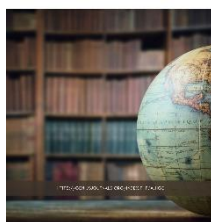


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Ways to improve excise tax administration in Uzbekistan

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ABSTRACT

The article examines important issues related to the improvement of excise tax administration. Excise tax plays an important role in the formation of state revenues and regulation of consumption of certain goods and services. Analyzes issues and suggests potential solutions to enhance excise tax collection, streamline administrative processes and ensure compliance. By addressing these issues, countries can optimize excise tax revenues and achieve better fiscal and regulatory outcomes

Keywords:

administration, difficulties, inefficiency, compliance, revenue optimization, regulatory results, taxes and taxation, indirect taxes, excise tax, excise goods, practice of taxation of excise goods

Enter. In our country, the excise tax has a decisive role in the formation of state revenues and in the regulation of certain industries. However, effective administration of excise tax is difficult due to various difficulties. Excise tax administration involves monitoring compliance, ensuring fair collection and optimizing revenue, taking into account the impact on regulated industries. Studying the features and methods of improving the excise tax is becoming more and more important and is an important component of the state economic policy, which ensures the flow of a significant part of the financial resources of the national economy. In general, the excise tax system is complex, forming historical connections with the tasks of calculating it in the state budget. Also, the excise tax has a significant impact on filling the budget of the budget system and is considered one of the important types of taxes

Analysis of literature on the topic. Excise tax is recognized as an effective form of indirect taxation in a number of countries at different stages of economic development.

By S. Delipalla, "excise tax is one of the components of indirect taxes. Excise duty on imports into Malaysia and on locally manufactured goods as set out in Section 6 of the Excise Act 1976. This tax is used as a mechanism to change the trend of government consumption or social engineering. Commodities subject to excise duty under the Excise Act include liquor, tobacco, cigarettes, cigars, four-wheel drives, multi-purpose vehicles and playing cards" [1].

D.E. Giles, L.M. Tedds defined smuggling activities as all transactions, whether legal or illegal, market or non-market, carried out for the purpose of evading tax from the tax authority. Indirect tax evasion is often linked to smuggling, especially tariff offences. Smuggling crimes affect monetary and non-monetary revenues such as embargoes, product quality and quotas [2].

O. T. Hai and L. By M. See, companies involved in tax payments, intentionally or unintentionally, conducted a study on non-compliance due to the difficulties encountered in the measurement of the participation of individuals. Therefore, this study focuses on the incidence and factors of

excise tax evasion among importers as taxpayers[3].

In addition, the French economist F. Demezou noted: "Excise alone is able to provide all other tax revenues and more" [4].

According to L.V. Borovko, "the perspective direction of the current tax policy and conceptual excise tax is to form a socially oriented model and ensure its effective development" [5].

According to O.R. Tegetaeva, "excise tax is part of the indirect tax, now its main importance lies in the fact that it is a criterion for assessing the state and prospects of social consumption of the population" [6].

M.A.Troyanskaya and Yu.O.Nizamieva stated that "as an effective form of indirect taxation, it is important to create opportunities to use excise tax as a means of regulating consumption and stimulating production, and ensuring their stability" [7].

A general analysis of the above-mentioned opinions showed that there are three different approaches to understanding the essence of the concept of "necessity of excise tax". E. Gadoev, T. Malikov, O. Olimjonov, Kh. Sobirov can be cited as examples of our scientists who have been contributing to the development of the practice of taxation in our country. However, it should be noted that in the scientific research conducted in our country, the practice of taxation of excise goods and the topic of excise tax administration have been studied very little.

Research methodology. In this article, comparative analysis and induction and deduction evaluation methods were used. Using the comparative method, scientific conclusions were given to clarify the practical importance of creative approaches in the effective management of the practice of taxation of excise goods.

Analysis and results.

Excise tax has a long history and has existed for centuries. The concept of excise tax can be traced back to ancient civilizations where special levies were levied on certain goods such as alcohol and tobacco. In recent history, excise

taxes have been widely used in various countries as a means of increasing revenues and regulating the consumption of certain goods and services.

