

## FOREIGN EXPERIENCE OF COMPARATIVE LEGAL ANALYSIS OF INDIRECT TAXES

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### Abstract:

In this article, the tax system of the Republic of Uzbekistan and the role of indirect taxes, increasing the tax administration literacy of the population, supporting entrepreneurship, creating an equal competitive environment and guaranteeing the rights of consumers, and the hidden economy The improvement of administration based on the promotion of active participation of the general public in curbing is highlighted.

**Keywords:** tax revenue, excise tax, value added tax, customs duty, tax administration, tax strategy, analysis, optimization, tax benefits, tax, budget, tax report, tax rate.

### Introduction:

Scientific research aimed at improving the administration of indirect taxes is being carried out in international practice. Digitization of the indirect tax calculation mechanism, digital tax, inclusion of digital financial assets in the value added tax, and analysis of the effectiveness of the tax return of these taxes are relevant areas of research in this regard. Improving the administration of indirect taxes in the Republic of Uzbekistan on the basis of international experiences remains an urgent issue today.

A comparative legal analysis of indirect taxes in the United States involves examining various aspects of taxation at the federal and state levels, as well as comparing them with indirect tax systems in other jurisdictions. In the United States, indirect taxes primarily include sales taxes and excise duties. Sales taxes are levied at the state level (with some exceptions at the local level), while excise taxes are levied by the federal and state governments on certain goods and services, such as alcohol, tobacco, gasoline, and firearms. Reviews relevant federal laws and regulations governing excise taxes, such as the Internal Revenue Code (IRC) administered by the Internal Revenue Service (IRS). How the tax base for sales tax



and excise tax is determined, including taxable transactions, exemptions and special rules. Compares sales tax rates in different states and excise tax rates at the federal and state levels. There are administrative procedures for registration, filing, payment and compliance of sales taxes and excise taxes. There are audit and enforcement practices used by federal and state tax authorities to ensure compliance with indirect tax laws. Assess compliance levels and enforcement effectiveness by examining audit rates, penalties, and enforcement actions taken against non-compliant taxpayers. Technology and data analytics are used in compliance monitoring and enforcement efforts. Evaluates legal issues and disputes related to the administration of indirect taxes, including litigation outcomes, court rulings, tax assessment or enforcement action mechanisms available to taxpayers, such as administrative appeals and judicial review. Analyzes the economic impact of indirect taxes on businesses, consumers, and government revenues, including their role in revenue generation, market distortions, and distributional effects. Indirect taxes have an impact on consumer behavior, price levels, and industry competitiveness. Foster communication and collaboration to promote knowledge sharing, stakeholder engagement and evidence-based reforms in indirect tax administration. By following these steps, they can conduct a comprehensive comparative legal analysis of indirect taxes in the United States that informs evidence-based decision-making and contributes to more efficient and fair tax systems.

There is no VAT in the United States of America. In a tax system that uses VAT, the issuance of invoices in the proper format is an integral part of the VAT assessment and deduction procedure.

Typically, if there is an invoice, a deduction is provided for the amount of input tax. By requiring certain information to be included on the invoice, it becomes an official document. However, the required level of compliance with established rules and regulations regarding invoices in a VAT system does not always correspond to the legal requirements for the deduction of business expenses for income tax purposes.

In accordance with US law, if a taxpayer paid for actual goods or services and has evidence of the shipment, storage and use of these goods in his business, his expenses can be taken into account as expenses, even if the relevant documents were signed by unauthorized representatives of the seller.

Taxpayers are not required to verify the legality of the business of a company that supplies goods or services to the taxpayer. The deductibility of business expenses



generally does not depend on the nature of the business or the legal status of the taxpayer's business partner.

Moreover, there is an old tradition in the United States that allows taxpayers engaged in illegal activities to claim expenses related to those activities as deductions. The idea that owners of illegal businesses could take advantage of tax deductions was first expressed when the first US Tax Code was adopted in 1913. Even then it was emphasized that tax legislation should be “blind” in relation to both the taxpayer himself and his methods of generating income.

The US Supreme Court noted that the federal income tax law is not an act of criminal law, but rather a means of generating revenue for the budget. But there is an exception to this rule: it is prohibited to deduct, for example, fines, anti-monopoly sanctions, bribes.

