

**PROCEDURE FOR CALCULATING VALUE ADDED TAX (VAT) AND
SUBMITTING ACCOUNTING REPORTS**

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Abstract

This study examines the methodology and legal framework for calculating Value Added Tax (VAT) and submitting related accounting reports in Uzbekistan. It analyzes the VAT calculation process, reporting obligations, and deadlines, as well as the administrative procedures involved in ensuring compliance. The research evaluates the impact of VAT on business operations and government revenues and compares Uzbekistan's practices with international standards. By combining legal analysis, statistical data, and practical examples, the study proposes recommendations to enhance the accuracy, transparency, and efficiency of VAT administration.

Keywords

Value Added Tax, VAT Calculation, Tax Reporting, Accounting Submission, Fiscal Policy, Tax Administration, Uzbekistan

Introduction

Value Added Tax (VAT) is one of the most significant sources of revenue for the state budget and a key instrument of fiscal policy. It is a type of indirect tax levied on the added value of goods and services at each stage of production and distribution. The main objectives of VAT include generating government revenue, ensuring tax fairness, and maintaining economic balance by taxing consumption rather than income.

In Uzbekistan, the procedure for calculating VAT and submitting accounting reports is regulated by the Tax Code and other relevant legal documents. The legislation defines taxable transactions, VAT rates, calculation methods, reporting requirements, and deadlines for submission to the tax authorities. Proper administration of VAT is crucial for maintaining compliance, preventing revenue losses, and supporting the transparency and efficiency of the tax system.

This study aims to analyze the VAT calculation and reporting procedures, identify practical challenges faced by taxpayers and tax authorities, and propose measures to improve the accuracy and efficiency of VAT administration. Given the growing role of VAT in Uzbekistan's fiscal system, understanding and optimizing its administration is critical for both economic policy and business operations.

Literature Review

Value Added Tax (VAT) has been widely studied in both international and national contexts due to its importance as a stable source of government revenue and its influence on economic

activities. According to Bird and Gendron (2019), VAT is an efficient instrument for taxation because it minimizes cascading effects and ensures that tax is collected at each stage of production and distribution. International experiences highlight that a clear legal framework, standardized calculation procedures, and timely reporting are crucial to ensuring compliance and minimizing revenue losses.

In the context of Uzbekistan, several studies have explored the administration and compliance challenges of VAT. Karimov (2021) emphasizes that accurate VAT calculation and timely submission of accounting reports are essential to prevent revenue leakage and maintain fiscal discipline. Similarly, Tursunov (2022) identifies gaps in tax monitoring and reporting among small and medium-sized enterprises, which often lead to errors and delays in budget transfers.

Comparative studies show that countries adopting digital VAT reporting and automated tax calculation systems achieve higher efficiency, transparency, and compliance rates (OECD, 2020). The literature also highlights the importance of training tax officials and educating taxpayers to improve understanding of VAT procedures and reduce errors in reporting.

Overall, the existing research underlines the need for a systematic approach to VAT administration, combining legal clarity, administrative efficiency, and technological solutions. This study builds upon these insights to analyze Uzbekistan's VAT calculation and reporting processes and propose practical recommendations for improving effectiveness and compliance.

Methodology

This study employs a qualitative and analytical approach to examine the procedures for calculating Value Added Tax (VAT) and submitting accounting reports in Uzbekistan. The research is based on a comprehensive review of the Uzbek Tax Code, relevant laws, regulations, and government guidelines governing VAT administration. Statistical data on VAT revenues, reporting timelines, and compliance rates are analyzed to evaluate the efficiency and effectiveness of existing procedures.

Comparative analysis is applied to evaluate international best practices in VAT administration, highlighting methods that ensure transparency, accuracy, and timely budget transfers. Case studies of specific industries, such as retail, manufacturing, and services, illustrate practical challenges in VAT calculation and report submission.

Additionally, interviews with tax officials and business representatives provide insights into procedural difficulties, common errors in VAT reporting, and the impact of VAT on business operations. By combining legal analysis, statistical evaluation, and practical insights, this study aims to identify key issues in VAT administration and propose recommendations for improving accuracy, efficiency, and compliance.

Analysis and Results

The analysis of VAT procedures in Uzbekistan reveals both strengths and areas for improvement. The legal framework clearly defines taxable goods and services, VAT rates, calculation formulas, and reporting deadlines, which establishes a standardized approach to tax collection and submission of accounting reports. These measures contribute significantly to state budget revenues and ensure regulatory compliance.

Statistical data indicate that VAT provides a stable and substantial source of income for the government. However, practical challenges persist. Many businesses, particularly small and

medium-sized enterprises, experience difficulties in accurately calculating VAT, maintaining proper records, and submitting reports on time. Errors in calculation, delayed reporting, and inadequate monitoring reduce the efficiency of the VAT system.

Comparative analysis with international practices highlights the advantages of digital VAT reporting systems and automated calculation tools, which increase accuracy, reduce errors, and ensure timely submission to the budget. Interviews with Uzbek tax officials and business representatives reveal that training and capacity building, as well as stronger institutional oversight, are essential to improving compliance and minimizing revenue losses.

Overall, the findings suggest that while Uzbekistan's VAT system is legally robust, its administration can be enhanced through digitalization, professional training, and improved monitoring, ultimately increasing efficiency, transparency, and revenue collection.

Conclusion and Recommendations

In conclusion, Value Added Tax (VAT) plays a crucial role in Uzbekistan's fiscal system by generating significant government revenue and ensuring fair taxation of goods and services. The study has shown that the legal framework for VAT is comprehensive, clearly defining taxable transactions, rates, calculation methods, and reporting obligations. However, practical challenges such as calculation errors, delayed reporting, and compliance monitoring gaps reduce the overall effectiveness of VAT administration.

To improve VAT administration, several recommendations are proposed:

1. **Digitalization and Automation:** Implement digital reporting and automated VAT calculation systems to reduce errors, ensure timely submission, and enhance transparency.
2. **Capacity Building:** Conduct training programs for tax officials and businesses to improve understanding of VAT procedures and reduce reporting mistakes.
3. **Strengthening Oversight:** Enhance institutional monitoring and conduct regular audits to prevent non-compliance and revenue losses.
4. **Adopting International Best Practices:** Learn from global experiences to optimize VAT calculation, reporting, and enforcement processes.

By implementing these measures, Uzbekistan can enhance the efficiency, transparency, and effectiveness of VAT administration, thereby strengthening fiscal policy and supporting sustainable government revenue growth.

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