

THE PROCESS OF CALCULATING AND SUBMITTING VALUE ADDED TAX REPORTS IN UZBEKISTAN: INSTITUTIONAL MECHANISMS AND ADMINISTRATIVE EFFICIENCY**Turayev Alijon Akmal ugli**Acting associate professor of the department
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Abstract

This study examines the process of calculating and submitting VAT reports, focusing on legal, administrative, and digital mechanisms introduced in recent years. The research analyzes the structure of VAT, the calculation of input and output taxes, electronic invoicing systems, and automated reporting procedures. The findings indicate that digitalization has significantly increased transparency, reduced administrative burdens, and improved tax compliance. The study also highlights challenges faced by small and medium-sized enterprises in understanding complex VAT regulations.

Keywords

Value Added Tax, VAT calculation, VAT reporting, digital tax administration, Uzbekistan fiscal policy.

Annotatsiya

Ushbu tadqiqot QQSni hisoblash va hisobot berish jarayonini, shuningdek, so'nggi yillarda joriy etilgan qonuniy, ma'muriy va raqamli mexanizmlarni o'rganadi. Tadqiqot QQS tuzilmasi, kirish va chiqish soliqlarini hisoblash, elektron fakturalar tizimi va avtomatlashtirilgan hisobot berish tartiblarini tahlil qiladi. Natijalar raqamlashtirish shaffoflikni oshirganini, ma'muriy yukni kamaytirganini va soliq intizomini yaxshilaganini ko'rsatadi. Tadqiqot shuningdek, kichik va o'rta korxonalar uchun murakkab QQS tartiblarini tushunishdagi qiyinchiliklarni ham yoritadi.

Kalit so'zlar

Qo'shilgan qiymat solig'i, QQS hisoblash, QQS hisobot berish, raqamli soliq ma'muriyati, O'zbekiston moliyaviy siyosati.

Аннотация

В данном исследовании рассматривается процесс расчета и представления отчетов по НДС с акцентом на законодательные, административные и цифровые механизмы, внедренные в последние годы. Исследование анализирует структуру НДС, расчет входного и выходного налога, системы электронных счетов и автоматизированные процедуры отчетности. Результаты показывают, что цифровизация значительно повысила прозрачность, снизила административную нагрузку и улучшила соблюдение налогового законодательства. Также отмечены трудности малых и средних предприятий в понимании сложных правил НДС.

Ключевые слова

Налог на добавленную стоимость, расчет НДС, отчетность по НДС, цифровое налоговое администрирование, налоговая политика Узбекистана.

INTRODUCTION

Value Added Tax is considered one of the most effective indirect taxation instruments used by governments to generate stable fiscal revenues and ensure transparency in economic transactions. Unlike direct taxes, VAT is collected at each stage of the production and distribution process based on the value added to goods and services. This taxation mechanism allows governments to broaden the tax base while simultaneously reducing opportunities for tax evasion through the documentation of transactions across the supply chain.

In the Republic of Uzbekistan, VAT occupies a central position in the structure of the national tax system and represents one of the most significant sources of state budget revenue. According to current fiscal policy, the standard VAT rate in Uzbekistan remains at 12 percent, and the government has decided to maintain this rate in 2026 in order to ensure stability in the tax environment and predictability for business entities.

The fiscal importance of VAT is reflected in national tax statistics. In 2024, total tax revenues in Uzbekistan reached 199.6 trillion soums, while VAT revenues alone amounted to approximately 39.6 trillion soums, representing one of the largest sources of government income after corporate profit tax.

Further evidence of the growing role of VAT in public finance can be observed in the dynamics of tax collection. During the first half of 2025, total tax revenues exceeded 102.6 trillion soums, of which VAT accounted for 21.4 trillion soums, demonstrating a growth of more than 20 percent compared with the previous year.

