



**WAYS TO EXPAND THE TAX ADMINISTRATION BASE BY
INTRODUCING MODERN TECHNOLOGIES INTO TAX
ADMINISTRATION**

Raxmonqulov Umidjon Rustam o'g'li

Independent researcher

Tashkent State University of Economics

Abstract

In order to further improve the tax system in our republic, reduce hidden circulation in the economy and implement the main directions of the concept of improving the fair tax policy of the Republic of Uzbekistan, the President of the Republic of Uzbekistan on July 10, 2019 "Additional measures to improve the tax administration" In order to further improve the activities of the Tax Service bodies, tasks such as automation of the Tax Administration process have been defined in the Decision No. PQ-4389.

Keywords: stability rating, business entities, fiscal policy, crisis, Budget, Tax administration, business entities, tax reporting, tax revenues, tax benefits, taxation, tax rate, preferences.

Introduction

Uzbekistan, drawing on the experience of developed countries, is also moving to organize relations between the Government and taxpayers on the basis of electronic interactive services. As a growing economy, Uzbekistan has adopted its own measures and practices in the field of taxpayer services and VAT administration. It is important to create a favorable environment for business entities in ensuring compliance with tax legislation in the country by providing general information about the procedure for providing taxpayer services and the specifics of VAT administration in Uzbekistan. In the tax system, the interaction between tax authorities and taxpayers is also being improved through digitalization. The adoption of digital technology allows for the implementation of successful and effective tax



International Conference on Modern Science and Scientific Studies

Hosted online from Madrid, Spain

Website: econferences.com

20th October 2025

reforms, ensuring the smooth taxation of the digital economy, and reducing obstacles to compliance and reducing the human factor.

It is important to consider the main participants of the tax system of Uzbekistan as taxpayers and taxpayers, and the rights and obligations of taxpayers in the tax system are regulated by the Law of the Republic of Uzbekistan "On Tax Service" dated August 29, 1997.¹ The tax system is regulated by Law No. 474-I of the Republic of Uzbekistan. According to the law, the tax system is implemented to ensure that authorities monitor the correct, complete and timely payment of taxes and mandatory payments. Article 4 of the Law establishes the main tasks of tax authorities as the implementation of tax policy and control over compliance with tax legislation, the correct calculation, full and timely payment of taxes, the full and timely receipt of taxes in accordance with tax legislation to the State Budget of the Republic of Uzbekistan and state trust funds, the timely and reliable accounting of taxpayers and objects of taxation, the improvement of mechanisms for their full coverage through the widespread introduction of modern information and communication technologies and advanced automated analysis methods into the tax administration process, the analysis and development of effective measures to expand the taxable base, including the development of effective measures through a systematic analysis of changes in macroeconomic indicators and the tax potential of regions, the implementation of measures to increase tax collection, the implementation of modern methods of tax control. methods, implementation of comprehensive measures to prevent, detect and eliminate tax violations and eliminate sources of illegal money laundering, ensuring regular control over the full and timely transfer of cash receipts by legal entities and individuals carrying out cash settlements with the population, implementation of measures to improve work with taxpayers, including through the transition to contactless electronic services for taxpayers.

In addition, it was determined that the main tasks of the project are to provide comprehensive assistance to taxpayers in fulfilling their tax obligations, to ensure voluntary payment of taxes, to improve the legal culture of taxpayers, to make

¹ Ўзбекистон Республикасининг 1997 йил 29 августдаги “Солиқ хизмати тўғ‘рисида”ги ўРQ – 474-I-сон қонун



International Conference on Modern Science and Scientific Studies

Hosted online from Madrid, Spain

Website: econferences.com

20th October 2025

proposals to improve the legislation on stimulating the activities of economic entities, legal entities and individuals, to provide them with the necessary benefits and preferences, to improve the financial and economic activities of markets and shopping complexes, to staff tax authorities with qualified employees with high moral and ethical qualities, to carry out systematic work to eliminate corruption and bureaucratic approaches to work, as well as to ensure the prevention of offenses among employees and the creation of decent conditions for their service.²

The main legal document of the tax system is the Law on Tax Service Bodies.

During the period of rapid development of the use of digital technologies in the economy, reforms aimed at ensuring the stability of the national economy through technical and technological modernization of production in our country, support for high-tech processing areas, formation of a competitive environment for economic sectors, achieving competitiveness of national goods in domestic and foreign markets, diversification of the composition and geography of exports, as well as expansion of the export potential of regions have become much more active. Also, the introduction of free market mechanisms in our state, ensuring healthy competition and the inviolability of private property, and support for entrepreneurship occupy a special place in our Constitution, which established the principle of inviolability of property, justice in economic relations, and further revealed democratic reforms.

Value-added tax is a type of state tax, a form of receiving a part of the added value created at all stages of production and circulation processes to the state budget. It is part of indirect (indirect) taxes levied on goods and services. It was first proposed by the French economist M. Lore in 1954, and was introduced into the tax system of the Republic of Cote d'Ivoire in 1960. It has been used in Uzbekistan since 1992. The turnover from the sale and import of goods (works, services) is an object of value added tax. The turnover subject to value added tax on sales is determined based on the value of the goods (works, services) sold, taking into account prices and tariffs, and excise tax. The turnover subject to value added tax is determined in a specific way depending on the type of tax object. For example, the value of the part

² Ўзбекистон Республикасининг Қонуни, “Солиқ хизмати тўғ‘рисида” ЎРҚ-474-І-сон, 29 август 1997 йил.



