## FEATURES OF ASSESSMENT OF TERRITORIAL TAX POTENTIAL IN ENSURING THE SUFFICIENCY OF BUDGET REVENUES

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**Annotation:** The article analyzes the features of the methods of assessing the tax potential of the region in ensuring the adequacy of tax revenues in the budget revenues of the Republic of Karakalpakstan. In particular, the results of the comparative analysis of the results of the assessment of tax potential using the method of real (additive) method of corporate income tax, single tax and resource taxes, representative tax system, as well as correlation regression analysis were expressed.

**Keywords:** budget revenues, tax revenues, assessment of tax potential, real (additive) method, representative tax system, correlation regression method.

**Introduction.** The creation of methodological support for the calculation of tax potential is one of the important tasks of the science of "taxation". The purpose of assessing the tax potential is to determine the objective distribution, redistribution of taxes and increase their efficiency. Depending on the goals and objectives and the objects of assessment, the methods of assessing the tax potential also differ conditionally. In our view, the methodology for assessing the tax potential should be simple and straightforward, but there are currently a number of difficulties in calculating it. This is due to the lack of official statistics that include the indicators needed for the calculation. It contains only complex data that represent a partial description of the tax potential and the tax burden.

**Literature review.** It should be noted that the research of many scientists in the field of modern economics is devoted to the study of methods for assessing the tax potential of the region. Currently, most researchers offer a number of options for classifying methods of methodology for assessing the tax potential of the region, including:

- methods of assessment of economic income; based on the formation of a representative tax system; on the basis of correction of tax reporting data and information on actually collected taxes; on the basis of the index of the tax potential of the region (Karataev, 2010);

- methods based on economic income indicators; when making corrections to the data of tax reports and information on taxes and fees collected in practice; use of an indexed approach (Roshchupkina, 2014);

- a group of methods that use macroeconomic indicators and are based on the formation of a representative tax system (Mironov, 2012).

**Research methodology.** Based on the monographic observations, all the above classification options are based on the methodological basis of the assessment approaches. That is, styles are classified according to similarities and differences in the mechanism. While not denying the importance of these options, in our study we emphasize the expediency of using a functional and methodological classification based primarily on the purpose of using regional tax potential assessment methods.

**Analysis and results.** If we consider the author-based version of this classification: here, two groups can be distinguished - extrapolation methods and modeling the assessment of the tax potential of the region.

The content of such a variant of this classification is manifested in the following cases:

1. In differences in the purpose of using the methods (modeling methods have high accuracy but are labor intensive, and extrapolation methods allow estimating the tax potential of the area with low labor costs, but with the variability of probability errors);

2. In differences in forecasting (medium and long-term assumptions for short-term forecasting and modeling methods for extrapolation methods);

3. In the specific differences of the methodological field (extrapolation and modeling).

We will look in more detail at extrapolation methods and modeling mechanisms, their advantages and disadvantages, and their suitability for research areas. For example, when using extrapolation methods to estimate the tax potential of any region, the projected values of the tax potential will depend on its values for the previous period. In modeling, however, the region assumes the creation of a model of the dependence of the tax potential on factor indicators, and as noted, the projected values of the tax potential depend on their past period values. In modeling, unlike extrapolation, constantly changing factors are taken into account, so in practice it can be said that the region is able to objectively assess the tax potential. The advantage of extrapolation methods is their relative ease of implementation. However, in our opinion, it is advisable to take into account the specifics of the research conducted in the application of this or that method in assessing the tax potential, as well as individual local conditions and aspects that need to be taken into account. Because it is arguable that the expected result will always be positive.

Analyzing the economic literature, it is important to note the following extrapolation methods of estimating the tax potential of the region among a number of methods used in modern world practice in modern financial science:

1. Methods of assessment in accordance with the data of tax returns and the amount of tax payments actually collected (method of assessment based on adjustments to the data on payments actually collected in the base year, calculated using the additive (additions) features of the tax potential of the region);

2. Valuation method based on the regional tax potential index;

3. The method of forming a representative tax system;

4. The method of total taxable resources (Angarhaeva, 2012).

Methods of modeling the tax potential of the region include:

1. Methods of assessment on the basis of economic income indicators (indicators of per capita income, assessment using GRP);

2. Correlation and regression analysis method;

3. A method of assessing covert activity in industry.

We consider the following types of extrapolation methods: valuation methods based on tax reporting data and the amount of tax actually collected (calculation of the tax potential of the region using the additive feature; valuation method based on adjusting the data on actual accumulated payments in the base year); the method of establishing a representative tax system and the method of total taxable resources.

