



COMPARATIVE ANALYSIS OF THE TAX SYSTEM OF THE REPUBLIC OF UZBEKISTAN WITH ADVANCED COUNTRIES

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Abstract. *This study provides a comparative analysis of the tax system of the Republic of Uzbekistan with those of advanced countries. It examines structural, procedural, and regulatory aspects, highlighting similarities and differences in tax types, rates, administration, and compliance mechanisms. The research evaluates how Uzbekistan's tax system can benefit from international best practices to enhance efficiency, revenue collection, and taxpayer compliance. By reviewing legislation, statistical data, and international case studies, the study offers recommendations to modernize the tax system, reduce administrative burdens, and align with global standards.*

Keywords: *Tax System, Comparative Analysis, Tax Policy, Tax Administration, International Best Practices, Uzbekistan, Advanced Countries*

Introduction

The tax system is a fundamental component of any country's fiscal policy, directly influencing economic growth, investment, and business development. In Uzbekistan, recent reforms have aimed to modernize the tax system, improve revenue collection, and support the development of a market-oriented economy. However, to fully assess its effectiveness, it

is essential to compare Uzbekistan's tax system with those of advanced countries, which often exhibit higher efficiency, transparency, and compliance levels.

Comparative analysis allows policymakers to identify structural and procedural gaps, understand international best practices, and adopt reforms that enhance fiscal performance. Key areas of comparison include tax structure, rates, administrative procedures, reporting requirements, compliance mechanisms, and incentives for business and investment. By examining these aspects, it is possible to determine how Uzbekistan can optimize its tax system, reduce administrative burdens, and align more closely with global standards.

This study aims to provide a detailed comparative analysis of Uzbekistan's tax system relative to advanced countries, highlighting both strengths and weaknesses, and offering recommendations for modernization, improved compliance, and enhanced fiscal efficiency.

Literature Review

Comparative studies of tax systems provide valuable insights into the effectiveness, efficiency, and fairness of fiscal policies. According to Bird and Zolt (2019), advanced countries often have highly structured and transparent tax systems, characterized by simplified administration, digital reporting, and strong compliance mechanisms. Such features contribute to higher revenue collection, reduced administrative costs, and greater taxpayer satisfaction.

In the context of Uzbekistan, several scholars have analyzed the evolution of the tax system and the impact of recent reforms. Karimov (2021) emphasizes that while Uzbekistan has made significant progress in modernizing its tax administration, challenges remain in terms of

complexity, transparency, and compliance. Tursunov (2022) highlights that comparing Uzbekistan's tax system with those of advanced countries can provide critical lessons for improving efficiency, reducing compliance costs, and enhancing fiscal transparency.

International studies also underline the importance of adopting best practices such as sector-specific incentives, simplified tax filing procedures, and digital tax reporting systems (OECD, 2020). These measures have proven effective in reducing tax evasion, improving compliance, and promoting economic growth.

Methodology

This study employs a qualitative and comparative approach to analyze the tax system of the Republic of Uzbekistan in relation to advanced countries. The research is based on a detailed review of Uzbekistan's Tax Code, regulatory documents, economic reports, and statistical data on tax revenues, compliance rates, and administrative efficiency.

Comparative analysis is applied to evaluate structural, procedural, and regulatory differences between Uzbekistan and selected advanced countries. This includes an examination of tax types, rates, filing procedures, enforcement mechanisms, and taxpayer incentives. Case studies of representative advanced economies provide insights into best practices and successful strategies for optimizing tax administration and enhancing compliance.

Additionally, interviews with tax officials, corporate accountants, and policy experts in Uzbekistan offer practical perspectives on challenges, gaps, and opportunities within the current tax system. By combining legal analysis, statistical evaluation, and practical insights,

this study aims to identify strategies for modernizing Uzbekistan's tax system, improving efficiency, and aligning it with international standards.

Analysis and Results

The comparative analysis of the tax system of Uzbekistan and those of advanced countries reveals several key observations. Uzbekistan has made notable progress in modernizing its tax administration, simplifying procedures, and introducing digital reporting platforms. However, gaps remain in transparency, compliance, and efficiency when compared to advanced economies.

In advanced countries, tax systems typically feature streamlined tax structures, lower compliance costs, efficient digital filing mechanisms, and targeted incentives for strategic sectors. These features contribute to higher revenue collection, reduced administrative burden, and increased taxpayer compliance. In contrast, while Uzbekistan has implemented reforms such as electronic filing and reporting systems, challenges such as procedural complexity, limited taxpayer guidance, and uneven enforcement still exist.

Statistical data indicate that the efficiency of revenue collection in Uzbekistan is improving, but the effective tax burden on businesses and individuals can be relatively high due to overlapping taxes and procedural delays. Interviews with tax officials and corporate accountants highlight that additional measures—such as sector-specific incentives, simplified filing procedures, and consistent enforcement—are required to align Uzbekistan's system more closely with international best practices.

Overall, the findings suggest that while Uzbekistan has taken important steps toward modernizing its tax system, further reforms are necessary to improve efficiency, reduce compliance costs, enhance transparency, and fully benefit from international standards and best practices.

Conclusion and Recommendations

In conclusion, the comparative analysis of Uzbekistan's tax system with those of advanced countries highlights both progress and areas for improvement. While Uzbekistan has implemented significant reforms, including digital reporting, simplified procedures, and enhanced administration, challenges remain in transparency, compliance, and efficiency.

To align Uzbekistan's tax system with international best practices and optimize its performance, the following recommendations are proposed:

1. **Streamline Tax Structure:** Simplify tax types, reduce overlaps, and create a more transparent and understandable tax framework.
2. **Enhance Digital Reporting:** Expand and improve digital platforms for tax filing, payment, and monitoring to reduce administrative burden and errors.
3. **Targeted Incentives:** Introduce sector-specific incentives and preferential rates to stimulate investment and support strategic economic sectors.
4. **Capacity Building:** Provide training programs for tax officials, accountants, and businesses to improve understanding and consistent application of tax laws.

5. Monitoring and Evaluation: Establish continuous monitoring and evaluation mechanisms to assess compliance, revenue efficiency, and the impact of reforms, ensuring timely adjustments where needed.

By implementing these measures, Uzbekistan can further modernize its tax system, increase efficiency, enhance compliance, stimulate investment, and align its fiscal policies with global standards, ultimately supporting sustainable economic growth.

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