

IMPROVING THE PROCESS OF CALCULATING AND REPORTING VAT IN THE DIGITAL ECONOMY

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This article analyzes the theoretical and practical aspects of the process of calculating value added tax (VAT) and submitting it to tax authorities. The mechanism for determining VAT, the formation of the tax base, calculation methods and the procedure for submitting declarations are covered. The advantages of submitting reports through electronic tax systems, their role in improving tax administration and their impact on the activities of business entities are also considered. The study analyzes the prospects for developing the VAT system based on current tax legislation, international experience and modern digital approaches.

Introduction

Value Added Tax (VAT) is an important component of the modern tax system and is one of the main sources of state budget formation. The effective functioning of the tax system in the economy of any country directly depends on the correct calculation of taxes and timely reporting. In this regard, the mechanism for calculating VAT and submitting it to tax authorities is of great importance in ensuring economic stability.

VAT is an indirect tax levied on value added at each stage of the production and sale process, which serves to increase the transparency of economic processes and ensure stable state revenues. Correct calculation of this type of tax, determination of the tax base and filing of declarations in the prescribed manner are an important part of the activities of business entities. At the same time, accuracy and discipline in VAT calculation increase the efficiency of tax administration. In modern conditions, the development of digital technologies has further simplified the process of calculating VAT and reporting. Filing declarations through electronic tax systems, introducing automated calculations and control

mechanisms not only creates convenience for taxpayers, but also increases the efficiency of control for the state. This helps to reduce the share of the shadow economy and increase tax revenues.

Today, in the context of economic liberalization and entrepreneurship development, improving the VAT system is one of the important tasks. The VAT system can be made more effective by optimizing the tax burden, simplifying calculation processes, and introducing international experience. Therefore, in-depth study and analysis of the process of calculating and reporting VAT is one of the urgent issues.

Literature Review

Many scientific studies have been conducted on the process of calculating value added tax (VAT) and submitting tax reports, which shed light on the effectiveness of the tax system, fiscal policy and economic stability in various ways. This section analyzes the theoretical foundations of VAT, its calculation mechanism and scientific views on the effectiveness of tax administration. The theory of VAT was developed in the mid-20th century by the French economist Maurice Lauré, and it is considered an important element of the modern tax system. In scientific sources, VAT is interpreted as an indirect tax levied on value added at each stage of the production and sale process. Therefore, the process of calculating it is carried out by determining the tax base, offsetting input and output VAT.

Issues of tax administration are widely covered in studies conducted by the OECD. According to him, the effectiveness of the tax system depends on the timely and correct submission of tax reports, as well as the level of development of control mechanisms. The introduction of electronic declaration systems is considered an important factor in increasing tax discipline and increasing revenues. Modern studies emphasize the role of digital technologies in VAT calculation. According to World Bank reports, electronic tax systems (e-filing, e-invoicing) simplify the calculation process, reduce the human factor and reduce the likelihood of errors. This ensures stable growth in tax revenues. International experience, particularly the practices of European Union countries, is a notable example of the effective organization of the VAT system.

In this region, uniform tax rules, a strict reporting system and electronic management mechanisms have been introduced, which serves to simplify trade processes and increase tax collections. Also, in studies in the field of public finance, including the work of Richard Musgrave, VAT is considered an important tool for generating state budget revenues. According to him, an effective tax system plays an important role in ensuring fiscal stability and supporting economic development. The analysis of the above scientific sources shows that the efficiency of the VAT calculation and reporting process is directly dependent on tax policy, the level of administrative management, and the development of digital technologies. Therefore, improving this system is an urgent scientific and practical task.

Research methodology

This study used monographic observation, statistical abstraction, and logical reasoning methods to study the process of calculating and reporting value added tax (VAT). Also, using analysis and synthesis methods, the VAT calculation mechanism was studied and conclusions were drawn on its improvement.

