

**PECULIARITIES OF TAXATION OF TRADE AND PUBLIC CATERING
ENTERPRISES IN UZBEKISTAN**

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Abstract. This article analyzes the peculiarities of taxation of trade and public catering enterprises in Uzbekistan. The study examines the main taxes applied to these sectors, including corporate income tax, value-added tax, and social tax, as well as recent tax reforms aimed at improving tax administration. The results show that effective taxation mechanisms and tax incentives contribute to increasing budget revenues, enhancing transparency, and supporting the development of the service sector.

Keywords: taxation, trade enterprises, public catering, tax policy, VAT, service sector, Uzbekistan.

Annotatsiya. Ushbu maqolada O‘zbekistonda savdo va umumiy ovqatlanish korxonalarini soliqqa tortishning o‘ziga xos xususiyatlari tahlil qilinadi. Tadqiqotda ushbu sohalarga taalluqli asosiy soliqlar, jumladan foyda solig‘i, qo‘shilgan qiymat solig‘i va ijtimoiy soliq hamda soliq siyosatidagi islohotlar o‘rganilgan. Tahlil natijalari ushbu korxonalarni samarali soliqqa tortish davlat budjeti daromadlarini oshirish va xizmatlar sektorining rivojlanishiga xizmat qilishini ko‘rsatadi.

Kalit so‘zlar: soliq tizimi, savdo korxonalari, umumiy ovqatlanish, soliq siyosati, QQS, xizmatlar sektori, O‘zbekiston.

Аннотация. В статье рассматриваются особенности налогообложения торговых предприятий и предприятий общественного питания в Узбекистане. Исследование анализирует основные виды налогов, применяемых в данных секторах, включая налог на прибыль, налог на добавленную стоимость и социальный налог. Результаты показывают, что эффективная налоговая политика способствует увеличению бюджетных доходов и развитию сферы услуг.

Ключевые слова: налогообложение, торговые предприятия, общественное питание, налоговая политика, НДС, сектор услуг, Узбекистан.

INTRODUCTION

The taxation system plays a crucial role in regulating economic activities and ensuring stable state budget revenues. In developing economies, the taxation of trade and public catering enterprises has specific characteristics due to the nature of their operations, high turnover rates, and significant involvement in the service sector. In Uzbekistan, the trade and public catering sectors have become one of the most dynamically developing areas of the national economy, contributing substantially to employment generation and fiscal revenues.

In recent years, the government of Uzbekistan has implemented a number of reforms aimed at improving the tax system and creating favorable conditions for entrepreneurial activity. These reforms are reflected in the updated provisions of the national tax legislation and strategic policy measures that encourage transparency, digitalization, and tax compliance. Public catering enterprises and retail trade organizations represent an important component of the service sector

and therefore require a specialized approach to taxation. Their activities involve large volumes of daily transactions, a wide range of taxable operations, and interaction with consumers through both cash and non-cash payments.

According to official statistics, the public catering industry alone paid more than 963 billion Uzbek soums in taxes during the first seven months of 2025, demonstrating the sector's growing fiscal importance. At the same time, the broader trade and service sectors contributed more than 56 trillion soums in tax revenues during the first nine months of 2025, indicating their significant role in forming the national budget.

Given the increasing role of the service economy and ongoing tax reforms, analyzing the peculiarities of taxation applied to trade and public catering enterprises is highly relevant. This study aims to examine the theoretical and practical aspects of taxation in these sectors and evaluate the key features and incentives introduced within the modern tax policy framework of Uzbekistan.

METHODOLOGY

The research is based on a comprehensive analytical approach that combines theoretical and empirical methods. The methodological framework includes comparative analysis, system analysis, statistical evaluation, and interpretation of regulatory documents.

The main sources used in the study include the Tax Code of the Republic of Uzbekistan, presidential decrees, government resolutions, statistical data published by official authorities, and scientific literature devoted to fiscal policy and taxation systems. These materials allow for an in-depth examination of the institutional mechanisms regulating the taxation of trade and public catering enterprises.

RESULTS

The analysis of the taxation system applied to trade and public catering enterprises in Uzbekistan reveals a number of structural and institutional characteristics that differentiate these sectors from other areas of economic activity. These peculiarities are largely determined by the operational structure of retail trade and catering services, which are characterized by high turnover, a large number of daily transactions, and direct interaction with final consumers. As a result, fiscal regulation in these sectors focuses not only on revenue generation but also on ensuring transparency and preventing tax evasion.

One of the key results of the analysis is the identification of a multi-component tax burden applied to trade and public catering enterprises. Businesses operating in these sectors are subject to several types of taxes simultaneously, including corporate income tax, value-added tax, social tax, personal income tax withheld from employees, property tax, and land tax. The interaction of these taxes forms a complex fiscal environment in which enterprises must carefully manage their financial reporting and accounting systems. The corporate income tax is calculated on the basis of taxable profit, which represents the difference between total income and deductible expenses related to production, sales, and administrative activities. In practice, the determination of taxable profit in the retail and catering sectors requires accurate accounting of operational costs such as raw materials, inventory purchases, employee wages, transportation costs, and facility maintenance.

Another important result concerns the role of value-added tax as a mechanism for ensuring fiscal transparency. Retail trade and public catering enterprises generate significant volumes of taxable turnover because their activities involve direct sales of goods and services to consumers. VAT therefore functions not only as a revenue source for the state budget but also as an instrument of financial monitoring. The introduction of modern fiscal devices, electronic invoices, and digital tax administration systems has significantly strengthened control over

financial transactions in these sectors. These technological innovations allow tax authorities to monitor sales volumes in real time and reduce the risks associated with the shadow economy.