Among the methods of assessing the tax potential of the region on the basis of tax reporting data is the method of estimating the tax potential, using its additive features and based on the correction of information on taxes collected in practice. Let's look at each of them separately.

In the first method - it involves the formation of an assessment of the tax potential of the whole region by adding the tax potential on individual taxes. In this case, the tax potential of the regions for individual taxes is calculated in accordance with the data of tax reports.

Here, we note that the tax potential for individual taxes is assessed using past period data and adjustments can be made for forecasting, such as inflation index, accumulation rate of a particular tax type, expected tax credit rate, or return on tax arrears in the previous period, but such the case is in the modeling method. That is, the level of tax benefits expected in the operating period is taken into account by local authorities in the amount determined by the tax legislation, and the accounting of tax benefits provided by the Tax Code or regulations requires the formation of separate components of tax reporting. Extrapolation can be used to assess the tax potential of a region for individual tax types, for example: exponential alignment, simple moving average and weight methods, the method of constructing growth curves, and flexible models. It is a simple moving average method based on formula (1), which simplifies the essence of these methods, and at the same time fully reflects it (Ismikhanov, 2015).

$$TPR_i^n = \frac{TPR_i^{n-1} + TPR_i^{n-2} + \ldots + TPR_i^{n-k}}{k} \tag{1},$$

Here, $n$- is the appropriate period for performing the evaluation.

$k$- is the average moving order.

Based on the moving average method, the tax potential of a region can be forecasted by adjusting the amount of payments collected in the region as a whole. Compared to the first method mentioned above, this method requires less labor because it is applied at once when estimating the overall regional tax potential.

However, in practice, an approach based on a method based on making adjustments to the data on taxes actually collected in the region in the base year is also applied.This approach is given in formula (2):

$$TPR_i = TPR_{i-1}^* \cdot k \cdot \pi_i \pm D_i \tag{2},$$

Here, $TPR_{i-1}^*$ - is the region's tax potential for the current tax period with a cumulative ending up to the date of the previous reporting month (e.g., if the forecast is made in October, then the current year's tax potential is taken as 9 months, i.e. 01.10).

$k$-is the correction factor that allows to calculate the share of $TPR_{i-1}^*$. Accepted to calculate up to full value for the current year (i.e., based on 9-month data, estimate its 12-month value).

$\pi_i$- index deflator.

$D_i$- additional revenues (or losses) of the budget system expected in the next year as a result of changes in tax or budget legislation.

The next method, the valuation method based on the correction of data on payments collected in the base year, is also applied in practice, taking into account the additive features of the regional tax potential, ie calculated for certain types of taxes. For example, formula (2) is used as a deflator index from the corporate income growth rate for the next year, approved in the socio-economic development forecast, to calculate the tax potential of the region for corporate income tax.

This direction is also characteristic of S.Khudoykulov's researches. In particular, it identifies and assesses the tax potential in all regions of the Republic of Uzbekistan, including the Republic of Karakalpakstan, 12 regions and the city of Tashkent, based on

the analysis of profit and loss of enterprises that ended their financial activities with losses (Khudoykulov, 2018).

Based on the data of tax reports, not much work is spent on methods of assessing the tax potential of the region, because there is information needed to apply them.

The integration of this method with elements of modeling, such as curbing inflation or introducing a tax collection coefficient, allows to increase the accuracy of the forecast. In contrast, this direction is typical of F.Mirzaev's research. That is, the author emphasizes the expediency of assessing the level of tax collection on the basis of the tax potential of the regions (Mirzaev, 2012).

This ratio is not high compared to the direct application of these methods. Features: relatively low accuracy of forecast indicators and low labor costs for methods of assessing the tax potential of the region on the basis of tax reporting data allow their application in short-term forecasting.

The method of forming a representative tax system in accordance with the classification considered in our study also applies to extrapolation methods. It involves forecasting tax revenues by applying standard tax rates to specific tax bases. In our example, it is a source of information on the size of the tax base in the structure of tax authorities in the country, which is officially available on the websites of the State Tax Committee (soliq.uz) and the Ministry of Finance (mf.uz). The result of the assessment using this method will be the amount of tax revenue that can be obtained if the regions of the country apply the representative tax system in their territory. The method is calculated using formula (3) (Litvinova, 2017).

$$TPR = \sum_{i=1}^{n} TB_i \cdot t_i \tag{3},$$

Here, $CБ_i$- is the $i$-tax base that is calculated in the tax area.

