardo illuminates the essence of taxes, in turn, developed to some extent the theory of taxes created by Smith [4].

Russian economist N.I.Turgenev wrote in his book "The Tax Theory Experiment" (1818.) note that [5]. "The successes of being educated also influenced the improvement of the system of taxes, depending on the degree of their beneficial influence on the customs of peoples", "...taxes appeared along with knowledge and became a sign of it.

It is possible to think about the information distributed among the people depending on the appointment, distribution, and method of collection of taxes, about its wealth depending on the amount of taxes collected, these are two of the most basic characteristics that imply erudition and enlightenment". From these words one can once again be sure that taxes were considered ancient financial institutions and arose with the taxes served as a source of material support for the provision of state bodies and the implementation of the tasks facing them. With the development of the state, its tasks and functions acquired new features. However, the role of taxes as a source of financing for the state and its bodies remained unchanged.

According to the scientific approach of O.R. Meyiliyev (2016), it is appropriate to increase the gross income, tax, and financial potential of the regions through the indicators of the increase or decrease of the tax debt. [6].

D.Chernik (2003) in their study, having studied the mechanism of collection of taxes and other mandatory payments in foreign countries and Russian Federation, developed a policy of working with taxpayers who refused to pay taxes, their rights and obligations, in the future, practical recommendations on the obligation of each taxpayer to pay taxes at his own discretion, and proved it using these recommendations in the field [7].

A. Kuznesov (2016) stated that the partner of the tax-paying state should not overestimate the tax literacy and culture of the participants in legal relations, without understanding the tax authorities [8].

V.A.Andreeva (2017) insists on her research as much as below. The reasons for non-compliance with tax discipline have been studied by taxpayers, methods for increasing knowledge of tax have been analyzed and methods for improving service as a public partner have been proposed to taxpayers [9].

G.Morozova (2009) touched on the definition of tax culture, which, in her opinion - a nationwide part of the culture of the country, a narrow interdependence of the mutual movement between the state and citizens in the tax system. The main element of tax literacy and culture is the moral and financial capabilities and capabilities of taxpayers, which constitute systematic education, development, and control of tax discipline [10].

Margherita Ebraico (2015), a foreign scientist who carried out scientific research on this issue. In addition to promoting the collection of taxes and fees in the country, it also emphasizes that strict measures will be applied to taxpayers who have tax debt, which will have a positive effect on the reduction of tax debts on the collection of taxes and fees and prevent their occurrence in the future [11].

Research methodology.

Tax debt - is the result of a letter to the state, the Republic, or the local budget to stop supporting its obligations to the people in economic and financial terms, carried out by the debtor, knowing or not.

Artificial tax debt - a debt bill aimed at the state budget on the basis of the relevant documents, which is not reflected in the account of tax revenue, in addition, the amount of tax paid has fallen to another address, has a benefit within the scope of tax legislation, but does not include the benefit or is caused by the failure of the taxpayer.

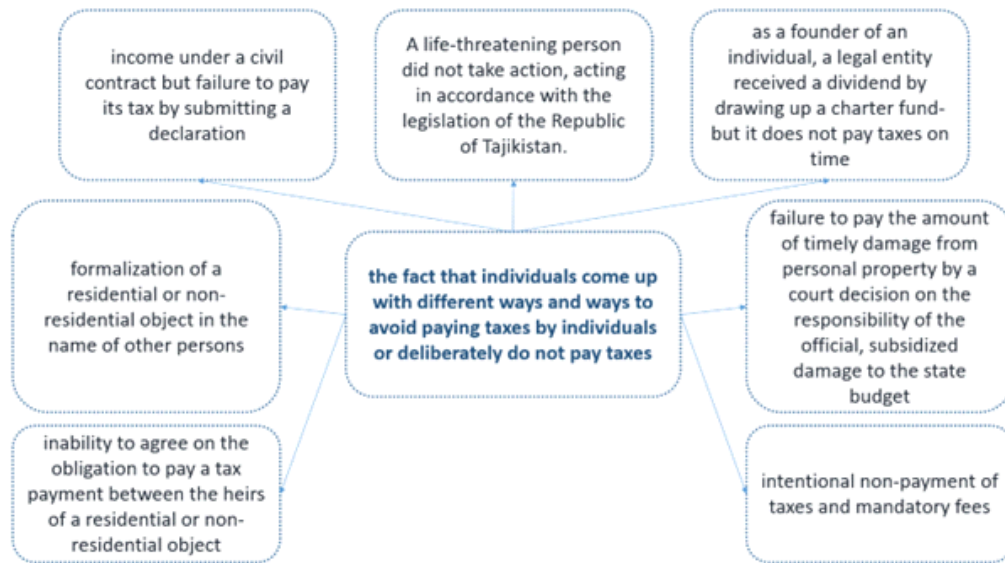The occurrence of tax debt is influenced by these factors:

