

## PROSPECTS OF EFFECTIVE USE OF INFORMATION AND COMMUNICATION TECHNOLOGIES IN THE APPLICATION OF THE 12TH IAS "INCOME TAXES" IN OUR COUNTRY

RIZAEV KHOOSHNOODNAMAZOVICH

### Abstract

**Keywords:** IAS-12 "Taxes on income", International Financial Accounting Standard, e-government, information, communication technologies, digital economy, modernization, tax code, taxes

On February 24, 2020, the President of the Republic of Uzbekistan signed Decree No. PQ-4611 "On additional measures for the transition to international financial reporting standards" according to this decision, starting from 2021, insurance organizations, commercial banks, joint-stock companies and legal entities owned by large taxpayers are required to keep accounting records in accordance with international standards financial statements (IFRS). It notes that starting from 2021 it is necessary to prepare financial statements in accordance with International Financial Reporting Standards (IFRS). According to this, the state tax authorities were obliged to perform another important task. In accordance with the state program for the implementation of the "Year of Science, Education and Development of the Digital Economy", the Cabinet of Ministers adopted Resolution No. 359 of June 5, 2020, with the aim of further improving tax administration by modernizing information and communication technologies. According to the above, it is established that all financial and tax reports will be submitted to state bodies in electronic form.

### Author correspondence:

**RIZAEV KHOOSHNOODNAMAZOVICH**- doctoral student of the Banking and Finance Academy of Uzbekistan, Tashkent

**Email:** [gafuribragimov@mail.ru](mailto:gafuribragimov@mail.ru)

## INTRODUCTION

In order to accelerate the transition to international financial reporting standards (IFRS), to provide foreign investors with the necessary information environment and to expand access to international financial markets, as well as to improve the system of training accounting and auditing specialists according to international standards, on February 24, 2020, the President of Uzbekistan issued a decree "On the International Standards of Financial Reporting signed the decision No. PQ-4611 "On additional measures for transition". Based on the decision, reporting transformation processes are currently being implemented, but comparing tax and accounting in these cases is very difficult and inconvenient for many accountants. In order to avoid mistakes and save time, IAS 12 "Income taxes" means that the automation of the transformation processes of the main parts of the taxation has been very successful. Accountants openly hate income tax reconciliation (that is, reconciling the relationship between taxes and accounting). The main reason for this is that many people do not understand its purpose. It's like a bunch of numbers and percentages that never add up to a proper table. However, if the right data sources and the

right approach are used in Accounting, the transformation can save a lot of time. IAS "12-Income taxes" requires a comparison of various information, including the tax base. For this, it is necessary to understand the main relationship between tax expenses (income) and accounting profit.

## LITERATURE REVIEW

International standards of financial accounting, or specific rules for each direction of international standards of accounting, are approved and recommended for practical implementation. Of these, the most tax-related standard is International Accounting Standard No. 12 "Income taxes". The most important condition for the formation of reliable accounting in enterprises is simultaneous accounting and tax accounting. Currently, the fulfillment of tax obligations in small businesses in our country is considered the most important function, and accounting is considered a secondary task. Many authors note this in their publications, in particular, Usatova and Arskaya write: "The management of tax obligations is an integral part of the planning system in the organization and is inseparable from the general activity of the business entity." Comparing the tax base of the profit tax and the taxable profit in the financial result is a common problem among accountants. In their research, Atabieva and Kovalyova explain the difference between accounting and tax accounting, saying, "Declarations and accounting reports are sufficient for tax accounting when calculating the taxable base for calculating profit tax. You can and should use accounting records and records to ensure their reliability, reflect deferred tax assets and liabilities arising from tax differences." they say. In all of the above opinions, the scientists emphasized that the indicator of the profit subject to profit tax can be obtained from the indicators in the accounting account, for this there is no need to keep a separate tax account, and they said that it is also possible to keep both accounts together. Taking into account that modern accounting systems are automated and conducted electronically, it would be a great step to reduce the costs of business entities and prevent errors in the tax field if we make the accounting according to international standards consistent with the requirements of the current tax code of the Republic of Uzbekistan.

Efforts to improve and reform accounting in our country have been started since the early days of our independence. In particular, in 1998, within the framework of the "OUN-EIX TAKIS" program, for the composition of income and expenses in accounting and their use in accounting, "On the distribution of costs for the production and sale of products (performance of work, services) included in the cost of products (work performed, services provided) and Commentary on the Regulation on the formation of financial results" was developed and approved. In the development of these comments, Deputy Minister of Finance M.A. Abdugadirov, Head of the Department of Taxation Methodology Improvement of the State Tax Committee E.F. Gadoev, Head of the Department of Accounting and Reporting Methodology of the Ministry of Finance B.K. Kudratov, Chief Accountant of Kompany Mrs. V. Fomina and the representatives of the UN, the deputy representative of the UN in Uzbekistan Mrs. Loreyin Raffin provided a lot of help. This document is considered one of the fundamental foundations of today's corporate tax documents. Simplifying the norms related to the calculation of profit tax and at the same time bringing it into a system in a state that is understandable to everyone is an important tool to prevent cases of profit tax evasion

and to achieve an increase in budget revenues. Continuation of the work done in 1998 and integration of the 12th Income tax standard of the IAS into the national accounting and tax accounting system and transfer of the integrated system to the automation and electronic accounting system are among the tasks that cannot be delayed in the development of the economy. After all, according to the great entrepreneur Amir Temur, "Taxes are the economic support of the state". Therefore, taxes play an important role in regulating the economy.

