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Ways to improve resource tax administration in Uzbekistan

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ABSTRACT

The abstract for the ways to improve resource tax administration in Uzbekistan is as follows:

The resource tax is an important source of revenue for the government of Uzbekistan. However, there are several challenges in its administration, which can lead to revenue leakages and inefficiencies. This study aims to identify ways to improve resource tax administration in Uzbekistan by conducting a literature review of relevant studies and scholarly articles. The review reveals several key areas for improvement, including:

Strengthening tax compliance measures, such as improving tax registration processes, implementing effective taxpayer education programs, and enhancing tax audit and enforcement activities, can help increase tax compliance among resource taxpayers. Streamlining tax procedures and reducing administrative burdens can contribute to more efficient resource tax administration. This can be achieved by digitizing tax processes, simplifying tax forms and documentation requirements, and improving taxpayer support services.

Keywords:

resource tax, mineral tax, budget, tax administration, tax potential, regulatory analysis, tax reporting, tax revenue, tax benefits, tax rate, agriculture, farm, multi-sectoral farm, cluster system

Introduction:

Resource tax administration plays a crucial role in Uzbekistan's economy as it pertains to the efficient and effective collection of taxes related to natural resources. However, there are inherent challenges and areas for improvement in this aspect of tax administration. This study aims to explore and present ways to enhance resource tax administration in Uzbekistan. By examining relevant literature and scholarly articles, we will identify key strategies and practices that can contribute to the improvement of resource tax administration. The findings will shed light on potential areas of focus for policymakers, tax authorities, and other stakeholders to enhance the administration of resource taxes and ensure

their optimal collection. This research is intended to provide insights and recommendations that can contribute to the development and implementation of effective measures for resource tax administration in Uzbekistan.

Analysis of literature on the topic

The analysis of literature on the topic of improving resource tax administration highlights several key areas and strategies that can contribute to enhancing this aspect of tax administration in Uzbekistan.

Many scholars emphasize the importance of simplifying tax regulations related to resource taxes. Complex and cumbersome regulations can create confusion

and difficulties for taxpayers and tax authorities alike. Simplification measures such as clearer guidelines, streamlined procedures, and standardized documentation can improve compliance and reduce administrative burdens.

The literature emphasizes the role of technology in improving resource tax administration. Implementation of digital solutions, such as online tax filing systems, electronic payment platforms, and data analytics tools, can enhance efficiency, transparency, and accuracy in tax collection and reporting. Additionally, the use of technology can enable real-time monitoring and data integration, facilitating better enforcement and risk assessment.

Scholars emphasize the importance of investing in capacity building and training programs for tax authorities involved in resource tax administration. Enhancing the knowledge and skills of tax officials in areas such as tax laws, accounting practices, and auditing techniques can contribute to more effective tax collection, compliance, and enforcement.

The literature highlights the significance of fostering collaboration and communication between tax authorities, industry stakeholders, and taxpayers. Engaging in dialogues and consultations with industry representatives can help identify challenges, address concerns, and develop mutually beneficial solutions. Regular communication and feedback mechanisms can contribute to a more transparent and responsive tax administration system.

Effective risk assessment methodologies and enforcement mechanisms are essential for improving resource tax administration. Scholars suggest the use of data analytics, risk profiling, and targeted audits to identify high-risk taxpayers and sectors. Strengthening enforcement measures, such as penalties for non-compliance and tax evasion, can act as deterrents and promote voluntary compliance.

G. A. Safarov, an Uzbek scientist, in his candidate's dissertation on the topic "Encouraging the effective use of natural resources by economic entities by means of taxes" applied incentive incentives for low-cost investments involved in the production process

related to natural resources by enterprises and organizations, condensed taxation of natural resource taxes scientifically justified its use in the system, proposed the introduction of a mechanism for calculating and collecting land tax collected from non-agricultural enterprises from the cadastral value of the land they use, proposed a method of accounting for the calculation of taxes from underground resources, and scientific proposals for further improvement of this tax collection mechanism developed by.[1]

Economist S.Kuznetsov theoretically systematized the issues of financial support of business entities and explained several important rules of scientific economic research as a process paradigm. In particular, the concept of "Financial support" recognizes that it is presented as a combination of money or material assets[2].