First of all, the presence of factors that affect the social status of an individual, that is, the emergence of artificial tax debt.
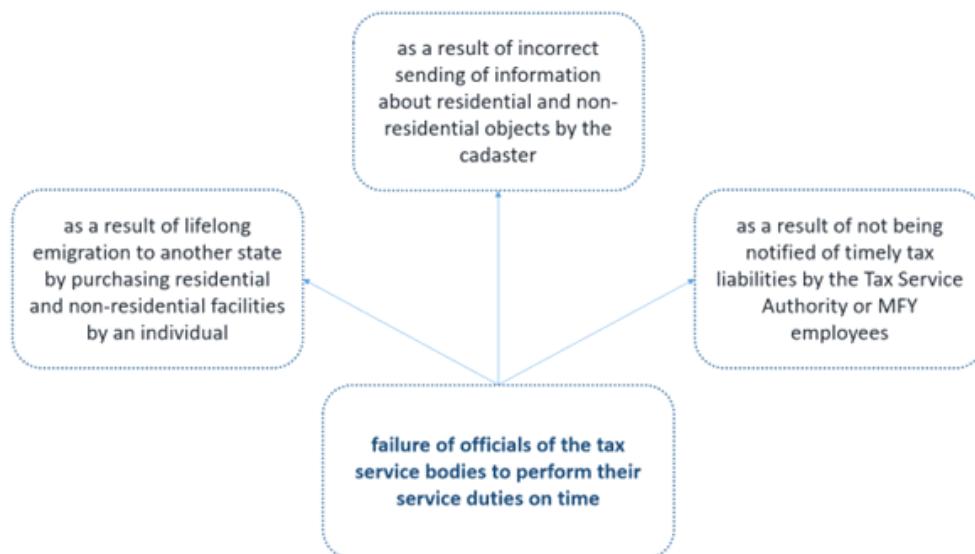
Figure-1 [12].
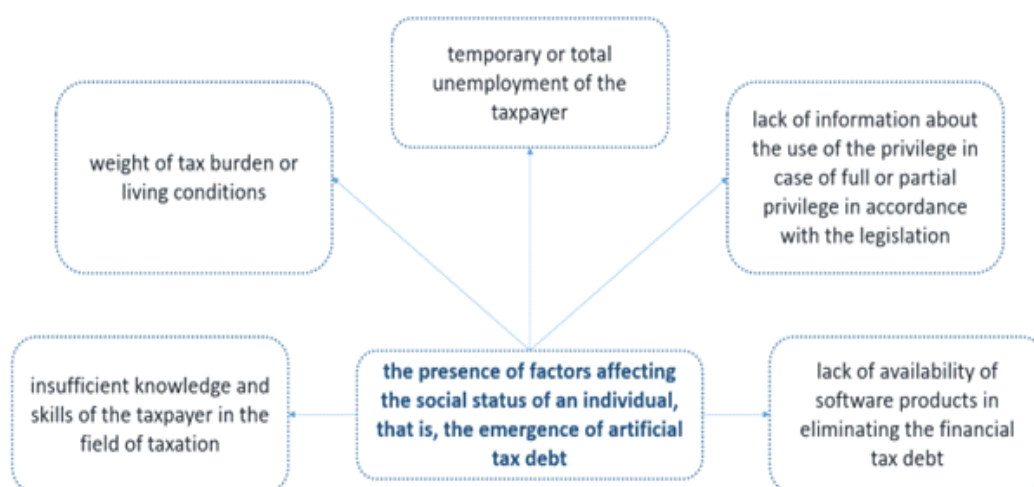
Secondly, the fact that individuals come up with different ways and ways to avoid paying taxes by individuals or deliberately do not pay taxes:

Figure-2 [13].

income under a civil contract but failure to pay its tax by submitting a declaration

A life-threatening person did not take action, acting in accordance with the legislation of the Republic of Tajikistan.

as a founder of an individual, a legal entity received a dividend by drawing up a charter fund- but it does not pay taxes on time

formalization of a residential or non-residential object in the name of other persons

the fact that individuals come up with different ways and ways to avoid paying taxes by individuals or deliberately do not pay taxes

failure to pay the amount of timely damage from personal property by a court decision on the responsibility of the official, subsidized damage to the state budget

inability to agree on the obligation to pay a tax payment between the heirs of a residential or non-residential object

intentional non-payment of taxes and mandatory fees

Thirdly, the fact that officials of Public Service bodies do not carry out their service duties on time:

Figure-3 [14].

as a result of incorrect sending of information about residential and non-residential objects by the cadaster

as a result of lifelong emigration to another state by purchasing residential and non-residential facilities by an individual

as a result of not being notified of timely tax liabilities by the Tax Service Authority or MFY employees

failure of officials of the tax service bodies to perform their service duties on time

The main problem of the listed three parts is that the head of the MFY and the representatives of the authorities know the status of their citizens, and families when the employee of the SCO does not know.

Today, in practice, in the cases below, a fine is calculated on the tax debt of legal entities and individuals:

- The amount of taxes and fees calculated but not paid on time;
- As a result of the calculation of the additional tax, as a result of the verification of it by the relevant bodies, in which individuals built illegal devices;
- As a result of the failure of time to provide the founding documents of the

privilege;

-    As a result of the amounts of the negative difference between the reporting amounts submitted to current payments in terms of tax types and the tax payments paid in practice;

-    As a result of the fact that after the taxpayer submitted reports to the CEC, after the external source compared it with the data in the software product, the economic entity provided the re-clarified tax reports;

-    As a result of misspelling of the account in the process of filling out documents confirming payment by legal entities and individuals.

In the following cases, a fine is not counted on the tax debt:

-    If the decision of the inter-district Economic Court on the opening of the bankruptcy case came out;

-    In the event that the amount of the fine is equal to the SMMA of tax debt;

-    Overpayment in one tax if there is a tax debt in the other, but the amount of overpayment is more than the amount of tax debt;

-    As a result of the write-off of the desperate tax debt, the fine is also deleted.

In the pre-trial preparation of payment notices, there is no transparency or openness in the mechanism for charging tax debt to individuals. As a result of this, the payment is experiencing problems below when printing and distributing the notification:

1.The cost of printing a payment notice is mentioned in Table 1;

Table-1 [15].

№	Name of documents	Number of sheets left	1 sheet sum (the cost of 500 sheets was taken from 45,000 rubles)	Total sheet sum	Pochtai harajati simple letter	Postal tribute order letter	Public sister	Total expenses
1.	Payment notice	2 PC	90 som	180 som	5950 som	9750 som		**6130/9930 som**
2.	Application	3 PC	90 som	270 som	5950 som	9750 som		**6130/9930 som**
3.	Claim application	3 PC	90 som	270 som	5950 som	9750 som		**6130/9930 som**
4.	Power of attorney and reference	5 PC	90 som	360 som				**22720/26520 som**
5.	Court order	3 PC	90 som	270 som	5950 som	9750 som	16500 som	**22720/26520 som**
6.	Performance sheet	2 PC	90 som	270 som	5950 som	9750 som	33000 som	**39220/43020 som**
7.	Letter to MIB about the existence of debt	2 PC	90 som	180 som				**180 som**
8.	Certificate of absence of debt to MIB	3 PC	90 som	270 som				**180 som**
	Total:	**23 PC**		**2070 som**	**17850 som** *(recall! application or claim application received)*	**29250 som** *(recall! application or claim application received)*	**16500 som** (court order), **33000 som** (Performance sheet) out	

2.Non-landing of an employee of the Department of Services to Individuals;

3.If the owner of the property has died, and the heirs do not divide their right to the building and formalize the house in its name within 6 months, then in this regard, the Tax Service does not have the authority to take the measure of responsibility for this situation;

4.The perfect solution to the collection of tax debt of individuals has not been found to this day.

