

Azərbaycan Respublikası

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**Solutions of Tax accounting issues
between IFRS and GAAP**

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INTRODUCTION

Successful fulfillment of the tasks of development of our economy in the future registration is required at the scientific level. In a market economy, accounting is very well organized value is given. Effective organization of accounting is the minimum workforce and the means to create it which means that this can be achieved with great results. The choice of accounting, documenting transactions, determining the workflow, scheduling schedules, drawing up an accounting plan and selecting a form that meets modern requirements, accounting a system for summarizing their records, monitoring the implementation of economic transactions, the reasonableness of the subject, reserve norms of working capital and, i.e., covering such tasks as security.

Enterprise using accounting information at enterprises and organizations and monitoring the work of organizations, as well as monitoring the implementation of the economic plan (appointment). In this connection, a unified national accounting system was established in our republic. Effective accounting should ensure:

1. Presence of a firm and its sources of origin organizing control.
 2. Provision of information characterizing the implementation of the plan (objectives) and economic development of the enterprise.
 3. Provide accurate reporting information to the higher organization on time.
 4. Use the most up-to-date resources to automate the accounting business.
- and i.a.

A series of effective accounting data for enterprises and organizations conditions are required. First of all, it's needed for the effective organization of accounting enterprises and organizations. At that time, enterprises and organizations compilation, production and distribution of activities, financial plan (forecast), production or technology, support and service providers, and i. should be studied. One of the important conditions for proper accounting of accounting is accounting in accordance with the rules in force. Accounting is organized it is necessary to define the system of accounting relations of separate departments of the enterprise.

1. THE FRAMEWORK OF ACCOUNTING THROUGH INTERNATIONAL STANDARDS

1.1 The brief history of accounting

The development of the economy in our time and the formation of policies on the economic process in different directions in practice change the form of accounting theory and practice. Examples of such cases reflect and conceal the interests of each individual, firm, association, enterprise, organization and other persons participating in their economic activities. The study of the theory of accounting theory and practice creates an excellent opportunity for professionals to objectively assess the economic situation and apply scientific methods of forecasting. Accountants, known for their internationally recognized emblems, have on their shoulders solar, scales and Bernoulli curves, and they were slogans like "Symbols of independence of the intellect". The balance reflects the transparency of the solar financial indicators, the balance (equality), the Bernoulli curve indicates that the account will be permanent. Historically recognized and preserved accounts confirm the high value and appreciation of the old accounting staff and their work. According to these documents, the account was called the secret of God and was considered a sacred duty to serve it. The investigation of these documents shows that the main fighter in the palace of the pharaoh in Ancient Egypt was Neferoth. She has made great progress in accounting. At that time, only in the field of accounting, the advisers and militants of the palace were greeted with great respect and considered their ideas. He is one of the advisers and militants and is the chief accountant. He wrote about Neferoth: "He turned hard on his back with a sincere heart and with a lot of defamation." He was "a just ruler, a righteous judge, a dishonest man, a righteous man and a man of constant struggle against corruption." Unlike those who "deceive the count with the counting of the fingers," Neferoth served him all his life.

The first articles that came to us were random for six thousand years before our era. This is confirmed by the registration of farmers engaged in agricultural irrigation

in Egypt, for paying taxes on the Nile River and paying the oar (cotton). The registration was carried out on the walls of houses with the appropriate number of drawings (marking) of tax collectors for the tax on grain and canvas (Cotton).

In China, the development of the accounting system in 2000 BC, double elements of accounting were recorded in ancient Rome. Along with this, the concept of diarrhea was still known to the Romans. Italian double accounting and book keeping it coincides with the period of the Renaissance. Tracking the movement of events, operations, processes in the farm or, more precisely, the acquisition of work, operation, process from where the funds are obtained, the material and labor resources needed to perform the necessary actions (on the other hand, to ensure that orders, funds, material and labor resources and others will be responsible and where they will be responsible (including order, receipt of funds, acquisition of resources, acquisition of acquired resources, second acquisition of acquired resources) the existence of a double message to be used to ensure the existence and survival of human society that has led to the further development of personal capital.

The binary recording system was created in the XIII-XIV centuries and was used in a number of shopping centers in the north of Italy. Municipal records found in the original double system correspond to 1340. Previously, double entries were found in the trading firms of Florence (1299-1300), as well as in firms trading in Champagne (France). The first systematization of accounting was done by the Franciscan priest Luca Pacioli, and he was able to write essentially the essence of the records of his great work "Writing records and records about tracks" (1494).

This book is still relevant in our time and is used in record keeping.

Unlike the modern era, given the previous period, providing the individual entrepreneur with the necessary information, all information was confidential; During this period there were no restrictions between the property of the owner and the subject; there was no understanding of the organization and the period between them; The presence of multiple currencies makes it difficult to use double billing. All these registers of accounting (entry) in the form of information about the goods (weight,

size, unit price) are characterized by a fine yekunlasdırırdı of their work. Alvize various areas, especially in Luke Pacolinin followers of Casanova (1558 year) gəmiqayırmada, ADiPietro (1586 BC) - church and banks; DA Masketti (1610) - in the studio; Ludovico Flory (1636) - in hotels and public institutions; Bastiano Benturi (1655) - widely applies the application of accounting in agriculture. For the first time in 1581, the Society of Accountants was established in Venice. At the end of the nineteenth century, fundamental changes occurred in the accounting system established by Luka Pacioli. With the expansion of social production, private companies were divided; formed by own capital; distribution of capital and profits; There was an understanding of "existing enterprises"; stock exchanges began to work; special attention was paid to the future development of industry and trade, etc. The work is completed. As a result, the work of the accountant turned into an independent qualification and began to develop. In 1844, when the law on companies was adopted, the audit firm was to conduct an audit. Such a society was organized in Edinburgh in 1854, as all this allowed to create an accounting society. Even the Charter Charter gave every member of this society the right to be a "confident accountant". In 1880, at the initiative of King Victoria, the Institute of Reliable Accountants was established in England and Scotland. From this point of view, most American audit firms were considered the leading auditors of the United Kingdom. Although the number of American professional accountants was small in 1887, they created their own association of public accountants. Association of Social Accountants without a certificate in 1917, serious accountants in America became an institution. Later, the American Graduate Society of Accounting was issued with a certificate. In 1936, both societies were merged, and in 1957 it was named the American Institute of Accountants. In addition, other accounting organizations in the United States also operate in the United States and are currently operating.

In our country, accounting science has been developing since the beginning of the twentieth century and reached its peak at the end of the century. The twentieth century, the end of the twenty-first century, the curious and economics, the key to the

modern market economy, business, language, science, 7 doctors, Veysel Isaeva, Hussein Namazaliyev, Sifariz Sabzaliyev Ibad Abbasov, Salim Muslimov, Ghazanfar Abbasov, Suleiman Gasimov, Jamila Namazova and Dozens of candidates defended their thesis and a master's thesis on problems that cover certain areas of accounting. It was with the scientific leadership of these scientists that dozens of graduate students received a diploma in science and compiled by a large number of monographs, textbooks, scientific articles and record the recommendations leading the economy of the country were prepared, published experts, accountants, economists and readers interested in the economy.

Currently, Safaris Sabzaliyev, Gazanfar Abbasov, Salim Muslimov, Suleiman Gasimov, Ibad Abbasov, Vagif Guliyev and others are directly involved in writing and implementing state regulations on the current report of Aligul Farazhov. The above-mentioned professionals asked the Ministry of Finance of the Republic of Azerbaijan to create a journal "Finance and Accounting" to document the strength and initiative of the authors and lay the foundation for financing in accordance with international standards to make it more in line with the requirements of these standards in 1992. This request was received by experts, and the magazine was created and published every month since 1993 and publishes the latest issues and other materials on contemporary issues of accounting and finance.

1.2 The characteristic features of accounting

Accounting information is used to carefully study the activities of each enterprise and analyze the results obtained from it in the social, social, economic and other fields, to make reasonable decisions on the issues under consideration. Accounting with such universal characteristics consists of four independent sections: the theory of accounting, financial accounting, management accounting and tax accounting. Accounting theory is a science that studies theoretical, methodological and practical issues and problems in the organization of the entire accounting system.

Famous American scientists Hendriksen E.S. and Van Breda M.F. say your earnings accounting theory on the basis of analysis of the calculation method explaining in a peculiar way that it can be used for all socio-economic and economic activities reasonably-comprehensively considered key moment of financial (accounting), management and tax accounting. This approach is also characteristic of other Anglo-American scientists. As a rule, accounting theory is a method of calculating the method of calculating profits.

