
EXCISE TAX: STAGES OF REFORM IN UZBEKISTAN**Shodiev Olimjon Abdurakhmanovich**ol-leon@mail.ru

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Abstract

The article examines the economic essence, features, fiscal significance and stages of reforming the excise tax, and also develops proposals for improving the administration of the excise tax.

Keywords : Tax system, taxes, taxation, excise tax, excisable goods, tax rate, excise stamp, state budget.

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Taxes should become one of the main instruments of state regulation of the economy, processes of production, distribution and consumption. With the help of taxes it is possible to regulate consumption. For example, a tax such as an excise tax affects the demand and purchasing power of the population for those goods that are subject to this tax. In their content, excise taxes are indirect taxes on consumers. Currently, excise tax is applied in all countries with market economies. It was introduced in our state in accordance with the Law of the Republic of Uzbekistan «On taxes on enterprises, organizations and associations» adopted on February 15, 1991.

Excise tax, being an indirect tax, has a certain similarity with value added tax, but differs from it in its individualization and linkage to specific goods. The list of goods subject to excise duty is differentiated by country, taking into account the characteristics of the consumption structure. For example, in England, the USA and France the number of excisable goods does not exceed four, in Japan there are more than 600 types of goods classified as luxury goods and gourmet products, and in Uzbekistan this figure is about 14 items.

Until 1993, the amount of excise tax was calculated based on the natural value of goods, and subsequently based on their monetary value. Since January 1994, this procedure applies to all goods and products subject to excise tax. It is paid by the relevant taxpayers, taking into account the cost of goods in the prescribed manner. At the initial stage of reforming the economy of Uzbekistan (1992-1994), the tax system was aimed at solving the problem of balancing the budget, which has a socio-economic focus. Thus, in 1993, an excise tax on cotton was introduced. In October 1994, an excise tax was introduced on imported tobacco products, and on imported alcoholic products - from January 1995.

At the second stage of economic reforms (1995-1997), the tax system of Uzbekistan was unified to a certain extent. A number of taxes were abolished, but the list of excisable goods was expanded. In addition to imported alcohol and tobacco products, it included gasoline, oil, and natural gas, as a result of which the share of excise tax in state budget revenues in 1995 increased to 27%. In October 1996, excise stamps were introduced on alcohol and tobacco products, both produced in the republic and imported. 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.

Excise tax has become widespread in the modern world. The main reason for the widespread use of excise taxation from ancient times to the present day is its tangible fiscal benefits and the high speed of their receipt. Back in 1666, the French economist F. Damaison noted that the excise tax «is capable of bringing the treasury as much and even more than all other taxes».

In the table you can see the dynamics of changes in the share of excise tax in the country's budget in 2014-2022:

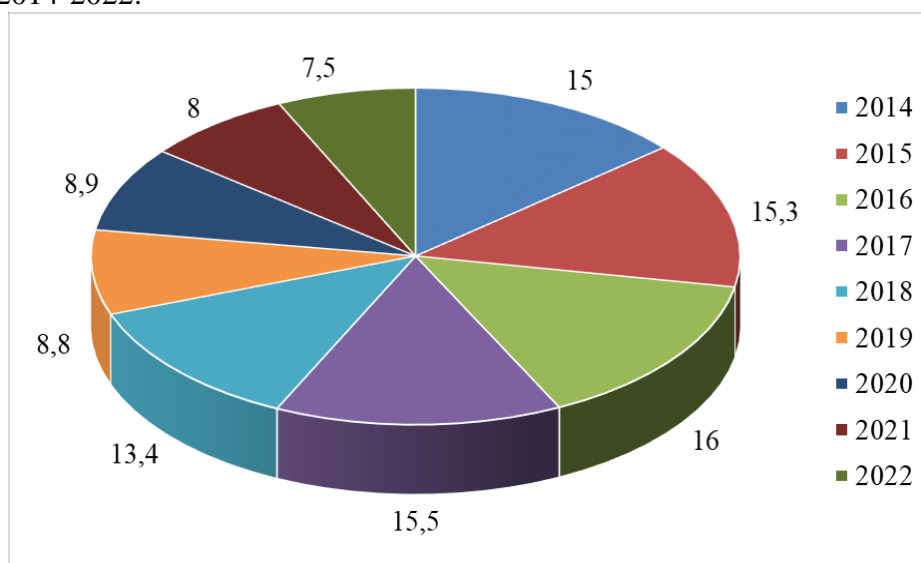


Figure. Dynamics of changes in the share of excise tax in state budget revenues (percentage)

As can be seen from the table, the dynamics of changes in the share of excise tax in state budget revenues in 2014-2017, has a stable character. Since 2018, there has been a trend towards a decrease in the share of excise tax.

Excise 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.

Excise tax rates may be revised by decisions of the President of the Republic of Uzbekistan during the year based on price dynamics and volume of product sales, including imports. For excisable goods for which excise tax rates are established in absolute amounts (fixed), the tax base is determined based on the volume of excisable goods in physical terms. For excisable goods produced, for which excise tax rates are established as a percentage (ad valorem), the taxable base is the cost of the excisable goods sold, not including excise tax and value added tax.

Excise tax is calculated 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 tax amount cannot be less than the amount calculated using a fixed tax rate.

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.

In conclusion, I would like to note that improving the methodology for applying excise tax necessitates:

taking into account positive foreign experience in applying excise taxes in countries with developed market economies;

specification of criteria for determining excisable goods;

revision of interest rates on some excisable goods specified in tax legislation;

introduction of an excise tax on producers of energy drinks (energy drinks with high caffeine content) and soft drinks with high sugar content in the Republic of Uzbekistan or their import through the customs territory.

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