



EXCISE TAXATION IN UZBEKISTAN: GENERAL AND SPECIAL

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Abstract

The article discusses the scientific and theoretical foundations for levying excise tax, the fiscal significance of excise tax in the revenues of the state budget of the Republic of Uzbekistan, and also characterizes the procedure for calculating tax, submitting tax reporting and paying tax. In the final part of the article, based on the results of the study, practical recommendations are developed.

Keywords:

tax system, taxes, indirect taxes, excise tax, excisable goods, excisable services, excise stamp, ad valorem rates, fixed rates, combined rates

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INTRODUCTION

Among the many economic levers by which the state influences the market economy, an important place is occupied by taxes. In the conditions of market relations, and especially in the period of transition to the market, the tax system is one of the most important economic regulators, the basis of the financial and credit mechanism of state regulation of the economy. Taxes should become one of the main instruments of state regulation of the economy, production processes, distribution and consumption. With the help of taxes it is possible to regulate consumption. For example, such a tax as an excise tax affects the demand and purchasing power of the population in relation to those goods to which this tax applies. According to their content, excises are indirect taxes on the consumer.

MAIN DISCUSSIONS

The term "excise", according to a number of researchers, comes from the Dutch "exijs" (from the old French "accise"), meaning "assessment for taxation". There is also an opinion that the word "excise" could come from the Latin "accidere", ("cut", "cut off"), which meant serifs on a special stick used to measure the amount of drink in a vessel for tax purposes.

An excise tax is a kind of indirect taxes on mostly consumer goods (as well as services), which is included in the price of the product (or tariffs for services) and is thus passed on to the end consumer. 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. Demaison



noted that the excise "is capable of bringing to the treasury the same amount and even more than all other taxes" [1, p. 90].

Excise taxes not only have a high fiscal effect, but can also be used by the state to regulate the consumption of certain types of goods, redistribute the income of highly paid individuals, as well as redistribute income from the production and sale of certain types of products [2, p. 111].

The essence and nature of the excise tax is similar to value added tax, sales tax. Unlike the universal indirect VAT tax, the excise tax is an individual tax on certain types of goods included in a special list. Excises are historically the first form of indirect taxes [3, p. 189-190].

Currently, excise is applied in all countries with a market economy. It has also been introduced in our state since 1992 in accordance with the Law of the Republic of Uzbekistan "On taxes levied on enterprises, organizations and associations" dated February 15, 1991.

The excise tax in Uzbekistan has much in common with its counterparts abroad, but it also has its own specific features, namely: the object of taxation is the sale (sales) price of excisable goods, which already includes excise at the established rate. Such a mechanism for constructing an excise rate has developed historically and, on the whole, justifies itself.

Excises are levied on goods produced in the territory of the Republic of Uzbekistan and imported into its territory, as well as telecommunication services of mobile communication. Excise tax plays a leading role in indirect taxation. Proceeds from it occupy a significant place in the revenue part of the budget of our state. The table shows the dynamics of changes in the share of excise tax in the state budget revenues of the country:

Table.

**Information on the share of excise tax in income
of the state budget of the Republic of Uzbekistan, (in percent) [4]**

Indicators	2021		2022	
	in billion UZS	in percent	in billion UZS	In percent
Indirect taxes	62,526.7	42.5	73,164.9	36.6
excise tax	11,820.1	8.0	15,038.3	7.5

As can be seen from the table, the dynamics of changes in the share of excise tax in state budget revenues tends to decrease.



According to Article 283 of the Tax Code, persons are recognized as taxpayers of excise tax [5, p. 361-362]:

- producing goods subject to excise tax (excisable goods) on the territory of the Republic of Uzbekistan;
- selling natural gas to consumers;
- selling gasoline, diesel fuel to end consumers, including through gas stations, as well as gas through gas filling stations and gas filling points;
- an authorized person - a participant in a simple partnership, who is entrusted with the conduct of affairs of a simple partnership - for activities related to the production of excisable goods carried out under a simple partnership agreement;
- moving excisable goods across the customs border of the Republic of Uzbekistan. These persons are recognized as taxpayers in accordance with the customs legislation.
- legal entities of the Republic of Uzbekistan providing mobile telecommunication services (excisable services).

The object of excise taxation is:

- sale of excisable goods, including transfer of excisable goods in exchange for other goods (services)
- transfer of excisable goods as a contribution to the authorized capital (authorized capital) of a legal entity or a contribution of a partner (participant) under a simple partnership agreement (joint activity agreement);
- transfer of excisable goods for processing on a give-and-take basis, as well as transfer by the manufacturer of excisable goods;
- 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 excisable services.

