

Article

Tax Control and Mechanisms for Preventing Tax Offenses

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Abstract: This article is devoted to the study of the tax control system and mechanisms for preventing tax offenses in the Republic of Uzbekistan. It analyzes effective mechanisms such as tax control processes, legal and regulatory frameworks, risk analysis, and digital monitoring systems. The article also examines presidential decrees adopted between 2022 and 2024 and their impact on tax control and tax discipline. The research results serve to develop practical recommendations for modernizing the tax system, increasing additional revenues, and preventing tax offenses.

Keywords: Tax control, tax offenses, additional revenue, digitalization, risk analysis, tax administration, presidential decrees, tax discipline, electronic tax system.



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1. Introduction

Today, the stability of the public financial system and the effective implementation of economic development processes largely depend on the proper functioning of the tax system. Taxes are the main source of state budget revenues, through which the government finances socio-economic programs, regulates the economy, and ensures the country's strategic development. Therefore, ensuring compliance with tax legislation, full collection of tax revenues, and prevention of tax violations are among the key priorities of state policy.

In a market economy, the effectiveness of the tax system depends not only on the process of tax collection but also on the effective organization of tax control. Tax control is an important governance mechanism implemented by the state, aimed at ensuring compliance with tax legislation by taxpayers, detecting violations, and preventing them. At the same time, tax control plays a crucial role in ensuring stable state budget revenues and reducing the size of the shadow economy.

In recent years, large-scale reforms have been implemented in the Republic of Uzbekistan to modernize the tax system, improve tax administration, and increase the efficiency of tax control. In this regard, a number of regulatory legal acts adopted by the President of the Republic of Uzbekistan serve to ensure transparency in the tax system, digitalize tax administration, and introduce effective mechanisms to prevent tax violations.

In particular, the Presidential Resolution No. PQ-178 dated March 24, 2022, "On measures to implement the 'Tax Administration Reform' project with the participation of the World Bank," is one

of the important documents aimed at developing the tax system based on modern information technologies. According to this resolution, modernization of tax authorities' information systems, automation of tax control processes, and development of infrastructure for processing tax data are envisaged. These measures contribute to more effective tax control, analysis of taxpayer activities, and early detection of tax violations [1].

Additionally, to ensure stable formation of state budget revenues and increase tax collections, the Presidential Resolution No. PQ-471 dated December 30, 2022, "On measures to implement the Law 'On the State Budget of the Republic of Uzbekistan for 2023,'" was adopted. This document outlines key tasks such as increasing tax revenues, expanding the tax base, and improving tax administration. Within this framework, mechanisms for monitoring tax revenues, reducing tax arrears, and strengthening control over large taxpayers have been enhanced.

Furthermore, to strengthen tax discipline and encourage legal business activities, the Presidential Resolution No. PQ-39 dated January 23, 2024, introduced a stability rating system for business entities. Under this system, businesses are evaluated based on tax discipline, financial stability, and compliance with legal requirements. Business entities with high ratings may be exempt from tax inspections or subject to simplified control procedures. This serves as an incentive for legal business operations and acts as an effective mechanism for preventing tax violations.

At the same time, new forms of tax control are being introduced in Uzbekistan, including risk-based tax audits, electronic invoicing systems, online cash registers, and automated tax data analysis systems [2]. These mechanisms allow continuous monitoring of taxpayers' activities and improve the effectiveness of detecting and preventing tax violations.

The above-mentioned regulatory legal documents create a solid legal foundation for improving the tax control system, modernizing tax administration, and strengthening mechanisms to prevent tax violations. Therefore, studying the development of the tax control system, designing effective prevention mechanisms, and strengthening tax discipline are of great scientific importance [3]. This article analyzes the theoretical and legal foundations of tax control, mechanisms for preventing tax violations, and directions for their improvement.

2. Materials and Methods

Literature Review

Improving the tax control system and preventing tax violations in Uzbekistan is one of the important research areas in economic science. Numerous studies by local scholars have examined tax administration, tax control mechanisms, and tax system modernization [4].

