

## CONCLUSIONS AND SUGGESTIONS IMPORTANCE OF TURNOVER TAX REVENUES IN THE FORMATION OF BUDGET REVENUES

Khokhakolov Ramshid Yunusovich  
Tashkent State University of Economics  
Independent Researcher

### Annotation:

The importance of turnover tax revenues in the formation of budget revenues is an important aspect of fiscal management. A sales tax, also known as a sales tax (VAT), is a consumption-based tax levied on the sale of goods and services. It plays a decisive role in the formation of state revenues and financing of state expenditures. Examines the importance of turnover tax revenues in budget planning and the general economy. It can examine the impact of turnover tax on government revenue, fiscal stability and economic stability. It can also examine the efficiency of collection and administration of turnover taxes, highlighting problems and potential solutions in optimizing revenue generation. It can also address the role of turnover tax in promoting fair taxation, reducing tax evasion and ensuring a more equitable distribution of the tax burden.

**Keywords:** Tax, budget policy, budget, tax administration, local budget, tax potential, normative analysis, positive analysis, tax burden, representative tax rate, average rate tax report, tax revenues, tax deductions, tax rate.

### Introduction:

Revenue generation is a key aspect of fiscal management for any government. Sales tax is levied on sales of goods and services at various stages of production and distribution. The introduction of a circular tax system has proven to be essential in providing a stable and sustainable source of revenue for governments around the world. Sales tax revenues contribute significantly to the financing of public expenditures such as infrastructure development, health, education, and social welfare programs. In addition, it plays a crucial role in achieving fiscal stability and maintaining economic stability. It also discusses potential measures and strategies that governments can adopt to improve the efficiency and effectiveness of the collection and administration of excise taxes, thereby increasing its contribution to fiscal revenues.



## Analysis and discussion of results

In Uzbekistan, turnover tax plays a major role in the formation of budget revenues. This is a type of tax levied on the turnover or sale of goods and services. Revenue from turnover tax contributes to the country's general budget.

Sales tax applies to various industries and sectors, including retail, wholesale, manufacturing, and services. The tax rate varies depending on the type of goods or services and the turnover limit set by the tax authorities.

Income from turnover tax is an important source of financing the needs of the state budget. It is used for various purposes such as financing public infrastructure projects, social welfare programs, health services, education and other public expenditures.

In addition, sales tax serves as a tool to ensure tax compliance and control business activities. This will help create a level playing field for businesses operating in the country by ensuring that all business entities are taxed fairly based on their turnover. In general, sales tax in Uzbekistan plays an important role in generating budget revenues and supporting government efforts to finance public services and promote economic development. In addition, in order to alleviate the negative impact of the tensions in the world economy on some economic sectors of our Republic and to support taxpayers engaged in small business, from January 1, 2023, districts (cities) were divided into 5 categories, and tax benefits were provided on turnover tax.

Table 1

### Analysis of the importance of turnover tax in the formation of budget revenues<sup>1</sup>

№	Indicators	Years				
		2018 y	2019 y	2020 y	2021 y	2022 y
1	<b>Gross domestic product (billion soums)</b>	<b>424729</b>	<b>529391</b>	<b>602551</b>	<b>734588</b>	<b>894288</b>
2	<b>Direct taxes (billion soums)</b>	<b>15 437</b>	<b>31 677</b>	<b>45 207</b>	<b>58 930</b>	<b>64 447</b>
3	<b>Sales tax</b>	<b>4 704</b>	<b>1 986</b>	<b>1 397</b>	<b>1 649</b>	<b>2 513</b>
	Share in GDP (%)	1,1	0,4	0,23	0,22	0,28
	share in budget income (%)	8,7	2,4	1,3	1,3	1,7
	share of direct taxes (%)	30,5	6,3	3,1	2,8	3,9

<sup>1</sup> Compiled by the author based on the information of the State Tax Committee of the Republic of Uzbekistan.



According to the data of Table 1, in 2022, the amount of revenue from turnover tax amounted to 2,512.7 billion soums, and its share in direct taxes was 3.9%. The amount of income decreased to 2,191.5 billion soums or almost 2 times compared to 4,704.2 billion soums in 2018. Also, if in 2018, the share of turnover tax revenues in budget revenues was 8.7 percent, and its share in GDP was 1.1 percent, by 2022, the share of revenues in budget revenues was 1.7 percent, and its share in GDP was 0.28 percent. we can see. The main reason for this is the simplification of tax rates and the provision of tax incentives to certain industries, as well as the payment of a general tax for economic entities with an annual turnover (income) exceeding 1 billion soums as of the end of the previous year, as well as for individual enterprises with a turnover exceeding 100 million soums. it can be shown that the turnover tax payment system has been introduced for entrepreneurs.

