



THE ROLE OF ACCOUNTING IN TAX POLICY: ITS IMPACT ON ECONOMIC DEVELOPMENT

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Annotation. This article is devoted to the study of the topic "the role of accounting in tax policy: its impact on economic development." The article analyzes the relationship between accounting and tax policy, as well as the importance of accounting information in the fulfillment of tax obligations. Accounting plays an important role in determining the financial condition of organizations and calculating tax payments, which contributes to economic stability and development. The article also reflects on the impact of tax policies on the economic growth and investment environment, methods for assessing the effectiveness of tax regimes through accounting, and how organizations develop tax strategies. International experiments and practices are also considered in order to further deepen the correlation.

Keywords: tax policy, financial activity, tax regime, taxpayers, audit, risk, investment.

Introduction. Accounting and tax policy are important components of the economic system, the interdependence between which greatly affects the financial stability and development of organizations. Accounting is the process of systematically recording, classifying and analyzing the financial activities of an organization [1]. It shows the economic status of the organization through financial statements. Tax policies, on the other hand, include state-mandated tax laws and regulations that encourage taxpayers to meet their tax obligations.



Accounting and tax reporting. The information collected through accounting is mainly used to prepare financial statements. These reports, on the other hand, provide the necessary basis for the Tax Report [2]. When organizations do not accurately take into account their income, expenses and other financial indicators, it becomes more difficult to correctly calculate tax liabilities. Accounting information provides transparency for taxpayers and helps them optimize their tax payments.

Tax policy is an important element of the state economy. It is necessary for the formation of income of the state and the regulation of economic activity. Through tax policies, the state attempts to achieve goals such as promoting economic growth, attracting investment, and promoting social justice. Accounting, on the other hand, plays an important role in this process, as it provides taxpayers with the necessary information.

The relationship between accounting and tax policy is manifested in several ways:

1. Data-based decision - making-data collected through accounting is important in the formation of tax policies [3]. Organizations can analyze their finances and develop tax plans.
2. The effectiveness of tax regimes - with the help of accounting, organizations can evaluate their tax regimes. If accounting is clear and correct, it will help taxpayers to fulfill their obligations.
3. Audit and control-the control of taxpayers on the basis of accounting data is carried out by state bodies. This process ensures compliance with tax laws.
4. Development of tax strategies-organizations can analyze their financial situation through accounting and develop effective tax strategies. This helps to make their economic activities more efficient.

Accounting information focuses on the following aspects when fulfilling tax obligations:

1. Accuracy and transparency - accounting information should accurately reflect the financial condition of the organization [4]. This transparency increases taxpayer confidence in the state.



2. Report preparation-organizations use accounting information when preparing their financial statements. These reports, on the other hand, must be submitted to the tax authorities.

3. Tax benefits-through accounting, organizations can determine their expenses and income and increase their access to tax benefits.

4. Financial planning-accounting information helps organizations in future financial planning, which leads to the correct calculation of their tax obligations.

International experiments show that the correlation between accounting and tax policy ensures effective economic development. In most developed countries, accounting standards are strictly defined to ensure transparency and fairness for taxpayers. For example, the United States has GAAP (Generally Accepted Accounting Principles) Standards that help organizations prepare financial statements and provide the information needed for tax reporting.

A number of laws have also been developed in EU countries to strengthen the link between accounting and tax policies. Through these laws, organizations are required to provide their financial information in a clear and transparent manner.

Tax policy is an important component of the state's economic development strategy [5]. It serves purposes such as promoting economic growth, attracting investment, and promoting social justice. Through tax policy, the state manages its economy, which directly affects the financial activities of enterprises and individuals.

Tax policies affect economic growth in several ways:

1. Tax rates-high tax rates can discourage businesses from investing because they pay the state a large part of their profits. Conversely, low tax rates encourage enterprise development, investment in new projects, and job creation.

2. Tax credits-tax credits granted by the State play an important role in encouraging investment. For example, tax incentives granted for the introduction of new technologies or the development of environmentally friendly production direct enterprises to innovation.



3. Tax law-transparency and stability of tax laws are important for investors. If tax legislation changes frequently, it creates uncertainty for investors and may discourage them from investing.

4. Social investment-through tax policies, the state can encourage investment in social sectors, such as education and health. This contributes to the development of human capital in the long run and promotes economic growth.

Tax policies also affect the investment environment:

1. International competitiveness-the tax policy of the state determines its competitiveness at the international level. If tax rates in one country are high, investors can be redirected to other countries.

2. Investment strategies-organizations develop their own investment strategies, taking into account tax policies. For example, if a state offers tax benefits in a particular area, businesses may be interested in operating in that area.

3. Risk assessment-investors take risks into account when assessing tax policies. If the tax law is complicated or vague, it will negatively affect the decisions of investors.

Accounting is an important tool in assessing the effectiveness of tax regimes [6]. Organizations can analyze their financial indicators and determine the effectiveness of tax regimes.

Financial statements prepared through accounting (balance sheet accounting, profit and loss accounting) are the main resource in assessing the effectiveness of tax regimes. Businesses analyze their income, expenses, and profits to determine how to optimize their tax liabilities.

With the help of accounting, organizations can analyze their tax payments. This process helps to assess the effectiveness of tax regimes, as organizations can determine which tax payments have the most impact on their financial situation [7].

Through accounting, organizations can analyze how they use tax incentives. If organizations cannot effectively use the benefits granted, it can reduce the effectiveness of their tax regime.



Accounting information is also important in the audit process. Auditors control taxpayers through accounting to check their compliance with tax obligations [8]. This process increases the effectiveness of tax regimes.

Organizations must first analyze their financial situation. Based on accounting data, it is necessary that they determine their income, expenses and benefits.

Organizations must thoroughly study the applicable tax legislation. In the process, it is important to determine what tax regimes they can enter and what benefits they can enjoy.

Organizations must assess existing tax regimes and determine which one is appropriate for their activities. In the process, they can choose low-rate or preferential regimes. Once organizations have implemented their own tax strategies, they need to be constantly monitored. In the process, their results are analyzed and strategies updated as needed.

Conclusion. Tax policies have a significant impact on the economic growth and investment environment. Accounting, on the other hand, plays an important role in assessing the effectiveness of tax regimes. Organizations need to analyze their financial situation and develop effective tax strategies, taking into account tax legislation. This process has a positive effect not only on the success of organizations, but also on the development of the general economy. Thus, understanding the link between accounting and tax policy will help organizations to ensure economic stability. The correlation between accounting and tax policy is important for economic development. Accounting information plays a key role in the formation and implementation of the tax policy of the state. The importance of accounting in determining the financial condition of organizations cannot be denied. Their decision-making processes, based on clear and transparent data, ensure the stability of the economy. Further research on this topic is necessary, since understanding the relationship between accounting and tax policy has a positive effect not only on the success of organizations, but also on the overall development of the economy.

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