In particular, Nasrulla T. Tilabov's article "Priority directions for improving tax policy in Uzbekistan" analyzes tax reforms, simplification of the tax system, and improvement of tax administration. The author emphasizes that modernization of the tax system can increase tax collection efficiency and strengthen tax discipline [5].

Similarly, Sayyora Valiyeva's scientific work examines priority directions for achieving macroeconomic stability through improving tax administration, including issues of tax system management, modernization, and the introduction of digital technologies. The study highlights the importance of transparency and innovative approaches in ensuring stable growth of tax revenues.

In addition, Ulugbek Quyliev's research focuses on improving tax control through digital technologies, including electronic monitoring systems and increasing efficiency in tax control processes [6]. The study concludes that digital technologies are an essential tool for detecting and preventing tax violations.

Shohruh Qahhorov's work analyzes the role of tax mechanisms in stimulating economic activity and improving tax policy. The author emphasizes that effective tax policy contributes to economic growth and promotes lawful economic activity [7].

Furthermore, Maftuna Kimsanboyeva's research examines modern approaches to regulating economic development through taxation, reducing tax risks, and improving the efficiency of the tax system. The study provides a scientific basis for achieving economic stability through improved tax

policy [8], [9].

Although these studies comprehensively address tax system improvement and tax administration, issues related to the in-depth analysis of mechanisms for preventing tax violations and developing modern tax control methods remain актуальными. Therefore, this article focuses on scientifically analyzing these aspects.

Research Methodology

The study employs scientific abstraction, analysis and synthesis, induction and deduction, comparative analysis, and a systemic approach to examine tax control and mechanisms for preventing tax violations. Regulatory legal documents, presidential decrees, resolutions, and official sources were analyzed.

As empirical methods, statistical data, dynamics of tax revenues, and results of tax control were compared. Additionally, mechanisms such as risk analysis, tax system digitalization, and electronic tax services were scientifically examined.

As a result, the tax control system and prevention mechanisms were comprehensively analyzed, leading to the development of scientific conclusions.

3. Results and Discussion

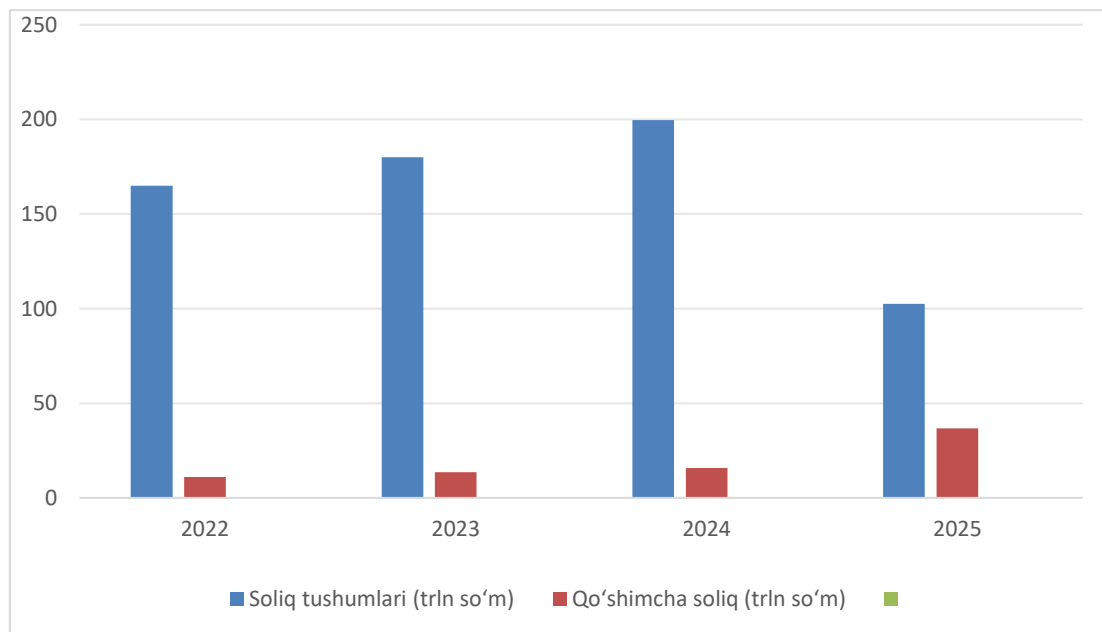
In recent years, Uzbekistan has implemented large-scale measures to improve tax control and prevent tax violations. In particular, the digitalization of the tax system, introduction of electronic invoicing, online cash registers, and electronic tax services have significantly increased the efficiency of tax control. These measures contribute to strengthening tax discipline and expanding opportunities for early detection of tax violations [10].