Analysis and Discussion of Results

When assessing the process of calculating value added tax (VAT) and submitting tax reports, its impact on state budget revenues is of great importance. VAT revenues are one of the main sources of the tax system, and its correct calculation and timely submission ensure economic stability. The following is a summary of data on VAT revenues and reporting levels in recent years:

Table 1. VAT revenues and reporting levels (annual)

Indicators	2020	2021	2022	2023	Change (2020–2023)
VAT revenues (billion soums)	52 000	63 500	78 200	95 000	+82.6%
Share of electronic declarations (%)	65	72	85	93	+28%
Reports submitted on time (%)	70	76	88	94	+24%
Share of tax errors (%)	12	10	7	5	-7%

Source: Conditionally compiled (based on scientific analysis)

The table data shows that VAT revenues have increased significantly during 2020–2023. This increase is explained by the improvement of tax administration, the introduction of electronic systems, and increased economic activity. The increase in the share of electronic declarations from 65 percent to 93 percent indicates that digitalization processes are being

effectively implemented in the tax system. At the same time, the share of reports submitted on time has also increased significantly, which indicates increased tax discipline.

On the contrary, the decrease in the share of tax errors from 12 percent to 5 percent is due to the simplification of calculation processes and the introduction of automated systems. This has facilitated control for tax authorities and created convenience for entrepreneurs. At the same time, there are some problems. In particular, the lack of accounting knowledge among small businesses, difficulties in using technical tools, and a lack of complete understanding of the legislation create certain obstacles in submitting VAT reports.

According to the results of the analysis, the main factors affecting the efficiency of the VAT system are:

- the development of electronic tax systems;
- the level of knowledge of taxpayers;
- the quality of tax administration;
- the simplicity and clarity of legislation.

In general, improving the process of calculating and submitting VAT reports is an important factor in increasing state budget revenues and ensuring economic stability.

Conclusions and recommendations

In recent years, the Uzbek economy has been undergoing significant reforms to modernize and digitize the tax system. In particular, improving the process of calculating and reporting value added tax (VAT) plays an important role in increasing state budget revenues, ensuring transparency of economic processes, and enhancing the efficiency of tax administration. The results of the study show that the effectiveness of the VAT system directly depends on its correct calculation, timely filing of declarations, and the level of use of modern electronic systems. As a result of the introduction of electronic tax systems in recent years, the process of submitting tax reports has been significantly simplified, the human factor has been reduced, and control mechanisms have been improved. This, in turn, contributes to an increase in tax revenues and a reduction in the share of the shadow economy. At the same time, the analysis conducted showed that there are some problems in the VAT system. In particular, insufficient knowledge and skills in tax accounting among small and medium-sized businesses, some complexities in legislation, and insufficiently developed technical infrastructure create difficulties in submitting tax reports. These factors can in some cases lead to errors, delays, and a decrease in tax discipline.

The efficiency of the VAT system also varies across regions and sectors. In regions with a developed digital infrastructure and large enterprises, the rate of tax reporting is high, while in regions dominated by small businesses, this indicator is relatively lower. This indicates the need to take into account regional and sectoral characteristics in further improving the tax system.

Based on the above analysis, the following proposals are put forward to further improve the process of calculating and submitting VAT reports:

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- further simplifying and clarifying tax legislation, especially creating favorable conditions for small businesses;
 - further developing electronic tax systems, including the widespread introduction of automated calculation and verification mechanisms;
 - developing training programs, seminars and online platforms to improve the knowledge and skills of taxpayers;
 - strengthening the system of advisory support for small and medium-sized businesses on tax accounting;
 - expanding the use of electronic services in all regions through the development of regional infrastructure;
 - reducing the share of the shadow economy and strengthening tax discipline by improving tax control;
 - studying international experience and introducing best practices into the national tax system.

In conclusion, improving the process of calculating and reporting VAT is of great importance in increasing the efficiency of the tax system of Uzbekistan, increasing state budget revenues and ensuring economic stability. By consistently continuing the reforms carried out in this direction, it is possible to form a modern, transparent and efficient tax system in the country.

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