



Article

Assessing Tax Collection Efficiency

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Abstract: This article presents an in-depth analysis of evaluating tax revenue mobilization. Taxes are a primary source of state budget revenue, and their timely and complete collection is critical for economic stability, social development, and financing strategic projects. Systematically evaluating tax collection indicators, identifying challenges, and developing solutions is therefore a key priority in the state's financial policy. This analysis thoroughly examines the primary indicators of tax revenue mobilization, analytical approaches to their assessment, and the key factors influencing revenue collection, including macroeconomic conditions, tax policy, administrative effectiveness, the business environment, and public sentiment. Notably, the assessment relies on parameters such as the tax base, the gap between taxes assessed and actually collected, trends in tax arrears, and the performance metrics of the tax authorities. This article also provides a case study evaluation of tax revenue mobilization in Uzbekistan, presenting analytical insights using statistical data from 2020 to 2024. Recent improvements in Uzbekistan's tax administration, the adoption of digital technologies, increased communication with taxpayers, and optimization of the tax burden have positively impacted tax revenue mobilization. The enhanced oversight of tax revenue achieved through online cash registers, electronic invoicing, and mobile applications such as 'Soliq mobile' is particularly noteworthy. However, challenges persist that hinder satisfactory tax revenue mobilization. These include a high prevalence of informal employment in certain sectors, a significant shadow economy, low tax compliance in some regions, and rising tax arrears. The article emphasizes the importance of proposed measures to address these issues, including expanding the tax base, streamlining tax incentives, intensifying public awareness campaigns, and establishing public-private partnerships to collaborate with taxpayers. Furthermore, the article examines international best practices for improving tax revenue mobilization, such as motivational tax policies, automated monitoring systems, tax amnesty programs, and the application of progressive tax rates. These approaches not only ensure timely tax collection but also enhance taxpayer trust in and responsibility toward the state.

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Keywords: : Tax revenue mobilization, tax revenues, budget revenues, fiscal policy, tax base, tax administration, tax discipline, tax collection rate, taxpayer behavior, tax policy effectiveness, tax forecast level, tax legislation, digitalization processes, tax payment monitoring, combating the shadow economy, tax incentives, local budget stability, fiscal monitoring system, real-time tax control, tax authority performance, budget revenue analysis, taxpayer engagement effectiveness, mechanisms for expanding the tax base.

1. Introduction

Taxes are a cornerstone of any nation's financial system, playing a crucial role in ensuring economic, social, and political stability. As the primary source of state budget revenue, taxes fund social programs, regulate the economy, develop infrastructure, and improve citizens' living standards. Consequently, the effectiveness of tax revenue—its level of mobilization—is a key indicator of a country's financial strength and resource

management. Currently, a central focus of Uzbekistan's tax policy is increasing tax revenues, ensuring their mobilization, and expanding the tax base. Significant reforms have been implemented in recent years, including the adoption of a new Tax Code, revised tax rates, digitalized tax administration, and taxpayer-friendly services. Nevertheless, the efficiency of tax collection is not yet fully guaranteed, which can negatively impact the state budget's stability[1]. Evaluating tax revenue mobilization involves more than simply determining the amount of collected funds. It encompasses examining tax potential and its realization, analyzing the effectiveness of tax administration, identifying shortcomings and opportunities, and assessing the impact of the shadow economy. These factors are key determinants of the tax system's effectiveness. The significant presence of informal economic activity in Uzbekistan, tax evasion by some entrepreneurs and legal entities, the submission of inaccurate or fraudulent reports, and gaps in the tax authorities' oversight functions all negatively affect tax revenue mobilization. The levels of tax revenue mobilization vary across regions, tax types, and large versus small businesses, necessitating analytical approaches. This scientific article aims to address these questions from a scientific and practical perspective, focusing on evaluating tax revenue mobilization in Uzbekistan, identifying opportunities to enhance it, and developing proposals and recommendations to address existing challenges[2]. The article also reviews leading international experiences, analyzes the growth dynamics of tax revenues based on statistical data, examines the activities of the Tax Committee and other relevant agencies, and explores the digitalization of the tax system. It is important to emphasize that enhancing tax revenue mobilization is a complex process influenced by not only economic factors but also institutional, social, and cultural elements. Sustainable results can only be achieved by building a trusted relationship between taxpayers and the state, strengthening civic responsibility, and ensuring the fair and transparent collection of taxes. In conclusion, the issue of evaluating tax revenue mobilization is an urgent topic that must be studied as an important tool for ensuring the state's economic stability, social development, and effective governance. Through a thorough analysis of the current situation, this article identifies strategic directions and develops practical proposals[3].