According to Article 285 of the Tax Code, the tax base of the excise tax is determined separately for each type of excisable goods (services) depending on the established tax rates [5, p. 364].

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

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

For excisable goods, for which combined tax rates are 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 value of the sold excisable goods.



The list of excisable goods is approved by the Tax Code of the Republic of Uzbekistan. The list of goods subject to excise duty is differentiated by country, taking into account the peculiarities of the structure of consumption. For example, in England, the USA and France, the number of excisable goods does not exceed four, in Japan - more than 600 types of goods classified as luxury and gourmet products, and in Uzbekistan this figure is about 14 items.

Excise tax rates are set as a percentage of the cost of goods (ad valorem), in absolute amounts per unit of measurement in physical terms (fixed), and combined tax rates are also applied.

After our research , we found it permissible to make the following suggestions to improve the mechanism of excise tax collection, including:

□ the use of excise tax on goods that are considered social harm or cause negative consequences also has certain positive aspects. Such taxation serves to limit the consumption of goods with a certain dangerous potential, for example, in alcoholic beverages and tobacco products, or in the consumption of gasoline or other types of fuel that pollute the environment. Such indirect benefits create additional tax efficiency, but most excise taxes are usually (and should be) introduced to generate tax revenue;

□ It is necessary to introduce an excise tax on energy drinks (energy drinks with high caffeine content) and non-alcoholic soft drinks with a high sugar content produced in the Republic of Uzbekistan and imported into the customs territory of the Republic of Uzbekistan;

□ Clause 7 of Article 283 of the Tax Code of the Republic of Uzbekistan recognizes as excise tax payers those who sell gasoline and diesel fuel to final consumers, including through gas stations for cars, as well as gas through gas filling stations and gas filling points. In our opinion, it is necessary to exclude from the list of taxpayers those who sell gasoline and diesel fuel to final consumers, including through gas stations for cars, as well as through gas filling stations and gas filling points;

□ According to the tax legislation of the Republic of Uzbekistan, excise tax is included in the price structure and value added tax base. Based on this, when taxpayers import excise goods into the customs territory of the Republic of Uzbekistan, the amount of customs duty and excise tax is taken into account in the basis of value added taxation. In our opinion, the mechanism of tax collection is slightly distorted here, that is, excise tax and duty amounts are also included in the value added tax base. That is, the amount of excise tax already collected is included in the taxable base, which means paying tax again for the tax paid. This is inconsistent with the principles of accuracy and fairness of taxation.

In order to establish state control over the production, import, storage, transportation and sale of certain types of goods, as well as the completeness of the collection of excise tax, to prevent their illegal import or production on the territory of the Republic of Uzbekistan, it was



decided by the Cabinet of Ministers to introduce excise tax stamps . They were introduced from October 1, 1996 in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan “On the procedure for introducing excise stamps on tobacco products and alcoholic beverages on the territory of the Republic of Uzbekistan” dated August 14, 1996, No. 285.

According to this resolution, mandatory labeling of tobacco products and alcoholic beverages produced in Uzbekistan and imported into its territory, except for beer, with excise stamps of the established sample was introduced and their import into the territory of our country, transportation (except for international transit), storage and sale without the presence of pasted excise stamps, as well as the sale on the territory of the republic of excisable goods produced on the territory of our state for export or imported for the purpose of international transit, not marked with excise stamps, was prohibited. And all legal entities, regardless of their form of ownership, producing or importing tobacco products and alcoholic beverages, were provided with an inventory of the remains of labeled goods for labeling with excise stamps until October 1, 1996.

CONCLUSIONS

Considering some features of the excise tax, we came to the following brief conclusions:

- excise tax is a kind of indirect taxes on goods mainly for mass consumption, is included in the price of the product and is thus transferred to the end consumer;
- excise tax is an important source of replenishment of state budget revenues, and this tax also has the character of a regulator that affects production and economic processes ;

In conclusion, it should also be noted that, improving the methodology for applying excise tax necessitates:

- taking into account the positive foreign experience of excise application in countries with developed market economies;
- specifying the criteria for determining excisable goods;
- revision of interest rates for certain excisable goods, which are specified in government regulations;
- it is necessary to introduce an excise tax on energy drinks (energy drinks with a high caffeine content) produced in the Republic of Uzbekistan and imported into the customs territory of the Republic of Uzbekistan, as well as on soft drinks with a high sugar content;

Further improvement in both theoretical and practical terms of the mechanism of excise taxation as a whole will contribute to the improvement of the tax system of our country.



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