

DISCUSSION OF THE ANALYSIS OF THE PRODUCTION AND SALE OF ALCOHOL AND TOBACCO PRODUCTS IN UZBEKISTAN

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Abstract

The article states that excise taxes are included in the price of excise goods and thus passed on to final consumers. At the same time, general information about the analyzes conducted on the production and sale of alcohol and tobacco products in Uzbekistan is given. The study includes a comprehensive examination of market dynamics, regulatory frameworks, industry players and socio-economic factors affecting these two sectors.

Excise tax plays an important role in the formation of state revenues and regulation of consumption of certain goods and services. This article outlines the main directions for improving the control mechanisms of the excise tax administration, focusing on policy reforms integration and capacity building in tax authorities.

Keywords: indirect taxes, excise tax, excise goods, difficulties, inefficiency, compliance, revenue optimization, regulatory results, taxes and taxation, practice of taxation of excise goods.

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In our country, excise tax has a decisive role in the formation of state revenues and in the regulation of certain sectors. However, ensuring efficient administration of excise tax is difficult due to various difficulties. Excise duty administration includes monitoring compliance, ensuring fair collection and optimizing revenue, taking into account the impact on regulated industries. Studying the features and methods of improving the excise tax is becoming more and more important and is an important component of the state economic policy, which ensures the flow of a significant part of the financial resources of the national economy. In general, the excise tax system is complex and forms historical connections with the tasks of calculating it in the state budget. Also, the excise tax has a significant impact on filling the budget of the budget system and is considered one of the important types of taxes.

If we analyze the production and sale of alcohol and tobacco products in Uzbekistan today, we will be able to see the following.

Special alcoholic products:

Certain works are being carried out to ensure control over the activities of entities engaged in the production and sale of alcohol products and to collect taxes related to the state budget. Analysis of excise tax revenue on alcohol products and influencing factors.

Today, although 6,991 sales branches of enterprises engaged in the sale of alcohol products are fully equipped with special devices (2D-scanner), there are cases where the sales of branded products are not carried out on special devices. For example, in 2022, wholesale enterprises delivered 56.0 million units of alcohol products to retail enterprises, reflected in special devices, while only 5 percent or 2.9 million units of these products from retail enterprises were transferred to special devices it became known. Analyzing the enterprises involved in the retail sale of alcohol products, in January-August of this year, 6,526 enterprises (licensed) sold alcohol products worth 2,826.3 billion soums. increased by 2 times (1,286.8 billion soums). Also, 1,079 enterprises without permits engaged in the illegal sale of alcohol worth 41.4 billion soums. As a result, an average of 915 million soms per month is not collected from the budget.

When analyzing the cases of illegal production and sale of alcohol products, the State Tax Service will carry out control measures on compliance with trade rules for the production and sale of alcohol products, apply fines for violations of trade rules, and sell illegal (counterfeit) alcohol products. has the authority to apply to the relevant agency for withdrawal, cancellation of the existing license. During the control activities conducted in 2022, 8,559 liters of counterfeit alcoholic beverages marked with an excise stamp worth 377.2 million soums, 115 liters of old-style alcoholic beverages marked with an excise stamp worth 3.6 million soums, 7.7 223 liters of unmarked alcoholic beverages worth 1 million soums and 37,100 liters of illegally produced alcohol products worth 284.9 million soums were seized.

It plays a decisive role in the fiscal system of Uzbekistan and makes a significant contribution to the state income. However, effective excise tax administration is essential to ensure compliance, minimize tax evasion and maximize revenue collection. The current excise tax system in Uzbekistan faces challenges stemming



from factors such as complexity, enforcement gaps, and the evolving economic landscape. It includes the simplification of excise tax rules, strengthening of enforcement measures through advanced monitoring technologies, and development of international cooperation in the elimination of cross-border tax evasion. In addition, the document calls for the implementation of transparent reporting mechanisms and initiatives to increase awareness and culture of tax compliance among businesses and individuals.

According to estimates by the World Health Organization (WHO) and the US Central Intelligence Agency covering 189 countries, the average alcohol consumption per capita in the world in 2023 will be 6.4 liters of pure alcohol per year. Belarus - 17.5 liters, Moldova - 16.8, Lithuania - 15.4 and Russia - 15.1 liters are among the leading countries in terms of consumption of alcohol.

