



COMPARATIVE ANALYSIS OF VAT-FREE TAX IN THE FORMATION OF STATE BUDGET REVENUES

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Article history:	Abstract:
Received: 1 st August 2022 Accepted: 1 st September 2022 Published: 4 th October 2022	In the article, the comparative analysis and problems of the role of excise tax in the formation of state budget revenues in the Republic of Uzbekistan are researched, and its specific features are scientifically justified. Possibilities of improving the practice of taxation of excise goods in the tax system of the Republic of Uzbekistan were studied and recommendations were developed.

Keywords: Taxes and taxation, indirect taxes, excise tax, excise goods, practice of taxation of excise goods .

Excise tax is important in the financial and economic relations of the state with economic entities and in the organization of state budget revenues. This requires, on the one hand, that the excise tax, which protects the interests of the economic entities and the population that pays the excise tax, as well as serves for the development of the economy, should be established and improved to the extent that it does not harm their existing interests.

Therefore, in the process of developing the innovative economy, the formation of excise taxes and the improvement of their actual use are becoming one of the most important and complex problems.

At this point, it should be said that the emergence of a specific tax system at each stage of the economic sector and the taxes included in the unit, including the excise tax, were not related to the movement of taxes. Because in the stages of the most variable socio-economic development in the tax system (1992-1996), we have witnessed that the share of taxes from all crooked taxes in the budget revenues has exceeded 50%. For this reason, the nature of the excise tax is socio-economic and waiting for its solution is one of the urgent problems.

Today, at the core of economic reforms, increasing the budget revenue base of the state and thereby ensuring the well-being of the population of the state is considered one of the urgent issues. These reforms are directly related to the creation of legal norms in the country. In particular, it is important to analyze the role of taxes in the composition of state budget revenues. For this purpose, the President of the Republic of Uzbekistan No. PF-5116 of July 18, 2017 "On measures to fundamentally improve the tax administration, increase the collection of taxes and other mandatory payments" , Decree of September 26,

2019 No. PF-5837 "On measures to further improve the tax policy of the Republic of Uzbekistan" , Decree of the Cabinet of Ministers of the Republic of Uzbekistan dated April 15, 2020 "On the introduction of new model excise stamps for alcohol and tobacco products" Decisions No. 227 and implementation of the tasks defined in other regulatory legal documents related to this activity is considered one of the most important issues.

Indeed, as the President of the Republic of Uzbekistan Sh.M. Mirziyoev noted, the main idea of the new tax concept, which will be introduced starting from 2019, is to reduce the tax burden and apply a simple and stable tax system. Through this, it is possible to increase the competitiveness of our economy, create an all-round favorable environment for entrepreneurs and investors ¹. Optimizing the impact of indirect taxes and dynamically growing excise taxes on the activities of legal entities and individuals in the improvement of tax policy and determining their consumption levels is an urgent issue that requires scientific justification of its solution. Excise tax is a type of tax that has a very complex internal structure that differs from other tax types in terms of its organization, tax objects, tax rates, (or amounts).

Currently, the excise tax is widely used as the main source of budget revenues, and the purpose of the excise tax is to stimulate the activities of enterprises producing excise goods and consumers of excise goods (services). In this, the main focus is on providing ample opportunities for the development of innovative and investment activities of business entities that produce excise goods (services) by reducing the excise tax, as well as on improving the composition of the costs included in the excise tax base (including recurring costs). One of the expected results of the extensive measures for the development of taxes, including the

¹ Mirziyoev Sh.M. President of the Republic of Uzbekistan . Appeal to the Supreme Assembly. - T: " Uzbekistan " NMIU, 2019. - 61 p.



excise tax, or the reduction of the number of objects to which this tax can be applied, is to expand the taxable base, as well as to develop new methods of its calculation and to achieve its implementation in practice.

Indeed, in the context of the wide implementation of the latest reforms, the reduction of ²excise tax rates leads to a decrease in its share in budget revenues at various levels (the excise tax contribution to the budgets of certain cities, districts, and towns is meant), but this is lower than the decrease in the excise tax rate.

The analysis of the five-year income dynamics of this type of tax shows that it has a large weight in the structure of all tax revenues, and besides VAT, it occupies the second place in the structure of budget revenues (see Table 1).

²Decree of President of the Republic of Uzbekistan No. PF-5468 dated June 29 , 2018 " Uzbekistan Republic of tax policy improvement concept "

Table 1

Dynamic analysis of the sources of income of the State budget of the Republic of Uzbekistan for 2017-2021³