American economists Zvi Bodi and Robert Merton clarified the financial support system and proposed that it is a complex and sequence of actions to be taken in relation to certain objects as a financial support system. They recognize that the support system related to financial provision should be based on the economic nature and functions of finance as a financial category. [3]

Economist S. V. Barulin sees the financial support system as a two-way process. According to him, the financial support system is the coordination of the optimal provision of the financial support system of individual economic agents under conditions of certain uncertainties. [4].

Economist I.V. According to Ziyatkovsky, financial support as a holistic system is a system of sources and forms of financing that creates a favorable environment for financial provision of sustainable development of the economic and social spheres of society[5].

T.Clarifying the system of financial support of agriculture, V. Sokolskaya emphasizes that it is a system of creating favorable financial conditions for the provision of basic and circulating, private and loan funds of agricultural business entities, for ensuring the production of a sufficient amount of products [6].

Overall, the literature highlights the need for a comprehensive approach to improving resource tax administration in Uzbekistan. This includes simplifying tax regulations, leveraging technology, enhancing capacity and training, fostering stakeholder collaboration, and implementing effective risk assessment and enforcement measures. By considering these strategies, policymakers and tax authorities can work towards creating a more efficient, transparent, and effective resource tax administration system in Uzbekistan.

Analysis and discussion of results.

Improving resource tax administration in Uzbekistan can be achieved through various strategies and measures. Here are some suggestions on how to improve resource tax administration in Uzbekistan:

Simplifying tax regulations related to resource taxes can make it easier for taxpayers to understand their obligations and comply with the tax laws. This can be done by reducing complexity, providing clear guidelines, and standardizing procedures. Transparency in resource tax administration is crucial for building trust and ensuring fairness. Providing clear information on tax rates, assessment methods, and compliance requirements can help taxpayers better understand their obligations and reduce the risk of misunderstandings or disputes. Embracing digital solutions, such as online tax filing systems, electronic payment platforms, and data analytics tools, can streamline the tax administration process. It can improve efficiency, accuracy, and transparency in tax collection, reporting, and auditing. Providing adequate training and capacity building programs to tax officials involved in resource tax administration is essential. This includes training on tax laws, accounting practices, auditing techniques, and the use of technology. Enhancing the knowledge and skills of tax officials can lead to more effective tax administration and enforcement. Collaboration with industry stakeholders, such as resource companies, industry associations, and taxpayer representatives, can lead to better communication, understanding, and

compliance. Regular dialogues, consultations, and feedback mechanisms can help identify challenges, address concerns, and develop mutually beneficial solutions. Implementing robust risk assessment methodologies and enforcement measures can help identify high-risk taxpayers, detect tax evasion, and ensure compliance. This includes leveraging data analytics, conducting targeted audits, and imposing penalties for non-compliance. Educating taxpayers about their rights, obligations, and benefits of compliance is crucial. Providing accessible and informative materials, workshops, and seminars can improve taxpayer awareness and encourage voluntary compliance. Regular evaluation and monitoring of the resource tax administration system can help identify areas for improvement and address emerging challenges. This can involve gathering feedback from taxpayers, conducting performance assessments, and implementing necessary reforms. By implementing these strategies, Uzbekistan can work towards improving resource tax administration, enhancing compliance, and ensuring the efficient and effective collection of resource-related taxes.

Resource taxes have been implemented in various countries around the world. The exact origins of resource taxes can be traced back to specific countries and time periods, but the concept of taxing natural resources has been present for centuries. One of the earliest examples of resource taxation can be found in ancient civilizations such as Egypt and Mesopotamia, where taxes were levied on natural resources such as land, crops, and minerals. In more modern times, resource taxes have been implemented in countries rich in natural resources, including oil, gas, minerals, and forestry products. For example, countries like Norway and Canada have implemented resource taxes on their oil and gas industries, while Australia and Chile have implemented taxes on mining activities. The specific dates and details of when resource taxes were introduced in different countries may vary. It is important to note that resource tax systems can also evolve and undergo changes over time as countries adapt their tax policies to meet

economic, environmental, and social objectives. In the case of Uzbekistan, resource taxes have been implemented to regulate and tax the extraction and use of natural resources such as oil, gas, minerals, and other resources. The specific introduction of resource taxes in Uzbekistan can be traced back to the country's legal and regulatory framework for natural resource management.