In the territory of the former Union: Georgia - 7.45, Kyrgyzstan - 4.02, Armenia - 3.77, Kazakhstan - 3.73, Turkmenistan - 2.88, Uzbekistan - 2.45, in Azerbaijan - 0, 8 liters of pure ethyl alcohol are consumed.

According to the forecasts of IWSR analysts, in 2023, the world alcohol market will show growth and bring more than 21.6 billion dollars of income to the world economy. The main factors of growth in the coming years are forecasted in India, Mexico, Brazil, USA and China. In the period from 2022 to 2027, the growth rate is expected to be low - on average close to 1% per year.

In the parameters of the State budget for 2024, approved by the decision of the President of the Republic of Uzbekistan PQ-422, 8.715 billion soums from the excise tax on natural gas are forecast, and as of June 24, it is 2.208 billion soums (25%) is done.

This was negatively affected by the increase in natural gas imports, and starting from October 1, 2021, a zero percent excise tax rate was set for the sale of natural gas imported to the Republic of Uzbekistan by legal entities (No. PQ-5267, 25.10.2021 -y).

2,312.7 million cubic meters in the 6 months of 2023 for the Republic.m of gas was imported, in the corresponding period of 2024 it amounted to 5,242.6 million cubic meters and increased by 2.2 times.



At the same time, the amount of excise tax is included in the definitions used in the sale of imported natural gas to consumers. This amount of excise tax is paid by consumers and remains unpaid to the budget.

Due to this, 1,327.5 billion soums of excise tax was lost to the budget.

In addition, in 5 months of 2024, 13,718.4 million cubic meters of natural gas were extracted, which decreased by 1,415.0 million cubic meters (9.2%) compared to the corresponding period of the previous year (15,138.4 million cubic meters). In turn, it led to the non-payment of 104 billion soums of excise tax to the budget.

In order to ensure the stability of budget revenues, consider the issue of introducing a 20 percent rate of excise tax on the sale of imported natural gas (cancellation of the privilege).

In conclusion, the excise tax system in Uzbekistan is an important component of the country's fiscal structure and plays a decisive role in obtaining income for important public services. However, the challenges in the current excise tax administration require a strategic and comprehensive approach to improve control measures and improve overall efficiency. The analysis of the excise tax administration in Uzbekistan reveals several important areas that need to be improved. First, the complexity of current tax rules is a serious barrier to compliance. Simplifying these rules can streamline processes, making it easier for businesses and individuals to understand and comply with their tax obligations. Mandatory defects represent another difficulty. The introduction of advanced monitoring technologies such as data analytics and digital tools can significantly enhance the ability of tax authorities to detect and prevent tax evasion. In addition, the development of international cooperation is important for eliminating cross-border tax evasion and creating a stronger regulatory and legal framework. Transparent reporting mechanisms and awareness campaigns will help increase tax compliance culture among taxpayers. By promoting transparency and informing the public about the benefits of tax payments, the government builds trust and cooperation between taxpayers and tax authorities.

Conclusions and suggestions

Taking into account the above, in order to reduce the secret economy in this direction, expand the tax base and increase additional tax revenues to the budget:



1) Excise tax is not paid by the enterprises both when importing natural gas and when selling imported gas. However, the amount of excise tax is included in the definitions used in the sale of imported natural gas to consumers. This amount of excise tax is paid by consumers and remains unpaid to the budget.

Due to this, 1,327.5 billion soums of excise tax were lost to the budget. In the 6 months of 2023, 2,312.7 million cubic meters of gas were imported across the country, while in the corresponding period of 2024, 5,242.6 million cubic meters and increased by 2.2 times.

Option 1. Introducing a 20 percent rate of excise tax on the sale of imported natural gas.

Option 2. Introduction of 15 percent excise tax on sale of imported natural gas.

Option 3. Introduction of 10 percent excise tax on sale of imported natural gas.

2). By the end of 2023, 552,400 tons of gas condensate was extracted in the republic, 431,200 tons of gas condensate was imported. In January-May 2024, 244.8 thousand tons of gas condensate were extracted, 144.9 thousand tons of gas condensate were imported.

Introduction of excise tax for production and import of gas condensate (200 thousand soums per 1 ton).

3). From January 1, 2025, it is desirable to unify the fixed rates of excise tax for filtered and non-filtered cigarettes, cigarillos (cigarettes), bidi, kretek produced in the republic with import rates per 1000 pieces and cancel the ad valorem rate (10 percent) will be

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