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Development**

**DIGITAL TRANSFORMATION OF TAX ADMINISTRATION AS A
FUNCTION OF STATE ADMINISTRATION**

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Abstract

The modern world is rapidly improving and with it and information technology administrative environment. Digitalization, artificial intelligence, automation business and management processes, digitalization - these concepts are increasingly being introduced not only in the life of an ordinary person, the activities of organizations, but are also reflected increasingly in state administration in general, and in the field of tax administration in particular. Tax administration is the most important area of the state management activities, from the effectiveness of the organization of which replenishment of budgets of all levels depends, respectively, it is necessary to study, identify gaps and improve digital mechanisms and products used in this segment of the government administration. Digitization has had the strongest influence on the tax administration system, allowing to bring it to a qualitatively new level. Currently, the digitalization system The Federal Tax Service is more developed in comparison with other state bodies, only on one FTS website there are about 50 different electronic services that allow the taxpayer to simplify interaction with tax administration authorities and receive various services. The article discusses the key areas of development of digital technologies in the field of tax administration, considers the main digital projects and programs used by the Federal Tax Service of the Russian Federation, such as tax monitoring, software and analytical systems for conducting a desk tax audit and others, an analysis of the prospects functioning of the mechanism of tax administration

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1. Introduction

In modern conditions of digitalization, digital technologies play an important role in various spheres of human life, society, state, public administration, and, in particular, they affect the efficiency of tax administration as a function of public administration in the Russian Federation. Digitalization is the introduction of digital technologies in different areas of life. Tax administration, as the most important function of public administration, is also subject to this transformation and must meet new requirements.

Currently, in the digital economy, tax administration occupies the most important place, since budget revenues from taxation (tax revenues) are a key source in the system of state revenues. For example, according to the analytical report on the implementation of the federal budget and the budgets of the state extra-budgetary funds of the Russian Federation for January - December 2019, tax revenues amounted to 15,159,422.6 million rubles, or 100.5% of the total amount taken into account in the forecast of receipts for the year (Federal State Statistics Service, 2019). Throughout the history of development, the requirements for accuracy, efficiency and efficiency of handling a huge amount of data have been imposed on tax administration. Automation, through the introduction of a large number of software products, the introduction of digital technologies, has largely improved the quality of tax administration, in particular, such tools as desk tax audits, tax monitoring. We can say that a desk tax audit and tax monitoring are digital forms of tax administration. It is these methods that are most automated and transferred to the use of digital technologies. That already allows us to speak about their high efficiency. However, the question of the machine's ability to perceive the surrounding reality, comprehend it and act remains open. Having tried artificial intelligence in working with a large volume of numbers, data, calculations and indicators, many people realize its indispensability. Radical changes are taking place in state regulation and control, in particular, in the mechanism of tax administration. The state is keenly interested in the implementation of projects for the introduction of artificial intelligence and machine learning in the field of tax administration.

2. Problem Statement

In conducting the research on the transformation of tax administration, we set the following tasks. First, consider a desk tax audit as the main digital tool for tax administration. In order to further increase the efficiency of tax administration, the state should place special emphasis on creating conditions that ensure the systematic replenishment of the budget, which will be facilitated by the further improvement of existing software products, electronic services and the introduction of new ones.

Among the digital methods of tax administration, first of all, one can name a desk tax audit and tax monitoring. However, the main form of tax administration when performing the function of tax control is a desk tax audit. This tool of interaction and control was one of the first to undergo automation and digitalization. Secondly, in the legislation on taxes and fees the concept of a desk tax audit is not fixed, which increases the relevance of scientific research.

The digitalization process is not only the introduction of electronic services, but also an improvement in the quality of the Federal Tax Service. The digitalization of a desk tax audit began a long time ago, more than twenty years ago, however, with the development of the economy and digital technologies, the process continues and needs analysis and improvement. Along with the undoubted

simplification that digitalization has brought to the tax administration system, there are also negative aspects, the task of the study is to study them and make proposals for their elimination.

3. Research Questions

With the global transition to digital technologies, radical changes are taking place in government regulation and control, in particular, in the mechanism of tax administration. The state is keenly interested in the implementation of projects for the introduction of artificial intelligence and machine learning in the field of taxation and tax administration. The FTS in the field of tax administration, in terms of tax control, is faced with the task of increasing the effectiveness of cameral tax audits based on information technologies, since such audits to the greatest extent ensure the current control of tax administration.

The main digital form of tax administration is a desk tax audit, which is a form of current tax control. It can be considered as the main instrument of tax control in the Russian Federation, since it annually covers 100% of the aggregate of taxpayers and objects of taxation, it provides the most powerful annual budget revenues. Among the office tax audits of declarations, a significant share is occupied by audits on value added tax. This is due to the fact that this tax stably takes leading positions among tax revenues to the federal budget. Administration value added tax 2015 is fully automated using information systems.

To improve the digital mechanism of tax administration, in 2015, the "ASK VAT" program was introduced, based on the concept of a risk-based approach, to control VAT refunds from the budget. Carrying out office tax audits since 2016 has been using the ASK VAT-2 program. However, the use of digital technologies in tax administration faced the following problem. There is a fraudulent scheme that is associated precisely with the implementation of "ASK VAT-2", it was called "mass signer".