The percentage of the amount and number of tax debts of individuals in the Republic of Uzbekistan for the period 2012-2022, is presented in Figure-4
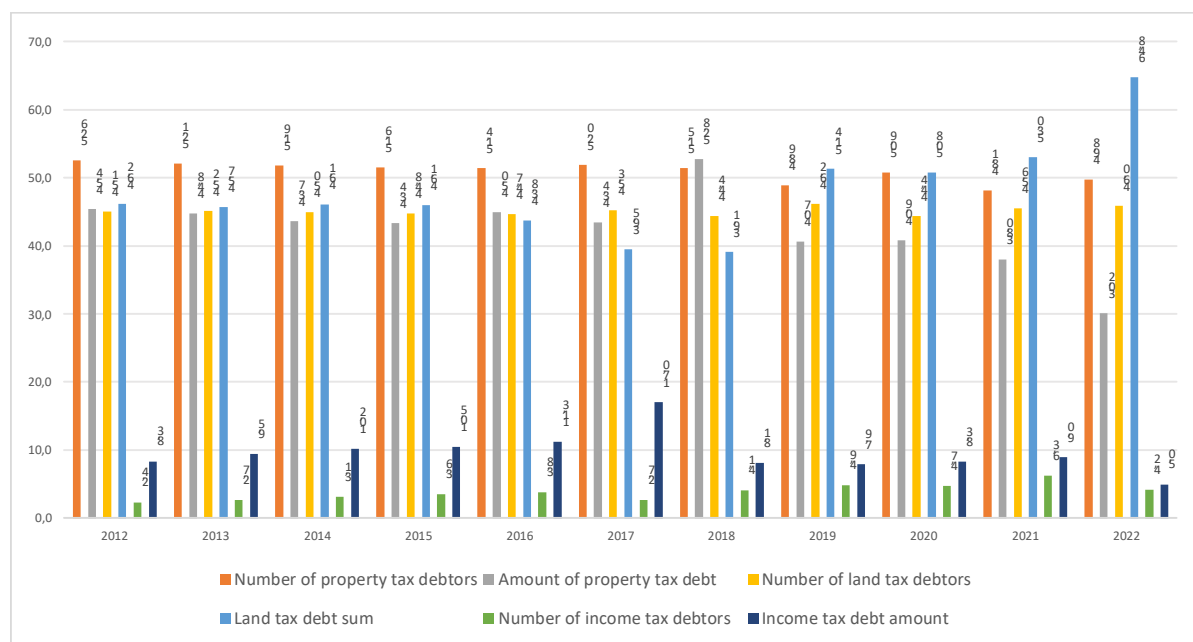
Figure-4 [16].

Figure 4. For the period 2012-2022, we can to see that tax debt in the Republic of Uzbekistan has increased from 10 years of property tax debt of existing individuals to more than 50% on average, but the amount of tax debt has decreased from 45% on average in 2012 to 30% in 2022, the number of land tax debtors has increased from 45% in 2012 to 46% in 2022, and the amount of tax debt has increased from 46% to 65% on average. The main reason for this was that only in the city of Tashkent, since 2009, the calculation of taxes and the maintenance of documents with the cadatr number were carried out. Recall that from 2009 to 2018, it was carried out with the TIN, since 2018, the result of the reforms implemented in the cadastral system, this system was transferred to the cadastral number of all regions of the Republic. By renting out individuals their property and property in their possession, as a result of submitting a declaration on their total annual income, we can see that the number of people who are attracted to tax debt averaged 2% in 2012, while by 2022 the number of debtors increased by 4%, while the amount of tax debt increased by 8% in 2012. The results of this 10-year, factor analysis show that we can see an increase in the number of property and land tax debtors and the amount owed, but the total annual income debtors and tax debt have decreased.

