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E-Commerce Taxation Procedure: International and National Standards

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ABSTRACT: *Objective:* controlled Kinsta the WordPress Hosting [1] According to the site, in 2017, e-commerce accounted for 3.26 percent of global GDP, estimated at \$ 2.3 trillion. It is expected that in 2021 this figure will double to 4.5 trillion. By 2040, 95% of total global sales is projected in the form of e-commerce. It can be seen that e-commerce is growing rapidly. Consequently, in the future it will be necessary to fully form and regulate this network infrastructure by the state. In this article, we want to present the results of our study on e-commerce taxation.

Research Method: Empirical and theoretical methods were used *in* this article. The principles and rules of taxation developed by international organizations and various countries, including Uzbekistan, were studied, the impact of tax rates on electronic commerce in different countries on the development of the industry was calculated, and the tax regimes of different countries were compared. In the course of these studies, the method of analysis and synthesis of the theoretical method was used to analyze some specific cases, such as the impact of postal service prices on electronic commerce. In the final part, we formed our ideas using the method of induction and deduction and presented them in a single and complete review.

The results of the study. Studies have shown that in the field of e-commerce taxation, there are a number of problems that are growing rapidly. First, tax rates must be set very carefully so that in the future there is motivation for the development of e-commerce; secondly, given the fact that e-commerce occurs on the Internet, it is necessary to determine the incentives for its taxation; thirdly, the fact that the tax rates imposed on electronic commerce are significantly different from regular trade rates is objectionable by other representatives of the industry, etc. In the final section, we described in detail our similar results.

Research findings: In short, first of all, the countries of the world need to integrate with each other in collecting taxes on electronic commerce, otherwise there may be a legal basis for double taxation. In addition, if general taxation rules are not developed, tax revenues may be received by the other party. Since in some countries taxes are levied in the countries where they are consumed, in other countries they are taxed at the place where the seller is located.

KEYWORDS: e-commerce, digital content, virtual store, tax, decentralized autonomous organization, royalties, VAT, permanent establishment, server, stand - alone web server.

I. INTRODUCTION

Trading processes have been around for thousands of years. But over time, it also improved and adapted to society and the situation. In the second half of the twentieth century, trading processes were digitized, that is, electronic commerce appeared. Now you do not need to go to the market to buy something. If the system improves, then the subsystems must also be improved. Thus, ICT, programming, payment system and, of course, the system of taxation, which are used to implement the processes of e-commerce, it will also be improved. Considering that taxes make up about 90% of the state budget, it is easy to understand that this is a very urgent problem. But digitization also has its own problematic aspects. For example, how to tax e-commerce? True, if his delivery system is carried out mechanically, it can be collected through customs duties and postage, but what if the process takes place in a fully electronic space? For example, what if e-books, software, and other electronic products are sold? In this article, we would like to focus on these issues and share our existing principles, international experience and our research, opinions and conclusions on the legislation of Uzbekistan. This topic is relevant worldwide. On the one hand, the share of e-commerce is growing very quickly, on the other hand, the tax regime has not yet reached a final final conclusion.



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References: Scientists from around the world are conducting research on this topic. During the study, we got acquainted with the results of studies of many international organizations, the Organization for Economic Cooperation and Development (OECD) was one of the first to conduct a study on the taxation of e-commerce and achieved excellent results. He created the principles of taxation of electronic commerce and formed the types of taxes. Scientists from the CIS countries, Koren A.V. In the monograph “Taxation of E-Commerce Entities: Problems and Prospects”, he conducted many studies on the fundamental principles of e-commerce taxation and existing problems. For example, he identified the hallmarks of e-commerce from conventional trading. He also described a typical view of ecommerce organizational form. Another Russian scientist, Pogorletskiy AI In the article “Transformation of Cross-Border E-Commerce Operations: Features, Problems and Opportunities”, he studied the future problems of taxation of electronic commerce and noted that if we do not find a solution now, problems will grow in the future with the growth of electronic commerce. In addition, Pogorletsky A.I. expressed his opinion on a clear definition of the legal status of electronic commerce entities and emphasized the need for tariffication of taxes through legal forms. Uzbek scientists, Z. Abdullaev. In the article “Problems of taxation in the context of the development of electronic commerce”, a study was conducted to disclose information about the support of taxation of electronic commerce. Urazaliev K.T. In the article “On taxation of electronic commerce”, he analyzed the concepts of taxation of electronic commerce entities. Akmedova B. in his study, he made very good suggestions on how to prevent tax evasion by e-commerce entities. At the same time, we studied the current legislation and the rule of law in Uzbekistan. Of course, the studies yielded excellent results, but given that this area is in its infancy, its shortcomings are gradually becoming apparent, and we believe that a lot of research is still needed on this topic.

