



ANALYSIS OF THE IMPACT OF THE VALUE-ADDED TAX ON THE DEVELOPMENT OF THE ECONOMY AND THE DEVELOPMENT OF THE COUNTRY

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Abstract: This article analyzes the history of the development of the value added tax and its impact on the country's economic development. In this article, the value added tax is studied on the example of the tax policy and economy of the Republic of Uzbekistan.

Key words: Value added tax, tax, tax policy, GDP.

The idea of attracting the value-added tax to the income part of the state budget first appeared at the beginning of the 20th century. This proposal was first proposed by Wilhelm von Siemens in 1919. The mechanism of implementation and collection of value-added tax was developed for the first time by the French financier M. Lore. But the value-added tax has been applied in the form proposed for the experiment for more than 10 years after M. Lore's proposal.

One of the important features of the value added tax is that the object of taxation is not only the turnover in the domestic market, but also the turnover of the country's enterprises in the foreign market. In the economic literature, value added tax is often referred to as a "European" tax. The main reasons for this are that, firstly, this tax was first introduced in France; secondly, since 1977, it has been introduced simultaneously in several European countries; thirdly, this tax played an important role in the formation and development of integration processes in Western Europe.

Value added tax is a multifaceted indirect tax levied at each stage of production and sale. The enterprise purchases goods and raw materials from suppliers and produces products or works and services from them in its daily economic activities. Hence, added value is created in remanufacturing, production and sales.

The added value, according to its economic essence, consists of the difference between the value of sold products, performed works and rendered services and the goods, raw materials and services consumed in the production process.

Value added tax is one of the main sources of budget revenues. In 2020, the share of the total revenues of the State budget of the Republic of Uzbekistan was 30.3% (in 2019 - 33%).

VAT revenues increased by 64.9% in the Republic of Uzbekistan in 2018-2019 (from 22.5 to 37.1 trillion sums). At the same time, its share in GDP increased from 5.5% to 6.9%.

In 2019, serious changes in tax policy began with the tax reform, which provides for the improvement of tax administration. The large-scale reform had a short-term effect on all tax instruments during its implementation. Thus, the threshold for payment of value added tax was introduced in the form of annual turnover (income) instead of the number of employees. Measures were taken to expand the tax base by increasing the number of taxpayers, canceling some tax and customs benefits. In 2020, the amount of VAT receipts is 40.2 trillion. amounted to 3.2 trillion sums compared to 2019. sums or 8.6% more (value-added tax rate was reduced from 20% to 15% on October 1, 2019).



In 2020, as a result of the cancellation of VAT benefits, benefits for domestic turnover will amount to 15.1 trillion. amounted to 11.4 trillion sums compared to 2019. less than soum. During this period, VAT benefits on import amounted to 15.4 trillion. decreased by 21.7 trillion sums. amounted to soum.

Currently, work is underway to improve the methodology for determining tax benefits. This is due to the fact that in some cases, benefits are recognized as tax elements, even if they are not actually considered benefits (for example, the application of a zero VAT rate, financial services exempt from VAT, the presence of international agreements on imports).

At the same time, VAT efficiency increased from 0.28 in 2018 to 0.45 in 2020. (VAT efficiency = VAT revenue in percentage of GDP / VAT rate).

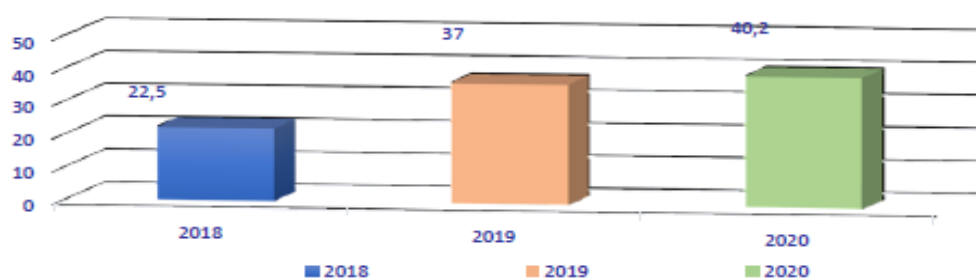


Figure 1. Dynamics of VAT revenues in 2018-2020 (trln. sum)

VAT revenues administered by tax authorities in 2020 will be 20.5 trillion. amounted to sums or decreased by 13% compared to last year, which is primarily due to the slowdown of economic activity due to the coronavirus pandemic and the reduction of the tax rate from 20% to 15%, as well as value added tax due to an increase in taxable imports.

