



Article

Improvement of Tax Accounting in Small Enterprises

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Abstract: This article presents the results of a scientific and practical study of the problems associated with optimizing tax accounting in small enterprises. The study analyzed the current state of the organization of tax accounting in this area, revealed inconsistencies between accounting and tax accounting, as well as difficulties encountered in adapting to frequent changes in tax legislation and the low level of automation of tax processes. The article systematizes the existing problems of tax accounting based on general scientific and special research methods. Based on the data obtained, scientific conclusions were drawn aimed at solving the identified problems. As a result of the research, the need for integration of accounting and tax accounting, widespread use of digital technologies and automated software tools, as well as the introduction of mechanisms for assessing and monitoring tax risks to improve the efficiency of tax accounting in small enterprises was substantiated.

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1. Introduction

In the context of modern globalization and a market economy, small enterprises are one of the important entities ensuring the sustainable development of the national economy. Small businesses and private entrepreneurship plays an important role in expanding production volumes, developing the service sector, increasing employment, and ensuring regional economic equality [1]. From this point of view, the issue of the effective organization of their financial activities, in particular, the correctness and compliance of tax accounting with modern requirements, is of particular relevance.

In recent years, reforms have been carried out aimed at liberalizing the tax system, reducing the tax burden, and simplifying tax administration [2]. However, the constant improvement of tax legislation places new demands on small businesses. In practice, however, in many small enterprises, tax accounting is not sufficiently systematized, is not closely linked with accounting, and the level of use of modern information technologies remains low. As a result, problems arise related to the incorrect calculation of tax obligations, errors in reporting, and financial penalties.

The peculiarity of small enterprises is that they have limited financial and human resources, and tax accounting is often carried out by an accountant or manager as an additional task [3]. This situation leads to the insufficient application of the scientific and methodological foundations of tax accounting, the ineffective use of tax planning

opportunities. As a result, an economically unjustified increase in the tax burden is observed and negatively affects the financial stability of the enterprise.

Also, in the context of the digital economy, the introduction of electronic tax reporting, online cash registers, electronic invoices, and automated tax systems requires a fundamental revision of tax accounting in small businesses. To adapt to these processes, small businesses need new approaches, modern methods, and practical mechanisms for tax accounting. However, the lack of sufficiently scientifically substantiated recommendations on these issues further increases the relevance of the problem [4], [5].

At a time when the share of small business entities in the formation of state budget revenues is increasing year by year, ensuring the accuracy, transparency, and reliability of tax accounting is also important from the point of view of state interests. By improving tax accounting, it is possible to strengthen tax discipline, reduce the share of the shadow economy, and stabilize tax revenues.

Based on the foregoing, it can be said that the issue of improving tax accounting in small enterprises has important scientific and practical significance not only for the effective organization of the activities of individual economic entities, but also for the sustainable development of the national economy, strengthening the financial stability of the state, and increasing the efficiency of the tax system [6]. Therefore, conducting in-depth scientific research on this topic is one of the urgent tasks of the present time.

Literature Analysis

Issues of organizing and improving tax accounting in small enterprises are covered in economic literature in close connection with accounting, tax accounting, financial reporting, and tax administration. Scientific research conducted in this area mainly covers the theoretical foundations of the tax system, the methodology of tax accounting, and the application of tax mechanisms in the activities of economic entities.

In foreign economic literature, issues of tax accounting are mainly studied in close connection with the accounting system, tax policy, and tax administration. In particular, R. Barker, M.S. Fridson, F. Alvarez, K.G. Palepu, P.M. Healy, S. Wright, M. Bradbury and J. Coulton [7] analyzed in their research the role of tax accounting in the formation of financial statements and its influence on the quality of information. In their works, it is substantiated that the main task of tax accounting is not only to determine tax liabilities, but also to create a reliable information base for making management decisions.

James Alm and John Taskinsoy scientific works focus on simplified tax systems for small businesses, optimization of the tax burden, and improvement of tax administration [8], [9]. In their research, it is noted that the simplification of tax accounting serves to increase the voluntary tax discipline of small enterprises and reduce the share of the shadow economy.

Chris Evans and John Braithwaite also studied the relationship between tax accounting and tax administration and scientifically substantiated that complex tax accounting systems for small businesses lead to high administrative costs [7-8]. According to their conclusions, the automation of tax accounting and the introduction of digital technologies will increase the efficiency of small business entities.

In general, the systematic approach to tax accounting, the integration of tax and accounting, and the importance of digital tax technologies are widely covered in the research of foreign scientists. However, these studies are based on the experience of more developed countries, and scientific conclusions adapted to the conditions of countries with a transitional economy, including small businesses, are insufficient [10].

In the scientific works of domestic economists, issues of tax accounting are mainly studied within the framework of the national tax system, tax policy, and accounting. In particular, the research of Z.N. Kurbanov, K.M. Misirov, K.R. Khotamov, and F.I. Isaev

covers the regulatory framework of tax accounting, the procedure for preparing tax reports, and the influence of tax control on the activities of economic entities [11].

