



Development Of It-Free Goods And Improvement Of It-Free Tax Calculation

Eshmatov Srojiddin Toghaymurodovich

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 consumption of certain goods and services. Analyzes issues and suggests potential solutions to enhance excise tax collection, streamline administrative processes and ensure compliance. By addressing these issues, countries can optimize excise tax revenues and achieve better fiscal and regulatory outcomes.

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

Аннотация. В статье рассматриваются важные вопросы, связанные с совершенствованием администрирования акцизного налога. Акцизный налог играет важную роль в формировании государственных доходов и регулировании потребления определенных товаров и услуг. Анализируются проблемы и предлагаются потенциальные решения для повышения собираемости акцизного налога, оптимизации административных процессов и обеспечения соблюдения. Решая эти проблемы, страны могут оптимизировать поступления от акцизного налога и достичь лучших фискальных и нормативных результатов.

Ключевые слова: администрирование, трудности, неэффективность, соблюдение, оптимизация доходов, нормативные результаты, налоги и налогообложение, косвенные налоги, акцизный налог, подакцизные товары, практика налогообложения подакцизных товаров.

Enter. In our country, the excise tax has a decisive role in the formation of state revenues and in the regulation of certain industries. However, effective administration of excise tax is difficult due to various difficulties. Excise tax administration involves 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, forming 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.

Analysis of literature on the topic. Excise tax is recognized as an effective form of indirect taxation in a number of countries at different stages of economic development.

O. T. Hai and L. By M. See, companies involved in tax payments, intentionally or unintentionally, conducted a study on non-compliance due to the difficulties encountered in the measurement of the



participation of individuals. Therefore, this study focuses on the incidence and factors of excise tax evasion among importers as taxpayers [1].

In addition, the French economist F. Demezou noted: "Excise alone is able to provide all other tax revenues and more" [2].

By S. Delipalla, "excise tax is one of the components of indirect taxes. Excise duty on imports into Malaysia and on locally manufactured goods as set out in Section 6 of the Excise Act 1976. This tax is used as a mechanism to change the trend of government consumption or social engineering. Commodities subject to excise duty under the Excise Act include liquor, tobacco, cigarettes, cigars, four-wheel drives, multi-purpose vehicles and playing cards" [3].

D.E. Giles, L.M. Tedds defined smuggling activities as all transactions, whether legal or illegal, market or non-market, carried out for the purpose of evading tax from the tax authority. Indirect tax evasion is often linked to smuggling, especially tariff offences. Smuggling crimes affect monetary and non-monetary revenues such as embargoes, product quality and quotas [4].

According to L.V. Borovko, "the perspective direction of the current tax policy and conceptual excise tax is to form a socially oriented model and ensure its effective development" [5].

According to O.R. Tegetaeva, "excise tax is part of the indirect tax, now its main importance lies in the fact that it is a criterion for assessing the state and prospects of social consumption of the population" [6].

M.A. Troyanskaya and Yu.O. Nizamieva stated that "as an effective form of indirect taxation, it is important to create opportunities to use excise tax as a means of regulating consumption and stimulating production, and ensuring their stability" [7].

A general analysis of the above-mentioned opinions showed that there are three different approaches to understanding the essence of the concept of "necessity of excise tax". E. Gadoev, T. Malikov, O. Olimjonov, Kh. Sobirov can be cited as examples of our scientists who have been contributing to the development of the practice of taxation in our country. However, it should be noted that in the scientific research conducted in our country, the practice of taxation of excise goods and the topic of excise tax administration have been studied very little.

Research methodology. In this article, comparative analysis and induction and deduction evaluation methods were used. Using the comparative method, scientific conclusions were given to clarify the practical importance of creative approaches in the effective management of the practice of taxation of excise goods.

Analysis and results.

According to the decision of the President of the Republic of Uzbekistan "On measures to provide stable supply of natural and liquefied gas to the population and economic sectors" dated October 25, 2021 No. zero interest rate is set. 2. A rate of 20% has been set for natural gas developed in our republic.

Offers

Option 1. Introduction of 20 percent rate of excise tax on sale of imported natural gas.

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

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

Whatever proposal is accepted for imported natural gas, it is proposed to set the same rate for domestically produced gas.



If the 20% rate is maintained:

If the 15% rate is introduced:

If the 10% rate is introduced:

Enterprises do not pay excise tax on natural gas import and sale of imported gas.

However, the excise tax amount 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 the six months of 2023, 2,312.7 million cubic meters of gas were imported by the republic, while in the corresponding period of 2024, it was 5,242.6 million cubic meters, which increased by 2.2 times.

The volume of gas in the domestic market decreased by 2,015.3 million cubic meters (10.7%) in the first half of 2024 (16,831.5) compared to the corresponding period of 2023 (18,846.9).

In practice, there is no way for the tax authorities to determine whether imported gas and gas produced on the domestic market have been realized, and due to this, problems remain in the tax administration.

Also, based on the requirements of the World Trade Organization, the excise tax rates for imported and domestically produced goods should be the same.