In modern conditions, excise tax is levied on a wide range of products, such as alcoholic beverages, tobacco products, fuel, motor vehicles, and valuables. Excise tax rates and structures vary from country to country and are often subject to economic, social and regulatory changes.

Governments use excise tax not only as a means of raising revenue, but also as a means of limiting the consumption of certain goods, improving public health, and solving environmental problems. By imposing high taxes on goods with negative externalities, such as cigarettes or carbon-emitting fuels, governments aim to reduce their consumption and the associated social and environmental costs. In general, the emergence of excise taxes can be traced to almost all modern economies, and their use continues to evolve as governments seek to balance revenue generation, regulatory objectives, and economic efficiency.

The emergence of the excise tax in Uzbekistan coincides with the period of economic reforms and liberalization that began in the early 1990s after the country gained independence from the Soviet Union. During this period, Uzbekistan moved towards a market-oriented economic policy and sought to diversify its sources of revenue to support the growing needs of the government and finance public services. Excise tax was introduced in Uzbekistan as one of the measures to increase income and regulate the consumption of certain goods and services. The government has recognized the revenue potential of excise tax, while influencing consumer behavior and addressing public health and environmental issues.

Over the past years, the excise tax system in Uzbekistan has developed and expanded to cover various products. Initially, excise tax was imposed on goods such as tobacco products, alcoholic beverages, petroleum products. However, as the economy developed and the tax base expanded, the excise tax extended to other products, such as luxury goods and certain

vehicles. Excise tax rates and structure in Uzbekistan have changed over time, taking into account economic conditions, government priorities and society. The introduction of excise tax in Uzbekistan was an important step in diversifying the country's income and adapting to the international practice of taxation. As Uzbekistan continues its economic reforms and modernization, the excise tax system will remain an important component of the state's budget and tax policy, which contributes to the solution of state revenue and state policy tasks. Excise tax is a tax imposed on special types of goods. Goods subject to excise tax are usually goods of general nature, that is, they are distinguished by factors that have a negative impact on environmental cleanliness, ecology, or public health. Ease of introduction of excise tax is that the control mechanism of its introduction and payment is easy, because usually the rate of excise tax is fixed and calculated based on a specific volume without interfering with accounting reports. By nature, excise taxes are of two-fold importance for the state, firstly, they are considered as a source of formation of a certain part of budget revenues, and secondly, they serve to limit the consumption of excise goods and regulate supply and demand for goods.

In this case, despite the fact that the excise tax is mainly collected from the producers of the excise goods, in fact, the tax burden falls on the shoulders of the consumers by setting high purchase prices for the goods. At the same time, since this type of tax has a regressive nature, it is not appropriate to apply it to other goods on a large scale. For this reason, excise tax rates have been introduced in our country mainly for 3 types of goods, i.e. oil, tobacco and alcohol products.

Excise tax occupies an important place in the general tax policy of the state even in developed foreign countries. Excise tax is a type of indirect tax that is directly added to the price or definition of the company's products and services. The economic nature of the excise tax is manifested in the provision of budget revenue to satisfy the interests of the national economy, attracting more funds, while its social nature is expressed in the increase of the payment

capabilities of the population, that is, the main consumers. This is reflected in the reduction of excise tax objects (excise goods), decrease in tax rates, and increase in the population's ability to pay.

One of the functions of the excise tax is to restrict certain products, which are included in the list of products that have a negative effect on the health of the people, especially young people, according to the World Health Organization.

The word "excise" comes from the French language and means "cut off". This tax began to form a group of direct and indirect taxes at the end of the 17th century and the beginning of the 18th century when administrative state apparatuses were formed in European countries. Excise duty was the main form of indirect taxes and it was collected directly from 5% to 25% of the goods brought out and brought in from the city gates. In Uzbekistan, this tax is one of the new taxes.