In fact, refusal to deduct expenses means taxing the gross income of an illegal business, so it was decided not to do this. As a result, profits received from illegal activities is taxable and may be subject to tax deductions.

From the point of view of implementing the regulatory function, investment potentials. The US tax system is implemented through the following main elements:

- application of norms for accelerated depreciation of fixed assets of enterprises, allowing to increase the share of costs and, accordingly, reduce the share of profit in the price of products and services, which is a form of income tax benefit, as well as a way to stimulate investment in the development of business entities;
- large-scale incentives regarding investments in research and development development work until the complete release of the relevant costs and benefits of most types of taxation;
- special tax discounts for the use of alternative types of energy in the production and economic activities of economic entities that can be up to 50% of the cost of the relevant types of equipment excluded from tax base.

In addition, if we consider the neighboring country, the Republic of Kazakhstan.

Persons registered for value added tax in the Republic of Kazakhstan:

individual entrepreneurs, persons engaged in private practice;  
resident legal entities;

Non-residents operating in the Republic of Kazakhstan through structural divisions;

2) persons importing goods to the territory of the Republic of Kazakhstan;

3) foreign companies.



The tax rate is set at 12 percent.

The deadlines for submitting the tax report for each tax period are submitted to the tax authority at the place of residence no later than the 15th day of the second month following the tax period.

It is submitted to us no later than the 15th day of the month following the reporting period, and from the 20th day.

Tax payment procedure and terms 1) no later than the 25th day of the second month following the reporting tax period;

2) for imported goods within the terms established by the customs legislation of the Republic of Kazakhstan;

3) no later than ten calendar days from the date of submission of the final declaration on value added tax to the tax authority.

The report shall be submitted no later than 10 days after the deadline for submission of the report.

The following exemptions are set for excise tax.

- 1) accounting and control stamps intended for marking excise goods;
- 2) educational services in the field of preschool education and education;
- 3) buildings, structures, and land plots occupied by such property, sold by the state Islamic special financial company to the authorized body for the management of state property, previously purchased according to the contracts concluded in accordance with the conditions of issuing state Islamic securities;
- 4) the state Islamic special financial company provides for temporary ownership and use of the purchased building, structure and land plots occupied by such property under the contracts of the state Islamic special finance company in accordance with the conditions of issuing the state Islamic securities. provision of services on reaching;
- 5) property provided free of charge to a state institution or state enterprise;
- 6) property in the form of winnings given to the lottery participant by the lottery operator;
- 6) provision of services for ensuring information and technological interaction between settlement participants, including providing services for collecting, processing and sending information to settlement participants regarding transactions with payment cards and electronic money;



7) services for processing and (or) repair of goods imported into the customs territory of the Eurasian Economic Union, placed under the customs procedure of processing in the customs territory;

8) providing services within the framework of the activities of the multi-apartment housing owners' association for the management of the condominium object, which is carried out in accordance with the housing legislation of the Republic of Kazakhstan;

9) national currency banknotes and coins;

10) goods, works, services, if one of the following conditions is met in the tax period in which the sale was made, as well as in the previous four tax periods:

that the average number of persons with disabilities is at least 51% of the total number of employees;

that wage costs for persons with disabilities make up at least 51 percent of total wage costs (at least 35 percent in specialized organizations employing persons with hearing, speech, and visual disabilities).

11) during the warranty period specified by the contract, work and services on the free repair and (or) maintenance of the goods, including, if the terms of the contract provide for guaranteeing the quality of the goods sold to the taxpayer, the works performed, and the services provided, spare parts for them and cost of parts;

12) investment gold in the form of ingots and slabs on the basis of a transaction concluded on the stock exchange, or legal entities in accordance with the Law of the Republic of Kazakhstan "On currency regulation and currency control" if one of the parties to such a transaction is a second-tier bank. Purchase and sale of refined gold in bars issued by the National Bank of the Republic of Kazakhstan through exchange offices, a legal entity - a professional participant of the securities market or the National Bank of the Republic of Kazakhstan.

### Conclusions and suggestions

We believe that it is appropriate to study international practice in order to conclude that the share of indirect taxes in tax revenues ensures the economic stability of the country. Also, it is necessary to optimize indirect taxation based on the characteristics of the economy of each country.



**Adabiyotlar /Reference:**

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