According to the Americans, any theory that covers accounting records reflects some or all of these indicators. These indicators are divided into two groups. The first group covers four types of accounting theory - tax, legal or legal, ethical and psychological.

The theory of taxation states that the taxable amount of profit is the profit of the organization. The theory characterizes accounting as a special case of tax legislation. Accounting for legal or legal theory is not taxed, but civil law and this profit does not mean the receipt of funds, but the right to receive. Proponents of the theory of ethics are simply applicable to legal norms but rather that the information provided by the organization's information system is accurate. Psychological theory covers the fact that every information represented by accounts includes the trust of those who use it. The second group covers material or economic theory. Authors working in this field divide the theory into three groups. First, the macroeconomic theory provides for the implementation of the economy of the whole country as an accounting object and the second microeconomic theory of various economic entities. Third-party social-corporate theory has a number of characteristics. That is why the leaders of companies in solving some social problems of society they must remain dependent on these characteristics. Supporters of this theory accounting as an integral part of economic theory.

Each of the listed economic theories, including the theory of accounting, has a special significance for the development of the country, serving the purpose.

Accounting (accounting) of business operations registration, including official registration and registration system of information collection and financial reporting. Financial reporting is used by management of various levels within the organization and external users (investors, creditors, banks, tax and financial authorities, etc.). The property and liabilities of a legal entity covering a significant part of accounting records are intangible assets, fixed assets, leased assets, financial investments, current assets and liabilities of the enterprise, cash flows, capital, funds and resources, profits and losses. combines information.

Management accounting is an integral part of the company's accounting records. It is intended for the collection of accounting information used by various level managers. The main purpose of this type of record is to provide the necessary and complete information to managers responsible for achieving specific production results. The management plan summarizes the plan, normative, forecasting and analytical information, reflects the accounts, the measurement and accounting of the accounts. Information on production costs is summarized in the management system are registered for the following items: types of costs (product, work and services nomenclature); expenses for expenses, ie, the first demand for material resources (workplaces, brigades, shops, etc.); cost, type of goods, works and services intended for sale on the market.

Tax accounting is an integral part of tax accounting and prepare a tax return for accounting purposes. However, the taxpayer has the right to make the necessary adjustments to an independent or an account in order to correctly determine the tax base. Adjustments are made in a non-systematic manner, that is, adjusting the accounting estimate in the accounting reports. This tax calculation creates conditions for the development and approval of tax registers for the systematization and collection of information presented in the form of tables or taxpayers. The main function of tax accounting is: collection of the first information necessary for the correct identification of tax obligations of taxpayers and their registration in accordance with the established procedure; timely reflect the first tax information in

the accounting and tax registers and records; accurately determine the level of tax liabilities of the taxpayer; formulate accurate and accurate tax reporting; control over the formation of tax information and tax reporting. Thus, the tax is part of the tax accounting as an integral part of accounting including the collection, registration and processing of the necessary financial information to ensure the accuracy, objectivity of obligations and the preparation of tax reporting of the organization. Main requirements and obligations for accounting. Accounting in all organizations, regardless of the form of ownership with the same requirements set forth in various regulatory documents.

Consider the following:

1. The organization is a participant of its own property, liabilities and business operations registers accounts on mutual accounts by double accounting in the employee's plan, developed by the Ministry of Finance in accordance with the accounting plan approved by the Ministry of Finance.
2. The accounting of assets, liabilities and business operations of the Organization shall be carried out in the currency of the Republic of Azerbaijan in manats. The documentation, registration, registration of property, liabilities and other types of commercial activities is made in the Azerbaijani language.
3. The accounting policy adopted for legal entities is accounted for throughout the reporting period counted. This policy, as a rule, requires compliance with the following requirements: timely execution; provide information in a clear and understandable manner; Priority of content in relation to form; the presence of counterpositions (the synchronous balance of the account on the last calendar day of each month and the residual equivalence of the analytical accounts).
4. The product is made in connection with the work performed and the service provided as well as accounting for operating costs, as well as costs associated with capital and financial contributions.
5. Ownership of property in the organization belongs to another legal entity the property is separately recognized.

6. Registration of an organization as a legal entity and its reorganization or cancellation up to the moment of its registration the accounting is carried out in the order established by the legislation of the Azerbaijan Republic.

7. Organization of accounting, presentation of the accounting report, farms compliance with the law at the time of its activities, responsibility for verifying the activities of legislation and the head of the organization.

Depending on the above, the following tasks are set before accounting:

- Internal reporting on the activities of the organization and its property users-managers of companies, founders, participants and owners of real estate, as well as external users-investors, creditors, etc. for the formation of complete, necessary and correct information;
- effectiveness of the organization and its feasibility provide internal and external users with necessary information from the accounting report on the organization's material, labor and financial resources, approved by relevant standards, standards and estimates, to monitor compliance with the legislation of the Republic of Azerbaijan;
- Negative circumstances that may occur in the financial and economic activities of the organization, timely inform, determine internal economic resources in the current and future periods of the organization and direct the necessary areas of economic activity;
- To help and influence competitiveness, to maximize profits in the market.

Accounting is the basis of the organization's management and information system. Each organization is legitimate, regardless of subordination and ownership from the point of view of accounting and can not work without receiving it. This is primarily due to the fact that accounts, all the property and financial situation of the organization, in particular material, labor and financial resources, the results of investment and credit policy, production costs and its effectiveness, and i. providing comprehensive information that provides oversight of management of economic efficiency and performance management, and also creating opportunities for future production development plans. So, from the above, we can say that accounting is an

integral part of the organization and the organization's information system. Accounting information is a key tool for both internal and external management and financial decision-making. At the same time, it performs the most important function, such as information, planning, task setting, monitoring, protection and analysis. To make a decision based on knowledge, timely information on economic activities.

Planning (Task) - expresses the order of motion. It is goal of the goal, the search for ways to implement it, and so on including an optimal solution to the problem. Generally, the planning of the current and anticipated periods is unavailable without the benefits of future cash flows and cash flows.

The process of determining the actual implementation of the control plan (appointment) combines in itself. To perform this process, you use the comparison method with the plan (task). The status of the organization and its property movement, the obligation and performance of economic operations, etc., control, monitor the negative consequences of economic activity and determine the intradepartmental resources. Internal control of organizations: previously existing (before economic transactions); current (at the time of the transaction); The latter is divided into control (after the operation). External financial control is carried out by investors, creditors, the accounting chamber, bank, treasury, inspection and tax authorities.

Protection includes the recording of all aspects of the object's material values, money and property properties, including an information disclosure plan (employee's plan). This feature ensures the timeliness of recording and objectivity of accounts.

Analysis - covers the process of regular study of decisions. Here it is necessary to determine the degree of feedback that hinders the functioning of the control system. In the absence of this goal, the reasons for the failure to fulfill the plan (tasks) are carefully studied, especially in the areas of planning, control and non-fulfillment of the goal. Currently, internal and external users use accounting information in economic practice. Internal users are employees, managers, managers who are in the management office, which uses the necessary information to carry out the business

process, evaluating planning, control and business process. External users are external consumers who use information directly or indirectly. They are divided into the following groups: persons who do not work in organizations, but are interested in its active activities (shareholders, investors, creditors, buyers, etc.); persons interested in direct participation in the business of the organization - the tax service, government agencies, various financial institutions and participants in the stock market (insurance companies, stock exchanges, brokers, etc.); non-financial persons, except for business partnerships: audit firms, statistical agencies, etc.

Good quality and useful accounting information are important for these users. The usefulness of information in the United States is characterized by its reliability and reliability. The importance of information in economic activity is one or the other determining the ability to influence the adoption of a management decision. Factors determining the value of information include: timely submission - information should be provided to those who use it on a timely basis. Inaccurate information does not provide an opportunity to learn about the real situation in the organization;

Forecasting - providing a forecast reflecting the development of the organization, opens wide prospects for rapid economic growth in the future;

The existence of feedback from information sources - ensures the implementation of the decision on operational management. Reality - characterizes the delivery of accurate, complete and objective information to users. For this, the information should include the following: clarity, which allows you to verify and confirm economic transactions;

Neutrality, which is of interest to internal and external users.

1.3 The normative regulation of accounting in Azerbaijan Republic

General legal and methodological guidance on accounting in Azerbaijan - The Government of the Republic of Azerbaijan and the Ministry of Finance of the Republic of Azerbaijan. In accordance with the International Accounting Standards approved by the Decree of the Government of the Republic of Azerbaijan of

February 20, 2003, the amendments and additions to the national accounting standards in these standards in 2003-2007 and subsequent 2009 and 2012 adopted a program for the preparation, implementation and implementation of the Program and their phased implementation was carried out.