In the scientific works of B.R.Sanakulova, the financial activities of small business entities, issues of reducing their tax burden and improving tax mechanisms are analyzed [12]. The author substantiates the possibility of increasing the economic activity of small enterprises by simplifying tax accounting.

Also, a number of young scientists, including T.L. Toshtemirov, B. Turanbaev, and E. Makhmadazizov, in their research analyzed the relationship between tax accounting and accounting, errors arising in tax accounting, and their impact on financial results [13, 14]. Although some practical proposals for improving tax accounting are given in these works, they are more limited to general recommendations.

Analysis of domestic literature shows that, despite the existence of research on tax accounting, insufficient attention is paid to the comprehensive and in-depth study of tax accounting as a separate system in small enterprises. In particular, scientific research on the influence of digital tax technologies on the tax accounting of small enterprises, the methodological foundations of tax accounting automation, and the management function of tax accounting is limited [15].

Analysis of research by foreign and domestic scientists shows that, although scientific views on tax accounting have been formed, comprehensive research aimed at improving tax accounting in small enterprises, taking into account national characteristics and oriented towards practice, is insufficient. This scientific gap further increases the relevance of the topic of this dissertation and substantiates the need for research.

2. Methodology

In this study, a complex of general and special scientific research methods was used in the process of studying the issues of improving tax accounting at small enterprises. The research methodology is aimed at analyzing the current state of the tax accounting system, identifying existing problems, and developing scientific conclusions aimed at their elimination.

In the research process, methods of analysis and synthesis were used, the structural elements of the process of organizing tax accounting in small enterprises were studied separately, and their interrelationships were clarified. With the help of these methods, the discrepancies between tax accounting and accounting, as well as their impact on financial results, were analyzed.

Also, foreign and national tax accounting practices were compared using the comparative analysis method, and the advantages and disadvantages of various tax mechanisms used for small business entities were assessed. This method made it possible to identify effective tax accounting approaches adapted to the activities of small enterprises.

3. Results

An important stage of this study is the study of the current state of tax accounting in small enterprises. In the course of the analysis, the practice of organizing tax accounting, calculating tax liabilities, and generating reports in small business entities was studied, and existing problems were identified.

As practice shows, tax accounting in small enterprises is often conducted without full integration with accounting. As a result, different indicators are formed in accounting and tax accounting for one business transaction, which leads to discrepancies in

determining the tax base. Such discrepancies are especially common in the processes of recognizing income and expenses, calculating depreciation charges, and using tax benefits.

According to the analysis results, one of the main problems encountered by small enterprises in tax accounting is the low level of timely adaptation to changes in tax legislation. Changes in tax rates, types of taxes, or reporting forms are often implemented late. This leads to errors in tax reports and financial penalties.

Table 1. Problems in tax accounting at small enterprises and ways to eliminate them.

№	Identified problem	Content of the problem	Proposed solution	Expected result
1	Lack of integration of accounting and tax accounting	The formation of different indicators for one business transaction, the emergence of discrepancies in the tax base	Harmonization of accounting and tax accounting based on a unified information system	Increased tax base accuracy, reduced tax errors
2	Slow adaptation to changes in tax legislation	Occurrence of errors, delays and penalties in tax reporting	Implementation of a mechanism for monitoring tax legislation, determination of the responsible person	Tax discipline will be strengthened, fines will be reduced.
3	Low level of tax accounting automation	High proportion of manual payments, inefficient use of time and resources	Implementation of automated tax and accounting programs	Labor productivity increases, the human factor decreases
4	Underdevelopment of the analytical function of tax accounting	Non-use of tax metrics in management decisions	Implementation of the practice of compiling analytical reports based on tax indicators.	Increased economic justification of management decisions
5	Shortage of qualified personnel	Cases of maintaining tax records as an additional task	Organization of advanced training and short training courses on tax accounting	Improves the quality of tax accounting
6	Lack of a tax risk assessment mechanism	Unjustified tax burden and financial risks	Implementation of a tax risk assessment and planning system	Financial stability will improve

Analysis of the problems and solutions presented in the table shows that the improvement of tax accounting in small enterprises requires a comprehensive approach. In particular, increasing the level of integration and automation of accounting and tax

accounting is manifested as the main factors ensuring the effectiveness of tax accounting. The implementation of the proposed solutions will serve to reduce tax risks of small enterprises, strengthen their financial stability, and improve tax discipline.

During the study, the current state of tax accounting in small enterprises was analyzed, and a number of important results were achieved. Studies have shown that tax accounting in small enterprises is often conducted without sufficient integration with accounting. This situation leads to discrepancies in determining the tax base, incorrect calculation of tax obligations, and increased financial risks.

According to the analysis results, it was established that the weakness of the mechanisms for adapting to frequent changes in tax legislation is one of the main factors reducing the efficiency of tax accounting in small enterprises. It was noted that errors in the preparation of tax reports, cases of late submission of reports, and the occurrence of fines are directly related to this problem.

Also, the research results showed that the level of tax accounting automation in small enterprises is low. Limited use of electronic tax reporting and accounting programs leads to a high share of manual calculations in tax accounting, inefficient use of time and labor resources.

