

PROBLEMS OF DIGITALIZATION OF TAX POLICY IN THE DIGITAL ECONOMY

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Abstract: This article examines current issues of digitalization of tax policy in the modern digital economy. With the rise of digital technologies and online businesses, new challenges arise for tax systems, including taxation of international companies, determination of the tax base, and application of tax rates to digital goods and services. In the article, we analyze the main problems associated with the digitalization of tax policy, propose possible ways to solve them, and discuss the prospects for the development of this area in the future.

Key words: digitalization, tax policy, digital economy, taxation, online business, international companies, tax base, tax rates, challenges, solutions.

Аннотация: Данная статья рассматривает актуальные проблемы цифровизации налоговой политики в условиях современной цифровой экономики. С увеличением числа цифровых технологий и онлайн-бизнеса возникают новые вызовы для налоговых систем, включая вопросы налогообложения международных компаний, определение налоговой базы и применение налоговых ставок к цифровым товарам и услугам. В статье мы анализируем основные проблемы, связанные с цифровизацией налоговой политики, предлагает возможные пути их решения и обсуждает перспективы развития данной области в будущем.

Ключевые слова: цифровизация, налоговая политика, цифровая экономика, налогообложение, онлайн-бизнес, международные компании, налоговая база, налоговые ставки, вызовы, решения.

Introduction. In the era of rapid development of the digital economy, tax policy is becoming a critical tool for ensuring the financial sustainability of the state and maintaining fairness in society. However, in the context of digitalization of the economy, new challenges and problems arise that the tax system faces. The need to adapt tax policy to the new realities of the digital era is becoming increasingly urgent.

In this article we will look at the main problems associated with the digitalization of tax policy and propose possible ways to solve them. Particular attention will be paid

to such aspects as the taxation of digital goods and services, the problems of determining the tax base in the context of the globalization of digital companies, as well as the need to harmonize international tax rules in the context of the digital economy.

Analyzing these issues will allow us to better understand the challenges facing tax authorities and legislators and find effective solutions to ensure an efficient and fair tax system in the digital economy.

Main part. In the digital economy, a number of serious problems arise related to tax policy, which require careful analysis and search for optimal solutions. Let's look at some of the most significant ones:

Taxation of digital goods and services: With the development of digital technologies and online commerce, difficulties arise in determining the place of provision of services and taxation of digital goods. Traditional taxation methods, based on the physical presence of a company in a certain jurisdiction, cease to be effective in the case of digital services that can be provided remotely via the Internet.

Determining the tax base for digital companies: Digital companies often operate in an international environment, which creates difficulties in determining their tax base. Many of them use complex tax planning schemes to minimize tax liabilities by redirecting profits to countries with lower tax rates or using tax tricks.

Lack of harmonization of international tax rules: With globalization and the growth of international trade, it is becoming increasingly difficult to harmonize tax rules between different countries. The lack of a unified international tax system for digital companies leads to double taxation, tax evasion and violation of tax fairness.

Development of new tax instruments: To solve the problems associated with the digital economy, new tax instruments and mechanisms are required. This could include introducing digital taxes, digital sales taxes, or changing the tax base to adapt to the characteristics of digital business models.

Solving these problems requires an integrated approach and concerted efforts at both the national and international levels. Effective tax policy in the digital era should strive to equitably distribute tax liabilities, stimulate innovation and develop the digital economy, and ensure the financial sustainability of the state.

While researching the topic, we identified the following problems and expressed our scientific proposals to them, which include:

✚ **Problem:** Lack of international harmonization in the taxation of digital companies.

Scientific solution: Development of international standards for the taxation of digital companies in order to eliminate double taxation and ensure a fair distribution of tax liabilities. This could include the creation of international organizations or

committees that would develop and recommend standards for taxation in the digital environment.

✚ Problem: Determining the tax base for digital companies, especially when they operate in different jurisdictions.

Scientific solution: Using digital technologies such as blockchain or machine learning algorithms to automate the process of collecting, analyzing and accounting for digital company profit data. This will reduce the possibility of tax evasion and ensure a more accurate determination of the tax base.

✚ Problem: Ineffective taxation of digital goods and services due to differences in national legislation.

Scientific solution: Development of a unified international approach to the taxation of digital goods and services, which will take into account the features of the digital economy and ensure fairness and transparency of taxation. This can be achieved through dialogue and cooperation between different countries and international organizations.

✚ Problem: The difficulty of determining the place of provision of services and taxation of digital companies operating in the online space.

Scientific solution: Development of algorithms and methods based on data on the location of clients and the characteristics of the services provided to determine the place of provision of services and apply the corresponding tax rules. This can help eliminate uncertainty and conflicts when taxing digital companies operating in different jurisdictions.

✚ Problem: Lack of effective mechanisms to combat tax evasion and manage tax risks in the digital environment.

Scientific solution: Development and implementation of innovative methods for auditing and monitoring the taxation of digital companies using big data analysis technologies, artificial intelligence and cybersecurity. This will improve the efficiency of tax control and prevent tax evasion.

Conclusions and offers. The digital economy represents a new reality that poses significant challenges to tax systems around the world. Problems of digitalization of tax policy, such as determining the tax base, international harmonization of tax rules and combating tax evasion, require an integrated and innovative approach to solve them.

Offers:

1. Development of international standards: International organizations and states should actively work to develop and implement common international standards for the taxation of digital companies that will ensure a fair distribution of tax liabilities and the elimination of double taxation.

2. Use of digital technologies: Tax authorities should actively implement digital technologies, such as blockchain, machine learning algorithms and big data analysis, to automate the processes of collecting, analyzing and accounting for data on the profits of digital companies.

3. Stimulating cooperation between countries: States should actively cooperate with each other to develop and implement uniform tax rules and control mechanisms for the taxation of digital companies.

4. Increased transparency and openness: There is a need for greater transparency and openness in the taxation of digital companies to reduce opportunities for tax evasion and ensure fairness in the distribution of tax liabilities.

5. Training and competency development: Tax authorities and specialists must constantly develop their knowledge and competencies in the field of the digital economy and taxation in order to successfully cope with emerging challenges and problems.

So, an effective solution to the problems of digitalization of tax policy requires joint efforts on the part of states, international organizations, tax authorities and the business community. Only through joint efforts will we be able to create a fair, transparent and effective tax system that can successfully adapt to the challenges of the digital economy.

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