The question of whether taxes should be levied on natural resources is a complex and debated topic. There are different perspectives and considerations involved in this matter. Proponents of resource taxes argue that natural resources are finite and belong to the public or the state, and therefore, extracting and profiting from these resources should incur a tax or royalty. They argue that resource taxes can help ensure a fair and equitable distribution of wealth, promote sustainable resource management, and generate revenue for the government to fund public services and development projects. Resource taxes can also serve as a tool to address environmental concerns by incentivizing more responsible and sustainable resource extraction practices. By imposing taxes on resource extraction, governments can encourage companies to minimize their environmental impact and adopt cleaner technologies. On the other hand, opponents of resource taxes argue that such taxes can discourage investment in resource extraction industries and hinder economic growth. They contend that high tax rates can make projects economically unviable, leading to reduced exploration, production, and investment in the sector. Additionally, critics argue that resource taxes can be difficult to administer and can lead to distortions and inefficiencies in the market. The decision to levy taxes on natural resources depends on various factors, including the specific context of a country, the type of resources being extracted, the economic and social objectives of the government, and the overall tax and regulatory framework. Governments need to carefully consider the potential benefits and drawbacks of resource taxation and strike a balance between revenue generation, economic development, and environmental sustainability.

Building a natural resource tax culture requires a comprehensive and multi-faceted approach. Here are some key steps that can be taken to develop such a culture:

Establish clear and transparent tax policies related to natural resource extraction. These policies should outline the types of resources subject to taxation, the tax rates, and the mechanisms for tax collection and enforcement. Clarity and transparency in tax policies help build trust and understanding among taxpayers.

Conduct educational campaigns and raise awareness among taxpayers, businesses, and the general public about the importance of natural resource taxation. Provide information on the purpose and benefits of resource taxes, how they contribute to sustainable development, and the proper procedures for compliance.

Enhance the capacity and expertise of tax administration officials responsible for enforcing natural resource tax regulations. Provide training programs and workshops to tax officials to improve their understanding of the sector, technical knowledge, and auditing skills specific to natural resource taxation.

Foster collaboration and engagement between the tax administration, industry stakeholders, and relevant government agencies. Regular dialogues, consultations, and partnerships can help in developing effective tax policies, addressing industry concerns, and ensuring compliance with tax obligations.

Strengthen the enforcement mechanisms to ensure compliance with natural resource tax regulations. Implement robust auditing and monitoring systems to detect and deter tax evasion and avoidance. Conduct regular audits, inspections, and investigations to identify non-compliant behavior and take appropriate enforcement actions.

Consider providing incentives for voluntary compliance with natural resource tax obligations. Offer tax incentives or benefits to companies that demonstrate responsible environmental practices, sustainability initiatives, or investments in local communities.

Collaborate with international organizations and other countries to exchange

best practices, experiences, and knowledge in natural resource taxation. Participate in international forums and initiatives that focus on resource taxation to learn from global experiences and align domestic practices with international standards. By implementing these measures, governments can foster a culture of natural resource tax compliance, ensure a fair and equitable distribution of benefits, and promote sustainable development of natural resources.

The organization of resource tax administration in the United States varies depending on the specific state and the type of natural resource being taxed. Generally, resource taxes in the U.S. are levied at the state level, and the administration and collection of these taxes are the responsibility of state agencies. Each state may have its own dedicated agency or department responsible for administering resource taxes. For example, in Alaska, the Department of Revenue's Tax Division manages and administers resource-related taxes such as the oil and gas production tax and the mining license tax. Similarly, in Texas, the Comptroller of Public Accounts oversees the administration of resource-related taxes, including the severance tax on oil, gas, and other minerals. These state agencies typically have specific divisions or units that focus on resource tax administration. They are responsible for assessing, collecting, and enforcing resource taxes, as well as providing guidance and support to taxpayers regarding compliance. They may also conduct audits and investigations to ensure that taxpayers are accurately reporting their resource-related activities and paying the appropriate taxes. In addition to state-level administration, there may be federal agencies involved in the regulation and oversight of certain types of resource taxes, such as those related to federal lands or offshore resources. For example, the Bureau of Land Management (BLM) and the U.S. Department of the Interior play a role in managing and administering resource-related taxes on federal lands. It's important to note that the specific organizational structure and processes of resource tax administration can vary among states, and there may be differences

in tax rates, exemptions, and reporting requirements. It's advisable to consult the relevant state tax authorities or agencies for detailed information on resource tax administration in a particular U.S. state.

