

**EFFICIENCY OF ELECTRONIC TAX ADMINISTRATION IN UZBEKISTAN**

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**Abstract.** This study examines the efficiency of electronic tax administration in Uzbekistan in the context of the digital transformation of the tax system. The research analyzes the legal framework, digital tax services, and their impact on tax compliance and fiscal efficiency. The findings show that the introduction of electronic tax tools such as online cash registers, electronic invoices, and digital taxpayer platforms has improved transparency, increased tax revenues, and strengthened tax administration.

**Keywords:** electronic tax administration, tax digitalization, tax compliance, fiscal efficiency, digital economy.

**Annotatsiya.** Mazkur tadqiqotda O‘zbekistonda elektron soliq ma’urchiligi tizimining samaradorligi soliq tizimining raqamlashtirilishi sharoitida tahlil qilinadi. Tadqiqotda elektron soliq xizmatlari va ularning soliq intizomi hamda fiskal samaradorlikka ta’siri o‘rganilgan. Natijalar elektron hisob-fakturalar, onlayn kassa apparatlari va raqamli platformalar soliq tushumlari oshishi hamda soliq tizimi shaffofligi kuchayishiga xizmat qilayotganini ko‘rsatadi.

**Kalit so‘zlar:** elektron soliq ma’urchiligi, soliq tizimini raqamlashtirish, soliq intizomi, fiskal samaradorlik, raqamli iqtisodiyot.

**Аннотация.** В статье анализируется эффективность электронного налогового администрирования в Узбекистане в условиях цифровизации налоговой системы. Рассматривается влияние электронных налоговых сервисов на налоговую дисциплину и фискальную эффективность. Результаты показывают, что внедрение электронных счетов-фактур, онлайн-касс и цифровых платформ способствует повышению прозрачности налоговой системы и росту налоговых поступлений.

**Ключевые слова:** электронное налоговое администрирование, цифровизация налоговой системы, налоговая дисциплина, фискальная эффективность, цифровая экономика.

**INTRODUCTION**

In the contemporary global economy, the transformation of public administration through digital technologies has become a fundamental condition for improving the efficiency of fiscal policy and strengthening the transparency of tax systems. Electronic tax administration represents one of the most important directions of digital government reforms, as it enables tax authorities to optimize administrative processes, increase voluntary tax compliance, and reduce the scale of the shadow economy. The implementation of electronic services in tax administration significantly changes the traditional model of interaction between taxpayers and the state, replacing paper-based procedures with integrated digital platforms that allow real-time information exchange, automated reporting, and remote tax payments.

In recent years, the Republic of Uzbekistan has actively implemented comprehensive tax reforms aimed at modernizing the fiscal system and adapting it to the requirements of the digital economy. The reforms launched after 2017 included the simplification of tax legislation, the reduction of the number of taxes, the gradual lowering of tax rates, and the introduction of

advanced digital tools for tax administration. These measures were designed to improve the business environment, stimulate entrepreneurship, and increase the transparency of financial flows in the economy. As part of these reforms, the digitalization of tax administration has become a strategic priority for the state.

Electronic tax administration in Uzbekistan is implemented through a wide range of digital instruments, including electronic tax reporting systems, online cash registers, electronic invoices, digital labeling of goods, and the taxpayer's personal account within government platforms. One of the most significant innovations is the development of the "Soliq" mobile application, which allows individuals and businesses to access tax services remotely, submit reports, verify fiscal receipts, and pay taxes electronically. By the end of 2025, more than 14.5 million users were registered in the Soliq mobile application and more than 13 million remained active users, demonstrating the large-scale adoption of digital tax services in the country.

The introduction of digital fiscal instruments has also been accompanied by the integration of various government databases, automated risk assessment mechanisms, and artificial intelligence technologies in tax administration. These systems enable the tax authorities to analyze financial transactions more effectively, identify potential tax evasion schemes, and improve compliance monitoring.

At the same time, the digitalization of tax administration contributes to the formalization of economic activity and the expansion of the tax base. The implementation of electronic invoices, online cash registers, and digital payment tracking systems has allowed the tax authorities to bring a significant share of previously unreported economic activity into the formal sector. According to official data, these digital tools helped formalize approximately 10–20 percent of previously hidden economic transactions in several sectors, which significantly strengthens the fiscal capacity of the state.