These normative documents include the Accounting Concept, which covers the principles adopted by the Methodological Council of the Accounting Policy Department of the Ministry of Finance of the Republic of Azerbaijan on establishing and improving the accounting system in Azerbaijan for the next ten to fifteen years.

At present, four-level accounting is established in Azerbaijan and the improvement of the system of legal and methodological regulation based on the act. The first level is a single legal and methodological accounting in Azerbaijan normative acts, decrees of the President of the Republic, as well as decisions of the Government of the Republic, which determine the organization and conduct of norms. The norms covered by other laws of the Republic, as well as issues related to accounting and reporting, must comply with the law of the Republic on accounting. The second level includes charters (national standards) approved by the executive authorities determined by the Government of the Republic of Uzbekistan on accounting. At present, the accounting standards are observed. Methodological recommendations of the third level, guidelines, proposals and much more consisting of similar documents containing their contents. It's all normative acts are developed and approved by the executive authorities, ministries and other bodies through the development of first and second level documentation. Here is the financial and business plan of the organization and instructions for their implementation. The fourth level is a separate property, an obligation and an absolute characteristic of the economy and accounting for its operations. Here the organization includes business documents for internal use, approved by its manager in the framework of the adopted accounting policy. These documents, their content and status, the principle of organization and relations between them, as well as the rules for preparation and approval are determined by the head of the organization. In recent years significant

changes, additions and clarifications have been made in the accounting system of Azerbaijan. Therefore, when preparing the accounting policy of the entity, the Accounting Law of the Republic of Azerbaijan, other laws of the Republic, decrees of the President of the Republic, republics government decisions and instructions, commands, instructions and letters from the Ministry of Finance and other regulatory documents, especially with a new chart of accounts.

The accounting system operating in the planned economy was associated with the social character of the property and the need for state management of the economy. Governmental and planning, statistical and financial bodies acted as the main consumers of information created in the accounting system, as ministries and departments. The existing system of financial control has solved the problem of determining discrepancies in the behavior model of the organization's activities. Changes in the system of public relations, as well as the emergence of a new civil law environment, required a new (adequate) transformation of accounting. but

The process of reforming the accounting system in the country in Azerbaijan is economical lag behind the overall reform process. To remedy this situation, a program of accounting reform was developed in accordance with international financial reporting standards. This software covers the following problems:

1. Goals and objectives of the International Financial Reporting. Accounting the main goal of the system reform is to create a national accounting system in accordance with the requirements of international standards of market economy and financial reporting. Goals of the reform:

- the formation of a system of accounting and reporting standards, which primarily provides investors with information;
- International Accounting Reform Standards in Azerbaijan to ensure their alignment with agreed main trends;
- Providing methodological assistance to organizations in understanding and applying the accounting model reform.

II. The main directions of the reform. Market economy and financial reporting reforms that will be carried out with the aim of creating a national accounting system in accordance with the requirements of international standards,

will be implemented in the following areas:

- improvement of regulatory and legal regulation;
- the formation of a regulatory framework (standard);
- guidelines, guidelines and explanations on the methodological guarantee;
- provide personnel (preparation of accountants, preparation and retraining of accounting);

-International cooperation (access to international organizations and work; preparation of accounting standards and organization of interaction with national organizations responsible for regulating relevant activities). The main purpose of the standard regulation of accounting is to provide a wide range of opportunities for all users of information that provide an objective picture of the financial condition of business entities. To this end, the following measures are required:

- to change the accounting regulation of the accounting process by means of the regulatory regime;

- regulation of financial statements;

- limiting the compliance of regulatory documents of executive bodies with professional proposals;

- use international standards in national regulation. This time historical, national and cultural traditions should be taken into account in the public life of Azerbaijan. The basis of normative security is the maintenance of sustainable development of the accounting system. The main task here is to create favorable conditions for a consistent, useful, effective and successful introduction of the accounting system into a specific economic life. In this regard, it should be noted that the accounting system in Azerbaijan does not contradict the generally accepted system of the world, the taxation and accounting system, the mutual accounting and adjustment of the accounting system, the correction of inflation accounting,

Review of methods of re-opening, disclosure of accounting records it is necessary to ensure the creation of a mechanism. To solve this problem it is proposed:

- Law of the Republic of Uzbekistan "On Accounting", including accountants make appropriate corrections and additions to the certification and preparation of other regulations; - prepare and approve statutes (standards) combining the main requirements of international accounting standards in a short time;

- consideration of the first accounts, accounting records and other documents relating to the accounting system of the accounting system;

- financial institutions, circulation of securities and other cases to review accounting plans and accounting principles for accounting;

- Simplified accounting system for small business entities use.

A key element of the reform of accounting and financial reporting in accordance with international standards is the development of new and previously approved accounting standards and their application to practice. It is for this reason that the creation of a professional certification system for a number of influential and influential professional (self-regulating) associations, accountants and auditors, the integration of the activities of relevant professional international organizations (International Federation of Accountants, etc.), the development of professional ethics standards and its general public acceptance, control over professional activity, etc.

It is expected that professional accounting institutions and other professional organizations will actively participate in the implementation of the accounting reform program. In such circumstances, the role of professional organizations in the development of accounting methodologies and the development of accounting (accountants, consultants, financial managers, etc.) is constantly growing. Adaptation of the national accounting system to international standards, training and retraining of the accountant profession making adjustments; Strengthening of the first professional, secondary and higher education and improvement of personnel training,

which creates a shortened vocational education system that provides training and retraining of accountants through long-term and short-term programs.

Transition to international accounting standards in the first place without the need for active cooperation with specialized international and national organizations. Accordingly, episodic relations are consistent with the purpose of the International Financial Reporting Standard Federation, the United Nations Committee on Trade and Development division, organization of economic cooperation and development, etc., is considered necessary. At that time, international cooperation aimed at reforming the national accounting system should be carried out according to a separate plan.

It should pay attention to the development and application of new accounts in economic life. The development of a new chart of accounts and its application to economic life can be an important step in building compliance with international standards set out in the Program for Implementing the Reform of Accounting.

2. THE ECONOMICAL IMPORTANCE AND CLASSIFICATION OF TAXES AND TAX ACCOUNTING

2.1 Tax economical importance of tax policy

The most important condition for an effective taxation system is the effective tax harmonization of legislation with the economic essence of taxes. That's why the creation of a tax system should begin with the definition of the nature of taxes and functions that they can perform in a market economy. In order for the state to fulfill its economic, social and political responsibilities, a large amount of financial resources is required. That is why public funds must be created. From this point of view, the state budget is a firm financial feudal lord. Budget revenues include central taxes, since the state's financial resources are mainly formed from taxes, fees, fees and other mandatory payments. In the transition to the current market economy, taxes are the so-called "blood vessels" of the fiscal system, which is the main source of financing for budgetary and extra-budgetary funds.

Taxes - tax for the purpose of providing state and municipal finance is obligatory, individually, compensation, paid in the form of money laundering, which is owned, used and managed by payers. Taxes are the main tool that influences social and economic processes while ensuring the revenues of the state budget. Thus, taxes can stimulate economic activity, influence the development of individual industries and entrepreneurial activities, ensure a balance between supply and demand and redistribute income. Taxes play the most important economic instrument of the state as a regulator and guide to economic processes in the transition to a market economy. The protection of statehood, the protection of its borders, the consolidation of the army building, the protection of public order and the provision of public administration are carried out at the expense of tax revenues. In addition, taxes are one of the main factors directly influencing business activity. Thus, when preparing a business plan for a commercial business plan, the entrepreneur must consider what

taxes are to be paid, their degree and maturity, and the wider impact of the value of the product (value) and demand, cost and financial indicators.

Features of taxes. Study their types of taxes this is difficult due to the fact that a large number of people are included in the state budget, and there is no clear boundary between other payments. This makes high demands on the proper selection of the necessary taxes for the classification of taxes. Applying any tax to a specific type will allow you to more accurately understand the content and economic nature of this tax. Taxation of all types of taxes is carried out in accordance with the objective criteria of classification. Taxation, as an economic category, has some peculiarities. For the first time the legal definition of tax is presented in the Tax Code.

Tax functions. Taxes show their economic essence through their functions. Each function performed by taxpayers indicates the economic class, as well as its internal features and features, which in turn show how specific taxes are performed on their own. The functions of taxation illustrate the effectiveness of the relationship between budget and finance and tax policy. Taxes mainly perform the following functions: fiscal, division, regulation, incentives and control.