It should be noted that there are opinions that the excise tax serves to prevent the consumption of socially harmful goods. Excise tax is imposed on goods with high profitability in Uzbekistan. Excise tax is essentially an indirect tax included in the price of goods and paid by the final consumer. Its socio-economic essence is expressed and improved only depending on the level of distribution.

Excise tax rates in our country are determined as percentages of the value of the goods or services (*ad valor*), in the absolute amount (fixed) in relation to the unit of measurement expressed in kind, as well as in a mixed rate consisting of *ad valorem* and fixed rates. the tax base is determined based on the volume of excise goods expressed in kind.

Excise tax rates are determined in percentages (*ad valor*) on produced excisable goods, the excise tax of realized excise goods and value-added tax-excluded value is the taxable base.

The value calculated on the basis of the price determined by the taxpayer at the time of handing over the goods at a level not less than its actual cost in the case of goods subject to excise duty, given for free or for exchange for other goods (works, services), as well as for

goods sold at prices lower than the cost of goods is the taxable base.

The taxable base for excise goods produced from raw materials and materials submitted for processing includes the value of works related to the production of excise goods and the value of raw materials and materials submitted for processing.

Excise tax rates are determined in percentages (ad valor) on the basis of the customs value determined in accordance with the documents of the customs law on the taxable base for imported excise goods.

In most countries of the world, excise tax is used as an incentive to give up harmful habits, which improves the quality and duration of life.

In some developed countries, for example, in the United States, excise taxes are taxes of federal importance. But their weight in the volume of state budget revenues is relatively small. Excise tax was introduced on tobacco and alcohol products, transport services. The rate of excise tax is 10 percent.

In Great Britain, excise taxes are the second largest indirect tax after value added tax. Excise tax has been introduced on fuel, alcohol and tobacco products, vehicles and services. Its rates range from 10 percent to 30 percent.

In Germany, the majority of excise tax revenues are transferred to the federal budget, except for the excise tax on beer, which does not go to the federal budget. Excise tax rates are set in percentages and in "euro" per wrong unit of goods. For example, the rate of excise tax on insurance contracts is set at 12 percent of the insurance policy amount. The fixed tax rate for champagne is 2 euros per 0.75 liters.

For example, improving excise tax administration in the Russian state faces a number of challenges and issues that need to be addressed to ensure effective tax collection and compliance. One of the main problems of the excise tax administration is the fight against tax evasion and smuggling of excise goods. This results in a significant loss of revenue for the government and creates an uneven playing field for eligible businesses. Excise tax laws in Russia can be complex and change frequently, making compliance difficult for businesses. Simplifying and clarifying tax laws will help improve

compliance. In addition, effective enforcement of excise tax regulations is critical to preventing tax evasion. The Russian state can strengthen its excise tax administration and enhance revenue collection while supporting fair and equitable taxation.

Taxation of alcohol products is considered a profitable part of excise goods. It is very convenient from the point of view of administration that the rate of excise tax on alcohol products is determined based on each piece of alcohol product, that is, on the amount of alcohol contained in it.

Soft drinks such as beer, wine and vermouth are subject to reduced or zero excise duty in some countries. The main reason for this is, on the one hand, to support local producers, first of all, small wholesalers, and on the other hand, since these alcohol products contain less alcohol, they are less harmful to human health when consumed. The excise tax rate should not be set at a very high level, especially for the countries in the transition economy, at a time when the borders are relatively open, setting the excise tax rates higher than the neighboring country will lead to an increase in the smuggling of excise goods, and an increase in the production of alcoholic products based on their illegal production.

In addition, excise duty must be collected during the production or import of goods. Therefore, it is easy to determine the rate of excise tax in a fixed amount, if the rate of excise tax is determined as a percentage, problems may arise in determining the sale price of the manufactured product. Also, the excise tax imposed on alcohol products is mainly the collection of excise tax on ethyl alcohol with a higher amount. In this case, there will be no need for tax authorities to control the activities of all producers of alcohol products, which means that things will be simplified from the point of view of administration.

