



ISSUES OF IMPROVING THE TAX STRATEGY IN UZBEKISTAN BASED ON THE EXPERIENCE OF FOREIGN COUNTRIES

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A B S T R A C T	KEY WORDS
The development and implementation of a new tax strategy in Uzbekistan is of fundamental importance for ensuring the country's sustainable economic development, improving the business environment, simplifying tax administration, and strengthening social justice. This process will ensure that the tax system responds to modern challenges and will serve to increase the country's economic potential in the coming years.	

Introduction

The Strategy should include a set of measures aimed at creating a favorable business environment, creating equal conditions for doing business, simplifying and improving the tax administration system, carrying out structural transformations of tax authorities, as well as developing the tax service in 2025-2030. Therefore, this article, along with studying foreign experience in tax policy, analyzes the content of tax policy, its strategy and tactics, as well as the priority directions of Uzbekistan's current tax policy, and provides conclusions and proposals.

Analysis of the Literature

Scientific research related to the development of state tax policy and the strategic and tactical directions of its implementation has a long history. Special subdivisions were created for the effective use of monetary funds, and issues of organizing their activities, replenishing the state treasury, and its control were widely discussed. Several scientists have conducted scientific research on these issues. In particular, foreign economists A. Smith, D. Ricardo, W. Petty, K. McConnell, G. Mankiw, N. Turgenev, V. Tverdokhlebov, V. Glukhov, L. Goncharenko, D. Tikhonov, D. Chernik, T. Yutkin. In particular, Russian scientists N.Turgenev, V.Tverdokhlebov conducted scientific research on the mechanisms of organizing tax policy related to the determination of tax obligations in the provision of funds to the state treasury, while D.Chernik, T.Yutkin conducted scientific research on the strategy, tactics of tax policy, and the state's position in the implementation of tax policy directions.

In the scientific works of Uzbek economists E.Gadoev, T.Malikov, O.Olimjonov, Kh.Sobirov, Sh.Toshmatov, O.Abdurakhmanov, B.Toshmurodova, N.Khaydarov, A.Khairutdinov, K.Yakhyayev, N.Kuzieva, the further improvement of tax administration, its theoretical and scientific-methodological aspects were studied.

If in the scientific research of one of the scientists of our country, E.Gadoev, the directions of tax policy for each type of tax are scientifically and methodologically revealed, then in the research work of S.Khudoykulov, the importance of forecasting revenues in the formation of budget revenues is substantiated.

Analysis and Discussion of Results:

Today, the following shortcomings and problems remain in the tax system, hindering the full use of the potential of tax authorities, increasing business activity, and supporting entrepreneurship.

Including

- incomplete compliance of the services provided to taxpayers with modern requirements, including the lack of a unified standard for servicing taxpayers, the absence of a system for assessing and monitoring the quality of tax services and consultations provided;
- the fragmented and inconsistent work of tax authorities to combat the widespread practice of concealing the volume of income by taxpayers, using tax evasion schemes, which may lead to a decrease in tax discipline, the preservation of the scale of the shadow economy, and the deterioration of business conditions for conscientious entrepreneurs;
- in parallel with the introduction of modern methods of management and human resource development, the anti-corruption compliance control policy has not been strengthened, and decent working conditions have not been created for employees, especially in the structural units of districts and cities;
- the application of tax control tools not only to unscrupulous taxpayers, the absence of a system of incentives for transitioning to the category of conscientious taxpayers.

Today, the processes of globalization, economic integration, and increasing competition are prompting states to adopt modern, effective, and fair approaches to tax policy. Tax reforms being implemented in the Republic of Uzbekistan are also inextricably linked with these processes. When modernizing tax policy, it is important not only to be limited to national characteristics, but also to study and implement the best practices of developed and developing countries.

In particular, the experience of foreign countries - including neighboring states such as Russia, Kazakhstan, and Georgia - can serve as an example in improving Uzbekistan's tax policy. Deep analysis of foreign experience in such areas as optimization of the tax burden, acceleration of digitalization, simplification of tax administration, and adaptation to the national model will create a solid foundation for sustainable economic growth in the future.

The tax policy of the Republic of Georgia is considered exemplary for most countries. Its strategic approach is the formation of a simple, transparent, and attractive tax system for investors.