The research also shows that the government has introduced targeted tax incentives aimed at supporting the development of the service sector and encouraging business formalization. One of the most notable measures is the temporary reduction of the corporate income tax rate for public catering enterprises. This measure reduces the fiscal burden on businesses and allows them to allocate additional resources for business expansion, modernization of facilities, and improvement of service quality. The reduction in tax rates is particularly important for small and medium-sized enterprises, which dominate the catering industry and often operate with limited financial reserves.

Another significant finding relates to the growing role of non-cash payment systems in the taxation process. The expansion of digital payment infrastructure has transformed financial transactions in retail trade and catering services. Government policies encouraging the use of electronic payment systems have resulted in a gradual reduction in cash-based transactions. In order to accelerate this process, fiscal incentives have been introduced that provide partial compensation of value-added tax payments for enterprises with a high share of cashless transactions. This policy not only improves tax compliance but also enhances the transparency and traceability of financial flows within the economy.

Statistical data further demonstrate the increasing fiscal importance of trade and public catering enterprises. Over the past few years, tax revenues generated by these sectors have shown consistent growth, reflecting both the expansion of business activity and the effectiveness of tax administration reforms. The trade sector represents one of the largest contributors to tax revenues among service industries, while the catering sector continues to expand due to rising urbanization, growth of tourism, and increasing consumer demand for organized food services. The steady increase in tax contributions from these industries confirms their strategic role in the national economy and highlights the importance of maintaining an effective and balanced taxation system.

DISCUSSION

The findings of this study highlight the broader economic implications of taxation policies applied to trade and public catering enterprises. The structure of the tax system reflects the government's strategic objective of balancing fiscal sustainability with the promotion of entrepreneurial activity. Retail trade and catering businesses play a critical role in the service sector, which has become an increasingly important driver of economic growth in Uzbekistan. Consequently, the design of tax policy in these sectors must consider both revenue generation and the need to support business development.

One of the central issues in the taxation of trade and catering enterprises is the relationship between tax burden and business sustainability. These sectors typically operate with relatively narrow profit margins despite high sales volumes. Operational costs such as procurement of goods, food ingredients, energy consumption, employee wages, and rental payments constitute a substantial portion of total expenditures. Excessive taxation could therefore negatively affect business profitability and discourage entrepreneurial activity. For this reason, the introduction of reduced tax rates and targeted incentives represents an important step toward maintaining a favorable business environment.

Another important aspect concerns the role of taxation in combating the shadow economy. Retail trade and catering services historically represent sectors where informal economic activities may occur due to the large number of small transactions and the widespread use of cash payments. The implementation of digital fiscal technologies has significantly strengthened tax administration in this regard. Electronic cash registers, online monitoring systems, and digital

tax reporting platforms allow authorities to track commercial transactions more effectively and reduce opportunities for tax evasion. As a result, the transparency of financial operations has improved, contributing to higher tax compliance and increased budget revenues.

The development of electronic payment systems has also produced significant economic effects. Encouraging cashless transactions not only improves fiscal control but also supports the broader digital transformation of the national economy. The integration of digital payment platforms with tax administration systems enables more accurate recording of financial activities and facilitates more efficient tax collection. In the long term, the expansion of digital payments may lead to further reductions in administrative costs and improve the overall efficiency of the tax system.

The findings also indicate that tax policy serves as an important instrument for stimulating employment in the service sector. Public catering enterprises are labor-intensive businesses that require a large workforce to maintain daily operations. By introducing preferential social tax rates and employment incentives, the government encourages businesses to create new jobs and formalize labor relations. This approach not only increases tax revenues through personal income tax and social contributions but also contributes to improving social protection for employees.

Despite the progress achieved through recent tax reforms, several challenges remain. Small enterprises may face difficulties in adapting to complex tax reporting requirements, particularly in the early stages of business development. Compliance with digital accounting systems, electronic invoicing procedures, and tax monitoring technologies requires technical knowledge and administrative capacity. Therefore, continued efforts are needed to simplify tax administration procedures and provide training programs that help entrepreneurs adapt to modern fiscal regulations.

Overall, the discussion demonstrates that taxation of trade and public catering enterprises represents a dynamic area of fiscal policy that must continuously adapt to changing economic conditions. The combination of moderate tax rates, targeted incentives, and modern digital administration tools provides a balanced framework that supports both economic development and fiscal stability. Strengthening these mechanisms will play a crucial role in ensuring sustainable growth of the service sector and increasing the contribution of retail trade and public catering enterprises to the national economy.

CONCLUSION

The study demonstrates that the taxation of trade and public catering enterprises in Uzbekistan has several distinctive features shaped by the nature of their economic activities and the objectives of national fiscal policy. These enterprises are subject to a complex system of taxes that includes corporate income tax, value-added tax, social tax, and other mandatory payments. At the same time, the government has introduced a number of targeted incentives aimed at reducing the tax burden and stimulating sectoral development.

Recent reforms, including the reduction of corporate income tax for catering enterprises, VAT reimbursement mechanisms, and preferential social tax rates, reflect the strategic orientation of Uzbekistan's tax policy toward supporting entrepreneurship and promoting economic growth. Statistical evidence indicates that the retail and catering sectors contribute significantly to state budget revenues and continue to expand as key components of the service economy.

Further improvement of the taxation system should focus on enhancing transparency, simplifying administrative procedures, and maintaining a balanced fiscal policy that encourages business development while ensuring sustainable public finances. Strengthening these mechanisms will contribute to the long-term development of trade and public catering enterprises and increase their role in the national economy.

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