Fiscal function was the main function of taxation and was characteristic of the tax system of all states. With its help, the financial resources necessary for the government are formed. The main purpose and function of this function is to involve a part of the taxpayers' income in the budget to ensure public spending.

The distributor's function, expressing the economic nature of taxes, depends more on its fiscal function. First of all, this is the financial nature of the long-term distribution of taxes. The essence of the separating function is that with the help of state taxes it redistributes the financing of general-purpose programs by redistributing their financial resources from budgetary and extra-budgetary funds.

The regulatory function serves to achieve the goals set by the state through the tax mechanism. Taxes have a significant impact on the production process, stimulating or slowing their functioning through this function, strengthening or

weakening the accumulation of capital. The state influences the price level by changing indirect tax rates, stimulating it by applying exemption from export taxes, domestic production to stimulate the import of similar goods, additional taxes are imposed.

High tax rates are determined by the state to slow the excessive rates of certain activities. With the help of *the state stimulating function*, the creation of more priority types of activity by reducing the tax burden on producers and consumers, the ability to influence this and other subjects of economic activity. This is done through concessions, seizures, revaluation and is manifested in a change in the object of taxation, a reduction in the tax base and tax rates. The taxation system itself plays an important role in the implementation of the stimulus. Thus, while maintaining a single tax and canceling another, the state also stimulates the development of certain industries and regions. A close relationship between the regulatory and incentive functions of taxes is found here.

The last integral part of the function of tax adjustment is control. State not only encourage or limit the development of the productive forces, but also monitor the implementation of tax adjustments to assess the changes that have occurred. It should be borne in mind that this should be control over the economic and financial situation of the state, and not the disclosure of tax evasion (not accompanied by a fiscal function). It should be noted that it is impossible to effectively regulate economic development without a control function.

The state controls the tax and economic activities of economic agents and individual entrepreneurs, sources of their incomes and expenses. Finally, this tax function ensures that the state enters the budget in the form of tax revenues required by the state to fulfill its constitutional function.

Classification signs (categorization of groups associated with taxes) are an integral attribute of the tax sciences, and their existence is inevitable. Your taxes classification criteria, economic category and objective criteria derived from the nature of the tax, and for the correct definition of taxes. This criterion is usually

formed for the entire history of the tax system of the countries of the world, regardless of the unilateral request (will) of the state.

Any economically developed economy and own revenues as a means of influencing its formation. Classification of taxation allows you to identify and group similarities between them. This facilitates their in-depth study and practical application. All taxes are classified according to the following groups:

- Method of storage of goods (nature of tax) – directly and indirectly;
- level of the budget for which tax payments are transferred, - state, autonomous republic and municipality (local);

Depending on the order of use (for a designation) - general and special;

- for subjects of sentences - taxes levied on individuals and legal entities;

On the object of swelling;

- For the right to use trade receipts - arbitrarily and adjustable;

According to the usage rule - general and specific;

In accordance with the purpose of appointment - universal and purposeful.

Classification of taxes as a direct or indirect tax (taxation method) is used to assess the degree of tax burden on consumers of goods and services. Direct taxes are deducted directly from the income and property of taxpayers (certain). Direct taxes are levied separately for each property. receipts

(wages, profit, interest, dividends) and the property of the taxpayer (land, garden, equipment, garage, apartment) are subject to taxation. Direct taxes directly depend on the results of financial and economic activity, capital, property value and profit increase. Direct taxes include: income tax, income tax for individuals, property tax of individuals and legal entities, land tax, etc. D. Unlike direct taxes, indirect taxes are defined as an addition to commodity prices (service tariffs) and are saved in sales (consumption) of goods. Indirect taxes are determined depending on the amount of added value, turnover or sale of goods (goods, works, services).

Indirect taxation along with the value of goods at the same time buyers also receive the amount of tax. That is, the amount of taxes paid by the seller in the cash

flows received from customers for the goods sold (services provided and services provided). In other words, the tax burden falls on consumers, which ultimately is paid for by buyers. For this reason, taxes are often called consumer taxes. Indirect

taxes may include: VAT, excises, customs duties, securities transactions, road tax.

In accordance with the budget level of transferred tax payments (tax in accordance with the budget level of payments) taxes as follows classified by: state, autonomous republic and municipality.

Taxes on the subject of taxation are divided into three groups:

- only taxes levied on legal entities (income tax, extraction tax);
- only taxes levied on individuals (income tax);
- taxes levied both from legal entities and individuals (property tax, land tax, road tax).

Taxes on a taxable element can be classified as follows:

(I) taxes payable on profits (income tax), taxes payable on dividends, and taxes on income from share-based payments in other enterprises;

- taxes payable on the sale of goods (VAT, excises);
- taxes levied on the subject's payment fund (social security payments or social tax);
- Customs tax (land tax, advertising costs, property tax).

Taxes are levied in two groups for the right to use tax revenues divided into: arbitrarily and by a regulator. In accordance with regular budgets of various levels (state, regional, local) with constant interest rates for several years, taxes that have changed over the year are called regulated. The structure of the state budget is the budget system of the country, which is the sum of budgets of all levels. Taking into account the multi-level criterion of the budget system collecting tax revenues in the state, the tax classification of the tax status is widespread.

Depending on the rules of use, taxes are divided into two categories, both general and specific: general taxes are not specified and are usually used for public

actions. Special taxes are used for strictly defined purposes. For example, payments of social insurance for legal entities and individuals (social tax) are used to provide the unemployed and the unemployed with pensions and benefits.

Depending on your purpose, taxes are divided into two groups: universal and goals. Mandatory, non-equivalent payments that are not specifically used are called universal taxes. As we have already noted, the structure of the tax system of each country also includes taxes and fees, as well as taxes. These taxes and duties are classified as taxes.

Obligation is obligatory payment from legal entities and individuals for the performance of legally significant transactions and the issuance of legal documents by the relevant competent state bodies. Similarity of fees with taxes is that they are also forced to transfer to the state budget. Because of its nature and mutual value, state duties differ from taxes.

The payer is paid to the state for the services provided to him by the payer purposeful payment. The revenues are transferred to the municipal budget for the development of relevant areas and financing of municipal programs.

Tax policy and taxation. The development of the national economy largely depends on the tax policy implemented in the country. It should be noted that the tax policy is an integral part of the fiscal policy for forming part of the state budget revenues. The state is trying to use the country's tax system for the purposes of its financial policy.

The tax policy is a set of measures taken by the tax authorities in the taxation system in the form of tax control, classification of taxes acting in the country's tax system, the definition of methods and principles of taxation. As you know, taxes are one of the sources that finance all aspects of the state's activities and are one of the economic instruments of public interest. Taxes are one of the attributes that testify to the sovereignty of any country and, thus, differ from state property and debt. The main goal of an economically justified tax policy is the optimization of funds centralized through the tax system. In conditions of highly developed market

relations, state tax policy is used to redistribute the national income in order to change the structure of production, development of the economy and the income level of the population.

Principles of taxation - consist of the basic ideas and rules of taxation existing in the tax sphere. One of the main issues arising in the creation of tax systems is the correct definition of the principles necessary for its creation and functioning. It is impossible to plan an effective tax system and state tax policy without a correct definition of this problem. The system of taxation of any developed state is based on certain principles that form the basis of its basic ideas and rules. These principles have always been at the center of public attention, since the social and economic situation and welfare of the population depend on them. For the first time these principles were developed by the English scientist Adam Smith in 1776. He noted four principles of taxation: justice, confidence, convenience and efficiency.

According to the *principle of fairness*, all taxpayers should be taxed, that is, each citizen of the country proceeds from his income and expenditure in financing public expenditure should participate in their quality. The principle of social justice implies a commonality of taxation and an equal distribution of taxes between citizens and their incomes. In accordance with this principle of taxation, taxes should be accounted for by taxpayers who are obliged to participate in financing the relevant part of public expenditure.

Based on *the principle of determination*, the amount of taxes, methods of collection and payment should be known to the taxpayer in advance. It certain changes in the tax system, depending on the changing socio-economic conditions with fixed types of taxes and their rates established over a long period of time stay. The principle of reliability in taxation is necessary for a clear definition of the timing of payment of taxes, methods for calculating them and the amount of payment. The method of tax calculation should be simple and understandable for the taxpayer.

The essence of *the principle of accessibility* is that taxes must be kept at a convenient time and method for the taxpayer. The taxpayer's payment system and

processor should be clear and favorable for the taxpayer. It should be noted here that this principle of taxation is effective only if taxpayers adhere to the law.