Despite the significant progress achieved in recent years, the effectiveness of electronic tax administration depends on a number of institutional, technological, and socio-economic factors. These include the level of digital literacy among taxpayers, the reliability of technological infrastructure, the legal framework regulating electronic documentation, and the integration of digital services with other state information systems. Therefore, the evaluation of electronic tax administration efficiency requires a comprehensive scientific analysis that considers both quantitative indicators and institutional aspects of fiscal governance.

The objective of this study is to analyze the efficiency of electronic tax administration in Uzbekistan by examining the legal framework, digital infrastructure, and statistical indicators reflecting the impact of digitalization on tax compliance and fiscal performance. The research focuses on identifying the main advantages of electronic tax systems, evaluating their contribution to improving tax administration efficiency, and determining the key challenges that remain in the process of digital transformation of the national tax system.

#### Methodology

The methodological framework of this research is based on a combination of qualitative and quantitative research approaches that allow a comprehensive analysis of electronic tax administration efficiency in Uzbekistan. The study relies on comparative, analytical, and statistical methods to evaluate the impact of digital technologies on the functioning of the tax system.

The first stage of the research involves a detailed analysis of the legal and institutional framework regulating electronic tax administration. This includes the examination of the current Tax Code of the Republic of Uzbekistan as well as related legislative acts and government resolutions that regulate electronic document circulation, digital tax reporting, and online fiscal control mechanisms. The legal analysis focuses on the provisions governing electronic tax

services, electronic invoicing systems, digital fiscal receipts, and the obligations of taxpayers to submit tax information through digital channels.

The second methodological component of the research is based on the analysis of scientific literature devoted to tax administration digitalization and electronic governance. Academic publications, policy reports, and international studies on digital tax systems were reviewed in order to identify theoretical approaches and methodological principles used in evaluating the efficiency of electronic tax administration. The comparison of Uzbekistan's experience with international best practices allows the identification of similarities and differences in digital tax policy implementation.

The third component of the methodology involves the analysis of statistical indicators reflecting the development of electronic tax administration in Uzbekistan. Quantitative data were collected from official reports of the State Tax Committee, government statistics, and analytical publications related to digital fiscal reforms. These data include indicators such as the number of users of electronic tax services, the volume of transactions recorded through online cash registers, the number of electronic invoices issued, and the dynamics of tax revenues associated with digital economic activities.

In addition to descriptive statistical analysis, the study also applies a structural analysis of digital tax administration mechanisms. Particular attention is given to the functioning of automated risk assessment systems for electronic invoices, which are used by tax authorities to detect suspicious transactions and prevent fraudulent tax deductions. These systems rely on a large number of analytical criteria and integrate data from multiple government institutions, allowing tax authorities to evaluate the reliability of financial operations in real time.

Furthermore, the research applies a functional analysis of digital tax services used by individuals and businesses. This includes the evaluation of mobile tax applications, online taxpayer accounts, and electronic reporting platforms that facilitate communication between taxpayers and the tax administration. Through this approach, the study examines how digital technologies influence the efficiency of administrative procedures, the reduction of compliance costs, and the overall transparency of tax relations.

The combination of legal analysis, statistical evaluation, and institutional assessment provides a comprehensive methodological basis for understanding the effectiveness of electronic tax administration in Uzbekistan. Such an integrated research approach allows the identification of both the achievements and the remaining challenges associated with the digital transformation of the national tax system.

## **RESULTS**

The results of the research indicate that the digitalization of tax administration in Uzbekistan has significantly improved the efficiency of fiscal management and strengthened the transparency of tax relations between the state and taxpayers. The introduction of electronic tax services has transformed the traditional administrative procedures and created a more flexible, accessible, and efficient system of tax administration.

One of the most significant outcomes of digital reforms is the rapid growth in the use of electronic tax services among individuals and businesses. The widespread adoption of digital platforms demonstrates the increasing level of trust in electronic government services and the effectiveness of the state's digitalization strategy. By the end of 2025, the "Soliq" mobile application had registered more than 14.5 million users, with over 13 million active participants regularly using the platform for tax-related operations.

The popularity of digital tax services is also reflected in the frequency of their usage. For example, in November 2025 alone, tax services within the mobile application were accessed

approximately 89 million times, indicating that electronic platforms have become an essential tool for interaction between taxpayers and the tax authorities.

Another important result of electronic tax administration is the increase in fiscal transparency and the reduction of the shadow economy. The introduction of electronic invoices, online cash registers, digital labeling of goods, and electronic freight documentation has allowed tax authorities to monitor economic transactions more effectively. As a result, a considerable portion of previously unreported economic activity has been integrated into the formal sector, which contributes to a broader tax base and higher budget revenues.