This proposal is being made due to the consideration of Uzbekistan's membership in the World Trade Organization.

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

By the end of 2023, 552,400 tons of gas condensate was extracted in the republic, 407,600 tons of gas condensate was imported for 2.6 trillion soums (the price of 1 kg is 6.5 million soums on average).

In January-May 2024, 244,800 tons of gas condensate were extracted, 130,100 tons of gas condensate were imported for 1.0 trillion soums (the price of 1 kg is 7.9 million soums on average).

From January 1, 2022, the tax rate for the use of underground resources was reduced by 3 times (30%), oil (20%) and gas condensate (20%) to a single 10% (538.1 billion soums less tax to the budget in 2022 dropped).

66 rubles per ton in Russia, 0% excise tax in Ukraine.

Saudi Arabia is subject to a corporate income tax of 50% to 85% depending on the volume of mined or processed products, and 9% in the UAE.

3. The following rates are set for filter cigarettes (SK 289^{1-M})

Types of tobacco products Tax rates produced when imported

1. Filtered and unfiltered cigarettes, cigarillos (cigarettes), bidi, kretek 325,000 soums/1,000 pieces + 10 percent 250,700 soums/

1,000 units + 10 percent

Our proposal: Option 1. From January 1, 2025, to increase the fixed rates of excise tax for filtered and non-filtered cigarettes, cigarillos (cigarettes), bidi, kretek produced in the republic to 313,000 soums per 1000 pieces and to cancel the ad valorem rate (10 percent).



Option 2. From January 1, 2025, the fixed rates of excise tax for filtered and filterless cigarettes, cigarillos (cigarettes), bidi, kretek produced in the republic will be unified with the import rates for 1000 pieces and cancellation of the ad valorem rate (10 percent).

According to the technical guidelines on taxation of tobacco products adopted in 2010 as part of the World Health Organization's Convention on Tobacco Control, it is recommended that at least 70% of the retail price of tobacco products should be excise tax.

Today, the retail price of 1 box of domestically produced filter cigarettes is 16,500 soums on average, and the excise tax included in this price is 5,717 soums or 35%.

This is twice less than the recommendations of the World Health Organization.

This proposal was presented by experts of the International Monetary Fund at the end of the mission held on April 12-22.

Also, according to WTO requirements, excise tax rates should be the same for imported and domestically produced goods.

Also, in the appeal of JSC "UZBAT" to the Ministry of Economy and Finance and the Ministry of Investments, Industry and Trade dated April 23, 2024, it was proposed to increase the fixed rates of excise tax for filter cigarettes to 313,000 soums per 1000 pieces from January 1, 2025 and cancel the ad valorem rate.

The society sold 9,154 million cigarettes worth 2.4 trillion soums in 2023, and 5,085 million cigarettes worth 1.4 trillion soums in 6 months of 2024.

A total of 2.3 trillion soums in 2023 (2,033 billion soums at a fixed rate, 245 billion soums at an ad valorem rate), 1.4 trillion soums in 6 months of 2024 (1,275.0 billion soums at a fixed rate, 146.0 billion soums at an ad valorem rate) excise tax is calculated.

If the proposals of JSC "UZBAT" on tax rates are taken into account, the amount of the fixed rate will increase by 25% from the current rates, and tax revenues may increase by 832 billion soums (41%) in the volumes of 2023 and 108 billion soums (25%) in the volumes of 6 months of 2024.

4. Introduction of 10 percent excise tax for manufacturers of cement products.

This proposal was presented by experts of the International Monetary Fund at the end of the mission held on April 12-22.

There are 40 cement producing organizations in the republic, their annual capacity is 32.7 million tons. 1.3 trillion soums profit in 2023. The level of profitability was 10-34% in 9, 2.5-10% in 8, and 1% in 23.

From 2024, the tax rate for the use of subsoil per 1 ton of limestone for cement producers has been reduced from 22,500 to 6,000 soums (3.75 times).

It is proposed to direct these received funds to the compensation of damages caused to the environment and related costs.

For information: Cement production accounts for approximately 5% of CO₂ emissions in Uzbekistan.

In India, the rate of excise duty on cement is up to 12.5%, and in Brazil it is up to 10%. Jordan, Puerto Rico, Taiwan, Mauritania and Zambia have fixed excise duty on cement.

Marking with excise stamps:

Applying for excise stamps:

- "State Mark" application to the SUK or Customs Committee
- Acceptance at "Agrobank" ATB



Accounting for excise stamps:

- Receipt, use, write-off, balance.
- Report on movement of excise stamps (quarterly).

Formatting:

- Excise tax report (monthly).

Management of excise stamps (request, production, logistics, accounting, presentation and use control): from 30 days to 60 days.

Ordering and receiving brands (codes) Application 30-60 days before the planned date of production (import) of the product .

Documents confirming the issuance of stamps (codes) Application for documents, payment document, journal of fixed accounting documents.

Use (apply) of stamps (codes) Paper stamps are applied by equipment (etikerovshchik) or by hand.