Studying the topic revealed the following problems: As a result of studying the materials studied during the study, it turned out that the exact tax part of e-commerce was not fully formed. It is true that some studies have been carried out in this area, but the problem has not been completely resolved and has not been completely resolved. We can combine existing problems in the following areas:

- imperfection of tax legislation;
- tax control in this area;
- determination of tax jurisdiction;
- taxpayer identification;
- identify a possible tax system;
- identification of elements necessary for taxation;
- balancing various tax burdens for e-commerce entities (consumer, corporate, state);
- double taxation prevention.

There are many more questions that need to be studied, since the industry itself is now being formed.

Aims and objectives of the study: *In* our opinion, among the main problems of tax regulation of electronic commerce operations, the following is relevant:

1) The world is changing every minute, as is entrepreneurship. The digital economy has emerged and is now booming, but the infrastructure must be fully formed for the industry to flourish. Tax legislation should be developed along with the economy. If taxes are not formed in a timely manner and in the usual manner, the state will lose large sums of money, both from tax revenues and from abandoning its position in the domestic market. But it would also be wrong to turn the domestic market into a non-competitive one by creating dumping taxes in order to protect the domestic market. Thus, the development of a modern and balanced tax system is the most important task;

2) The emergence of stand-alone Web server (SAWS) as forms of virtual business without legal entities and individuals involved in foreign trade operations, complicated the identification of the taxpayer by tax authorities. This problem is further complicated by the fact that the work of centralized tax authorities of countries working with large data sets should cover a wide range of decentralized blockchain operations of domestic electronic commerce.[2] Creating an integrated tax system with business remains an urgent task for tax authorities;

3) Today, most e-commerce companies are located in the United States, Europe and China, due to the fact that the laws of these countries have established a clear tax system for taxing e-commerce and provide much greater benefits. If we take into account that e-commerce is carried out on a global scale, the process can be carried out from any country. It is important to note that in some countries, if the seller pays taxes to the country in which he is located, in some countries the law provides that the buyer pays taxes to the country in which he is located. This problem may worsen in the future if it is not quickly resolved;

4) Imagine that we see a lot of people engaged in commercial activities on sites, in social networks and instant messengers. However, the problem of their identification and taxation is very difficult, since the biggest problem is the



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processing of a large amount of data and the precise determination of which of them is engaged in commercial activities, and this must be solved quickly and clearly defined way.

5) Each state has its own tax system, and it is formed depending on the interests and views of its state. Some countries tax e-commerce income taxes as income taxes, while others levy taxes as royalties. Still others accept SAWS as a permanent office, while others do not. Differences arise in spontaneous tax systems. There will also be entrepreneurs who want to use it for tax evasion. Thus, the next task is to integrate tax systems between states;

6) As mentioned above, at a time when the identification of those doing business in the Internet world is in itself a problem, why taxation of identified entrepreneurs is an even bigger problem. For example, today, in Uzbekistan, about 10 large brands pay this tax on the “Google tax”. However, the amount of tax is determined by “conscience”, since it is impossible to determine exactly how much income companies earn. Another task facing the tax authorities remains the determination of the elements of taxation;

7) There are B2B, B2C, C2B ... and many other forms of e-commerce. As in the case of a simple echo, there are different organizational and legal forms, and their sales volume is different. Consequently, it is impossible to impose the same tax on all of them. This means that each company must pay taxes on the basis of its legal form. The next task will be to balance taxes;

8) As already noted, in some countries the tax is levied on the country in which the seller is located, while in others it is taxed on the state of consumption. Apparently, this is where the seller of electronic commerce can be taxed on a bilateral basis, which has a legal basis. This has a very negative effect on the development of e-commerce. For this reason, countries around the world face the challenge of preventing double taxation.

