



EXCISE TAX ADMINISTRATION AND ITS IMPROVEMENT

Shermatov Xurshidbek Ermuxammadovich

Academy of Banking and Finance of the Republic of Uzbekistan

Master of Business Administration-MBA General specialty

Article history:	Abstract:
Received: 8 th February 2024	Excise tax administration is a vital component of a country's fiscal policy, playing a crucial role in generating revenue for the government. The effective administration of excise tax is essential to ensure that the government collects the rightful amount of revenue from the production and sale of goods and services. However, the administration of excise tax is often plagued by inefficiencies, corruption, and lack of transparency, leading to revenue leakages and undermining the overall fiscal health of the economy. This article will critically analyze the excise tax administration and its improvement, highlighting the challenges, opportunities, and strategies for enhancing the efficiency and effectiveness of excise tax administration.
Accepted: 26 th March 2024	

Keywords: Excise tax, requirements, administration, corruption, effectiveness, potential opportunities

INTRODUCTION: In the complex and ever-evolving landscape of public finance, the administration of excise taxes stands as a critical component, playing a pivotal role in generating revenue for governments and shaping economic policies. Excise taxes, which are levied on the production, sale, or consumption of specific goods and services, have long been a subject of intense scrutiny and debate among policymakers, economists, and the general public. As the global economy continues to undergo rapid transformations, the need for a robust and efficient excise tax administration system has become increasingly paramount.

At the heart of the excise tax administration lies the intricate process of assessment, collection, and enforcement. Governments must navigate a delicate balance between ensuring compliance, maximizing revenue generation, and addressing the diverse needs and concerns of various stakeholders, including businesses, consumers, and the general public. This challenge is further compounded by the dynamic nature of consumer preferences, technological advancements, and the emergence of new industries and products that require careful consideration and adaptation of existing tax frameworks.

Excise tax has a long history and has existed for a really long time. The idea of excise tax can be followed back to old developments where exceptional tolls were exacted on specific products like liquor and tobacco. In late history, excise charges have been generally utilized in different nations for of expanding incomes and directing the utilization of specific merchandise and services. In present day conditions, excise charge is demanded on many items, like cocktails, tobacco items, fuel, engine vehicles, and resources. Excise charge rates and designs differ from one country to another and are many times subject to financial, social and administrative changes. Governments use excise charge for the purpose of raising income, yet additionally for of restricting the utilization of specific merchandise, working on general wellbeing, and tackling natural issues. By forcing high expenses on products with negative externalities, for example, cigarettes or carbon-transmitting powers, states expect to diminish their utilization and the related social and natural expenses. As a rule, the development of excise expenses can be followed to practically all cutting edge economies, and their utilization keeps on developing as states look to adjust income age, administrative goals, and monetary efficiency.

The rise of the excise charge in Uzbekistan concurs with the time of financial changes and progression that started in the mid 1990s after the nation acquired freedom from the Soviet Association. During this period, Uzbekistan moved towards a market-situated monetary strategy and tried to broaden its wellsprings of income to help the developing necessities of the public authority and money public administrations. Excise charge was presented in Uzbekistan as one of the actions to increment pay and direct the utilization of specific labor and products. The public authority has perceived the income capability of excise charge, while impacting buyer conduct and tending to general wellbeing and natural issues. Over the previous years, the excise charge framework in Uzbekistan has created and extended to cover different items. At first, excise charge was forced on merchandise like tobacco items, cocktails, oil based commodities. In any case, as the economy created and the expense base extended, the excise charge stretched out to different items, like extravagance merchandise and certain vehicles. Excise charge rates and design in Uzbekistan have changed over the long haul, considering monetary circumstances, government needs and society.

One of the primary objectives of excise tax administration is to maintain a fair and equitable system that promotes economic growth and social welfare. This entails the development of policies and regulations that strike a balance between generating necessary revenue and minimizing the burden on taxpayers. Effective excise tax

administration must also be cognizant of the potential unintended consequences, such as the impact on consumer behavior, the competitiveness of domestic industries, and the overall economic landscape.

To achieve this balance, governments must invest in the continuous improvement and modernization of their excise tax administration systems. This may involve the implementation of advanced technological solutions, the streamlining of administrative processes, and the enhancement of data collection and analysis capabilities. By leveraging data-driven insights, policymakers can make more informed decisions, identify areas of potential leakage or evasion, and implement targeted interventions to enhance compliance and revenue generation.

Moreover, the success of excise tax administration is heavily dependent on the collaboration and coordination among various government agencies, including tax authorities, customs departments, and law enforcement entities. Fostering effective communication, information sharing, and joint enforcement efforts can significantly improve the overall efficiency and effectiveness of the excise tax system.