$t_i$- is the $i$- tax rate.

The described method does not allow to take into account the impact of multi-factor indicators on the tax potential of the region and is not sufficiently accurate without their application, but due to low labor consumption, this program is also common in short-term forecasting. In addition, the method does not take into account differences in the level of economic development of the regions, the introduction of a system of privileges and preferences.

In our opinion, this direction is not relevant. Because it is important to take into account the above in assessing the tax potential of the region. This, in turn, serves to increase the objectivity of the tax potential to a certain extent.

In conclusion, the methods considered for overcoming and improving the shortcomings of extrapolation methods include the inclusion of factors directly affecting the area tax potential, or total taxable resources, or tax bases, which makes the improved methods a modeling method.

Modeling methods include assessment methods based on economic income indicators, in particular, the assessment method based on average per capita income indicators and GRP-based assessment. GRP includes the total amount of value added produced in the region during the relevant period, ie the tax potential for virtually all major taxes: including VAT, excise tax, corporate income tax, personal income tax, special regime taxes. and represents the interrelationship between GNP.

The method of estimating the tax potential of a region on the basis of GRP is to create a model of functional dependence of the tax potential of the region, which is expressed in a generalized form as a linear function with formula (4) (Sarkarova, 2016).

$$TPR = a + b \cdot GRP \qquad (4),$$

Here, within the framework of the estimated correlation, we need to forecast GRP for the relevant period of the assessment of the tax potential of the region, which significantly complicates the study. In addition, in most cases, the publication of GRP statistics lags behind by 1 year, which to some extent limits the possibilities of using this method in practice.

The method of assessing covert activity in industry is based on a resource approach to determine the nature of a region's tax potential, and in fact it means assessing the tax potential within the development of the resource base of a region's tax potential by removing it from covert activity. This method is based on data from tax audits conducted.

For example, in this case, we offer total taxpayers to extrapolate data on the results of additional payments under tax audits, thereby assessing the extent of latent results of enterprises in the region, resulting in reserves to expand the tax potential of the region by ensuring a high level of tax administration quality. In our opinion, it is absolutely impossible to join this direction. The reason is that, unlike other methods, the results of tax audits imply the imposition of administrative penalties on the activities of economic entities. In our opinion, the expansion of the tax potential should be achieved through the full development of existing natural resources in the territory of the Republic of Karakalpakstan, using the dominant potential of the region.

In general, the practical application of all the methods discussed is now integrated into international practice. As a regulatory framework, any state will make adjustments to its method of assessing its territorial tax potential and the methodology of its implementation. According to some studies, most regions of the Russian Federation have a defined methodology for assessing the tax potential, which explains the ratio of tax assessment methods used by the regions as follows: for example, the representative tax system - 73.9%, GRP-based assessment method - 13.8%, the method of assessment based on the adjustment of the amount of taxes actually collected - 10.8%, and the method of correlation-regression analysis - 1.5% (Slobodchikov, 2010).

So, what methods are used in international practice by the state tax authorities to assess the tax potential in the regions of the Republic of Uzbekistan, including the Republic of Karakalpakstan? What is the methodological basis of the methods and the structural status of the methods used in the regions? - pertinent questions such as. But at the same time, it is very difficult and controversial to get clear and positive answers to these questions.

**Conclusions and proposals.** The above study of the characteristics of the assessment of tax potential has allowed us to draw conclusions about the advantages and disadvantages of the methods of assessing the tax potential of the region under review. That is, while proposing the widespread use of extrapolation methods in regions, the correlation-regression analysis method is less widely used, as its labor intensity and use of the method require some knowledge and skills to be put into staff qualifications in tax planning.

Taking into account the noted advantages and disadvantages of the assessment methods, we present our general conclusions on the features of the assessment of the tax potential of the region, including:

- Many foreign and domestic scholars have conducted research with different interpretations of the tax potential, with different differences in the tax potential depending on the content and direction of certain research;

- In the study of methods for assessing the tax potential of the region to date, it has become clear that scientists use methods based on different approaches;

- Although the methods of evaluation differ significantly from each other, but important fundamental features have been noted by most scholars that the approaches of researchers in relation to the study of their essence are interrelated.

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