It plays a decisive role in the fiscal system of Uzbekistan and makes a significant contribution to the state income. However, effective excise tax administration is essential to ensure compliance, minimize tax evasion and maximize revenue collection. The current excise tax system in Uzbekistan faces challenges stemming

from factors such as complexity, enforcement gaps, and the evolving economic landscape. It includes simplifying excise tax rules, strengthening enforcement through advanced monitoring technologies, and fostering international cooperation in tackling cross-border tax evasion. In addition, the document calls for the implementation of transparent reporting mechanisms and initiatives to raise awareness and foster a culture of tax compliance among businesses and individuals. According to estimates of the World Health Organization (WHO) and the US Central Intelligence Agency covering 189 countries, the average alcohol consumption per capita in the world in 2023 will be 6.4 liters of pure alcohol per year. Belarus - 17.5 liters, Moldova - 16.8, Lithuania - 15.4 and Russia - 15.1 liters are among the leading countries in terms of alcohol consumption.

In the territory of the former Union: Georgia - 7.45, Kyrgyzstan - 4.02, Armenia - 3.77, Kazakhstan - 3.73, Turkmenistan - 2.88, Uzbekistan - 2.45, Azerbaijan - 0.8 liters of pure ethyl alcohol consumption will be done.

According to the forecast of IWSR analysts, in 2023 the world alcohol market will show growth and bring more than 21.6 billion dollars of income to the world economy. In the coming years, the main drivers of growth are projected in India, Mexico, Brazil, USA and China. In the period from 2022 to 2027, the growth rate is expected to be low - on average close to 1 percent per year.

In conclusion, the excise tax system in Uzbekistan is an important component of the country's fiscal structure and plays a decisive role in obtaining income for important public services. However, the challenges in the current excise tax administration require a strategic and integrated approach to improve control measures and improve overall efficiency. An analysis of the excise tax administration in Uzbekistan reveals several important areas for improvement. First, the complexity of current tax rules is a significant barrier to compliance. Simplifying these rules can streamline processes, making it easier for businesses and individuals to understand and comply with their tax obligations. Mandatory defects represent

another difficulty. The introduction of advanced monitoring technologies such as data analytics and digital tools can greatly enhance the ability of tax authorities to detect and prevent tax evasion. In addition, the development of international cooperation is important to eliminate cross-border tax evasion and create a stronger regulatory and legal framework. Transparent reporting mechanisms and awareness campaigns will help foster a culture of tax compliance among taxpayers. By promoting transparency and informing the public about the benefits of tax payments, the government builds trust and cooperation between taxpayers and tax authorities

Conclusions and suggestions.

Based on the analysis of issues related to the improvement of excise tax administration, several conclusions can be drawn:

One of the main problems in excise tax administration is the complexity of procedures for both taxpayers and tax authorities. Simplifying processes and requirements leads to increased compliance and reduced administrative burden. Strengthening monitoring and enforcement mechanisms will help curb tax evasion and illicit trade in excise goods. The use of advanced technology and data analysis can improve tax administration and increase revenue collection.

Ambiguities in tax laws and regulations can cause confusion for taxpayers and lead to disputes. Clearly defined tax rules are essential for effective tax administration. In order to effectively manage the excise tax, it is necessary to improve the skills and qualifications of tax authorities. Well-trained personnel can solve complex tax issues and ensure fair and transparent tax calculation. On the basis of these conclusions, the following proposals are offered for the improvement of the excise tax administration: Comprehensive review of existing excise tax laws and regulations to identify areas for improvement and clarification. Strengthening advanced technologies and data analytics to enhance tax administration capabilities and detect tax evasion more effectively. Organization of regular training and capacity building programs

of tax authorities to increase their skills and knowledge. Develop a risk-based approach to tax audits and enforcement to focus on high-risk areas and improve compliance. Creation of a feedback mechanism for taxpayers to express their opinions and provide feedback on tax administration issues.

Implementation of these proposals will lead to improved excise tax administration in Uzbekistan, more efficient revenue collection, reduced tax evasion and increased compliance among taxpayers.

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