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## CURRENT STATE AND WAYS OF DEVELOPMENT OF EXCISE TAX ADMINISTRATION IN UZBEKISTAN

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### ABSTRACT

*The article examines the theoretical and practical aspects of the mechanism of action of the excise tax, the role and significance of the excise tax in the formation of state budget revenues in the Republic of Uzbekistan, and also considers the elements of the procedure for calculating, submitting tax reports and paying the excise tax.*

**KEYWORDS:** *Taxes, Taxation, Excise Tax, Excisable Goods, Excise Stamp, Tax Base, Ad Valorem Rate, Flat Rate, Combined Rate.*

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### INTRODUCTION

Since gaining independence, the Government of the Republic of Uzbekistan has radically reformed the country's tax system. When reforming the tax system, the best practices of the leading countries of the world and the national tradition of the country were taken into account. Large-scale reforms carried out in the tax system contributed to the growth of real income of the population, served as the basis for the modernization of production, supporting small businesses and private entrepreneurship. As a result, the process of liberalization of the budget and tax system has become an important factor in the sustainable development of our economy.

### MAIN DISCUSSIONS

All taxes in countries with market economies are divided into two groups. The first is direct, levied either on income or on property and paid by the owners of the relevant income and property. The second group is indirect taxes, included in the price of taxed goods and services (either through price surcharges or through inclusion in production costs). Under normal economic conditions, the payment of these taxes falls on the final consumers of goods and services. An excise tax is essentially an indirect tax that increases the price of a product and is paid by the consumer.

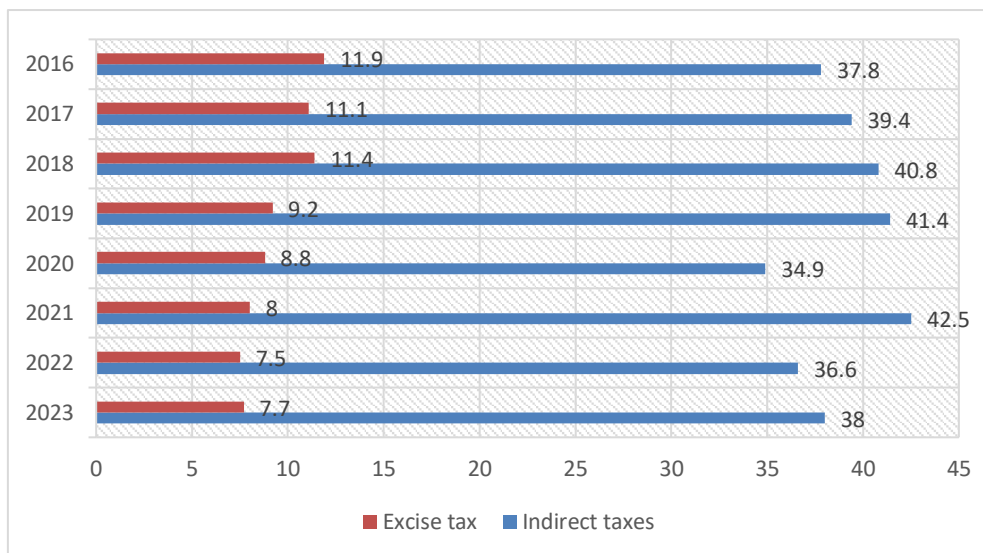
Excise taxes are one of the oldest forms of indirect taxation [1, 146]. Excise tax, being an indirect tax, has a certain similarity with the value added tax, but differs from it in its individualization and linkage to specific goods. Our excise tax has much in common with its counterparts abroad, but also has its own specific features, namely: the object of taxation is the selling (selling) price of excisable goods, which already includes excise tax at a set rate.

In Uzbekistan, excise tax was introduced in 1992 in accordance with the Law of the Republic of Uzbekistan "On taxes on enterprises, associations and organizations" dated February 15, 1991 [2, 201].

Currently, excise tax is levied by articles 283-293 of the Tax Code of the Republic of Uzbekistan. Excise taxes are levied on goods produced on the territory of the Republic of Uzbekistan, imported

excisable goods across the customs border of the Republic of Uzbekistan, as well as telecommunications mobile services.

Excise tax plays a leading role in indirect taxation. Revenues from it occupy a significant place in the revenue side of the budget of our state. In the table you can see the dynamics of changes in the share of excise tax in the country's state budget revenues:



**Rice. 1. Information on the share of excise tax in income state budget (percentage) [3]**

According to Article 283 of the Tax Code, the following persons are recognized as excise tax taxpayers [4] :

- producing goods subject to excise tax (excise goods) on the territory of the Republic of Uzbekistan;
- selling natural gas to consumers;
- selling gasoline and diesel fuel to end consumers, including through gas stations, as well as gas through gas filling stations and gas filling points.
- proxy - a participant in a simple partnership who is entrusted with conducting the affairs of the simple partnership - for activities related to the production of excisable goods carried out within the framework of a simple partnership agreement;
- moving excisable goods across the customs border of the Republic of Uzbekistan ;
- legal entities of the Republic of Uzbekistan providing telecommunication services for mobile communications (excise services);
- Foreign legal entities operating in the Republic of Uzbekistan through permanent establishments, producing goods or importing goods subject to excise tax.

The object of excise taxation is:

- sale of excisable goods, including the transfer of excisable goods in exchange for other goods (services);

- transfer of excisable goods as a contribution to the authorized capital (authorized fund) of a legal entity or the contribution of a partner (participant) under a simple partnership agreement;
- transfer of excisable goods for processing on a toll basis;
- use of excisable goods for own needs;
- import of excisable goods into the customs territory of the Republic of Uzbekistan;
- sale to end consumers or use for own needs of gasoline, diesel fuel and gas;
- Provision of excise services.