A report on the use of brands (codes) is provided Quarterly.

Filled in by the manufacturer's accounting department.

Return unused stamps (codes) It is not possible, unused stamps must be destroyed.

Content of information stored in the brand (code).

- Manufacturer's code.
- Serial and brand number.
- Type (production, import).
- Product category.
- Packaging category.

There is no link to the specific product and the description of this product

There is no possibility of tracking (production, realization, write-off)

Digital marking of goods:

Registration in the marking system:

- Manufacturer and place of production.
- Marked excise goods and their description

Operations with marking codes:

- Use of marking codes.
- Deregistration of marking codes (invalid).
- Aggregation of branded products.

Formatting:

Electronic Shipping Documents (EHF)

Management of production, analysis and circulation of excise goods (production, circulation, write-off): works in "online" mode. Ordering and receiving through the ACU TP and API marking system.

Creation of marking codes in "online" mode (issuance).

Notice of assignment of marking codes.

Formation of automatic reports in the marking system.

Direct application equipment is used, pre-label application (typography) or manual application (sticker).

ASU TP is formed during production.

The report is generated automatically in the marking system.



The Peerian Journal

Open Access | Peer Reviewed

Volume 33, August, 2024
Website: www.peerianjournal.com

ISSN (E): 2788-0303
Email: editor@peerianjournal.com

Payable only for marking codes used.

Possibility of write-off in case of loss of excise goods (Part 1 of Article 9 of the CC).

Serial number.

Issuer (manufacturer, importer).

Date of issue, placement, realization (otgruzka), circulation and sale (withdrawal from circulation).

Product (GTIN).

Product category (TIF TN, MXIK, type of excise goods...).

Product description (capacity, power, etc.).

Monitoring and communication with other systems (conformity assessment, state registration, trademarks, reference prices, etc.).

List of participants.

Authorities.

Markup operator.

Manufacturers and importers.

Specialists.

Platform requirements.

Content of reports (manufacturer, product, turnover, balances, etc.)

Analysis of suspicious cases (repeat sales, low turnover, etc.)

Dashboard.

Convenience for taxpayers.

Implementation of the project.

Approval of the methodology for calculating key indicators.

Legal status of the platform.

Liability for falsification of digital identification means.

Taking measures for violation of the rules of circulation of marked products.

One of the main problems in 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 technology and data analysis can improve tax administration and increase revenue collection. Implementation of the monitoring of the movement of vehicles equipped with a GPS device by the licensing body during the sale of ethyl alcohol through a special information system and the integration of this system into the information base of the Tax Committee. Cases of transportation without using the remote online tracking (GPS) system, without EHF, without a consignment note suspending the validity of the license for 10 days by the Commission as a violation of its requirements. In the case of cases of loading of goods on vehicles that do not use the remote online tracking (GPS) system in the sale of ethyl alcohol and do not meet the specified requirements, the traffic safety service will place them at the penalty area and notify the licensing authority, the Tax Committee and law enforcement agencies. 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.

Conclusions and suggestions.



The Peerian Journal

Open Access | Peer Reviewed

Volume 33, August, 2024
Website: www.peerianjournal.com

ISSN (E): 2788-0303
Email: editor@peerianjournal.com

Based on the analysis of issues related to the improvement of excise tax administration, several conclusions can be drawn:

One of the main problems in 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 technology and data analysis can improve tax administration and increase revenue collection.

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.

Адабиётлар/Литература/Reference:

1. Delipalla, S. (2009). Commodity tax structure and informal activity. *Bulletin of Economic Research*, 61(3), 283-294.
2. Giles, D. E., Tedds, L. M., & Werkneh, G. (2002). The Canadian underground and measured economies: Granger causality results. *Applied Economics*, 34(18), 2347-2352.
3. Hai, O. T., & See, L. M. (2011a). Behavioral intention of tax non-compliance among sole-proprietors in Malaysia. *International Journal of Business and Social Science*, 2(6), 142-152.
4. Джамалов Х.Н., Уразметов Ж.М. Задачи анализа финансово-хозяйственно-цифровой деятельности в новой системе финансового менеджмента. // *Иқтисодиёт ва таълим*, 2021. № 3, с. 96-103.
5. Боровко Л.В. Формирование социально-ориентированной модели акцизного налогообложения и эффективность её развития. // *Проблемы экономики и юридической практики*, 2012, № 6, с. 71-75.
6. Тегетаева О.Р. К проблемам реформы акцизного налогообложения. // *Налоговый менеджмент*. 2016. № 6. С. 23-27.
7. Троянская М.А., Низамиева Ю.О. Совершенствование акцизного налогообложения как инструмента налогового регулирования. // *Бизнес в законе*, 2013, № 8, с. 121.
8. Ўзбекистон Республикаси Солиқ кодекси- Тошкент: Гафур Ғулом нашриёт уйи 2020.- 640 б.
9. Солиқ қўмитаси маълумотлари. www.soliq.uz.