The goals of the Tax Policy Strategy of the Republic of Georgia are:

- Ensuring economic growth and stimulating the private sector;
- Attracting foreign investment;
- Simplification and automation of the tax system;
- Creating trusting relationships with taxpayers;

The main reforms are as follows. The Estonian model corporate tax - tax is levied only upon payment of dividends. A small number of types of taxes - there are 6 main types of taxes in total. Digital tax service - E-filing, e-invoice, online registers. A favorable environment for entrepreneurship - special regimes for small businesses, transparency and automation - a lack of corruption, transparent mechanisms.

As a result of the reforms implemented - high positions in the Doing Business rating, a favorable environment for foreign investors, a very low level of corruption.

Also, a number of problems remain relevant. These are the still high share of informal labor, problems remain in the adaptation of small businesses to the digital system.

Georgia's tax policy is built on the principle of "minimal types of taxes, low rates, maximum transparency." This policy is a liberal approach that serves as a model for small countries and creates a competitive environment for investors.

The goals of the Tax Policy Strategy of the Republic of Kazakhstan are to stimulate economic growth, fiscal stability, support the innovative and digital economy, and strengthen investment attractiveness. The main directions of tax policy are the simplification of the tax system, revision of the tax burden, digitalization (platforms such as electronic invoices, online cash registers, E-Salyk Business), equality and transparency, and the introduction of environmental taxes to support the "Green Economy."

As a result of the implementation of tax policy, it is expected to increase tax discipline, reduce the shadow economy, increase state budget revenues, stimulate entrepreneurship, and increase investor confidence.

Also, in the implementation of tax policy, such problems as the high tax burden in some areas, the presence of bureaucracy in the process of VAT refunds, an ambiguous tax policy for small businesses, and the difficulty in assessing the effectiveness of certain tax benefits remain relevant.

In the Russian Federation, tax policy is the main pillar of state financial policy. The country is implementing a comprehensive tax strategy to achieve fiscal stability, ensure economic growth, and improve the investment climate.

The main goals of Russian tax policy are:

Ensuring budget stability - a consistent increase in tax revenues in accordance with government expenditures.

Rational distribution of the tax burden - increasing income through indirect taxes (VAT, excise tax).

Stimulation of economic activity - the introduction of preferential tax regimes in certain sectors and regions.

Digitalization of tax administration - strengthening control through electronic cash registers, online reporting, Big Data, and AI

Tax Administration and Digitalization The Federal Tax Service of Russia (FNS) has expanded its system of monitoring taxpayers through digitalization and modern control tools. The following mechanisms are a key part of this process:

- Online cash desks: mandatory for all trading entities
- Electronic Reports: Automated Data Provision
- Marking and identification: real-time tracking of goods movement
- Intelligent audit: risk analysis and verification through artificial intelligence

At the same time, the following serious problems remain in the implementation of the strategy.

- High tax burden - there are excessive taxes and excise duties for certain sectors.

- The complexity of legislation - frequent changes and a large number of regulatory documents restrict entrepreneurship.
- The risk of competitiveness - bureaucracy and corruption in tax transactions can become an obstacle for some investors.
- The impact of international sanctions - restrictions on export and financial relations negatively affect tax revenues.

The tax policy of the Russian Federation is based on complex, but strategically well-thought-out fiscal mechanisms. Through digitalization, tax monitoring, and active control, budget stability is being achieved. However, the expansion of preferential tax regimes for small and medium-sized businesses, the simplification of legislation, and the balancing of the tax burden are important prospects in this area.

Based on the experience of the above-mentioned foreign countries, it is proposed that the main tasks of the tax policy of the Republic of Uzbekistan consist of:

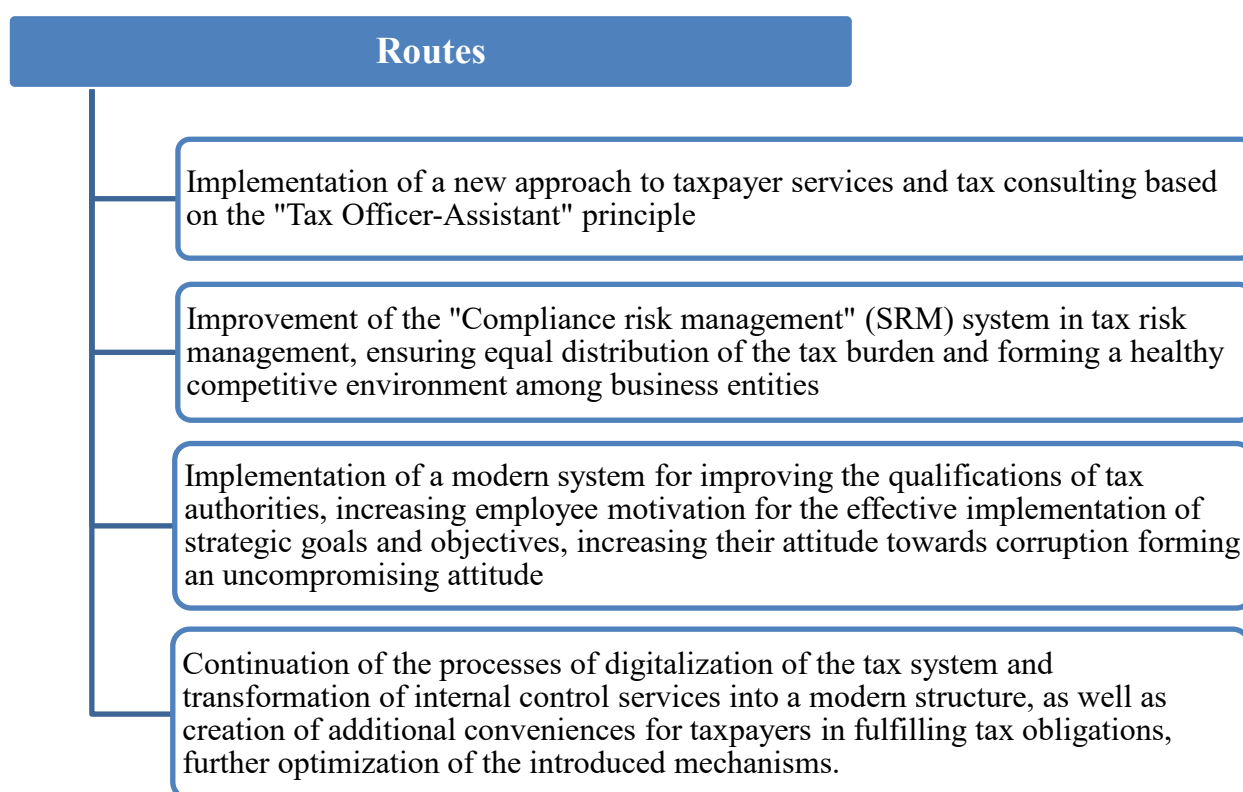


Figure 1. Main directions of the newly proposed Strategy for the Development of Tax Administration and Tax Authorities

From the data of Figure 1, it can be seen that in the proposed tax strategy, the main directions of the strategy are defined as providing services to taxpayers, creating a healthy environment among taxpayers, equal distribution of the tax burden, improving the skills of tax officials and combating corruption in the system, and further development of the process of digitalization of the tax system.

Based on the foregoing, it is proposed that the main tasks of the newly adopted tax policy be:

- changing relations with taxpayers, raising the provision of services to a new level, a new approach to providing services and tax consulting to taxpayers, forming a positive image of tax authorities;

- elimination of conditions and offenses that contribute to the shadow economy in carrying out activities, implementation of measures for the timely disclosure of tax evasion schemes, reduction of costs associated with ineffective methods of tax administration, further optimization of the structure of tax authorities by centralizing certain functions, conducting sectoral research and eliminating contradictions in legislation in order to increase the efficiency of tax administration;
- strengthening compliance control, forming in employees a sense of intolerance to manifestations of corruption and patronage over them, developing the personnel potential of tax officials, as well as continuing work to increase the transparency of service processes.
- digitalization of tax authorities' activities, automation of business processes, reduction of business organization costs, development of a competitive environment and creation of favorable conditions for conducting business activities, stimulation of honest entrepreneurs' work, formation of convenient, clear, as well as simple elements of fulfilling tax obligations, continuation of implementation of measures to introduce a procedure for making automated decisions based on modern technologies.

In this regard, within the structure of the Tax Committee, a separate structure specializing in the provision of free services and tax consultations to taxpayers, as well as a centralized and prompt response to all types of appeals, is being created.

One of the urgent tasks today is the creation of a new system for providing tax services to taxpayers based on unified standards, providing consultations, as well as assessing and monitoring the quality of services.

It is also necessary to introduce a system for assessing the activities of tax officials dealing with appeals (Feedback), implement tax services based on the principle of extraterritoriality, and take measures to minimize the "human factor" in the process of providing services.

Conducting dialogues with the participation of business entities by tax service bodies and taking measures to eliminate problems arising on tax issues, as well as submitting proposals for solving systemic problems, requires the introduction of additional information necessary for the consideration of applications for reimbursement of value-added tax amounts into the electronic exchange system with digitization.