The implementation of digital fiscal control mechanisms has also improved tax revenue performance. According to available data, tax revenues in Uzbekistan reached approximately €11.27 billion in the first nine months of 2025, representing an increase of around 18 percent compared with the same period of the previous year.

The effectiveness of electronic tax administration is also evident in the taxation of digital services provided by foreign companies. The introduction of electronic reporting obligations for foreign digital service providers has significantly improved tax collection from international technology companies operating in the Uzbek market. In the first nine months of 2025, seventy-three foreign companies providing electronic services paid approximately 124.8 billion soums in taxes, which represented a forty-four percent increase compared with the previous year.

Another important development in electronic tax administration is the introduction of automated risk assessment systems for electronic invoices. These systems analyze large volumes of transactional data and identify inconsistencies that may indicate potential tax violations. According to official reports, more than 3.5 million electronic invoices are generated every month in Uzbekistan, and a portion of them are automatically analyzed by the risk assessment system based on multiple analytical criteria.

The analysis of electronic invoices conducted during the pilot phase of the automated monitoring system revealed cases of suspicious transactions involving hundreds of companies and significant amounts of tax deductions. Such analytical tools allow tax authorities to prevent fraudulent VAT refund claims and ensure the integrity of fiscal operations.

Overall, the empirical evidence suggests that the digital transformation of tax administration in Uzbekistan has contributed to higher tax compliance, improved administrative efficiency, and increased fiscal revenues. The integration of digital technologies into the tax system has created a more transparent environment for economic activity and strengthened the institutional capacity of the tax authorities.

### **DISCUSSION**

The results obtained in this study confirm that electronic tax administration plays a crucial role in improving the efficiency of fiscal governance in Uzbekistan. The digitalization of tax services not only simplifies administrative procedures but also fundamentally transforms the interaction between taxpayers and the state by creating a transparent and technologically advanced fiscal environment.

One of the most significant advantages of electronic tax administration is the reduction of administrative costs associated with tax compliance. Traditional paper-based procedures require substantial time and resources both for taxpayers and tax authorities. Electronic systems, on the other hand, allow taxpayers to submit declarations, make payments, and receive tax information remotely through digital platforms. This significantly reduces transaction costs and improves the overall efficiency of tax administration.

Another important benefit of digital tax systems is the improvement of tax compliance through real-time monitoring of economic transactions. Digital tools such as electronic invoices and online cash registers provide tax authorities with access to reliable transactional data, which

allows them to detect inconsistencies and prevent tax evasion. Automated notification systems also contribute to improved compliance by informing taxpayers about overdue payments or reporting obligations without the need for manual intervention.

The integration of digital technologies into tax administration also contributes to the formalization of economic activity. Many sectors characterized by high levels of informality, such as small retail trade and service industries, are gradually being integrated into the formal economy through digital fiscal instruments. The introduction of incentive mechanisms such as cashback for fiscal receipts encourages consumers to participate in tax transparency by requesting official receipts for their purchases.

Despite the positive results achieved through digitalization, several challenges remain in the development of electronic tax administration. One of the main issues is the need for continuous modernization of technological infrastructure to ensure the stability and security of digital platforms. Occasional technical disruptions in electronic services demonstrate the importance of maintaining reliable IT systems and ensuring cybersecurity in digital tax administration.

Another challenge is related to the level of digital literacy among taxpayers, particularly in rural areas and among small business owners. The effective use of electronic tax services requires a certain level of technological competence, which may not always be available among all categories of taxpayers. Therefore, the development of educational programs and user-friendly digital interfaces is essential for increasing the accessibility of electronic tax systems.

Furthermore, the effective functioning of digital tax administration requires strong institutional coordination between different government agencies. The integration of databases from multiple ministries and state institutions is necessary for creating a unified information environment that allows tax authorities to analyze economic activity comprehensively and prevent fraudulent practices.

### **CONCLUSION**

In general, the experience of Uzbekistan demonstrates that the digitalization of tax administration can significantly enhance fiscal efficiency and transparency when supported by an appropriate legal framework, modern technological infrastructure, and effective institutional cooperation. The continued development of electronic tax services, combined with improvements in digital governance and taxpayer education, will play a key role in strengthening the sustainability and competitiveness of the national tax system.

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