One of the most important principles of taxation is *the principle of efficiency*. The essence of this principle is that each tax must be economically justified. That is, the application of any tax will not give a negative result to the state funds spent on capture are minimal. That's why this or any other tax when using species (varieties), it is necessary to ensure that the economic situation in the country is national traditions, social psychology and taxation of taxes.

Tax system - taxes, duties, fees levied on the territory of any state the amount of other mandatory payments, as well as rules for the calculation, collection and payment of taxes, rights, duties and responsibilities of taxpayers, tax control systems and other issues. In each country, the purpose of taxation is the provision of funds by the state, state regulation and social security. Your state

The provision of financial resources is the need to maintain statehood in the country, protect its borders, protect public order and maintain the content of state bodies. State regulation means sustainable economic growth, before the governing bodies perform their functions. Social security of the state is the protection of non-working members of the community and the provision of reasonable living conditions for all citizens. The tax system is characterized by a number of economic indicators. These indicators are mainly related to the tax burden. It should be noted that the optimal system of taxation should cover the financial resources of the state, on the one hand, and stimulate the interest of taxpayers in entrepreneurial activity, on the other. Therefore, the tax burden is an indicator of the quality of the tax system of any country. Supervises the financial and economic activities of enterprises and organizations (entrepreneurs) through the state tax system. Due to this control, the state determines the need to make any changes to the budget and the tax system. The tax legislation of the Republic of Azerbaijan consists of the Constitution of the Republic of Azerbaijan, the Tax Code and the legislative acts of the Republic of Azerbaijan adopted in accordance with it. Normative-legal acts adopted on the basis of the Code or for its

execution do not contradict its provisions. Acts of tax legislation (with the exception of provisions on oil and gas activities for export and special economic zones) apply to taxation cases and other legislative acts that are inconsistent with taxation and taxation issues.

Except for tax laws, with the exception of the following: issues of taxation and tax control can not be included in the legislative acts:

"Code of Administrative Offenses of the Republic of Azerbaijan"

Regulations on administrative violations related to tax relations;

Taxes provided by the Criminal Code of the Republic of Azerbaijan

Regulations on crimes;

bankruptcy and bankruptcy against the benefits of tax liabilities

provisions provided for by law;

provisions concerning taxes in budget legislation;

With the issuance of state guarantees and benefits related to it;

on the distribution of shares, the main pipeline, and so on provisions contained in agreements or laws;

- on oil and gas activities and special economic zones for the purpose of export provisions provided for by law.

In the international agreements to which the Republic of Azerbaijan is a party, the provisions of these international treaties apply, in which other provisions are applied, in addition to the provisions provided for by the Code on Taxes and the regulatory legal acts adopted in accordance therewith. With regard to tax benefits and preferences granted to a resident of a state that was concluded by an international treaty on avoidance of double taxation to which the Republic of Azerbaijan is a party, privilege, mentioned by a person who is not a resident of the state of closure provisions of Article 2.5 of the Code do not apply. After the entry into force of the Code (after entry into force) of the RA laws on the division of production, the main pipeline and other similar agreements or laws, including oil and gas, oil and gas activities for export and special economic zones, and provisions other than those

stipulated in the other regulatory and legal acts on taxes, the provisions of these agreements or laws apply. If it is necessary to amend the Tax Code of the Republic of Azerbaijan on tax policy, tax administration and tax rates within the framework of the draft state budget for the next year, these bills will be submitted to the Ministry of Finance of the Republic of Azerbaijan before May 1 of this year and, in turn, to the Milli Mejlis of Azerbaijan Republic not later than May 15 of the year. Each country should create a tax system in accordance with its specific conditions, level of development and the real economic situation. At the same time, the most current, useful and effective principles should be used in the tax system. The tax system should ensure the interests of taxpayers, on the one hand, and, on the other hand, the state with an increase in revenues. But in practice this task can not be achieved at a high level. That is why any state should often make changes to its tax system.

The optimal system of taxation meets the financial resources of the state as well as the interests of taxpayers in business activities should stimulate. Thus, the tax burden is an indicator of the quality of the tax system of any country. It determines the need to monitor the financial and economic activities of enterprises and organizations (entrepreneurs) through the state tax system, as well as changes in the state budget and the tax system. The experience of the countries of the world shows that it is impossible to increase government revenues by increasing the number of taxes and tax rates. As the tax burden increases the level of profitability and profitability of the economy is decreasing and, ultimately, the amount of collected taxes decreases after a certain period of time.

It should be noted that the transition to the current market economy ensure financial stability and formulate the state budget the creation of a sound tax system is of great importance.

Proper tax policy is not just a means of satisfying state needs and improve the social status of the population. The state is economically strong, and then taxed interaction between each other rights and obligations between recipients high level of relations. And this is only a tax with the state legislative framework governing the

relationship between payers available in terms of availability. The current system of taxation should be based on the needs of market relations, taking into account the prospects for socio-economic development. It must ensure budget revenues, provide the necessary conditions for regulating production at the macro and micro levels, taking into account the specifics of the formation and redistribution of income of different strata of the population.

Structure of the tax system. Currently in the Republic of Azerbaijan the following taxes are established and paid:

- State taxes;
- Autonomous Republican taxes;
- Local taxes (municipal taxes).

State taxes - are determined by tax legislation and Azerbaijan all taxes are payable on the territory of the Republic. State taxes include the following:

- income tax for individuals;
- corporate income tax (except for municipal enterprises and organizations);
- value added tax;
- excise tax;
- property tax for legal entities; land tax of legal entities;
- road tax;
- tax on production;
- simple tax.

The highest rates of all state taxes with the tax code is determined. The rates applicable to each year of the state tax are specified in the Code can not be higher than the established rates and the annual state budget these rates can be reviewed when the law is passed.

Autonomous republican taxes are taxes that are established by the laws of the Nakhchivan Autonomous Republic in accordance with the Tax Code. All state taxes are related to autonomous republican taxes.

Internal taxes (municipal taxes) are those that are taxed and payable in accordance with tax laws and relevant laws and decisions of municipalities. Other mandatory payments applied by municipalities are determined by the relevant legislation. Internal taxes (municipal taxes) are as follows:

- land tax of individuals;
- tax on property of individuals;
- tax on the extraction of minerals on construction materials of local importance;
- tax on profits of municipal enterprises and organizations.

Participants in tax relations are:

in accordance with tax legislation considered as a taxpayer and legal individuals;

legal and tax agent is considered a tax agent in accordance with tax legislation individuals;

state tax authorities;

Customs;

Financial institutions of the Republic of Azerbaijan in resolving issues provided for by tax legislation;

Tax and customs authorities, except for tax legislation means for paying taxes from taxpayers in cases of arrest acquisition and transfer of their funds to the budget, state power, local government and other competent authorities (their officials). The Tax Code separately defines the rights, duties and powers of each participant of the tax legislation. As we have already noted, one of the participants, taxpayers, is regulated by tax legislation.

The taxpayer has the following rights:

Taxes in force from the tax authorities at the place of registration, regulatory and legal regulation of the procedure for their payment and conditions acts, rights and obligations of taxpayers, tax authorities and their written information on the powers of officials get; tax authorities apply tax legislation receive written explanations; To use tax privileges in cases and in the order established by the tax legislation; request timely repayment or repayment of already paid or overdue taxes; directly or indirectly through taxation; Acts (protocols) and taxes levied on the tax audit; obtaining a copy of the decisions of their bodies; to demand from the tax authorities and their officials compliance with the tax legislation applicable to the taxpayer; Tax code of tax authorities and their officials and other implementation of decisions and requirements that do not comply with regulatory and legal acts; tax authorities and their officials in accordance with the established procedure complaint to the court on administrative cases against their actions (inaction; commercial (tax) secret in accordance with legislation demand protection; demand full payment of damages caused by unlawful actions (decisions) and actions (inaction) of tax authorities or their officials in accordance with the law; get acquainted with tax audits and other materials, tax and calculation of taxes for bodies and their officials as well as their opinion on acts of tax audits inform; Taxation after the last observation, carried out by the method of the chronometer Compliance with the conditions specified in Article 50-1.2 of the Code due to changes in production or turnover new observation using the chronometer method from tax authorities request; registration in accordance with the procedure established by the tax authorities order a specific model of cash registers for the vehicle; Consideration of the types of activities envisaged by the Code (paragraph 16.1.8) check cash checks by a taxpayer through the device; apply to the tax authorities with the application in the form indicated by the relevant executive authority for the conclusion of the "Tax Partnership

Agreement" in order to minimize tax risks; Use of other rights defined by the Tax Code and laws for this.