In addition to the technical and operational aspects of excise tax administration, the broader policy landscape must also be considered. Governments must continuously review and update their excise tax policies to align with evolving economic and social priorities, such as addressing public health concerns, promoting sustainable consumption patterns, and incentivizing the development of innovative and environmentally-friendly products.

Furthermore, the role of taxpayer education and engagement cannot be overstated. By enhancing public awareness and understanding of the excise tax system, governments can foster a culture of voluntary compliance, reduce the incidence of evasion, and build trust in the overall tax administration framework.

Challenges in Excise Tax Administration

One of the significant challenges in excise tax administration is the complexity of the tax laws and regulations. Excise tax laws are often convoluted, making it difficult for taxpayers to comply with the requirements. This complexity leads to confusion, errors, and disputes, resulting in delayed payments and revenue losses. Moreover, the lack of clarity in tax laws and regulations creates opportunities for tax evasion and avoidance, further exacerbating the revenue losses.

Another challenge in excise tax administration is the inadequate infrastructure and resources. In many countries, the tax authorities lack the necessary infrastructure, including technology, personnel, and equipment, to effectively administer excise tax. This inadequacy hinders the ability of tax authorities to monitor and track tax compliance, leading to revenue leakages and inefficiencies.

Corruption is another significant challenge in excise tax administration. Corruption among tax officials and politicians can lead to collusion with taxpayers, resulting in underreporting of income and evasion of taxes. Corruption also undermines the credibility of the tax system, eroding trust among taxpayers and discouraging compliance.

Opportunities for Improvement

Despite the challenges, there are opportunities for improving excise tax administration. One of the key opportunities is the adoption of technology. The use of technology, such as electronic filing and payment systems, can simplify the tax compliance process, reduce errors, and increase transparency. Technology can also enhance the ability of tax authorities to monitor and track tax compliance, reducing the risk of revenue leakages.

Another opportunity for improvement is the simplification of tax laws and regulations. Simplifying tax laws and regulations can reduce complexity, making it easier for taxpayers to comply with the requirements. Simplification can also reduce the opportunities for tax evasion and avoidance, increasing revenue collections.

Strategies for Improvement

To improve excise tax administration, several strategies can be employed. One of the key strategies is to strengthen tax laws and regulations. This can be achieved by simplifying tax laws, reducing exemptions and incentives, and increasing penalties for non-compliance.

Another strategy is to enhance the capacity and capability of tax authorities. This can be achieved by providing training and capacity-building programs for tax officials, investing in technology and infrastructure, and increasing the resources available to tax authorities.

Transparency and accountability are also essential for improving excise tax administration. This can be achieved by establishing clear and transparent tax policies, providing regular updates on tax collections and expenditures, and ensuring accountability among tax officials and politicians.

CONCLUSION

In conclusion, excise tax administration is a critical component of a country's fiscal policy, playing a vital role in generating revenue for the government. However, the administration of excise tax is often plagued by inefficiencies, corruption, and lack of transparency, leading to revenue leakages and undermining the overall fiscal health of the economy. To improve excise tax administration, it is essential to address the challenges, seize the opportunities, and employ strategies for improvement. This includes strengthening tax laws and regulations, enhancing the capacity and capability of tax authorities, and promoting transparency and accountability. By doing so, governments can ensure that excise tax administration is efficient, effective, and equitable, generating the necessary revenue to fund public goods and services.

REFERENCES:

1. Delipalla, S. (2009). Commodity tax structure and informal activity. *Bulletin of Economic Research*, 61(3), 283-294.

2. Giles, D. E., Tedds, L. M., & Werkneh, G. (2002). The Canadian underground and measured economies: Granger causality results. *AppliedEconomics*, 34(18), 2347-2352.
3. Hai, O. T., & See, L. M. (2011a). Behavioral intention of tax non-compliance among sole-proprietors in Malaysia. *International Journal of Business and Social Science*, 2(6), 142-152.
4. Dzhamalov Kh.N., Urazmetov Zh.M. Tasks of analyzing financial, economic and digital activities in the new financial management system. // *Iqtisodiyot va talim*, 2021. No. 3, p. 96-103.
5. Borovko L.V. Formation of a socially oriented model of excise taxation and the effectiveness of its development. // *Problems of economics and legal practice*, 2012, No. 6, p. 71-75.
6. Tegetaeva O.R. On the problems of excise tax reform. // *Tax management*. 2016. No. 6. P.23-27.
7. Troyanskaya M.A., Nizamieva Yu.O. Improving excise taxation as a tax regulation tool. // *Business in law*, 2013, No. 8, p. 121.