

Proceedings of International Educators Conference

Hosted online from Rome, Italy.

Date: 25th February, 2024

ISSN: 2835-396X

Website: econferenceseries.com

ANALYSIS OF THE ECONOMIC NATURE AND SIGNIFICANCE OF THE INTRODUCTION OF EXCISE TAX IN UZBEKISTAN

Radjabov Khushvakt Jamshedovich

Tashkent State University of Economics

Independent Researcher

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 the consumption of certain goods and services. Analyzes issues and proposes potential solutions to enhance excise tax collection, simplify administrative processes and ensure compliance. By addressing these issues, countries can optimize excise revenue 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

Excise tax plays a decisive role in the formation of state revenues and regulation of certain sectors. However, ensuring effective excise tax administration is a complex task due to various difficulties and inefficiencies. Excise duty administration involves monitoring compliance, ensuring fair collection and optimizing revenue, taking into account the impact on regulated industries. It is aimed at studying the problems encountered in the excise tax administration and proposing improvement strategies. By addressing these challenges, governments can improve tax collection mechanisms and achieve better regulatory outcomes for targeted sectors.

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 taxes were levied on certain goods such as alcohol and tobacco. In recent history, excise tax has been widely used in various countries as a means of increasing revenues and regulating the consumption of certain goods and services.



Proceedings of International Educators Conference

Hosted online from Rome, Italy.

Date: 25th February, 2024

ISSN: 2835-396X

Website: econferenceseries.com

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 duty rates and structures vary from country to country and are often subject to economic, social and regulatory changes. The emergence of a unique tax system at each stage of economic development is primarily related to the movement of taxes included in it. The most internally variable tax in the tax system, which conflicts with many factors of socio-economic development, is the excise tax. Therefore, studying the nature of excise tax in relation to socio-economic development is one of the most urgent problems. Since the excise tax is an indirect tax, its economic essence is characterized by financial relations based on objective mandatory payments that arise between the state and legal entities. Therefore, excise tax should be considered as a specific fiscal economic category.

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 of the company's products and services or added to the definition. The economic essence of the excise tax is manifested in the satisfaction of the interests of the national economy by providing budget revenue, attracting more funds, while its social essence is in increasing the payment abilities of the population, that is, the main consumers. finds its expression. This is reflected in the reduction of excise tax objects (excise goods), the reduction of tax rates, and the increase of 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 people, especially young people, according to the World Health Organization. Excise tax is one of the oldest forms of indirect taxation, which is added to the price of a certain limited type and group of products, unlike value added tax.

The word "excise" comes from the French language and means "cut off, 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 directly collected from 5% to 25% of the goods brought in and out of the city gates. In Uzbekistan, this tax is one of the new taxes.

The introduction of excise tax in Uzbekistan will have economic consequences that will help the general fiscal policy, income generation and the functioning of the



Proceedings of International Educators Conference

Hosted online from Rome, Italy.

Date: 25th February, 2024

ISSN: 2835-396X

Website: econferenceseries.com

economy. We provide brief information about the economic nature and importance of the introduction of excise tax in Uzbekistan:

Excise taxes are an important source of government revenue. They are placed on certain goods such as tobacco, alcohol and luxury items that contribute to government revenue. Excise tax revenue can be used to finance public services, infrastructure projects and other government initiatives. Excise taxes are selective and target specific goods that are considered non-essential or potentially harmful. This allows the government to influence consumption patterns and address externalities associated with specific products.

By taxing products with negative externalities (such as tobacco or alcohol), the government aims to reduce consumption and the associated social and health costs. Excise duty affects the price of target goods and makes them relatively more expensive.

Effect: Higher prices can lead to a decrease in consumption, especially for products with elastic demand. It is a mechanism to prevent overconsumption and promote health goals.

A policy tool for social and economic goals:

Excise taxes can be used as a policy tool to achieve various economic and social goals, such as improving public health, reducing environmental impact, or eliminating income inequality. The selective nature of excise taxes allows policymakers to align economic goals with the public interest by discouraging certain behaviors. The introduction of an excise tax diversifies the government's sources of revenue beyond traditional taxation such as income and corporate taxes. The effect is that a diversified income base increases fiscal stability and reduces dependence on specific sectors, providing stability in economic downturns. Excise tax creates a financial incentive for business entities and consumers to comply with tax regulations.

Impact: Improved compliance can help ensure more reliable revenue collection, reduce tax evasion and improve the overall efficiency of the tax system. Excise taxes affect consumer behavior by increasing the price of certain goods. Taxing products such as tobacco and alcohol not only generates revenue, but also serves public health goals by reducing consumption and associated health risks. Excise taxes can support broader economic development goals by influencing consumption patterns and encouraging sustainable practices. Implications The introduction of an excise tax



Proceedings of International Educators Conference

Hosted online from Rome, Italy.