Although the types of taxes have decreased in recent years, today 66,976 treasury accounts have been opened for the payment of existing tax payments. This, in turn, creates inconvenience for taxpayers.

During 2022, 27,571 business entities incorrectly paid taxes in the amount of 209 billion soums in 77,656 cases. (in this case, incorrectly paid due to the choice of another type of tax, payment, or payment of another territory)

Therefore, it is proposed to introduce the practice of paying taxes and fees by taxpayers through a single treasury personal account.

As a result of opening a single tax account:

- Facilitates the fulfillment of tax obligations;
- Multiple tax payments are not paid simultaneously;
- There will be no simultaneous tax arrears on one type of tax and no overpayments on another type of tax;
- As a result of the establishment of a single payment deadline, the payment calendar will be simplified and it will be possible to pay all taxes at once with one payment deadline;
- Allows quick refund of the VAT amount on the negative balance.

Also, in this strategy:

improvement of the practice of taxation of income of individuals engaged in entrepreneurial activity;
optimization of taxation procedures;
consideration of the issue of the phased introduction of a single mechanism for "taxation of real estate" instead of property and land taxes of individuals.

determination of the proportionality of tax control measures to the level of tax risk of taxpayers, in particular, elimination of shortcomings of taxpayers with a medium level of tax risk by explaining them without applying penalties;

improvement of the qualifications of employees carrying out tax audits and increasing the number of highly qualified employees carrying out tax audits;

Establishment of a system for quarterly informing the public about the work carried out, with the approval of annual plans for assessing, monitoring, and eliminating tax risks by industry;

training of qualified specialists in the system of taxation of individuals with high incomes;

mandatory registration of contracts concluded by legal entities with tax authorities;

improvement of data exchange between tax authorities and banks;

Determination of liability measures for the suspension of services provided to business entities during the maintenance of online cash registers and virtual cash registers.

organization of an experimental internship site for the formation of skills in using modern tax administration tools;

development of personnel management policy on record keeping;

implementation of personnel policy aimed at ensuring gender equality in tax authorities;

formation of a list of positions in tax authorities with high corruption risks and development of a procedure for their systematic monitoring;

introduction of a mechanism for the rotation of employees of tax authorities based on specific criteria;

creation of decent conditions for servicing taxpayers;

optimization of the number of district (city) tax inspectorates of certain territories based on the effectiveness of their activities;

phased creation of inter-district tax inspectorates;

attracting highly qualified specialists to the tax authorities;

formation of a personnel reserve for individual segments of employees of tax authorities;

development of the concept of corporate culture in tax authorities;

study of public opinion on cases of corruption in the work of employees of tax authorities;

the introduction of a rating system for evaluating and incentivizing the activities of employees of tax authorities is proposed.

By implementing the tasks defined in the proposed Strategy, it is planned to achieve the following indicators in the development of tax administration and tax authorities of the Republic of Uzbekistan by 2030:

firstly, ensuring macroeconomic stability;

Secondly, increasing the indicator of voluntary fulfillment of tax obligations by taxpayers to 97 percent through modernization and expansion of service channels for the needs of taxpayers, improvement of awareness of the rights and obligations of taxpayers, improvement of training processes, simplification of reporting, adjustment and payment processes;

thirdly, through effective management of tax arrears, a phased reduction of the share of tax arrears in tax revenues accumulated in the reporting year to 3.8 percent by 2030;

Fourthly, ensuring close interaction with taxpayers contributes to the establishment of trusting relationships between tax authorities and taxpayers;

Fifthly, maintaining the appropriate level of staffing in places of significant contact with taxpayers stimulates the provision of high-quality services to taxpayers;

sixth, business process reengineering, the introduction of an automated risk management system, and the generation of reports by tax authorities will reduce the time spent by taxpayers on paying taxes.

In conclusion, in the process of forming and implementing a tax policy strategy in Uzbekistan, a deep analysis of the experience of foreign countries and the adaptation of optimal elements to national conditions is of great importance. The practical experience of developed and neighboring countries provides Uzbekistan with important lessons and directions in optimizing the tax burden, creating a favorable business environment, implementing digital tax administration, and ensuring transparency in the tax system.

The possibility of creating a stable, inclusive, and innovative tax system in Uzbekistan will increase not through the direct transfer of foreign models, but through the integration of their effective aspects in accordance with national economic, legal, and institutional characteristics. This, in turn, will serve to accelerate economic growth in the country, increase investment attractiveness, and ensure budget stability.

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