II.MAIN PART: RESULTS

In the course of our scientific research, studying the available literature and scientific sources, the following results were obtained:

1.The new version of the Tax Code of Uzbekistan, which entered into force on April 1, 2020, focuses on e-commerce. This “Tax Code” serves to regulate the internal tax system of Uzbekistan. Given that e-commerce is a global activity that knows no boundaries, we believe that it is necessary to develop an International Tax Convention to regulate electronic commerce in order to solve this problem. Otherwise, with the development of e-commerce, tax problems between countries will increase from year to year;

2. In many developed countries, tax authorities have a fully digital, simple tax system, as well as a digital tax system. We consider it necessary to improve the website tax.uz, created by the Tax Committee of Uzbekistan to collect taxes from foreign companies, and create it as an online program or platform that will independently perform the functions of registration, calculation and collection of e-commerce entities;

3.Defining tax jurisdiction will be the solution to many problems. have to pay taxes to another State, double taxation, and so on. d. However, the development of the International Convention for the tax completely solve this problem. We should also add that in the taxation of electronic commerce, we believe that it would be fair for the seller to pay income tax to the receiving state and to pay indirect taxes to the consuming state;

4.Identifying taxpayers is one of the most difficult tasks. This is an impossible task, given the anonymity of the parties in e-commerce. But successful work is being done in China and a number of European countries. For example, in China, France, and many other European countries, e-commerce sites were provided with digital or QR codes, and consumers were aware of this. Codes are placed on the first page of the site. The consumer seeks to access these encoded sites, because the state guarantees the protection of consumer rights when he purchases goods on these sites. In addition to providing codes, e-commerce entities are also required to provide quarterly data on business and revenue. Sites that operate without these codes are subject to heavy fines if they are found in online raids conducted by tax authorities;

5.We believe that the process of determining the tax system should be addressed, first of all, by creating the “International Tax Convention”. In addition, we believe that the creation of the International Tax Organization, which is one of the recommendations of the United Nations Organization for Economic Cooperation and Development (OECD), would be the best solution. E-commerce knows no boundaries, which means that tax evasion will be prevented if tax collection is also carried out by a competent authority around the world;

6.Our proposal is in the fourth paragraph of this section, that is, if digital or QR codes are provided to e-commerce sites and you want to report business activities and revenues during each reporting period, the tax authorities will be able to clearly identify the elements of taxation and determine taxes fairly;



7. Formation of legal forms of enterprises plays an important role in the collection of taxes. Thus, the tax.uz project mentioned in the second paragraph of this section, and reports on commercial activities and income of legal entities registered with tax authorities in digital and QR codes, will be able to apply a differentiated tax depending on the type of activity and income of e-commerce enterprises ;

8. The double taxation of legal entities of electronic commerce has a very negative impact on the development of electronic commerce. The development of the International Tax Convention, mentioned in the first and fifth paragraphs of this section, and the creation of the International Tax Organization, one of the recommendations of the United Nations Organization for Economic Co-operation and Development (OECD), provide the legal basis for e-commerce entities. We believe that this will prevent double taxation.

III. DISCUSSION

Like any business, e-commerce is about making a profit. In this respect, it is no different from ordinary commodities. But in terms of organizational form, e-commerce is different from regular commerce.

E-commerce has several advantages over traditional activities, the main of which are:

- low prices for advertising and services, which lead to lower prices and make products more competitive;
- relatively little time is spent on the execution and execution of the order;
- creates ample opportunities for inventory management, reduces the cost of storage and transportation;
- expands the market of goods and services for the seller and creates unlimited opportunities for the buyer;
- expands the opportunities for diversification of existing business.

At the same time, it is advisable to identify the specifics of electronic commerce, which requires the development of additional tax mechanisms and the disclosure of the principles for further improving tax control on the global Internet.