The increasing efficiency of VAT administration in Uzbekistan is closely linked to ongoing institutional reforms and digital transformation in the tax system. The introduction of electronic invoices, online cash registers, and automated tax monitoring systems has significantly simplified the procedures for calculating VAT and submitting tax reports. According to official reports, more than 93 percent of VAT reporting processes are currently automated, which reduces administrative burdens for taxpayers and improves the transparency of fiscal control.

In addition to technological modernization, the VAT system in Uzbekistan has also undergone regulatory reforms aimed at stimulating economic activity in specific sectors. For instance, starting from January 2026, agricultural producers selling self-produced goods (excluding cotton and grain) are subject to a zero VAT rate, while maintaining the right to reclaim input VAT paid on production expenses. This policy is expected to increase transparency in agricultural production and reduce the scale of the shadow economy in rural areas.

Given these institutional developments, the study of VAT calculation mechanisms and reporting procedures becomes particularly important. The purpose of this research is to analyze the process of calculating value added tax and submitting VAT reports in Uzbekistan, to evaluate the institutional framework regulating VAT administration, and to assess the impact of digitalization and fiscal reforms on the efficiency of tax reporting mechanisms.

METHODOLOGY

The research methodology of this study is based on a combination of theoretical and empirical approaches commonly used in public finance and taxation research. The methodological framework integrates legal analysis, statistical analysis, comparative analysis, and institutional evaluation.

Legal analysis was applied to examine the provisions of the Tax Code of the Republic of Uzbekistan regulating VAT calculation procedures, taxpayer obligations, and reporting requirements. Particular attention was devoted to the rules governing the determination of the tax base, the mechanism of input tax deduction, the application of zero-rate and exempt transactions, and the procedures for VAT refund.

Statistical analysis was used to evaluate the fiscal importance of VAT revenues and identify trends in tax collection. Data from official reports of the State Tax Committee and national fiscal statistics were examined to assess changes in VAT revenues, the number of VAT taxpayers, and the structure of tax payments.

Institutional analysis was also conducted to evaluate the impact of digital tax administration tools on VAT reporting efficiency. The implementation of electronic invoicing systems, online cash registers, and automated tax monitoring platforms has significantly transformed the structure of tax administration in Uzbekistan. These technologies allow tax authorities to analyze business transactions in real time and detect inconsistencies between reported and actual economic activity.

Comparative analysis was employed to evaluate Uzbekistan's VAT system in the context of international taxation practices. This method enabled the identification of similarities between Uzbekistan's VAT model and the VAT systems used in other countries, particularly with regard to the credit-invoice method of tax calculation and the use of electronic tax reporting systems.

Through the integration of these methodological approaches, the research aims to provide a comprehensive evaluation of VAT calculation and reporting mechanisms in Uzbekistan and to assess their effectiveness in ensuring fiscal transparency and tax compliance.

RESULTS

The analysis of VAT administration in Uzbekistan demonstrates that the tax calculation process is based on the widely recognized credit-invoice method used in most VAT systems worldwide. According to this principle, VAT payable to the state budget is determined as the difference between output VAT charged on sales and input VAT paid on purchases related to business activities.

Output VAT represents the amount of tax included in the price of goods and services supplied by a taxpayer to customers. Input VAT, in contrast, refers to the tax paid by the taxpayer when purchasing goods, services, or production inputs necessary for economic activity. The final VAT liability is determined by deducting input VAT from output VAT during the reporting period.

The introduction of electronic invoicing has significantly improved the transparency of this calculation process. In Uzbekistan, all VAT-related transactions are now recorded through digital invoices integrated with the national tax information system. As a result, tax authorities are able to monitor economic transactions more effectively and detect discrepancies between declared and actual turnover.

The number of VAT taxpayers in Uzbekistan has also increased considerably in recent years, reflecting the expansion of formal economic activity. As of the beginning of 2025, more than 201,000 enterprises and entrepreneurs were registered as VAT payers, representing a 5.7 percent increase compared with the previous year.