The study revealed that the analytical and managerial functions of tax accounting in small enterprises are insufficiently developed. Tax indicators are mainly limited to reporting, and their impact on financial results, profitability, and cash flows is not deeply analyzed. This leads to the ineffective use of tax accounting in making management decisions.

The obtained results show that the improvement of tax accounting in small enterprises should be carried out by combining accounting and tax accounting, increasing the level of automation of tax accounting, and strengthening the analytical function of tax accounting. These directions will allow increasing the financial stability of small enterprises, reducing tax risks, and strengthening tax discipline.

4. Discussion

The obtained research results show that the problems associated with tax accounting in small enterprises are systemic. In particular, it has been established that insufficient integration of tax and accounting accounting causes discrepancies in determining the tax base, which corresponds to the conclusions of previously conducted scientific research. If foreign and domestic scientists emphasized that maintaining tax accounting in conjunction with accounting ensures the reliability of tax information, then the results of this study practically confirm these theoretical views using the example of small enterprises.

The results of the study showed that the weakness of the mechanisms for adapting to frequent changes in tax legislation increases the risk of tax errors and fines in small businesses. This situation coincides with scientific approaches to tax administration and the need to simplify tax accounting. However, the incomplete implementation of these approaches in practice still leaves small businesses vulnerable to tax risks.

Also, the low level of automation of tax accounting, identified in the study, requires separate discussion in the context of the digital economy. Automated tax accounting systems can not only simplify the accounting process in small enterprises, but also reduce the influence of the human factor and increase the accuracy of tax information. Although this aspect has been positively assessed in previous studies, the results of this study show that the introduction of digital technologies in small enterprises faces practical obstacles.

Another important aspect of the discussion was the weak development of the analytical and managerial functions of tax accounting. In many small enterprises, tax accounting is considered only as a means of submitting mandatory reports, and its impact

on financial results and management decisions is underestimated. This situation indicates the need to strengthen the role of tax accounting as a source of management information.

Summarizing the results, it can be said that the proposed directions for improving tax accounting in small enterprises - integration of accounting and tax accounting, increasing the level of automation and strengthening the analytical approach - complement existing scientific views and adapt them to practical conditions. At the same time, the results of this study can serve as a methodological basis for further scientific research on improving tax accounting in the conditions of small businesses.

5. Conclusion

The study showed that in such enterprises, tax accounting is often not properly integrated with accounting. This leads to inconsistencies in determining the tax base, errors in calculating tax liabilities, and, as a result, increased financial risks.

The analysis also showed that in small enterprises, the effectiveness of tax accounting is reduced due to the inability to quickly adapt to frequent changes in legislation. This leads to errors in tax reporting, delays in its provision, and financial penalties.

In addition, one of the main problems preventing the improvement of the accuracy and effectiveness of tax calculations is the insufficient automation of tax accounting. Because of this, small companies are forced to perform a significant part of operations manually, which leads to an irrational use of time and labor.

Another important result of the study is that small enterprises have an insufficient level of development of analytical and managerial functions of tax accounting. Tax accounting is often considered solely as a tool for meeting mandatory reporting requirements, and its potential role as a source of information for making managerial decisions is underestimated. This limits the ability of small businesses to optimize tax obligations and improve financial results.

The results of the study show that an integrated approach is needed to improve tax accounting in small businesses. The most important aspects are the integration of accounting and tax accounting systems, increasing the level of automation through the introduction of digital technologies, as well as strengthening the mechanisms for monitoring tax legislation and the analytical function of tax accounting.

The implementation of these measures will help small businesses avoid tax errors and reduce risks, strengthen tax discipline, increase financial stability and overall business efficiency.

Based on the results of the study, we can offer scientifically based recommendations for improving tax accounting in small businesses:

1. **Implementation of a unified information system based on the integration of accounting and tax accounting.** It is proposed to introduce a unified information system that ensures the harmonious maintenance of accounting and tax accounting in small enterprises. This approach serves to eliminate discrepancies in determining the tax base, reduce tax errors, and increase the reliability of tax information.
2. **Increasing the level of digitalization and automation of tax accounting.** It is necessary to widely use modern digital technologies and automated software tools in tax accounting. This measure will reduce the time and labor costs of maintaining tax records, reduce the influence of the human factor, and ensure the accuracy of calculations.
3. **Strengthening mechanisms for adapting to tax legislation and managing tax risks.** It is proposed to introduce a system for continuous monitoring of changes in tax legislation, identification and assessment of tax risks in small enterprises. This

approach serves to strengthen tax discipline, reduce financial penalties, and increase the financial stability of enterprises.

4. **Development of the analytical and management function of tax accounting.** Tax accounting should be used not only as a means of submitting reports, but also as an important source of information when making management decisions. Compiling analytical reports based on tax indicators allows optimizing the tax burden and increasing economic efficiency in small enterprises.

In general, the results of this scientific study not only confirm the existing theoretical ideas about the importance of effective tax accounting, but also adapt them to the real working conditions of small organizations. The conclusions and recommendations that have been proposed can become the basis for further scientific research and serve as a practical guide for representatives of small businesses and government officials involved in tax regulation.

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