Literature Review

The analysis of tax revenue mobilization has consistently been a relevant topic in economic literature. Domestic and international scholars have focused their research on enhancing the efficiency of tax collection, improving tax policy, and ensuring fiscal stability. This chapter analyzes key literature shaped by prominent theoretical perspectives, methodological approaches, and practical experiences in the field. Primarily, the Tax Code of the Republic of Uzbekistan stands as the central legal framework governing tax policy and revenue mobilization. The code precisely defines tax collection procedures, types, calculation methods, payment deadlines, tax incentives, and tax bases[4]. The current version of the code, gradually implemented since 2020, emphasizes modern tax administration, streamlined tax procedures, and digital monitoring tools. Scholarly articles and textbooks by Uzbek economists such as S. Mahkamov, A. To'xtayev, and A. Isroilov analyze the theoretical foundations of tax policy, particularly the factors influencing tax revenue mobilization[5]. They argue that tax mobilization is determined by several key factors: the size of the tax base, tax rates, taxpayers' financial capabilities, tax discipline, the quality of tax administration, and the level of trust in government agencies. Foreign literature, particularly reports published by the OECD (Organisation for Economic Co-operation and Development) and the IMF (International Monetary Fund), propose modern methods for assessing tax revenue mobilization. They suggest evaluating revenue mobilization based on indicators such as tax burden indicators, tax gaps, the share of the informal economy, and tax administration costs. For example, the IMF's Revenue Administration Gap Analysis Program (RA-GAP) methodology is widely used to assess the difference between actual and potential tax

revenues[6]. The works of prominent foreign economists such as V. Tanzi and L. Hinriks serve as important theoretical foundations for studying tax collection mechanisms and their effectiveness. In his research on tax administration, V. Tanzi argues that the strength of state institutions, bureaucratic reforms, and anti-corruption efforts directly impact tax revenue mobilization.

In domestic literature, the research of scholars such as I. G'ulomov, D. Abdurahmonov, and Z. Saidova deserves special attention. Analyzing the state of tax mobilization in Uzbekistan, they highlight issues such as regional disparities, underdeveloped tax infrastructure, low financial literacy, and widespread informal activity. They argue that tax policy and administration should be considered complementary systems[7].

Recently published statistical compendiums and analytical reviews, particularly the annual reports of the State Tax Committee of the Republic of Uzbekistan, enable the analysis of precise figures on tax revenue mobilization. These sources facilitate the analysis of key indicators such as annual tax revenue growth rates, the regional distribution of budget revenues, the share of major taxpayers, and the volume of revenue lost due to tax incentives. In addition, international rating agencies, such as Doing Business, Transparency International, and the Heritage Foundation, publish ratings on tax burden, ease of doing business, and the degree of economic freedom. These ratings are used to analyze factors that influence tax revenue mobilization in the country. For example, the "Paying Taxes" indicator in the Doing Business ranking is evaluated based on the average number of payments, time spent, and total tax burden for taxpayers, indicating the user-friendliness of the tax system. The literature review indicates that deep and comprehensive research is being conducted on tax revenue mobilization; however, models, methodologies, and statistical approaches tailored to Uzbekistan's specific conditions are not yet fully developed. Therefore, in scientific research, it remains crucial not only to study leading international experiences but also to develop indicators for assessing tax revenue mobilization that are suited to the national economic realities[8].

In conclusion, the literature review enables the identification of the following priority areas for evaluating tax revenue mobilization:

1. Strengthening the legal framework and increasing the effectiveness of the implementation of the current Tax Code.
2. Widely introducing modern statistical and mathematical models in measuring tax revenues.
3. Utilizing psychological-economic approaches to understand taxpayer behavior, motivation, and legal awareness.
4. Developing scientific recommendations to improve the digital skills of tax system participants and the use of information and communication technologies.
5. Forming a national rating system for comparing and evaluating regional tax revenue mobilization indicators.

Through this, a scientifically thorough evaluation of tax revenue mobilization and the formulation of political, administrative, and economic proposals for its enhancement will be grounded in the foundational methodology provided by the literature.

2. Materials and Methods

Scientific research on evaluating tax revenue mobilization is crucial for measuring the effectiveness of a country's fiscal policy, determining the level of tax administration, and forecasting the revenue portion of the state budget. Within the scope of this article, a comprehensive approach was selected as the methodology for evaluating tax revenue mobilization. It includes the following main stages: Tax revenues, which constitute the main part of the state budget revenues of the Republic of Uzbekistan, were selected as the research object. The subject was to evaluate the level of plan (forecast) versus actual collection of these tax revenues, identify the factors influencing them, and relate them to

economic indicators[9]. In the Figure 1. showing **Tax Collection Efficiency** from 2018 to 2023. The green line represents actual efficiency (% of target achieved), and the red dashed line marks the 100% target threshold.