**PROBLEM.** When presenting profit tax reports and information to investors, the report is prepared on the basis of tax calculation, which causes investors and users not to be provided with complete information based on international requirements on Income taxes. In addition, in Article 295 of the new revised tax code of the Republic of Uzbekistan, the positive difference between the income and expenses specified in the tax code is recognized as an object of profit tax. Profit before tax is determined based on the requirements of the Cabinet of Ministers Resolution No. 54 of February 5, 1999 "Regulation on the composition of costs of production and sale of products (works, services) and the procedure for forming financial results" and the requirements of the tax code. mainly in the electronic accounting of the differences between the determined profits, simplifying these two accounting systems, and considering the possibility of automatic calculation based on the data of the first and second, looking for the possibility of integration, creating a system for distinguishing the differences using automatic arithmetic operations, leading to the reduction of time and money consumption and the prevention of tax errors will it come.

## RESEARCH METHODOLOGY

The accountant needs to conduct a reconciliation of income tax with the tax authorities (that is, coordination of the relationship between taxes and accounting). The main reason for this is that a set of numbers and percentages that never add up to the correct table. However, if accounting uses the right data sources and the right approach, conversion can save a lot of time. IFRS (IAS) "12 - Income Taxes" requires a comparison of various information, including the tax base. To do this, it is necessary to understand the basic relationship between tax expenses (income) and accounting profit. In connection with the above, the transition of entities to IFRS is increasingly being used and recognized worldwide. Some countries even use IFRS unchanged as their own standards when converting, while some States make some changes based on the specifics of the country.

## CONCLUSION AND SUGGESTION

Studying the process of accounting using automated programs and, on the basis of this information, entering additional information into the data entry process in necessary cases, looking for opportunities to organize tax accounting, using international accounting standards as a reference in this process, the negative impact of today's transition process on the economy serves to reduce the effect.

In most countries, accounting rules differ from tax accounting due to local tax laws and regulations. In order to automate the process and avoid errors in tax calculation, it is

necessary to thoroughly analyze important aspects. Sometimes accountants have to make a lot of adjustments to accounting income to justify the calculation of income tax. In order to fully understand the meaning and provisions of International Accounting Standard No. 12 "Income taxes", it is necessary to understand the similarities and differences between International Accounting Standard No. 12 "Income taxes" and the tax code. These are mainly accounting profit and taxable profit, current profit tax and deferred profit tax. In order to account for these differences, it is recommended to make good use of the existing subschemes in the chart of accounts and to introduce some new subschemes.

In order to create a legal basis for the process of automation and to use it as a normative document in the resolution of disputes, to develop a standard document that is harmonized with international accounting standards and used in accounting in Uzbekistan, to determine the procedure for accounting for differences in the calculation of tax and profit tax in accounting in the text of this document, to the flow of investments and serves to reduce the risk of tax disputes between economic entities and tax authorities.

To carry out wider explanatory work among students of higher education institutions, professional accountants and auditors, to organize roundtable discussions, to provide a number of good ideas and suggestions for the new development and implementation of a software system that is compatible with international accounting standards and used in national accounting and tax accounting.

#### **LIST OF REFERENCES:**

- 1.Law of the Republic of Uzbekistan "On accounting" in the new editorial office dated April 13, 2016 No. 404.
- 2.The new tax code of the Republic of Uzbekistan. National database of information on legal documents of the Republic of Uzbekistan, 31.12.2019, No. 02/19/SK/4256.
- 3.Decision of the President of Uzbekistan "On additional measures for the transition to international standards of financial reporting". 24.02.2020 #PQ-4611
- 4.Corporate Tax Evasion and Audits Under Common and Specific Shocks // Journal of Economic Behavior and Organization, Parimal K. Bag, Peng Wang (2021)
- 5.Peculiarities of the accounting balance in modern management system .U.S.Tursunov, A.K. Ibragimov // International Journal of Management, IT & Engineering,2020. Volume 10. Issue 02. –P. 24-58.
- 6.Budget control and audit: textbook. stipend/UN development program; Ministry of Finance of the Republic of Uzbekistan. Training center/AK Ibragimov, BB Sugurbaev /- T.: publishing house" infoCOM. UZ, 2010.
- 7.Financial and management accounting. A Ibragimov, I Ochilov, I Kuziev, N Rizaev - Educational manual, 2008.
- 8.Intellectual property objects: theory and analysis/ NK Rizaev, AK Ibragimov - Economics and Innovative Technologies, 2019.

9.Elements of information provision and management of tax obligations / L.V. Usatova, E.V. Arskaya // Belgorod economic bulletin. No. 3 (71). (2013).

10.On improving the accounting of tax differences, tax assets and liabilities. Economics, management and accounting in the enterprise. Atabieva E.L., Kovaleva T.N., (2018) No. 4 (3).

11.Comments on the Regulation on the distribution of costs for the production and sale of the product (performance of work, service) included in the cost of the product (work performed, service provided) and the procedure for the formation of financial results. Tashkent. 1998.

12.International accounting standard-12 "Income taxes" official translation published by the Ministry of Finance of the Republic of Uzbekistan.

13.Kemaeva S.A., Lodygina E.I. "Sovremennyy vzglyad na primenenie PBU 18/02 "Uchet raschetov po nalogu na pribyl" v sisteme bukhgalterskogo ucheta organizatsiy" Izdatelskiy dom FINANSY end KREDIT, 2017.

14.Organizational issues of audit evidence and their analysis in Uzbekistan.

15.Lex.uz official site.

16.<https://cyberleninka.ru>.