These characters:

- the fact that an e-commerce transaction knows no boundaries, that is, the location of e-commerce objects and its customers for transactions related to the payment of goods purchased via the Internet is not associated with any geographical features;
- The intangible nature of the representative office indicates that for commercial operations on the territory of the Republic of Uzbekistan it is enough to register a website in any country in the world, which means that there is no need to be a direct individual or legal entity in Uzbekistan;
- the anonymity of a commercial transaction means that the main characteristics of this transaction (amount of payment, purpose of payment, payee) are closed to third parties, including tax authorities;
- Anonymity of the client means that when making payments for goods purchased via the Internet, the identification information confirming the person making the payment will be unknown not only to third parties, but also to the parties to the transaction. The seller, as a rule, does not exactly know who his buyer is: an individual or legal entity and for what purposes the goods are purchased. Other features of the counterparty are also unknown, in particular, the tax system used by companies, or tax registration.[3]

From the point of view of taxation, it is advisable to divide electronic commerce operations into two components: 1) remote purchase of tangible goods (services) through virtual stores or platforms, but goods (services) are delivered mechanically through trading channels, at any cost . by electronic payment or cash to the courier (seller's representative); 2) remote purchase of digital content (including electronic services).

In the second case, when the sale is digitized, the payee complicates the seller's external control, and also proves that the virtual content was delivered to consumers, but the buyer's country of residence cannot claim the seller's income tax in foreign jurisdictions.

The recommendations of the OECD (Organization for Economic Cooperation and Development) are devoted to the taxation of e-commerce.[4] . In Ottawa in 1998, he adopted the basic principles of taxation of electronic commerce, which subsequently formed the basis of recommendations for electronic commerce. Since then, the recommendations have been constantly improved, as this problem requires more and more attention from year to year. These principles are relevant today and are the basis for taxation of the digital economy. The main principles of taxation of electronic commerce are:

* **Neutrality.** Tax systems should be neutral to various types of e-commerce, as well as to traditional forms of e-commerce and business. Taxpayers performing the same operations are required to fulfill the same tax obligations.



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* **Efficiency.** The costs of taxpayers to comply with all requirements of tax legislation and administrative expenses of tax authorities should be minimized.

* **Clarity and simplicity.** Tax rules should be clear and understandable so that taxpayers can determine in advance the time, place and procedure for calculating taxes payable on transactions, including taxes.

* **Efficiency and fairness.** Tax rules should ensure that the taxpayer calculates the correct amount of tax in a timely manner. The possibility of tax evasion should be minimized, and the scale of measures taken and the size of fines should be the most appropriate way to pay tax.

* **Flexibility.** The tax system must be flexible and dynamic, it must be constantly integrated with innovations in technology and trade .[5]

We believe that a balanced tax burden on e-commerce will be reduced if countries take these principles into account when setting up their tax systems.

There are also many tax concepts in the world, of which it is difficult to say which one is the best, but there are many different concepts. Here are some of their analyzes:

The concept of “**counter taxation**” was created in the international tax system as a mechanism that can solve the problem of paying value added tax on transactions for the sale of electronic goods and services. The essence of the concept is that when buying an electronic product (service), the seller invoices without VAT, and the buyer in another country will have to pay VAT for the budget of his country, but can take into account the amount of tax. Thus, the buyer acts as a tax agent of a foreign company when purchasing goods. An important feature of this concept is that it can only be effective for sales between enterprises, since the obligation to withhold and pay taxes in another country can be made only by companies or individual entrepreneurs, but does not lead to retail sales to the final consumer.

A number of researchers see the concept of “**preventing tax base cuts**” as a way to increase tax collection. At the same time, it is necessary to introduce a tax collection mechanism based on the sources of income of foreign participants in electronic commerce from the sale of electronic digital goods and services. In contrast to the concept of “**counter tax**”, we are not talking about indirect taxation, and of direct taxation. In this case, the scope of application of the tax collection method before the source should cover the income of foreign e-commerce participants received in only one state. The reason for this limitation is that the income of foreign organizations resulting from the sale of digital goods and services using the technical capabilities of electronic commerce is not subject to income tax in accordance with the existing taxation mechanism for the income of foreign companies operating in one country. This approach solves a very complex problem, such as the modernization of the definition of a permanent establishment of a foreign organization that sells digital products to state bodies (entrepreneurs).

It should be noted that the concept of “**preventing the reduction of the tax base**” fully complies with the requirements of the basic principles of taxation. According to the principle of neutrality, electronic sellers pay taxes like ordinary sellers. That is, not only simple indirect taxes are paid, but also direct taxes (corporate income tax or corporate income tax or income tax). In addition, the provisions of the concept are easily adapted to the principle of taxation efficiency, since this taxation process does not require large additional costs from the state or taxpayers.