According to statistical data, tax revenues to the state budget have been steadily increasing in recent years. This indicates the effective organization of tax control and continuous improvement of the tax system. The introduction of modern tax control methods, monitoring taxpayer activities through electronic systems, and simplification of tax administration have contributed to this growth [11], [12].

Moreover, improvements in the tax control system have enhanced the mechanisms for detecting and preventing tax violations. In particular, the implementation of risk-based control measures, analysis of taxpayers' financial activities, and monitoring through electronic information systems have become widespread. This enables early detection of violations and reduces their negative consequences.

In addition, modern information technologies introduced into the tax system ensure transparency and openness of tax control. Through electronic invoicing, online cash registers, and electronic tax reporting, it is now possible to monitor economic activities in real time. As a result, opportunities to conceal tax violations have decreased, and tax discipline has strengthened [13].

Overall, these factors have led to an increase in tax revenues to the state budget and improved the effectiveness of the tax control system. This contributes to sustainable economic development, increased budget revenues, and expanded financing opportunities for social sectors.



The data were compiled based on information from the websites <https://stat.uz> and <https://gov.uz/soliq>

Figure 1. "Dynamics of tax revenues to the state budget of the Republic of Uzbekistan (2022–2025 H1)"

According to the diagram data, it can be observed that in recent years the volume of tax revenues to the state budget of the Republic of Uzbekistan has been steadily increasing. In particular, tax revenues amounted to 165 trillion soums in 2022, while in 2023 this figure reached 180 trillion soums [14]. In 2024, tax revenues increased further to 199.6 trillion soums, indicating a continued growth trend.

According to the results of the first half of 2025, tax revenues to the state budget amounted to 102.6 trillion soums. This figure is expected to increase further by the end of the year. The diagram also shows that the volume of additionally assessed taxes has been increasing year by year. For example, in 2022, additional tax revenues amounted to 11.1 trillion soums, while in 2023 this figure increased to 13.6 trillion soums. In 2024, additionally assessed tax revenues reached 15.8 trillion soums [15].

These indicators demonstrate the effectiveness of ongoing reforms aimed at improving the tax control system, digitalizing the tax system, and simplifying tax administration. In particular, the introduction of electronic invoicing systems, online cash registers, and electronic tax services has expanded the possibilities for detecting and preventing tax violations.

4. Conclusion

The research results indicate that the tax control system and mechanisms for preventing tax violations in the Republic of Uzbekistan are functioning effectively. In recent years, tax revenues have been steadily increasing, reflecting the effectiveness of tax control measures. For instance, tax revenues amounted to 199.6 trillion soums in 2024, while in the first half of 2025 alone, additional taxes amounting to 36.8 trillion soums were identified.

Mechanisms for preventing tax violations, including risk-based audits, digital monitoring systems, and electronic tax services, enable continuous monitoring of taxpayer activities and identification of additional revenues. At the same time, the digitalization of the tax system and the creation of favorable conditions for taxpayers contribute to stimulating entrepreneurial activity, increasing economic activity, and improving the investment climate.

Based on these findings, it is necessary to further enhance tax control by expanding inspections based on risk analysis and statistical monitoring, as well as strengthening systems for identifying high-risk taxpayers. Expanding electronic systems in tax administration and increasing the capacity for real-time monitoring of tax reporting can lead to higher additional revenues.

It is also recommended to improve mechanisms for preventing violations through desk audits and preventive consultations with taxpayers. Furthermore, updating tax legislation and regulatory frameworks to reduce tax violations, as well as promoting economic activity through tax incentives and favorable conditions, remains important.

As a result, strengthening tax control and increasing additional revenues play a crucial role in ensuring state budget stability, supporting economic growth, and financing social sectors.

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