Date: 25th February, 2024

ISSN: 2835-396X

Website: econferenceseries.com

can be consistent with national strategies to diversify the economy, improve public health, and ensure environmental sustainability.

In conclusion, it can be said that the introduction of excise tax in Uzbekistan will lead to multifaceted economic consequences. It contributes to the general economic and social development goals of the country and serves as a strategic tool in generating income, shaping consumer behavior and solving social problems.

It should be noted that there are opinions that the excise tax serves to prevent the consumption of socially harmful goods. In Uzbekistan, goods with high profitability are subject to excise tax. 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 is in accordance with the Law of the Republic of Uzbekistan "On Taxes Collected from Enterprises, Associations and Organizations" adopted on February 15, 1991, later introduced by the laws of the Republic of Uzbekistan and the transition of the republic's economy to market relations was introduced for the first time in 1992, taking into account the changes and additions related to According to the Tax Code of the Republic of Uzbekistan, excise tax is a part of the net income charged to the budget in the form of an indirect tax, calculated on the basis of price and value added tax. Excise tax has certain similarities with value added tax, but it is distinguished by its degree of specificity and connection with specific goods.

Indirect taxes have a long history. During the Timurid reign, the treasury was divided into basic taxes, including land tax (khiroj), soul tax (juzya), the obligation to supply only livestock (ulaq) and some exceptional taxes (ovorizot). taxes were calculated. During the Timurid era, the "stamp" levy was widely used as a direct tax, and this levy was collected mainly from artisans and merchants.

Over time, the scope of these goods subject to excise tax has expanded. In the initial stages of economic reform in Uzbekistan (1992-1994), the tax system was designed to solve the issues of budget formation with socio-economic directions. In 1993, an excise tax was introduced for cotton. In October 1994, excise tax began to be applied to imported tobacco products, and from January 1995 to imported alcohol products. During the second stage of economic reforms (1995-1997), the tax system of Uzbekistan was improved to a certain extent.

After the prohibition of a number of taxes, the composition of excise goods was expanded. As a result of the inclusion of gasoline, oil, and natural gas, in addition to



Proceedings of International Educators Conference

Hosted online from Rome, Italy.

Date: 25th February, 2024

ISSN: 2835-396X

Website: econferenceseries.com

imported alcohol and tobacco products, the share of excise tax in the state budget revenue in 1995 was 27 percent, and compared to 1994, there was an increase of 2 percent. Since October 1, 1996, in connection with the introduction of compulsory marking of tobacco products and alcoholic beverages (except beer) produced in the Republic of Uzbekistan and imported into its territory with excise stamps and the prohibition of their sale without excise stamps, the Republic of Uzbekistan Resolution No. 285 of August 14, 1996 of the Cabinet of Ministers "On the introduction of excise stamps on tobacco products and alcoholic beverages in the territory of the Republic of Uzbekistan" was adopted. For forgery of excise stamps, as well as for sale of counterfeit excise stamps, criminal liability measures are applied in accordance with the current law of the Republic of Uzbekistan.

Conclusions and suggestions

One of the main problems of 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 technologies and data analysis will improve tax administration and increase revenue collection.

Ambiguities in tax laws and regulations can cause confusion and disputes for taxpayers. 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 calculation of taxes. On the basis of these conclusions, the following proposals are offered for the improvement of the excise tax administration:

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.

List of references:

1. Ўзбекистон Республикаси Солиқ кодекси- Тошкент: Гафур Ғулом нашриёт уйи 2020.- 640 б.
2. Нормурзаев У. (2021). Анализ эффективности налоговых льгот и



Proceedings of International Educators Conference

Hosted online from Rome, Italy.

Date: 25th February, 2024

ISSN: 2835-396X

Website: econferenceseries.com

преференций в поддержке определенных секторов с целью дальнейшего повышения инвестиционной привлекательности в Узбекистане. *Economics and Education*, (6), 82–86. https://doi.org/10.55439/ECED/vol_iss6/a285

3. Нормурзаев, У. (2023). Янги Ўзбекистон тараққиёт стратегияси доирасида молия бозорининг долзарб муаммолари тадбиркорликни тенг рақобат шароитларини яратиш ҳамда яширин иқтисодиёт улушини қисқартириш йўлари. Приоритетные направления, современные тенденции и перспективы развития финансового рынка, 88–89. извлечено от <https://inlibrary.uz/index.php/financial-market-growth/article/view/19032>
4. 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
5. 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>



E- Conference Series

Open Access | Peer Reviewed | Conference Proceedings



E- CONFERENCE
SERIES