**Table 2.**

Analysis of the significance of turnover tax revenues by sector<sup>2</sup>

№	Indicators	Йиллар				
		2018	2019	2020	2021	2022
		у	у	у	у	у
	<b>Total AOS revenue (billion soums)</b>	<b>4 704</b>	<b>1 986</b>	<b>1 397</b>	<b>1 649</b>	<b>2 513</b>
<b>1.</b>	<b>Industry and production (billion soums)</b>	1 068	271	185	200	261
	Share of AOS revenue (%)	0,23	0,14	0,13	0,12	0,1
<b>2.</b>	<b>Agriculture, forestry and fisheries</b>	459	58	156	160	254
	Share of AOS revenue (%)	0,1	0,03	0,11	0,1	0,1
<b>3.</b>	<b>Construction (billion soums)</b>	656	228	110	117	137
	Share of AOS revenue (%)	0,14	0,12	0,08	0,07	0,06
<b>4.</b>	<b>Retail and wholesale trade (billion soums)</b>	1 554	637	511	554	857
	Share of AOS revenue (%)	0,33	0,3	0,37	0,34	0,3
<b>5.</b>	<b>Living and dining (billion soums)</b>	285	226	77	179	291
	Share of AOS revenue (%)	0,06	0,11	0,06	0,11	0,12
<b>6.</b>	<b>Provision of services (billion soums)</b>	404	375	252	333	590
	Share of AOS revenue (%)	0,1	0,2	0,18	0,2	0,2
<b>7.</b>	<b>Other sectors (billion soums)</b>	278	191	106	106	123
	Share of AOS revenue (%)	0,06	0,1	0,07	0,07	0,05

<sup>2</sup> Compiled by the author based on the information of the State Tax Committee of the Republic of Uzbekistan.



When performing a comparative analysis based on the data of Table 2. we can see that the importance of some sectors in the formation of turnover tax revenues has increased during 2018-2022. In this regard, the highest indicator corresponds to the contribution of the "Living and dining" and "Service" sectors, the share of direct taxes in 2018 was 0.04 percent, and the share of turnover tax was 0.15 percent, and in 2022, the share of direct taxes was 0.015 percentage, we can see that the share of the turnover tax is 0.35 percent.

In order to create favorable conditions for business entities and ensure the stability of local budgets, it was developed in connection with the transition to the payment of a fixed turnover tax based on the turnover of goods.

According to the data of the given table 3, we can see that 137.8 billion soums of tax benefits were given in 2022 for turnover tax, compared to 1,485.2 soums in 2018, we can see that it decreased to 1,347.4 billion soums or 10 times. In addition, in 2022, the share of benefits from turnover tax in budget revenues was 0.07%, the share of total tax benefits was 0.2%, and the share of benefits for direct taxes was 3.4%.

**Table 3.**  
**Analysis of sales tax benefits<sup>3</sup>**

№	Indicators	Years				
		2018 y	2019 y	2020 y	2021 y	2022 y
2	<b>Total tax benefits (billion soums)</b>	<b>19 731</b>	<b>29 136</b>	<b>31 066</b>	<b>43 812</b>	<b>68 044</b>
3	<b>Benefits for direct taxes</b>	<b>6 127</b>	<b>3 788</b>	<b>4 045</b>	<b>3 404</b>	<b>4 014</b>
4	<b>Sales tax</b>	<b>1 48 5</b>	<b>525</b>	<b>275</b>	<b>112</b>	<b>138</b>
	Share of budget revenues, (%)	1,9	0,5	0,2	0,07	0,07
	Share of total tax benefits, (%)	7,5	1,8	0,9	0,3	0,2
	Share of the right tax credit, (%)	24,2	13,8	6,8	3,3	3,4

By implementing these suggestions and considering the importance of turnover tax revenues in the formation of budget revenues, governments can strengthen their fiscal position, promote economic growth, and ensure the provision of essential public services to their citizens. Conclusions and suggestions.

<sup>3</sup> Compiled by the author based on the information of the State Tax Committee of the Republic of Uzbekistan.



**Suggestions:**

Enhance tax administration and enforcement mechanisms to ensure effective collection of turnover tax. This includes investing in modern technologies, strengthening auditing and monitoring capabilities, and implementing risk-based approaches to identify high-risk taxpayers. Improve taxpayer education and awareness programs to enhance compliance with turnover tax regulations. Providing clear and accessible information on tax obligations, rights, and benefits can help taxpayers better understand their responsibilities and reduce non-compliance. Continuously review and update the turnover tax system to align with changing economic conditions and international best practices.

**Reference /Адабиётлар:**

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

Нормурзаев, У. (2023). Яширин иқтисодиётни камайтиришда солиқ органларининг аҳамияти. *Iqtisodiy Taraqqiyot Va Tahlil*, 1(2), 215–221. Retrieved from <https://e-itt.uz/index.php/eitt/article/view/66>

12. Нормурзаев, У. (2023). Солиқ имтиёзлари бериш тартибини такомиллаштириш масалалари. *Iqtisodiyot Va ta'lim*, 24(1), 334–339. [https://doi.org/10.55439/ECED/vol24\\_iss1/a51](https://doi.org/10.55439/ECED/vol24_iss1/a51).