4. Purpose of the Study

The priority area of public administration and tax administration is control over the timely and complete receipt of all types of government revenues. It is a desk tax audit that allows control to cover the entire totality of taxpayers and taxable objects. The aim of the study was to study a desk tax audit as the main, most widespread, in terms of coverage, digital instrument of tax administration. To identify the shortcomings arising from the digitalization of management processes and make proposals for their optimization. To assess the current digital tax administration mechanisms. To study and evaluate the effectiveness of using artificial intelligence in control work and in the tax administration system. To assess the prospects for the use of digital technologies and artificial intelligence in the tax administration system.

5. Research Methods

In the study of the selected problem, methods of observation and collection of facts were used on the issues of the current tax administration system in the Russian Federation, its digitalization and automation. And also, on the forms of tax control, and methods that contribute to the digitalization of the system of tax administration and control. By applying the methods of analysis and synthesis, it was possible to assess the dynamics of the use of digital forms and methods of tax control in the Russian Federation, in particular, a desk tax audit. A prospective assessment of the use of these forms and methods in the context

of digitalization is given. The study was based on the principles of dialectical logic: the unity of the historical and the logical, the unity and difference of form and content. The methodological basis of this work was the system-structural analysis. In addition, the works of Russian and foreign scientists and economists on this issue were studied.

Research on this topic was carried out by such scientists as Nazarov et al. (2020), such economists as Arulampalam et al. (2019), Xu et al. (2019) and other. A special place in the study of tax administration and its digitalization is occupied by the works of such scientists as Aytkhozhina and Miller (2018), Gashi et al. (2018).

6. Findings

Currently, the main innovation in the field of a desk tax audit is creation of a software package called "ASK VAT-3", which has been introduced since 01.02.2018 and has more functions. For example, tax authorities can receive information from banks about balances, amounts on accounts, as well as the date of opening, direction of cash flows, and control data on personal finances. The tax inspectors receive information from the civil registry database, thanks to which family ties are calculated. If the program notices that tax evasion has been made, using schemes for splitting a company, creating one-day companies, and the like, it will create a document that, in fact, is a sufficient basis for initiating a criminal case without a pre-investigation check, reconciliation of data and verification of documents from the counterparty.

Thus, we see that digital technologies are widely used in office control in the Russian Federation, but it should be clarified that their full use in the field of tax administration causes some difficulties due to their novelty and lack of knowledge among specialists. In addition, at present, the discussion about the distribution and degree of responsibility for artificial intelligence errors remains open. In the process of working with documentation, a person is more likely to make a mistake than a machine, in whose algorithms a failure is also possible. However, in the first case, it is easier to determine the size of responsibility and to personify it than in the second. If the program "underestimates" the tax, then the company, accordingly, relying on the trust of artificial intelligence, underpays it to the budget. Probably, the "defaulter" will be held liable. Nevertheless, along with this fact, the company has the right to demand a review of the situation. To date, the answer to the question of whether an artificial intelligence error can be considered as a mitigating circumstance when bringing to tax liability is only being formed.

In the context of the transformation of state digital management, one of the priority tasks is to create a "transparent" and stable tax environment - an effective tax administration system, providing comfortable conditions for fulfilling tax obligations, as well as fulfilling the plan for tax revenues to the budget. Strengthening desk audits, as the most important form of tax control, through improving software products and digital technologies, will improve the quality of tax administration as a system of public administration. It is necessary to eliminate the shortcomings when using the digital product "ASK VAT". Also to pay attention to the problems with fly-by-night firms, in connection with which to create products that will fight tax evasion schemes. The question of introducing an automated system for income tax, which will improve the mechanism for conducting inspections, remains relevant.

The efficiency of digitalization of tax administration must be considered from two sides. On the one hand, significant facilitation of the work of tax authorities, high-quality comprehensive conduct of desk tax

audits, tax monitoring, quick systematization of obligations, prompt identification of errors in documents, invoices, declarations, taxpayers' agreements, minimizing the influence of the human factor are the undoubted advantages of digitalization. On the other hand, this process requires increasing digital literacy, but only trusting the results of digitalization activities is impossible, because they affect both the interests of the state and taxpayers. The full functioning of the tax administration mechanism based on digital intelligence does not seem rational yet.

7. Conclusion

In conclusion, it should be said that we are observing a qualitative digital transformation of tax administration, in some of its areas. First of all, these include a desk tax audit and tax monitoring. The widespread introduction of digital algorithms in the field of tax administration is not yet possible, for example, such a tool as a field tax audit in modern conditions requires the qualified participation of a competent inspector. The transition from human to machine intelligence has started successfully in tax administration, but it is too early to talk about a complete rejection of "human participation".

This is a perspective, not a given for today. But the introduction of automated programs in the field of tax control within the digital economy makes it possible to make the activities of taxpayers "transparent" for tax inspections, which entails a reduction in offenses and ensuring security. The proposed measures will allow the Federal Tax Service to promptly identify violations in the field of tax legislation, reduce labor costs, and, therefore, increase the speed and facilitate the work of tax authorities. Digitalization has improved the activities of tax administration, increased its quality, significantly simplified and made more efficient work in many areas. Projects for the introduction of digital technologies have been improved and new ones introduced.

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