Indicators	Years					2021 year previous for years relatively change (+ -)			
	2017	2018	2019	2020	2021	2017	2018	2019	2020
Budget revenue organize doer sources total	49,681.00	79,099.00	112,165.40	132,938.00	164,680.3	30.2	48.0	68.1	80.7
1. Directly taxes	11,539.40	15,656.20	31,676.80	45,206.90	58,930.4	19.6	26.6	53.8	76.7
1.1 Legal from individuals removable benefit tax	1,475.50	3,502.20	16,360.60	28,712.20	38,363.3	3.8	9.1	42.6	74.8
1.4 Physical from individuals removable income tax	4,876.40	6,422.70	12,668.50	15,140.80	18,917.7	25.8	34.0	83.7	80.0
1.6 Without rotation tax	0	0	0	1,353.90	1,649.4	0	0	0	82.1
2. Indirectly taxes	26,133.20	41,280.40	46,427.20	46,428.40	56,290.5	46.4	73.3	82.5	82.5
2.1 Added value tax	14,685.80	27,876.50	33,809.80	31,177.40	38,439	38.2	72.5	88.0	81.1
2.2 Excise tax	7,449.20	9,702.20	10,314.70	11,697.30	13,086.6	56.9	74.1	78.8	89.4
2.3 Customs duty	1,707.40	1,826.40	2,302.70	3,553.70	4,764.9	35.8	38.3	48.3	74.6
3. Resource charges and property tax	6,867.40	12,663.40	19,680.70	21,257.00	23,036.4	29.8	55.0	85.4	92.3
3.1 Property tax	2,129.70	2,606.10	2,360.20	1,974.30	2,457.3	86.7	106.1	96.0	80.3
3.2 Land tax	1,091.80	1,504.20	2,313.20	2,386.70	4,082.8	26.7	36.8	56.7	58.5
3.3 From underground resources usage for tax	3,474.10	8,424.70	14,692.80	16,417.10	15,811.9	22.0	53.3	92.9	103.8
3.4 Water resources usage for tax	171.8	128.4	314.5	478.8	684.4	25.1	18.8	46.0	70.0
5. Other revenues	3,725.80	7,971.00	14,272.80	20,045.80	26,423.1	14.1	30.2	54.0	75.9

³ <https://openbudget.uz/> - was prepared based on the information of the site.



This 2017-2021 budget income tax revenue structural analysis shows that resource fee and property tax revenues increased by 3.1 times in 2021 compared to 2017 to 92.3 percent.

In addition, the weight of indirect taxes in relation to all tax revenues has a tendency to decrease. In 2021, direct taxes increased by 3.9 times compared to 2017 and amounted to 76.7 percent. This indicator increased by 26.6% compared to 2018, 53.8% compared to 2019, and 76.7% compared to 2020.

At this point, it is worth mentioning that along with the dynamic analysis of the weight of excise tax in the state budget, the weight of economic entities producing excise goods (services) according to this type of tax in the total number of taxpayers and the type of ownership they mainly correspond to and the factors influencing their changes based on this. learning through analysis is considered an important issue.

This is mainly due to the expansion of the number of businesses and private entrepreneurs who entered the market in recent years and the increase in the demand for excise goods that can be presented to them, which causes an increase in the number of producers of excise goods (products, services). However, it has led to an increase in the number of economic entities engaged in processing, including wine, beer, gas, and gasoline producers. This also causes specific problems, that is, it is related to the increase in the number of economic entities that produce excised beverages that affect human health.

It was recognized that although the number of enterprises producing excise goods (products, services) by small enterprises increased over the following years, they mainly corresponded to private enterprises.

Table 2
State budget revenues from excise tax in 2016-2021 contained share %⁴

Indicators		2017	2018	2019	2020	2021	2022
Budget revenue resources - total		100	100	100	100	100	100
2.	Indirectly taxes	52.6	52.2	41.4	34.9	42.5	36.6
2.1	Excise tax indirectly in taxes share	28.5	23.5	22.2	25.2	18.9	19.7
2.2	Excise tax in the state budget revenues share	15.0	12.3	9.2	8.8	8.0	7.2

Budget revenues, indirect taxes have a large share and tend to decrease slightly in the following years. At the same time, the share of excise tax in the state budget revenues is also decreasing. See Table 2.

Based on calculations of this table, the share of excise tax in indirect taxes was 28.5 percent in 2017,

23.5 percent in 2019, 25.2 percent in 2020, and 18.9 percent in 2021. According to the 2022 state budget forecast, it may increase by 19 percent. We can also see this from diagram 1

Diagram 1
The share of excise tax in indirect taxes (percentage)

⁴ <https://soliq.uz/> - State Tax Committee of the Republic of Uzbekistan



It should also be mentioned that the nature of the excise tax has always been studied as part of indirect taxes. Since the excise tax consists of indirect taxes, its economic essence seems to be closer to the essence of the value added tax. It is true that their proximity to each other is expressed through financial relations based on objective mandatory payments arising between internal relations (the state and legal entities). This excise tax is a special social value within the framework of tax relations, which is manifested in the transfer of funds to the state, which is a part of GDP, economic categories. Therefore, in our opinion, such a tax can be considered as a specific fiscal economic category. From what was mentioned above, a large part of the state budget revenues is formed through this type of tax.

Can be evaluated as an economic category that continuously stimulates the growth of production through positive thoughts and expands (or reduces) the solvency of the population and implements similar measures. Thus, excise tax is a type of indirect tax imposed by the state within certain limits within certain limits, and it is an economic category embodying the single market price, its production and special conditions by adding it to the price of products of a type and group or provided services within certain limits. Because the peculiarity of the excise duty is that the price of goods (services) is transferred to the consumers of the product and allows a part of the value of the sold product to fall into the budget revenues.

In conclusion, excise tax by its nature and essence is a tax that is included in the price of goods and paid by the final consumer. Its socio-economic essence is embodied and improved only according to the level of distribution corresponding to financial relations. Because if it is noted that the budget deficit is not related to the increase of state expenses, but to the difficulty of the financial activities of taxpayers, then the state will be able to form and increase its income due to indirect taxes, including excise tax. When such a situation occurs, there is no economic boundary between the types of indirect taxes. If the consumers do not have much resistance to increase any of them, then its limit will be increased, that is, the direct transfer of such a burden to the excise tax can be taken lightly.

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