In 2020, the VAT levied by the customs authorities on imported goods is 19.7 trillion. amounted to sums or 47% more than in 2019, which is primarily due to the cancellation of customs privileges.

Important changes have also taken place in the payment of VAT. Due to the fact that reimbursements are important for the full functioning of VAT, starting from July 1, 2020, measures were taken to allow all enterprises to reimburse within the specified time.

In 2019, only exporters could claim refund. Other taxpayers, whose VAT payments to the budget exceeded their tax obligations, were obliged to transfer this excess amount to subsequent periods, which violated tax equality.

Also, in 2020, full VAT accounting was introduced on purchased buildings and fixed assets used for the production of taxable products (in 2019, depending on the type of fixed assets, they were accounted for in equal shares for 12 or 36 months, and purchased before 2019 depended on the value of fixed assets). 1 trillion. they kept assets in circulation in the amount of more than sums.

In general, during 2020, taxpayers will receive 9.0 trillion. VAT of sums was reimbursed. Thus, over the past three years, the ratio of the amount of tax returned to the amount of VAT collected has been constantly increasing from 5.4% in 2018 to 8.7% in 2019 and 22.4% in 2020 (primarily one-time consideration of fixed assets and previous due to accumulated sums from years).

In 2020, excise tax revenues are 11.7 trillion. amounted to sums or 1.4 trillion compared to 2019. increased to sums (13.5%). In 2020, the share of this tax in the total budget revenues was 8.8% (in 2019 – 9.2%, in 2018 – 6.3%).



10.8 trillion of excise tax. sums by tax authorities and 0.9 trillion. sums were collected by the customs authorities.

9.5 trillion in the corresponding period of 2019. sums (internal excise duty) and 0.8 trillion. organized sum (import).

Natural gas, alcohol and tobacco products account for the majority of excise tax revenues.

In 2020, the amount of natural gas revenues will be 3.6 trillion. sums (33.3% of domestic excise tax revenues), for tobacco products - 1.5 trillion. sums (13.9%), alcohol products - 1.4 trillion. amounted to sums (13%). In 2019, this figure for natural gas is 2.6 trillion. sums (27.3%), for tobacco products - 1.4 trillion. sums (14.7%) and alcohol products - 1.3 trillion. made up sums (13.7%).

Starting from August 1, 2020, the excise tax on the import of motor vehicles was canceled (according to TIF TN 8701-8704 commodity codes). By August 1, 2020, revenues from excise tax on motor vehicles will be 41 billion. amounted to 38 billion sums, as a result of its cancellation, 38 billion Soum did not arrive.

Indexation of excise tax rates has been canceled until December 31, 2020, in order to support business entities in the context of the pandemic. The indexation of excise tax rates provided for April 1 and October 1, 2020 has not been implemented. Thus, tax rates for alcohol, alcoholic products, including wine and beer, as well as sales of gasoline, diesel fuel and gas to the final consumer, as of January 1, 2020, have been maintained. As a result, 500 billion more than sums did not arrive.

Starting from January 1, 2021, the excise tax for the import of food and electrotechnical products, carpets, plastic products and other products was canceled.

3.6 trillion from customs duties in 2020. Sums were collected, and in 2018 it was 1.8 trillion. amounted to sums and increased by 2 times. The duration of the benefits is related to the cancellation of benefits in 2019, the expiration of the specified benefits.

The increase in the rates of customs fees from January 1 for 202 years of income will also affect it. It is possible to determine the customs revenue from the import of trucks (192.6 billion sums) and tires (119.2 billion sums).

The statistical and customs price difference (correction coefficient) of imported products in the last three years is 30 percent.

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