The distribution of VAT taxpayers across economic sectors shows that the largest share belongs to trade enterprises, followed by agriculture and industrial production. Approximately 67,100 VAT taxpayers operate in the trade sector, while more than 46,400 entities are engaged in agriculture, and around 26,800 enterprises operate in industrial production.

Digitalization has also increased the efficiency of VAT reporting procedures. The integration of electronic invoices with online cash registers and tax monitoring systems allows the automatic generation of tax reports based on real-time transaction data. This has significantly reduced the administrative costs associated with tax compliance and has minimized the risk of calculation errors.

Another important result of recent reforms is the improvement of VAT refund procedures. Enterprises with high tax compliance ratings can now receive VAT refunds within a short period through automated verification systems. In certain cases, large taxpayers with a high reliability rating are able to obtain VAT refunds within one working day without additional inspections, which significantly improves business liquidity and encourages voluntary tax compliance.

Overall, the results demonstrate that the modernization of tax administration in Uzbekistan has significantly improved the efficiency of VAT calculation and reporting mechanisms.

DISCUSSION

The results of the research indicate that the VAT system in Uzbekistan has undergone significant transformation as a result of institutional reforms and technological modernization. The implementation of digital tax administration tools has fundamentally changed the relationship between taxpayers and tax authorities, making the system more transparent and efficient.

One of the key advantages of the current VAT system is the high level of automation in tax reporting processes. The integration of electronic invoices, online cash registers, and automated tax monitoring platforms enables tax authorities to analyze economic transactions in real time and detect potential tax risks more effectively. This technological transformation has contributed to a substantial increase in tax revenues and improved the accuracy of VAT calculations.

Another important factor contributing to the effectiveness of VAT administration is the expansion of the taxpayer base. The continuous growth in the number of VAT-registered enterprises reflects the gradual formalization of economic activity and the reduction of the shadow economy. The increase in VAT taxpayers also indicates that businesses are becoming more integrated into the official tax system.

At the same time, the analysis reveals several challenges associated with VAT administration. Small and medium-sized enterprises often face difficulties in understanding complex VAT rules, particularly in relation to input tax deductions and documentation requirements. In addition, businesses operating in sectors with complex supply chains may encounter administrative burdens related to the reconciliation of tax documents.

Despite these challenges, the overall trajectory of VAT reform in Uzbekistan demonstrates significant progress toward improving fiscal governance. The introduction of sector-specific tax incentives, such as the zero VAT rate for certain agricultural products, illustrates the government's attempt to balance fiscal objectives with economic development priorities.

From a broader macroeconomic perspective, the modernization of VAT administration contributes to fiscal sustainability, improves the transparency of economic transactions, and strengthens the investment climate. Transparent tax policies and predictable tax administration procedures are essential factors for attracting domestic and foreign investment and supporting long-term economic growth.

CONCLUSION

The analysis confirms that value added tax plays a fundamental role in the fiscal system of Uzbekistan and serves as one of the primary sources of state budget revenue. The VAT system in the country is based on internationally recognized taxation principles and has undergone significant modernization through digital transformation and legislative reforms.

The process of calculating VAT in Uzbekistan follows the credit-invoice method, allowing taxpayers to deduct input VAT from output VAT during the reporting period. The introduction of electronic invoicing and automated tax reporting systems has significantly simplified this process and improved the transparency of economic transactions.

Statistical data demonstrate the growing importance of VAT in public finance, as well as the increasing number of VAT taxpayers across different sectors of the economy. The digitalization of tax administration has significantly enhanced the efficiency of VAT reporting procedures and strengthened fiscal control mechanisms.

Future improvements in VAT administration should focus on expanding digital infrastructure, improving taxpayer education, and simplifying tax compliance procedures for small and medium-sized enterprises. The continued modernization of the VAT system will play a crucial role in strengthening fiscal stability, promoting economic transparency, and supporting sustainable economic development in Uzbekistan.

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