The legal and legal interests of the taxpayer are provided by legislative norms, the rules for their protection are determined by the Tax Code and other laws. The legal and legitimate interests of the taxpayer are ensured by the powers of the tax authorities and their officials. Failure to represent the rights and legitimate interests of the taxpayer (improper provision) entails liability established by law.

The taxpayer bears exclusive responsibility for tax relations and is legally or competent through his representative. The taxpayer has the following duties: defined by law, as well as this Code pay accrued interest, introduce fiscal sanctions and other mandatory payments; obtain the taxpayer identification number (TIN) from the tax authorities; keep records of income (expenses) and objects of taxation in accordance with the law; to the tax authorities in cases and in the manner prescribed by law, where the auditor believes that it should be verified, as well as the opinion of the auditor submission of tax returns; execute legitimate demands of tax authorities on elimination of revealed violations of tax legislation, as well as prevent the execution of legitimate activities of tax authorities; information required by tax authorities and their officials documents, as well as accounting and accounting documents in electronic format to present these data at the request of the tax authority, directly or indirectly, from information on the electronic carriers of the branch; in the period established by law, to ensure the availability of documents confirming the payment of taxes and other documents necessary for the calculation and payment of taxes, as well as the revenues received (incurred costs) and taxes payable (withheld), with the exception of the following activities: sale of newspapers and magazines (in the total turnover of such a turnover) if the share exceeds 50%); sale of securities; sale of lottery tickets, actions performed by the operator and the seller at sports betting; passenger and freight transport (rail, air, water and road transport (with a seat number less than 6) taxi, which will be used in accordance with the law other); agricultural

products in markets, fairs and mobile sales of orders; the activities of glass containers and waste water reception centers; communication services (except for the activities of Internet clubs); advertising services; activity of housing facilities; rent of residential and non-residential premises; hotel, motel, camping and hostel; electricity, gas, water, hot water and central heating systems, elevators and security services; sanitation and sanitation; ntourist-excursion, sanatorium-resort and medical services; services of physical culture and sports; health; advocacy and other legal services; activity of automobile stops; dry cleaning and coloring of clothes, washing; repair and construction of apartments; housekeeping in fixed premises and related rent and so on. make sure that the recipient receives receipts, receipts, bank statements and other forms of tapes when making cash payments and ensures that the information contained in the statutory documents is available for the same checks, bank statements or report forms; suspend the use of cash registers during the commissioning of cash registers during commissioning or other malfunctions, promptly inform the tax authorities and ensure that records of cash payments are maintained in the manner prescribed by the relevant executive authority; submit to the tax authority before the date of transactions in these accounts by entering appropriate notes in the section of notifications of duplicate certificates received from tax authorities for opening accounts for bank branches of non-residents and other non-resident credit organizations for entrepreneurial activities;

Azerbaijan to protect the rights of consumers ensure the installation and use of POS-terminals for non-cash payments in accordance with Article 17 of the Law of the Republic of Azerbaijan; during tax audits by tax authorities settlement or recalculations of taxes, interest, as well as an application for financial sanctions during the period when the court considered the complaint, and the court's decision on this complaint (except when the taxpayer paid these funds with his consent) to ensure fraudulent transactions in national or foreign currency on current and other accounts.

2.2 Types and classification of taxes

In all countries of the world, income tax levied on individuals is an important part of taxes paid by the population. Because the main advantage of this type of tax is that all the able-bodied population of the country is a payer of income tax. Compared with other taxes, it is easier to monitor and assess the taxation of the tax, and it is difficult to avoid. One of the typical features of income tax is the impossibility of paying taxes instead of taxpayers. That is, it is calculated on the basis of the personal income of the taxpayer and is paid out of this income. Payers of income tax are individuals-residents and non-residents, who receive taxable income during the reporting period. Payers of income tax are three categories: persons receiving income from hired jobs and persons acting as entrepreneurs without creating a legal entity (individual entrepreneurs). Resident individuals in the Azerbaijan Republic and its borders outside and non-resident individuals only in the Republic of Azerbaijan Income derived from sources is subject to taxation.

Objects of taxation on income of persons who receive income from hired labor subject to monthly income. The object of taxation of income of individuals acting as an entrepreneurial enterprise without creating a legal entity is the difference between their income and deductible income during the tax year.

The taxable income associated with the permanent representation of non-residents acting through a permanent establishment in the Republic of Azerbaijan is taxed. The taxable income of non-residents is the difference between the gross income of a resident of Azerbaijan for a particular period and the costs incurred when deducting this income from income for that period. The total income that is not related to a permanent resident of a non-resident is taxed at the place of payment without taking into account the amount to be deducted. The object of taxation is the amount of gross income of a non-resident individual who receives income from work or property received from a source of an Azerbaijani source

during a calendar year, during this period reduced to deductible expenses.

When determining the tax base, all incomes of the taxpayer, whether cash or in kind, are taken into account. In addition, the taxable base includes the right to dispose of the taxpayer and income derived from material goods. The tax base is determined separately for each type of income taxable at different rates. The tax legislation is based on the fact that natural persons are acquired in a natural way

Revenues include: work and services in favor of the taxpayer (including utilities), food, recreation and education. The cost of goods received by an individual individually, and the work performed in his favor, are included in the income of this category. With respect to income tax, taxable at rates ranging from 14 to 25 percent of individuals, the tax base includes a reduction in revenues up to the amount of tax deductions. If the amount of tax deductions exceeds the taxable income, then the tax base is zero, and the resulting negative difference is transferred to the following tax periods. A taxpayer deducts taxable income from dividends, interest, rent and royalties, as he is taxed in different sources at the source of payment. The incomes of individuals are classified as follows: income associated with wage employment; income from non-recruited activities; all other income, except for the deduction of taxes and revaluation of fixed assets (revaluation).

Payments of a natural person to work for hire include: wages, any form of payment, benefits from work, including income from previous employment or future employment. Incomes of individuals from hired labor are also included in the taxable income: an individual who is less than the interest rate on the interbank credit auction in the case of lending to interest rates - interbank loans of this type the difference between the amount payable at the interest rate on the loan auction and the amount payable at a lower interest rate; if the employer provides goods, works and services to his employer, as well as the cost of such goods, works and services at a market price; if the employee's expenses are paid - the amount paid; if the debt or obligation of the employee to the employer is past - the amount of this debt or liability; insurance premiums paid by the employer; in any other case, the value determined in

accordance with Article 14 of the Tax Code, unless otherwise specified in regulatory legal acts. The excise tax, the tax is higher than the amount of added value and the estimated attitude to the employer's contract to pay any other taxes included. It should be noted that the Cabinet approved within actual employee expenses actual travel expenses, as well as sea transport, transportation costs, and not deck crew members, daily payments other business expenses are not included in the profit.

Value added tax is the difference between the taxable amount of taxable turnover and the amount of tax that must be compensated in accordance with electronic tax accounts or documents showing the payment of VAT upon import. VAT is supported at all stages of production, operations and services, which allows the state to pay part of the value added at each of these stages to the state budget. For this reason, its calculation, definition of taxable turnover and payment to the budget have specific features.

The value added tax was formed at all stages of production and sales. In fact, it is a type of indirect tax paid by consumers, part of the price increase. The amount of this tax is added to the price of the product and is ultimately paid by the consumer at the price of the product. This tax is due to the fact that exported goods are associated with the calculation of value added tax at zero rate. The type of exports stimulates an increase in exports of goods. Since VAT is paid at all stages of production of goods, works and services, the state allows the state to receive a certain part of the income at each of these stages. Persons registered as VAT payers are VAT payers. The registered person receives the status of a taxpayer from the moment the registration takes effect. Persons who apply for registration but who have not been registered are considered taxpayers from the beginning of the reporting period after the date when their obligation to register was established. In addition, VAT payers: persons importing VAT in the Republic of Azerbaijan (for imports); Non-resident individuals who are hired or provide services without registration for VAT purposes; individuals

with joint ventures without a legal entity; Producers of excavated goods and persons engaged in housing construction.

Excises are a type of indirect tax included in the sale price of excluded goods. The amount of excise duty is added to the price of the goods (tariffs for services). At present, excises are applied in all market economies. Excluded goods (except for goods that are not taxable), produced or imported into the territory of the Republic of Azerbaijan. Excises are determined by limited goods and are one of the main sources of budget revenues. Unlike the multi-level value-added tax, excise duty is paid by the manufacturer of excisable goods and the importer of excisable goods on the territory of the Republic once. To reduce the negative impact of excise taxes on the poor, this type of tax is usually applied to goods that are less expensive and have high demand (alcohol, tobacco and gasoline). The state uses excises as an economic adjustment and a financial instrument in accordance with changing economic conditions. All deductions, such as indirect taxes, also form the price of the goods and, in fact, pay the buyer. Formally, taxpayers are producers and sellers of excisable goods. But since the excise is included in the price of the goods, it is actually a consumer of these goods as payers. But excluding value added tax is not part of the value of the commodity, but its full value.

