

Digitalization of Tax Accounting and Reporting: Enhancement Aspects

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Abstract: This article analyzes the processes of digitalization of tax accounting and reporting in Uzbekistan, existing problems, and practical solutions. The reporting system has been automated through digital platforms implemented in the tax administration, such as "my.soliq.uz," electronic invoices, and QR-code cash registers. At the same time, obstacles such as infrastructure deficiencies, personnel shortages, and data security issues are analyzed, and proposals for their elimination are presented.

Key words: tax accounting, digitalization, automated reporting, digital infrastructure, interactive services, transparency, cybersecurity.



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INTRODUCTION

The development of digital technologies worldwide demands a fundamental transformation of the tax administration system. Enhancing the efficiency of tax collection is a crucial task for ensuring the stability of the national economy and guaranteed state budget revenues. The main path to this is the digitalization and automation of tax accounting, minimizing the human factor.

The tools and methods of digitalization in tax administration have been introduced to automate the activities of tax authorities, ensure transparency, reduce corruption risks, and create convenience for taxpayers.

Currently, the following main tools and methods of digitalization are widely used in tax administration:

1. Information Systems and Platforms

This is the main direction of digitalization in tax administration:

- "SOLIQ SERVIS" portal – a unified platform integrating all electronic services for taxpayers.
- my.soliq.uz – a personal account for individuals and legal entities.
- Internal information systems of tax authorities (e.g., AIS "Soliq" (Tax AIS), YeNS – Unified National Tax Database).

2. Electronic Document Management

- Electronic Invoices (E-Invoice) – digital processing of invoices for the exchange of goods and services.
- Electronic Tax Reports – taxpayers' reports are accepted electronically.
- Electronic Digital Signature (EDS) – for electronic verification of documents.

3. Automated Control Tools

- Online Control Cash Registers (OKKM) – receipts recorded in trade and services are sent to the tax authority centrally.
- QR-code receipts – each receipt can be verified, ensuring transparency.
- VAT refund system – in tourism and other sectors.

4. Modeling and Analysis Methods

- Big Data and Data Analytics – identifying and forecasting risks through analysis of large datasets.
- Risk Management System – risk-based control mechanisms (e.g., determining who gets audited).

5. Mobile Applications and Electronic Services

- Tax Mobile App – a convenient mobile platform for taxpayers.
- SMS and push notifications – automatic reminders about payment and reporting deadlines.

6. Other Digitalization Initiatives

- Blockchain technologies – storing data in an immutable form.
- Artificial Intelligence (AI) – providing automatic analysis and recommendations.
- API integrations – data exchange with banks, notaries, and other organizations.

These reforms serve to save taxpayers time and money, making interactions with government agencies transparent and efficient.

Digitalization in Uzbekistan's tax administration is being implemented in several key areas (Table 1).

Nowadays, entrepreneurs submit reports through "my.soliq.uz," which has led to the abandonment of traditional paper-based reporting.

Table 1

Directions of Digitalization in Uzbekistan's Tax Administration

Direction	System Being Implemented	Expected Outcome
Electronic Reporting	my.soliq.uz, E-Tax	Convenience and Transparency
Cash Registers	QR-code OKKM	Reducing the Shadow Economy
Tax Audit	Automated Analysis	Detecting Tax Evasion
Tax Database	Integrated Software	Accuracy of Database Updates

Furthermore, according to the Law of the Republic of Uzbekistan No. O'RQ-1071 dated June 26, 2025, "On Amendments and Additions to the Tax Code of the Republic of Uzbekistan," methods of electronic verification used in tax relations, which express a person's consent and allow for their identification, are equated to an electronic digital signature.

Additionally, for tax reports on the use of water resources in agriculture, including fisheries, reports are automatically generated based on the "Water Accounting" information system and data from authorized bodies in this field.

According to the introduced changes, the procedure for offsetting overpaid tax amounts against future payments for other taxes has been further simplified. Accordingly, the offset for future payments on other taxes must be carried out by the tax authorities within 3 days based on the taxpayer's written or electronic application.

Although certain positive results have been achieved in the digitalization process, a number of problems persist:

- Infrastructure issues: Especially in rural areas, internet speed is low and outages are frequent.
- Personnel shortage: At the local level, the number of qualified IT specialists is insufficient.
- Deficiencies in the legal framework: Laws related to digital signatures and electronic invoices are still underdeveloped.

- Low digital literacy among taxpayers: Many entrepreneurs do not know how to use electronic services.

- Data security: There are shortcomings in the system for protecting personal and financial data.

The following measures are considered important for achieving high efficiency in the digitalization of tax reporting:

- Improving local internet infrastructure: Providing high-speed internet in all regions.
- Personnel training: Establishing IT training centers for tax administration staff and entrepreneurs.
- Updating legislation: Improving regulatory legal documents related to digital tax reporting.
- Information security standards: Implementing international standards for data protection.
- Raising taxpayer awareness: Organizing mass educational campaigns on the use of electronic services.
- Innovative platforms: Improving automated analysis systems based on modern technologies like blockchain and artificial intelligence.

Conclusion

The digitalization of tax administration in Uzbekistan is an important part of modernizing the economy. Reforms implemented in recent years have increased the accuracy, transparency, and reliability of reporting. This contributes to increasing state budget revenues and improving the business environment.

However, to achieve full effectiveness in this area, it is necessary to address infrastructural and institutional problems. Comprehensive measures should be implemented to increase the level of mutual trust and technological integration between taxpayers and government agencies.

Improving digitalization in tax administration serves to: increase tax collection; create convenience for taxpayers; eliminate violations; and simplify reporting.

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