International Conference on Modern Science and Scientific Studies

Hosted online from Madrid, Spain

Website: econfséries.com

20th October 2025

of manufactured goods that is shipped, the value of construction, repair, design, technological, overhaul and other similar works are subject to value added tax. When providing services, the cost of work performed using vehicles, rent, brokerage fees, infrastructure, advertising and other services are the object of this tax. When subjecting excisable goods to Value Added Tax, its object is determined by adding the value of excise tax to the turnover from which it was sent. Currently, the value added tax rate is set at 12%. Taxpayers, who are the second participant in tax relations, also have rights and obligations. The main document regulating the rights and obligations of taxpayers is the Tax Code of the Republic of Uzbekistan. In accordance with Article 1 of the Tax Code, the Code regulates relations related to the establishment, introduction and cancellation, calculation and payment of taxes and fees, as well as relations related to the fulfillment of tax obligations. Taxation is regulated on the basis of principles in accordance with Article 7 of the Tax Code of the Republic of Uzbekistan. There are 8 main principles of taxation. If taxation is carried out on the basis of these principles, the state budget will be replenished on time and the tax burden of taxpayers will be at the normative level. If taxation is carried out on the basis of these principles, it will lead to a reduction in the hidden economy and a further improvement in the investment climate. The reason is that foreign investors constantly flock to countries where the rule of law prevails. Taxpayers are subjects of tax relations. According to the Tax Code, the object of taxation is property, action, result of action or other situation having a value, quantitative or physical nature, in the presence of which tax legislation creates a tax liability for the taxpayer.³

If no discrepancies are detected when comparing tax reports with the data available in the database, the program automatically unlocks the tax control mechanism (tax control equipment), which allows the enterprise to continue issuing EXF.

If deficiencies are detected in the reports, the Golden Tax Project Phase III Core Collection and Management System system refuses to approve the report and returns it to the taxpayer for verification of inconsistent data and resubmission of the report. If the taxpayer confirms the accuracy of the data in the report, the system saves the

³ Ўзбекистон Республикасининг Солиқ кодекси, ЎРҚ -589-сон қонуни, 30 декабр 2019 йил.



International Conference on Modern Science and Scientific Studies

Hosted online from Madrid, Spain

Website: econfséries.com

20th October 2025

report regardless of the comparison result and blocks the possibility of creating an electronic invoice.

However, if at least one type of information from the report does not match the data in the force monitoring system, and even if the taxpayer confirms the accuracy of the report, the possibility of creating EXF is not blocked, despite the fact that the report is accepted. In these cases, the taxpayer must provide supporting documents to the tax authorities. If the submitted reports contain suspicions of serious illegal actions by taxpayers related to taxation, such as incorrect invoice preparation, the report will be sent to the Audit Department for review through the system. After the Audit Department checks the report based on relevant documents, when the “unlocking is approved” button is pressed, the system unlocks the tax control equipment for taxpayers. Similarly, a digital mechanism has been introduced for VAT compensation.

We can list the following approaches to the evolution of the VAT refund system in China, including the rapid development of the one-time VAT refund mechanism in 2018 for the first time in the People's Republic of China to compensate for the negative difference in value added tax. A one-time VAT refund system has been introduced for manufacturers of advanced production equipment and machinery, modern service industries, and power grid enterprises. A year later, on April 1, 2019, the VAT refund system was introduced for industrial enterprises. On June 1 of this year, manufacturers of non-metallic mineral products, general and special machinery (tools and equipment), computers, communications and other electronic devices were allowed to fully refund VAT on a monthly basis. On April 1, 2021, 5 new industries were added to which VAT refunds can be made (medical, chemical fiber, railway, underwater and space transport equipment, manufacturers of electrical machinery and equipment). On April 1, 2022, small and micro enterprises, wholesale and retail trade enterprises also had the opportunity to refund VAT on a monthly basis.

The question of who can apply for a refund of the negative difference in value added tax is answered as follows:

- Have a tax risk rating of A or B;
- Have not fraudulently recovered overpaid taxes on other types of taxes;



International Conference on Modern Science and Scientific Studies

Hosted online from Madrid, Spain

Website: econferences.com

20th October 2025

- Have not been held liable for two or more tax evasion cases by a tax authority within the last 36 months.

Conclusions and suggestions. In conclusion, it can be seen that the level of transparency of business has increased with the introduction of the electronic invoice system. In addition, the period for rejecting electronic invoices for highly liquid transactions has been reduced, which serves to reduce the hidden economy in this area. In our country, the level of use of the electronic document management system has also increased sharply during the pandemic. The introduction of information technologies into the tax system of the Republic of Uzbekistan can be explained by the increase in the number of taxpayers and the need to use automated technologies to analyze them. If this procedure is not automated, the amount of value added tax accounted for by taxpayers will be collected from the budget only after it is determined during the audit process, but as a result of automation, double counting of the same amount will be limited.

Adabiyotlar/Литература/Референсе:

1. Ўзбекистон Республикаси Солиқ кодекси- Тошкент: Ғафур Ғулом нашриёт уйи 2020.- 640 б.