The concept of “**single sales tax**” was developed in 2002 and consisted of the mandatory replacement of the standard set of taxes paid by ordinary companies (VAT, income tax, property tax, etc.), to a single tax as a percentage of the company's revenue. It is proposed to establish this percentage taking into account the level of tax burden of traditional wholesale and retail enterprises. The advantages of this system are related to the ability of e-commerce organizations in many developed countries to quickly unify tax mechanisms.

The concept of “**little tax**” is the most radical way of collecting taxes from e-commerce participants in an environment where effective tax control is not possible on the Internet. The essence of the concept is to pay a special tax calculated on the basis of the amount of data transmitted to the buyer. At the same time, the classical direct taxation of the income of e-commerce participants will be abolished, and the tax will be levied on turnover expressed in kind calculated on the basis of sales volume, such as excise taxes or fees, and not on the financial results of organizations. In other words, the tax base in the form of the amount of profit from the sale of electronic digital goods and services is replaced by the amount of information presented in electronic form - the tax base in the form of bits.

It is easy to understand that the cheapest electronic products are video files, and the most expensive are traditionally software products. However, the first type of digital goods will have tens of times more data (bits) than the second type. Thus, applying this concept, e-commerce entities specializing in the sale of audio files and digital videos will have to pay a disproportionately large amount of tax, which means that they will have to bear a very high, unreasonable tax burden.



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The concept of “**fixed income tax**” does not apply to electronic commerce in any country in the world. The essence of the concept, the basic amount of tax the Internet - companies engaged in business activities in the network will be easy to control (well-defined) indicators, related to the assessment, based on the information. These clearly defined indicators should not be related to revenue from the sale of goods or profit before tax, since in the electronic commerce environment the actual amount of revenue and profit can be easily changed by taxpayers.

The concept of permanent establishment plays a crucial role in determining the tax regime for electronic commerce entities, since if the organization has a permanent establishment, then it will have to pay the entire set of tax payments (VAT, income tax, property tax and other taxes). However, if it does not have a permanent establishment, the company will not be taxed at all on a full legal basis, or its income from sources of taxation will be taxed at reduced tax rates.

The second version of the concept of permanent establishment is associated with the need to completely abandon the concept of “**permanent establishment**” in tax practice, since it does not correspond to the reality of new economic relations. Initially, the concept of permanent establishment was introduced, so that a country with a source of income can be taxed on the income of companies that earn permanent income from doing business in this country, because without the establishment of a permanent establishment, foreign organizations cannot work actively. But with the advent of electronic commerce, it became possible to conduct very active business with different countries without creating a permanent representative office. This situation leads to an increase in the tax base for income tax of countries exporting goods and services through electronic commerce due to a decrease in the tax base of importing countries. Thus, in accordance with this approach, it is proposed to abandon the concept of permanent establishment as a category of tax legislation and levy income tax on all types of income received by foreigners in this country if the amount of tax at the place of residence of this person is deductible. In addition, it is proposed to apply this principle not only to income from electronic commerce, but also to income from traditional entrepreneurial activity.

Many modern scholars consider the concept of “**temporary progressive rates**” the most fair method of taxation of e-business entities. The essence of the concept is the use of differentiated rates of the main direct tax, depending on the duration of the Internet company in the market. At the stage of formation of electronic business, it is recommended to use the minimum tax rate for two to three years. In the future, tax rates will gradually increase to a well-defined limit. This concept takes into account the growing marginal utility law, as well as characteristics inherent in e-business, such as company revenue increases hundreds of thousands of times, while the corresponding costs in the first five years are reduced ten times.

The concept of “**independent tax agents**” is reflected in the creation of a special procedure for withholding and subsequent payment of taxes. In order to create an effective way to increase tax collection in some segments of e-commerce, it is necessary to use specialized independent organizations acting as tax agents. Conventional financial institutions, such as large banks, can act as such independent tax agents.[6]

In China, as in most countries, there are difficulties with tax evasion when doing business with permanent companies on the Internet, as well as in taxing interstate operations. In this regard, in 2010 in China a provisional law was adopted that regulates the Internet, and in 2014 it received a permanent status. According to this law, one of the conditions for doing business on the Internet should be registration with government agencies. Registration information should be placed on one of the first pages of the site. Negotiations are underway with other countries on joint regulation of interstate operations in the field of electronic commerce with the participation of the Chinese population. Thus, it can be noted that China has made some progress in tax regulation of e-commerce transactions.[5]

It should be noted that similar work was done in European countries on taxation of electronic commerce and identification of taxpayers.