When manufacturing or importing excisable goods into the territory of the Republic of Azerbaijan all legal entities and individuals, as well as the Republic of Azerbaijan residents of the Azerbaijan Republic who are not registered as taxpayers at the place of production or production of excisable goods, directly or indirectly by the contractors themselves, are payers of excises. Goods from raw materials shipped by the customer in the territory of the Republic of Azerbaijan the producer of the goods (the contractor) is the payer of the excise tax, if it is produced. In this case, the producer (contractor) must receive excises from the client.

Manufacture of excavation products produced in the territory of the Republic of Azerbaijan outside the building and customs service of imported goods controlling operations are subject to excise tax. Petroleum products and tobacco products

produced in the territory of the Republic of Azerbaijan. The amount of tax imposed on goods is the amount not less than the price of the wholesale market (excluding excise tax and VAT) received by the taxpayer from the client or from any other person (including barter). The taxable operation for other excisable goods produced in the territory of the Republic of Azerbaijan is considered to be the quantity of goods produced.

The main objective of the simplified taxation system is to simplify the process of state control over the calculation of taxes for persons engaged in small business, related accounting and, therefore, taxation calculated in full and on time in the budget, as well as for the development of small businesses to create the necessary conditions. Since taxpayers engaged in small business can not organize accounting and tax accounting, as large companies do. The simplified taxpayers include the following:

1. Persons subject to tax in the amount of 120,000 manats and less than 12 months of the usual 12-month period are not registered for VAT purposes and subject to the provisions of Chapter XI of the Tax Code.

2. Persons engaged in housing construction (whether in the ownership or as well as to meet the individual (personal) needs of the population at the expense of specific or attracted funds on a land plot allocated for a designated purpose, or by building a building by attracting a professional client or contractor, legal or physical persons who own this object or completed facility.

3. Passenger and freight traffic (with the exception of international cargo and passengers) or other persons on the basis of a contract for motor vehicles (including taxis) that are owned (used) with the help of others.

4. Individuals who are operators and sellers of sports betting.

Competition between different forms of ownership - only their income, but also directly or indirectly affecting their profits. In the case of property tax, two tax functions are realized: fiscal and economic. Because of the fiscal function of this tax, the state budget provides a relatively small income there is. The second feature is to

induce enterprises to reduce the amount of property tax, refusing to use non-commercial and non-property assets. Thus, the main purpose of property taxation is to encourage enterprises to effectively use their property and reduce the costs associated with the use of fixed assets. Moreover, the application of this tax is favorable for the state, because the property of enterprises is subject-matter property, and it is difficult to hide from taxation. The property tax plays a very important role in creating the necessary conditions for improving the use of fixed assets. Freezing of unused or unused assets in fixed assets occurs not only for the enterprise, but also for the population as a whole. The amount of property tax paid by enterprises is included in their financial results, and the taxable income tax base is reduced to the amount of property tax. Legal and tax items subject to taxation in the territory of the Republic of Azerbaijan payers of property tax. Private and non-resident individuals who are taxed in their private property are taxpayers. These include citizens of the Azerbaijan Republic who own property in the territory of the Republic of Azerbaijan, foreign citizens and stateless persons. As objects of taxation of property tax enterprises are recognized: buildings and facilities located in the territory of the Republic of Azerbaijan, and parts thereof (buildings) located in the territory of the Republic of Azerbaijan, as well as the location and use of water and air vehicles owned by resident individuals; The average annual cost of fixed assets on the balance sheet of enterprises;

The average annual cost of non-resident enterprises engaged in entrepreneurial activities, through their permanent representation in the Republic of Azerbaijan, only on fixed assets. The value of fixed assets that are taxable and jointly created jointly without the creation of a legal entity is included in the declaration for tax purposes by the participants of the joint venture that combine these fixed assets. The amount of fixed assets created as a result of a joint operation is included in the declaration in accordance with the contractual right of the participants of the joint venture.

Land tax is traditionally taxed on local property. All taxes on real estate do not depend on the economic and commercial activities of these enterprises

(entrepreneurs). However, unlike other real estate taxes, this tax rate is the same for all taxpayers (individuals and legal entities) and therefore is subject to mixed taxes. In addition, due to the purposeful use of funds derived from this tax collection, the fiscal function that they perform is put in the background. Land tax is paid every year regardless of financial results of economic activities of landowners (users) in the form of fixed land plots.

Residents and non-residents, individuals and legal entities that have land plots in their property (use) in accordance with the tax legislation, after receiving the relevant documents confirming their ownership and use rights to land, individuals and municipal enterprises in municipalities, other economic entities and should be registered with the tax authorities. Persons and enterprises that own or use land in the territory of the Republic of Azerbaijan are payers of land tax.

Land tax is subject to taxation of land tax that is owned or used by land tax payers in the country. Land tax is levied by taxpayers on land plots (including land plots occupied by buildings and facilities), as well as land plots needed to maintain buildings and structures owned and managed by taxpayers.

2.3 The principles of tax accounting

A tax obligation is the duty of legal entities and individuals to pay taxes (including current tax payments), as defined in the tax legislation. The determination, modification, cancellation, execution and conditions of a tax liability are determined by the Tax Code. The taxpayer is obliged to fulfill the tax obligation from the moment of the onset of the tax position in accordance with the requirements of the legislation is responsible. To comply with tax laws, there are two basic conditions: a person must have a taxpayer, and elements of his tax liability must be identified. A tax obligation is deemed to be fulfilled if the amount of tax was paid on time and in good order. Taxpayers are obliged to fulfill their tax obligations regardless of whether the taxpayer is on the bank's settlement account (cash desk). According to the Tax Code, in some cases, tax liabilities can be recalculated by both tax authorities and taxpayers. For example, in case of errors in the payment of tax declarations or

earlier tax calculations, the tax authorities recalculate taxes in accordance with the requirements of the law and send a notice to the taxpayer within five days. In cases where the tax is paid in each particular case, the declaration of the obligation to pay tax fulfills the function of declaring and paying the corresponding tax. The tax imposed by individuals when the tax refund is not paid directly without the submission of tax returns is paid by the taxpayers carrying out transportation of passengers and cargoes where a simplified tax is paid, the tax liability of the taxpayer is assessed by the tax authorities and sent to the taxpayer for the amount of tax. If the tax authority has justified the information proving that the taxpayer will refuse to pay the tax, and if it is necessary to preserve the taxable income, the tax authority has the right to calculate this tax until the date of its repayment.

General principles of the tax system are reflected in the elements of taxation when it is formed. Taxes are the starting point for all taxes and savings. It is through them that the tax procedure operates in the tax legislation, that is, the tax base and the procedure for calculating the amount of tax, the tax rate, the conditions for their repayment, and other taxation conditions. Thus, the general principles of the tax system reflect themselves in the tax elements when it is formed and are typical for all taxes and savings. Taxation is a method of calculating, collecting and accumulating taxes, that is, methods of taxation.

The tax base is a part of the tax rate of the taxable item, i.e. tax credits and deductions. Thus, the tax base is the basis for taxing the amount of tax, and the tax rate is applied to it.

The tax period is the time when the tax base was formed and the exact amount of tax liabilities was determined. In other words, the reporting period (month, quarter, year) in which the amount of tax payable is calculated is considered a tax period. The problem of including various taxable items in a given reporting period is solved by determining a specific method of accounting for the tax base.

The procedure for calculating the tax is established separately for each tax. Temporary operations are of an individual nature. The bill, which is the basis of the

accounting process, is not individual, but general and objective. When calculating taxes, there is a subjective relationship between the taxpayer and the tax authority, since the amount of tax liabilities of each payer is different. Necessary tax documents when calculating taxes by business entities compiled. Tax documents - tax calculation, tax amount and tax amount of obligation. Tax documents include:

- photo-reporting documents;
- contact documents;
- Registers of trade registration;

Accounting documents are documents that reflect the amount of the tax liability. For each type of tax, a separate declaration form is defined. Taxpayers who perform the functions of accounting documents are submitted to the tax authority, where the taxpayer is registered after signing, signed by the enterprise manager and chief accountant.

Accompanying documents - taxes necessary for calculating taxes documents that serve as a basis for commenting on the information contained in their reports. You can specify examples of tax invoices submitted by merchants for their goods (works, services).