The experience of developed countries in collecting tax debt from individuals was studied. According to him:

In relation to the collection of tax debt of individuals from foreign countries in the Republic of Lithuania since 2017 there is a system "basket of utilities and payments", in

which all payments on the use, and storage of property (utility payments, tax, Internet, telephone, etc.) are concentrated in a single account and payments can be made by pressing a single button.

Similarly, in the U.S. State of Washington, a utility billing and fee Collection System (Utility Billing and Collection) has been introduced, to which, in addition to utility agencies, tax authorities are integrated and detail each amount of utility services, and all are combined into a single account. Amendments and additions to the tax code.) [17].

In the United Kingdom, HM Revenue & Customs (HRMC) enhanced its capacity to collect debt through adjustments to the Pay-As-You-Earn system (PAYE). Where tax due on different sources of income is not paid or there are payment difficulties, HMRC is able to change an individual's PAYE code going forward. This means that repayments are automatically deducted from earnings for the future year using a sliding scale of coding limits for individuals with annual earnings above GBP 30,000. Debtors also have the option to pay their debt in full to avoid the change of the PAYE code. Furthermore, the recently introduced "Dynamic Coding-Out" will use new technology to recover additional debts and modernize the existing coding-out process. This will allow in-year changes to the PAYE code, making it possible for overdue debts to begin to be collected during the current fiscal year, rather than waiting until the next one [18].

The Netherlands. Between 2016 to 2018, the Netherlands Tax and Customs Administration (NTCA) reformed the organization of recovery functions, moving to a segmented approach with responsibility for individuals, SMEs, and large businesses given to the appropriate units. The main objectives for centralization was to decrease manual processes, increase the scale of automation and reduce staff. For individuals, debt management and recovery became the responsibility of a new Central Automated Process unit (CAP). A sub-division of CAP was created to streamline countrywide recovery, centralizing work previously done in local offices into three locations. The organizational changes included:

- changing the governance structure for the tax debt management process, bringing the (semi) automated recovery under a single director;

- having more centralized governance and work-flow optimization per segment; and

- adding a senior debt management chain director who is responsible for the harmonization and collaboration of the different directors responsible for recovery.

Legacy IT systems added to the challenges of the centralization process. Automation of legacy systems remains a challenge. NTCA used case management software combined with several data analytics products to improve legacy IT. Centralization reduced staffing needs and increased control over the tax collection and recovery functions. Having one director for tax debt management processes created greater ownership and improved collaboration between different business units of the tax administration which are responsible for different areas of tax debt collection. The organization is a matrix [19].

New Zealand. On 12 February 2018, Inland Revenue (IR) moved to a new structure based on five taxpayer segments (Individuals, Families, Micro Businesses, Small to Medium Businesses, and Significant Enterprises). The intention of adopting a taxpayer segment-based structure is to facilitate a customer-centric focus, moving away from working in functions and focusing on providing the public with more "end-to-end" services. This will further facilitate IR's aim to add to its growing knowledge base as regards behavioral insights [20].

The Delphi model was implemented in 2012. Its objective is to predict the solvency

rate for companies, the self-employed, and individuals. To simplify the work in the operational units, Belgium limited the number of classes to five colors, with red for a very high risk of insolvency and green for a very low risk of insolvency. (Like the other models, Delphi also faced challenges related to data but there are plans to improve it by adding new indicators based on external social debts.) The assessment criteria for the Delphi model is the monitoring of the correct prediction percentage in comparison with the real situation of the scored taxpayers [21].

The Norwegian Tax Administration (NTA) has a semi-automated tax revenue accounting system called SOFIE. This system administers the accounting of tax revenues, distributes information, and handles payments from taxpayers. It also has a functionality called Debtor Adjusted Enforced Tax Collection, which is a tax collection model that predicts an individual's probability of paying unpaid taxes. The probabilities are estimated on a set of objective criteria, and a score between 0 and 100 is calculated. Debtors within the same score intervals are given the same set of enforcement measures. The model allows the NTA to segment the tax debt portfolio, prioritize within it, and to choose the right measures at the right time.