It is interesting to note that in solving the problem of e-commerce taxation, efforts are being made by officials of several European countries (France, Switzerland, Germany) to create a mechanism for identifying e-commerce entities engaged in illegal business activities. All sites engaged in legal commercial activities have a special identification mark with a number that allows the consumer to check whether the subject of electronic commerce is registered with the tax authorities.

The practice of organizing tax regulation in the EU countries is of great interest. These countries are interested in addressing as quickly as possible the existing gaps in taxation of electronic economic activity.

Therefore, when buying goods from such entrepreneurs, the state guarantees consumers the protection of their rights. Naturally, network users prefer to work with entrepreneurs who have this identification number. An important addition to the above is that before receiving this number, the entrepreneur must not only register the tax, but also conclude an agreement to provide complete information on the movement of funds through electronic payment systems, which is currently characterized by the complexity of applying external control to them.



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Another achievement of European practice (Germany, Spain, Italy) is to illegally create a system of tougher penalties for doing business. As it becomes increasingly difficult to control those who do business in the global network, entrepreneurs will have significantly more opportunities to evade taxes. According to the analysis, the illegal confiscation of property (done) Internetda can reduce the number of organizations, engaged in illegal activity.

Like any new business sector, e-commerce has fostered new ideas for integrating businesses into global cyberspace, as well as unique approaches to taxing virtual transactions. An example of this is the basis for the creation of a Worldwide Corporate Organization, which is responsible for the registration and taxation of cyber companies operating on the Internet. According to the authors of the idea, such an organization can collect taxes from electronic commerce transactions by redistributing tax revenues between countries where information products are sold. This proposal solves several problems at once, determines tax jurisdiction, and if one organization collects taxes, there will be no double taxation.

Of course, all countries have their own approaches to finding solutions to existing problems. However, the United States is a leader in the development of e-commerce. According to a study by American scientists, 35% of all e-commerce corporations in the world work in the United States. However, this fact has a very simple basis - hosting services are very cheap and have high bandwidth. In addition, 70% of sites hosted on American servers have the highest data transfer rates.[7]

The White House report outlines five key principles for state regulation of electronic commerce, which so far will determine the federal government's response to the development of electronic commerce. The first principle is defined as private sector leadership. This principle is **based on the fact that "although the state played a leading role in the early stages of the Internet, its development is determined only by the private sector."**

Firstly, based on the principle "the state should avoid excessive restrictions on electronic commerce", the second principle was taught because **"the parties to legal transactions, minimal participation or intervention of the state, I need to buy and sell goods and services via the Internet"**.

According to the third principle, **"if government intervention is required, its goal should be to create and support a legal environment conducive to trade, requires minimal intervention, consistent and simplifies."** In addition, in accordance with this principle, **"state legal intervention may be necessary to stimulate the development of electronic commerce in a number of areas and to protect consumers. In such cases, public authorities should establish a clear and simplified regulatory environment, based on a decentralized model and contract, rather than a top-down vertical adjustment."**

According to the fourth principle: **"The state should fully understand the unique features of the Internet (the ability to use it in commercial transactions) Existing laws and regulations, which hinder the development of e-commerce should be improved and revised or abolished in order to meet the new requirements of the electronic age."**

The White House report concludes that although the fifth principle is at the bottom of the list, it is probably the most important since "e-commerce over the Internet should be global." "The Internet is becoming a global market," he said. The legal framework for e-commerce should be based on a set of principles, which are more important than the responsibility of local, national and international bodies in the result of clear expected results for each of the buyer or the seller, regardless of their location. "[3]

We believe that these principles will be enough to ensure that e-commerce in the United States is formed according to the rules of a full market economy. The main principle that the United States adheres to when creating an e-commerce taxation mechanism is not to introduce additional taxes in this area of business, but to use or slightly modify existing taxes. Currently, the country has a moratorium on taxation of electronic commerce, which is exempt from paying taxes on the Internet, as well as services provided through the network (with the exception of **"tangible"** goods sold through the network). There are exceptions for states that introduced such taxes before the law was passed. According to officials, the essence of the moratorium is related to the prohibition of excessive or discriminatory taxation of e-commerce and Internet banking. At the same time, opponents of the moratorium argue that the absence of taxes on electronic commerce will lead to a huge US budget deficit. This view is based on an attempt to create an enabling environment for e-business development, as most US government officials still consider the threat to the e-commerce sector to be weak in paying taxes. However, a number of researchers in the United States note that the number of organizations using the electronic method of doing business to evade taxes is constantly growing. Suffice it to say that at the end of 2004, mandatory taxes were paid by e-commerce organizations with a turnover of tens of millions of dollars, which is much more controlled by the US Internal Revenue Service.