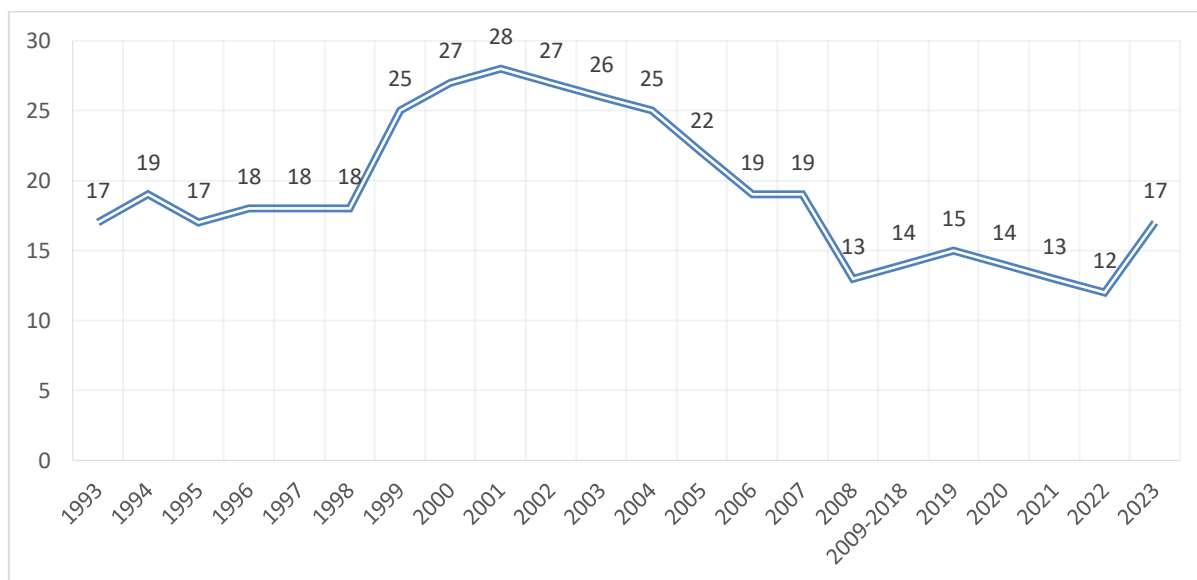
According to Article 285 of the Tax Code, the tax base is determined separately for each type of excisable goods (services) depending on the established tax rates [4] .

For excisable goods (services), in respect of which tax rates are established in absolute amounts (fixed), the tax base is determined based on the volume of excisable goods (services) in physical terms.

For excisable goods (services) produced, for which tax rates are set as a percentage (ad valorem), the tax base is the cost of the excisable goods (services) sold, but not lower than their actual cost.

For excisable goods for which combined tax rates have been established, consisting of fixed and ad valorem tax rates, the tax base is determined based on the volume of excisable goods in physical terms and the cost of sold excisable goods.

The list of excisable goods and rates are approved by the Tax Code of the Republic of Uzbekistan.



**Rice. 2. Information on the quantity of excisable goods [3]**

Tax rates are set as a percentage of the cost of a product or service (ad valorem), in an absolute amount per unit of measurement in physical terms (fixed), as well as combined, consisting of ad valorem and fixed tax rates [4] .

Tax calculation is based on the tax base and established tax rates. For imported excisable goods, for which combined tax rates are established - ad valorem and fixed, the tax is calculated based on the

tax base and the ad valorem tax rate. In this case, the amount of tax cannot be less than the amount calculated using a fixed tax rate.

Tax reporting is submitted to the tax authorities at the place of tax registration on a monthly basis no later than the tenth day of the month following the tax period. Tax payment is made no later than the deadline for submitting tax reports. Payment of tax when importing excisable goods is carried out within the time limits established by customs legislation. For imported excisable goods subject to marking with excise stamps, the tax is paid before purchasing the excise stamps.

Since October 1, 1996, the practice of applying excise stamps on alcohol and tobacco products, both produced in the republic and imported, has been applied. This measure is aimed at establishing state control over the production, import and sale of certain types of goods in order to prevent their illegal import or production on the territory of the Republic of Uzbekistan and protect the interests of domestic consumers.

## CONCLUSION

As a result of the study, we considered it permissible to make the following proposals to improve the mechanism for collecting excise tax, in particular:

- The application of excise tax to goods that are socially harmful or cause negative consequences has certain positive aspects. Such taxation serves to limit the consumption of goods with certain hazardous potential, such as alcoholic beverages and tobacco products, or the consumption of gasoline or other polluting fuels. Such indirect benefits create additional tax efficiencies, but most excise taxes are usually (and should be) imposed to generate tax revenue;
- it is necessary to introduce an excise tax on energy drinks (energy drinks with a high caffeine content) and soft drinks with a high sugar content produced in the Republic of Uzbekistan and imported into the customs territory of the Republic of Uzbekistan;
- in accordance with the tax legislation of the Republic of Uzbekistan, excise tax is taken into account in the price and on the basis of value added tax. Based on this, when taxpayers import excisable goods into the customs territory of the Republic of Uzbekistan, the amounts of customs duty and excise tax are taken into account in the tax base when calculating value added tax. In our opinion, the tax collection mechanism here is somewhat distorted, that is, the amounts of excise tax and duty are also included in the value added tax base. That is, the excise tax amount is included in the tax base, which means paying the tax again for the tax paid. This is contrary to the principles of tax certainty and fairness.

The implementation of the proposals outlined will make it possible to use the excise tax as a means of regulating consumption and stimulating production, speed up the process of improving the excise tax in the context of economic liberalization, and create the basis for increasing budget revenues through the creation and development of national production.

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