The NTA is responsible for debtors that are handled in six different business systems. The data from most of these business systems are not loaded in the data warehouse and therefore not available for analysis. A feasibility study was conducted to determine if it was possible to get access to and connect data from the different business systems. The aim was to obtain an overview of the extent to which the same debtors appeared in several systems, differentiated between debtors who are private persons and companies.

The study included debtors with unresolved debts sometime during the year 2015. The study found that more than more than 50% of companies and from 14% to 31% of individuals (depending on debt types) had debts in more than one system. The facts gathered from the study are useful in furthering Norway's Needs Analysis of the Future Tax Collection initiative (described in the chapter "Organisational changes and outsourcing").

This holistic communicational strategy has improved since 2016 and increased the total collection results by 6 % in one year (income and wealth tax for individuals) [22].

In 2016, the Australian Taxation Office (ATO) expanded its contemporary digital tools and e-services to make it easier for debtors to pay on time and manage their tax debt. This was done by:

- increasing the amount eligible for a payment plan through automated phone service from AUD 25 000 to AUD 100 000 (all taxpayers, including tax agents on taxpayers' behalf); and

- improving services for individuals and sole traders to set up payment plans for amounts up to AUD 100 000 online. This was available for both income tax and activity statement tax debts (including Goods and Services Tax and Pay as You Go).

In 2016, the ATO also introduced MyTax for lodgement of Income Tax Returns for Individuals (replacing e-Tax). This enabled an increased population to access services through linkage to ATO Online services (previously Individuals Portal).

Since 2017, the ATO has been piloting the expansion of online services for Tax Agents and Business Activity Statement (BAS) Agents (through the introduction of ATO Online for Agents). These services will enable Tax and BAS Agents to access existing services (currently available to individuals and sole traders), including payment plans. People with outstanding debts are more willing to make a payment arrangement

with the ATO when they can do so online or via automated phone service. The ATO is further refining its approach to payment plans including whether to consider other information such as a debtor's turnover and their past behavior [23].

Belgium. The Delphi model was implemented in 2012. Its objective is to predict the solvency rate for companies, the self-employed, and individuals. To simplify the work in the operational units, Belgium limited the number of classes to five colours, with red for a very high risk of insolvency and green for a very low risk of insolvency. (Like the other models, Delphi also faced challenges related to data but there are plans to improve it by adding new indicators based on external social debts.) The assessment criteria for the Delphi model is the monitoring of the correct prediction percentage in comparison with the real situation of the scored taxpayers [24].

Hungary. In 2016, the NTCA introduced the Electronic Payment Facility for businesses. This was recently extended to individuals. Debtors filing electronically are required to file requests for a payment facility in electronic form. The introduction of automatic payment facilities has resulted in further simplification of the collection process. Debtors can request a payment plan that incorporates the automatic payment of their debts over time. These procedures are very effective in collecting small amounts of debt while freeing up the enforcement staff to pursue riskier accounts. The initiative was extended to individuals. For individuals, it now permits automatic payment installments once a year if the debts do not exceed HUF 500 000. The NTCA experienced positive compliance results since the implementation of this initiative. In 2017, the NTCA received 1 330 business debt requests (HUF 1 959 000 000) and 27 791 individual requests (HUF 5 183 000 000). Data collected shows that many debtors who were unwilling to disclose information about their financial or social circumstances chose this option. NTCA plans further expansion of the payment facilities [25].

Singapore. In 2016, the Inland Revenue Authority of Singapore (IRAS) implemented the initiative called Use of Behaviour Insights (BI) in Demand for Individual Income Tax. By incorporating BI elements into the Demand Notes, debtors are informed that a late penalty was imposed and nudged to pay the outstanding tax. The notice content was based on the debtors' compliance record. "Errant" debtors, who had a previous history of payment problems, received a firm deterrent message that warned them of the consequences of not paying their overdue taxes. First-time late debtors were offered automatic penalty waivers if they paid their overdue tax immediately [26].

We present the following conclusions, recommendations, and suggestions in order to improve the mechanism of recovery of tax debt of individuals based on the above-mentioned practical problems, their solutions, and foreign experiences.