In Russia, the resource tax administration is organized at the federal level, and it is overseen by several key entities. The primary authority responsible for resource tax administration is the Federal Tax Service (FTS) of Russia. The FTS is a federal executive body that is responsible for implementing tax policies, collecting taxes, and ensuring compliance with tax legislation. The FTS operates through its regional offices, which are located in various regions of Russia. These regional offices are responsible for administering and collecting resource taxes at the local level. They handle tax registration, assessment, collection, and enforcement activities related to resource taxes. In addition to the FTS, there are other agencies and ministries involved in resource tax administration in Russia. For example, the Ministry of Natural Resources and Environment is responsible for determining the tax base, setting tax rates, and overall management of natural resources in the country. The Ministry of Energy also plays a role in overseeing resource tax administration, particularly in the oil and gas sector. The tax administration process for resource taxes in Russia involves tax registration, periodic reporting and payment, audits, and compliance monitoring. Taxpayers are required to register with the tax authorities, submit regular tax returns, and pay the applicable resource taxes based on the prescribed rates and tax base. The tax authorities in Russia have the power to conduct tax audits and investigations to verify the accuracy and completeness of tax reporting by taxpayers. They may also provide guidance and support to taxpayers regarding compliance with resource tax regulations. It's worth noting that Russia has a complex tax system, and resource taxation is subject to specific laws and regulations. The specific rules, rates, and procedures for resource tax administration can vary depending on the type of resource being taxed (e.g., oil, gas, minerals) and the region

within Russia. It is advisable for taxpayers to consult with the tax authorities or seek professional advice to ensure compliance with resource tax obligations in Russia.

The organization and administration of resource taxes in African countries can vary depending on the specific country and its legal and regulatory framework. However, there are some common features and practices observed in many African countries regarding resource tax administration. In most African countries, resource tax administration is typically managed by government agencies or departments that are responsible for overseeing the taxation of natural resources. These agencies are often under the supervision of the Ministry of Finance, Ministry of Natural Resources, or similar government bodies. Resource tax administration is guided by specific tax laws and regulations that outline the rules, rates, and procedures for assessing, collecting, and enforcing resource taxes. These laws are often enacted at the national level and provide the legal framework for resource tax administration. Taxpayers engaged in resource extraction or production are required to register with the relevant tax authorities. This registration process involves providing information about the company or individual involved in resource activities, including their legal status, location, and other relevant details. Resource taxes are typically based on the value or volume of the extracted or produced resources. The tax base may vary depending on the type of resource, such as oil, gas, minerals, or forestry products. The tax rates are determined by the government and may be fixed or variable, depending on factors such as resource prices, profitability, and national development objectives. Taxpayers are required to submit regular tax returns and make payments based on the prescribed tax rates and reporting periods. Reporting may involve providing information on resource production volumes, sales, revenues, costs, and other relevant data. Compliance with reporting and payment obligations is monitored by the tax authorities. Tax authorities in African countries may conduct audits and investigations to ensure compliance with resource tax regulations. This

includes verifying the accuracy and completeness of tax reporting, assessing any tax liabilities, and taking enforcement actions against non-compliant taxpayers. Some African countries engage in international cooperation initiatives to improve resource tax administration. This may involve sharing experiences, best practices, and technical assistance with other countries or international organizations to enhance tax administration capabilities and combat tax evasion and illicit financial flows. It is important to note that the specific organization and practices of resource tax administration can vary across African countries due to differences in legal frameworks, governance structures, resource endowments, and economic conditions. Each country may have its own unique approach to resource tax administration based on its specific circumstances and policy objectives.

In Japan, the administration of resource taxes is primarily managed by the National Tax Agency (NTA) under the Ministry of Finance. The NTA is responsible for overseeing the assessment, collection, and enforcement of various taxes in Japan, including resource-related taxes. Here is an overview of how the Resource Tax Administration is organized in Japan:

The NTA is the central government agency responsible for administering taxes in Japan. It formulates tax policies, develops tax laws and regulations, and ensures their implementation across the country. In Japan, resource-related taxes are primarily levied on the extraction and use of natural resources such as oil, gas, coal, and minerals. The key resource-related taxes include the Petroleum and Coal Tax, the Gasoline Tax, the Kerosene Tax, and the Electricity Tax. These taxes are designed to generate revenue for the government and regulate the consumption and production of natural resources. Resource tax administration in Japan is guided by specific tax laws and regulations related to resource extraction and use. These laws outline the tax base, rates, exemptions, reporting requirements, and payment procedures for resource-related taxes. The laws are periodically reviewed and revised to adapt to changing circumstances and policy

objectives. Taxpayers engaged in activities related to the extraction or use of natural resources are required to register with the NTA and obtain the necessary tax identification numbers. This registration process ensures that taxpayers are properly identified and can fulfill their tax obligations. Taxpayers are required to submit regular tax returns to report their resource-related activities, including production or consumption volumes, sales, revenues, and other relevant data. Based on these reports, the NTA calculates the tax liabilities, and taxpayers are expected to make timely and accurate payments. The NTA conducts audits and investigations to ensure compliance with resource tax regulations. Audits may involve reviewing taxpayer records, conducting site visits, and verifying the accuracy of reported information. Non-compliance or tax evasion can lead to penalties, fines, or other enforcement measures. Japan actively participates in international efforts to combat tax evasion, money laundering, and illicit financial flows related to natural resources. It engages in information exchange agreements and cooperates with international organizations to enhance tax administration and enforcement capabilities. It's important to note that the specific organizational structure and practices of resource tax administration may vary across countries. The information provided here is a general overview of how the Resource Tax Administration is organized in Japan, and there may be additional details and nuances in its implementation.

Resource tax administration refers to the management and oversight of taxes levied on the extraction and use of natural resources. It involves various processes such as tax legislation, taxpayer registration, reporting and payment, audits and enforcement, and international cooperation.

In different countries, resource tax administration is organized and implemented by the respective tax authorities. For example, in Japan, the National Tax Agency (NTA) is responsible for administering resource-related taxes. The NTA formulates tax policies, develops laws and regulations, and ensures their implementation. Taxpayers engaged in

resource-related activities are required to register, submit regular tax returns, and make timely payments.

Resource tax administration aims to generate revenue for the government, regulate the consumption and production of natural resources, and ensure compliance with tax laws. It involves monitoring and enforcing tax obligations, conducting audits and investigations, and cooperating with international entities to combat tax evasion and illicit financial flows.

It's important to note that resource tax administration practices can vary between countries, depending on their specific tax systems and regulations. The summary provided here offers a general overview of resource tax administration, but further details and nuances may exist in individual jurisdictions.

Conclusions and suggestions.

Enhancing Resource Tax Administration for Effective Resource Management

Objective: The objective of this proposal is to improve the administration of resource taxes to ensure effective resource management, promote sustainable development, and maximize revenue generation for the government.

Strengthening Legislative Framework: Review and update existing resource tax laws and regulations to align them with international best practices and address any loopholes or inconsistencies. Introduce clear and transparent guidelines for resource tax calculation, assessment, and collection.

Robust Taxpayer Registration and Reporting System: Implement a comprehensive taxpayer registration system for all entities engaged in resource-related activities. Establish an efficient and user-friendly online reporting system to simplify tax return filing and ensure accurate reporting.

Enhancing Taxpayer Education and Support: Develop educational programs and materials to enhance taxpayer awareness and understanding of resource tax obligations, including guidelines on tax calculations and compliance requirements. Provide dedicated

helplines, online resources, and support centers to assist taxpayers in resolving queries and addressing issues related to resource tax administration.

Strengthening Audit and Enforcement Measures: Conduct regular and thorough audits of resource extraction and utilization to detect any potential tax evasion or non-compliance. Implement risk-based auditing techniques to focus on high-risk sectors or entities. Establish collaboration with other government agencies, such as environmental and mining departments, to share data and enhance enforcement efforts.

Promoting International Cooperation: Collaborate with international organizations and neighboring countries to exchange best practices, information, and intelligence on resource tax administration. Strengthen cooperation to combat cross-border tax evasion, transfer pricing, and illegal trade in natural resources.

Monitoring and Evaluation: Establish a monitoring and evaluation mechanism to assess the effectiveness of resource tax administration measures and identify areas for improvement. Regularly review and update tax administration practices based on feedback from taxpayers, industry stakeholders, and internal assessments. Implementing the proposed measures will contribute to the effective management of natural resources, ensure fair and equitable tax collection, and promote sustainable development in Uzbekistan. By enhancing resource tax administration, the government can maximize revenue streams, discourage tax evasion, and create a favorable environment for responsible resource extraction and utilization.

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