This position means that e-commerce entities in the United States pay the same taxes as ordinary organizations and entrepreneurs. In this case, the main taxes are corporate income tax and sales tax, as well as dividends, royalties or



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taxes on the free transfer of property to online stores that arise during various advertising campaigns. However, the particulars of indirect taxes in America must be taken into account. Instead of the usual VAT, which is usually levied at the federal level, in Europe and Russia, the United States uses sales taxes, which are calculated and levied in accordance with the laws of individual states. Thus, in some states (such as California), only the sale of tangible assets is taxed, and in some cases, intangible assets, including digital products (such as New Mexico), are also taxed. The most important achievement of American tax practice is the formation of an approach to determining the location of an e-commerce facility through the concept of “permanent establishment”. As a rule, in world practice, the subject of electronic commerce is obliged to calculate and pay taxes in the country where it is a permanent establishment.

However, the concept of a permanent establishment in terms of the Internet environment remains controversial. Shunday, “ru” domain An Internet site for storing information that other countries can be servers, for example, Russian companies often prefer to host servers in the USA, and the site can also be located in the company's warehouses in Russia. In this case, a very difficult question arises in tax practice - which state is the tax collector of a company engaged in such activities in the field of electronic business. The U.S. government proposes that the site hosting the e-commerce facility be considered the permanent location of the server, which is considered the permanent office. So, Internetda most of the leading companies in this business through a permanent establishment of any income tax calculation and payment. Moreover, if this approach is implemented in world tax practice, it will be beneficial primarily for the United States. However, US researchers point out that identifying an active server as a permanent establishment allows you to easily bypass the tax from the site by simply moving the site to a server located in a country that does not legally consider the server a permanent establishment. This approach is actually associated with a number of problems, for example, the relationship between the subject of electronic commerce, the organization providing Internet access, and the leasing server have not been resolved in practice.

A number of exceptions apply to websites as an important addition to tax practice when applying the concept of “**permanent establishment**”. Thus, servers whose activities are only preparatory in nature or are advertised sites are not recognized as permanent missions if they are not the basis for the company. In addition, if the server participates in the receipt and processing of orders or participates in the conclusion and other transactions, then it is, of course, recognized as a permanent establishment. Initially, the approach to the definition of an active server as a permanent object was developed by experts from the working group of the New York Government on Electronic Commerce (USA) of the Organization for Economic Cooperation and Development (OECD). Therefore, in the future this approach may be applied in all OECD countries.

It should be noted that in American tax practice there is a special approach to the sale of electronic goods and services. This includes, but is not limited to, music files, photos, games, software, as well as any information provided electronically. The software sales process is the most interesting, because today it is the only electronic product whose implementation is governed by clear rules. According to US lawmakers, the form of delivery of goods does not affect the type or nature of the transaction and is transferred to the recipient with the rights acquired when purchasing goods, that is, with a license or royalties. The main thing for the US Internal Revenue Service is to determine the type of transaction, i.e. whether it is a sale (license) of a product or a delivery of a product that can be distributed (royalties) later, since it is a type of transaction (in the first case corporate income) tax or royalties in the latter). It is recommended that this principle be used for electronic products in addition to software. The problem of concealing the object of taxation in the sale of electronic goods and services in the United States remains open, and the most effective way to manage such operations is to check the movement of funds in the taxpayer's current accounts. Thus, the United States and other leading countries in the field of new information technologies (Japan, South Korea, Australia) believe that it is necessary to establish a regime of non-interference (or minimal interference) in the electronic segment of the world, and a moratorium on new taxes. In order to increase the benefits of using the economic potential of the industry for the national economy, taxation of e-business entities will be minimized.[3]

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