1.Write-off of existing tax debt on property tax and land tax resulting from the effective tax mechanism applied to the owners of unused objects at increased rates, termination of judicial and enforcement proceedings related to the collection of tax debts

2.Citizens who have fully paid property and land taxes calculated at the beginning of the year will be given a discount of 80 to 90 percent of the tax amount (the discount is valid until April 15.). If there is a tax debt after April 15 and October 15, on the contrary, the amount of the discount given by the district is applied as a penalty.

3.Figure 5. As a result of further improvement of the offered mechanics, the software product "ARMi-5 fiz.litso" works in the following order.

Figure-5 [27].
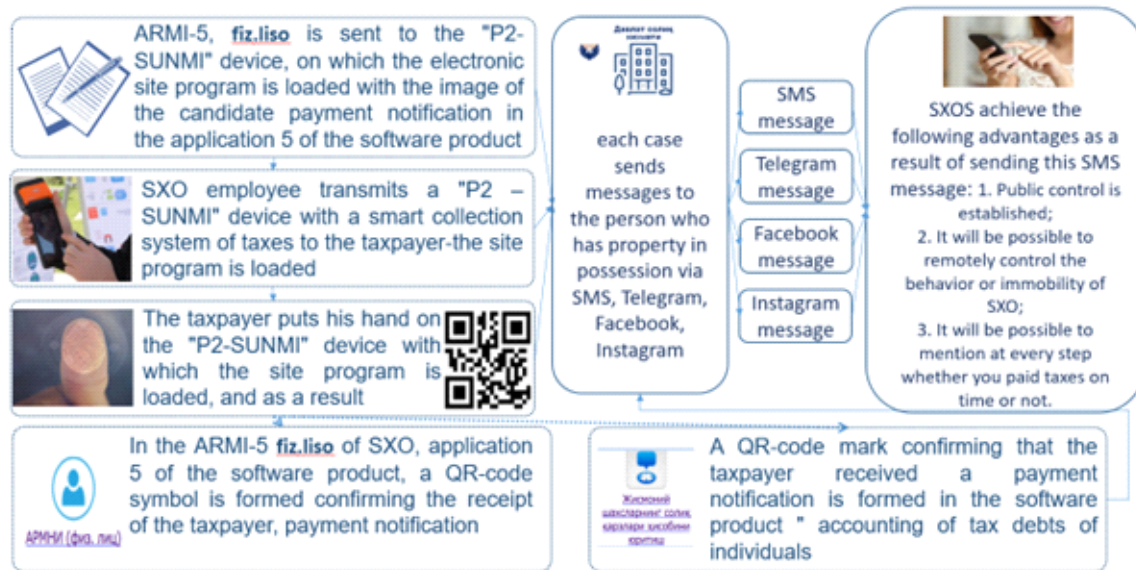
4.In order to ensure the principle of fairness in the collection of tax debt from individuals, ensure that every process related to tax debt by the Tax Service and other public service bodies is sent to the debtor in the form of SMS. (As a result of this implementation, the costs listed in Table 1 would not exist).

5.If the property owned by the deceased person has not been legally registered by the heir for 6 months, it is possible to apply a fine to the tax service body and to cover all the costs incurred for taking measures to unconditionally collect the amount of tax debt.

6.It is appropriate to collect taxes calculated on the land and property of individuals related to real estate objects by connecting to the automated system of accounting and control of electricity (gas) at the address of these objects. The implementation of this mechanism will reduce the costs incurred by tax authorities to collect tax debt from individuals.

7.Calculating taxes and forecasting them in advance Hiring qualified specialists responsible for determining the rate of property and land taxes for the following year.

8.Establishing an electronic courtroom in the neighborhood building to ensure the participation of citizens with tax debts in court proceedings and to prevent them from excessive loitering;

9.Creation of a single integrated software product of the Neighborhood Citizens' Assembly with the Tax Committee, Cadastre Agency, Territorial Departments of the Pension Fund, District Civil Court, Notary and Enforcement Bureau under the General Prosecutor's Office.

10.To give authority to regional tax service authorities to limit notarial services and the right to leave the border of a debtor with tax debt.

We believe that the introduction of these proposals will serve to improve the mechanism of recovery of tax debt from individuals.

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