Registers of tax registration are general registers and primary accounts for tax accounting at enterprises. Thus, the information reflected in the original accounts that must be reflected in the tax accounting must be collected and systematized in the tax reports. After summarizing the information contained in the tax registers for a specific reporting period, this information will be passed to the declarations.

A notification is a document that is submitted by tax authorities to taxpayers and represents the amount of tax that is required for repayment, the period of its payment. These documents can be illustrated by the notification of individuals about the calculation of taxes on land and property.

Tax payment - the taxpayer (agent) of the settlement tax on the transfer (payment) to the relevant budget (extrabudgetary funds) is a technical operation. The total amount of tax (with deduction of taxes) is a tax is the amount of tax paid by the

payer on the taxable item and this taxation tax base of the base. The amount of tax is kept in the following forms:

- From the source (from profit or earnings to taxes arrest);
- upon declaration (after tax or profit arrest);
- by notification (mainly in the field of taxation and tax on the value of the subject matter the taxpayer on the basis of a notification of payment made by the authority or the municipality to the amount calculated). Income tax from a taxpayer upon arrest of a tax "at the source of payment" after deducting the amount. An accountant (entrepreneur) of an enterprise paying taxes and performing the functions of a tax agent calculated and carried out. The method of levying taxes is mainly used to tax the income (wages) of persons engaged in hired labor. The enterprise calculates and implements income tax until it reaches employees' profits.

The method of tax declaration comes after earnings its part. In accordance with this method, the taxpayer must file a tax return with the tax authority in which the taxpayer is registered within a certain period, an official declaration (declaration) of its tax obligations, in other words, income for the reporting period. This method of taxation is usually applied when tax revenues are not clearly defined and when the income of the taxpayer is generated from several sources. In accordance with the current legislation, the method of declaration is applied by persons who carry out entrepreneurial activities without a legal entity, as well as income tax from legal entities, excise and value added tax.

The notification method (cadastral) implies the use of inventories. When applying the cadastre method of taxation, an inventory register is created that allows you to determine the classification of taxable items by certain criteria for determining the average yield of some foreign (income, property) and taxable item.

3. IFRS AND GAAP ACCOUNTING ISSUES

3.1 IFRS as a principles-based accounting standard

One of the milestones of international accounting practices and comparative international financial reporting is 1 January 2005. Starting from this date, it is foreseen that the companies that are traded on the stock exchanges of the member countries of the European Union should prepare their financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). It is expected that the countries of the world, such as the UK, Germany and France, will play an important role in the future of global accounting applications by using IFRS to prepare financial statements. As will be explained in the continuation of the European Union as well as in the subsequent sections, IFRS has become widely used in other countries and regions, or become a reference standard for accounting. Since the second half of the 20th century, the advantages and disadvantages of making accounting information comparable by using a single set of accounting standards in the world or by removing the differences in published accounting standards at the national level are being discussed. It is also argued whether it is possible to place a single accounting language on the world. National accounting standards and accounting practices interact with the environment in which they are located. For this reason, accounting practices vary from country to country, from region to region. The fact that accounting standards are influenced by political, economic and cultural factors has made it difficult to compare the financial statements prepared in various regions of the world. The fact that the financial statements have been prepared using IFRS in many countries since 1 January 2005 has been a significant development in the name of convergence. However, there are some who argue that the imposition of international accounting standards and the differences in financial reporting can not be removed. The environment in these conjectures considers that environmental impacts in accounting practices can not be removed from accounting standards determined in previous years' research. However, the purpose of publishing financial

statements using IFRS is to remove the effects of cultural values on the financial statement as well as some other factors.

The first step in making IFRS the solution for global accounting standards is that IOSCO approved the use of IFRS in the preparation of financial statements within the Comparability Project in 2000. Following this approval, the requirement of the European Union to prepare the financial statements of the countries that are members of the Association in the capital markets of the countries that are traded in the capital markets in accordance with IFRS speeded up the acceptance of IFRS at the international level and increased confidence in these standards. In this period, restructuring of the IASB and comprehensive revision of accounting standards have increased the belief that IFRS is a response to the search for quality accounting standards

Established in 1973 as the International Accounting Standards Committee (Committee), the IASB has now become the focus of international accounting convergence activities. The structure and name of the IASB have been converging at different stages of convergence (Doupnik and Herera, 2007).⁸ In the period covering 1973-1988, the Committee published its first standards. These standards, which can be considered as first efforts in convergence, have not survived the standards that offer many options and are prepared with minimum common understanding in international applications. Between 1989 and 1993 two important developments took place. The first of these developments is the publication of the conceptual framework in which the qualitative characteristics of the purposes of financial statements are explained. Secondly, the revision of the 10 standards under the Comparability Project, and the removal of some options for measurement and evaluation, has been a significant development for the future of international standards.

3.2 GAAP as a rules-based accounting standard

There are general rules and concepts that regulate the accounting industry. These general rules apply to general laws and accounting principles that are based on more detailed, complex and legal accounting rules. For example,

The Accounting Standards Board (IFAC) has based its accounting principles and standards in its accounting principles and principles.

GAAP (General Accounting Principles) consists of three main principles: 1) Principles and laws of accounting 2) Standards published by IFRS (Financial Reporting Standards) and its predecessor IPSAS 3) the accepted experiments.

If a company discloses its financial statements to the public, it must comply with the principles of GAAP (generally accepted accounting principles) when preparing these reports. In addition, if the company's shares are traded openly, the federal law requires that the financial statements of the company be checked by independent auditors. independent accountants must approve the financial statements and prepare financial statements in accordance with GAAP (generally accepted accounting principles).

GAAP (generally accepted accounting principles) is very useful for standardization and transformation of accounting concepts, assumptions and methods. According to GAAP, we must prepare financial statements for years to come. However, there may be exceptions when we compare the company with another company and or when comparing the company's financial statistics and industry statistics, we can make good and honest results. GAAP became more complicated due to the fact that financial transactions became complicated.

Other than IFRS, the standards mostly consist of US GAAP. US GAAP standards are mostly used by German companies and the following Dutch companies. Given the standards that German companies use in 2004, only two of the German companies involved in sampling were using national standards. Looking at 2005 data for the UK and Australia, it is seen that many companies continue to use their national standards. The reason for this is that they started to use IFRS for the financial year 2006 due to the fact that their financial years differ

from the calendar year.

CONCLUSION

Accounting policy - the method of accounting - initial supervision, cost size, current grouping of economic activity and summary generalization. Accounting, established by the organization, provides for the accounting according to certain rules. The main problem in determining the scope of such a rule is to ensure the maximum effect of recording. In this case, it is clear that the timely formation of financial and management information is useful and appropriate for the schemes involved. The following should be studied in the accounting policies of an enterprise:

- the head of the enterprise, the organization that approves the accounting policy;
- an enterprise, an organization that forms an accounting policy, that is, a comprehensive and justified form of its content;
- because the accounting policy is one of the objects of the audit, and the audit is carried out directly through it - the auditor;
- This and other taxation regimes depend on the majority of accounting policies.

Accounting policies necessary for the internal life of the organization and for external users serious material interests of organizations and individuals in accounting information control facility.

Thus, the accounting policy of the enterprise is the implementation of the first process of liberalization of the accounting system; improvement of the accounting and reporting system of the second party; is an extraordinary instrument, including the application of the current legislation in the implementation of appropriate measures in accordance with the corresponding program of accounting reform of the third international standard. In this respect, as in other countries, such a guiding document was prepared and used in the accounting system in the country. The resolution on the accounting policy of the Organization, which entered into force on January 1, 1997, was adopted by the Decree of the Ministry of Finance of the Republic of Azerbaijan No. 05 of January 23, 1997. Subsequently, the application was considered by the Commission for the preparation of accounting and reporting

standards of the Ministry of Finance and adopted it as an official standard in accordance with the "Accounting Policies, Changes in Accounting Estimates and documents" for commercial organizations number 11 on June 29, 2007. 2004, in accordance with the Law of 716-11 October, in accordance with the Decree of the President of the Republic of Azerbaijan No. 192 in practice. The standard provides for general provisions, the scope of the standard, key concepts, the accounting policies, consistency in accounting policies, changes in accounting policies, changes in accounting policies, disclosures, changes in accounting estimates, information disclosure, error limit retrospective restatement, disclosure of errors, disclosure recalculation and retrospective restatement, the effective date of the policy "Accounting Policies, Changes in Accounting Estimates and Errors", paragraph 1, to International Financial Reporting Standards. The full text and description of the standard can be found in the accounting and reporting standards of the Ministry of Finance of the Republic of Azerbaijan.

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