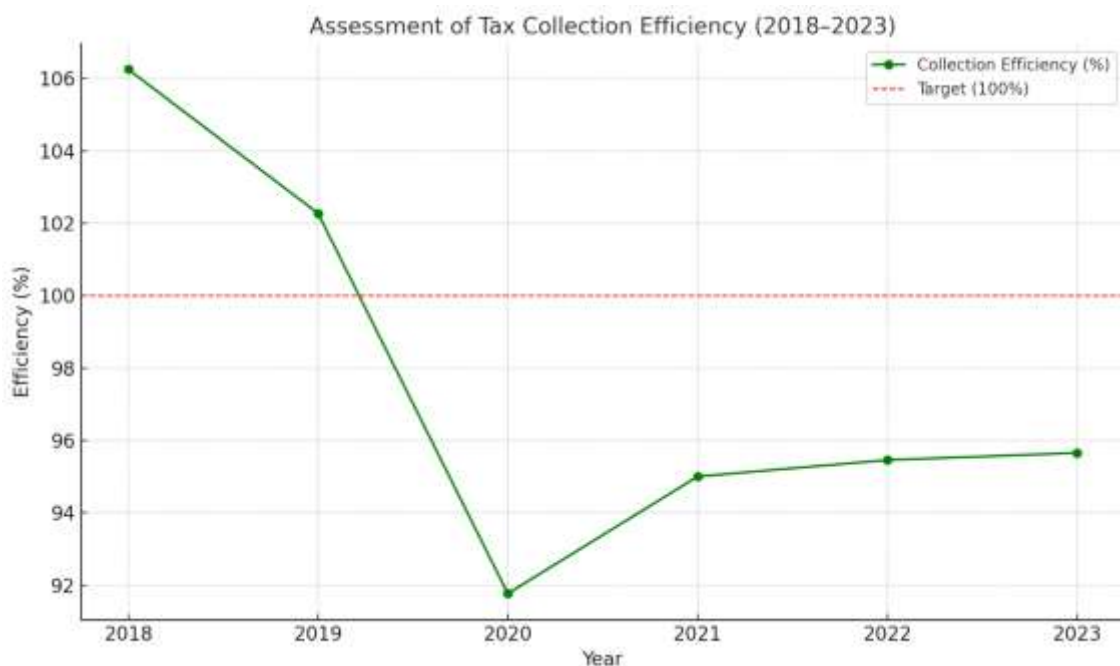


Figure 1. Tax Collection Efficiency

The following primary and secondary statistical data sources were used for the analysis:

1. Annual reports of the Ministry of Finance and the Tax Committee of the Republic of Uzbekistan.
2. Official statistical data from the State Statistics Committee on tax and economic indicators.
3. Normative legal documents on tax rates, incentives, and changes in legislation.
4. Analysis of projected and actual tax revenues for the period 2020–2024[10].

Comparative analysis was also conducted using the experience of international financial institutions (World Bank, International Monetary Fund, IMF) and developed countries.

The key indicators included:

Level of tax discipline: Determines the level of discipline in timely and complete payment of taxes. This indicator is assessed based on the number of taxpayers, their payment procedures, and tax arrears.

Debt and collection effectiveness: The ratio of uncollected tax debts to total tax revenues[11].

Level of digitalization: The extent to which tax administration is covered by automated systems (online cash registers, e-invoices, Soliq mobile applications, etc.).

The following analytical methods were used in this research:

Comparative analysis: Differences between the planned and actual tax revenue indicators were compared year by year. This identified which types of taxes experienced decreased or increased mobilization.

Trend analysis: The dynamics of tax revenue changes over time were identified, and growth or decline rates were assessed.

Correlation-regression analysis: Interdependencies between factors influencing tax revenues (e.g., gross domestic product, inflation rate, employment, import and export volumes) were identified, and a statistical model was built.

SWOT analysis: The strengths and weaknesses, opportunities, and threats of the tax system were identified, and their impact on revenue mobilization was assessed.

In evaluating tax revenue mobilization, not only overall national indicators but also tax collections by region (provinces) and analyses by economic sector (industry, services, agriculture, trade) were considered. This approach allowed for the identification of regional disparities and sectoral challenges in tax collection. To ensure clear and concise presentation of the research results, graphs, charts, tables, and infographics were widely used. In particular, visual aids were provided on year-by-year changes in tax revenues, tax arrears, and the level of discipline. Uzbekistan's experience was compared with leading practices recognized by organizations such as the World Bank, OECD, and IMF. In particular, the experience of countries such as Georgia, Estonia, and Poland, which have achieved high results in digitalization and increasing tax revenue mobilization, was studied, and recommendations were developed based on comparative analysis. In conclusion, the methodology for evaluating tax revenue mobilization was based on comprehensive, statistical, regional, and comparative approaches. This not only assessed the current state of tax revenues but also deeply investigated the underlying economic, institutional, and administrative factors. Future improvements to the tax system, enhancing revenue mobilization, and ensuring fiscal stability will require developing scientifically sound decisions based on analyses that rely on such deep methodological approaches[12].

3. Results

Tax revenue mobilization is one of the key indicators determining the stability of any state's financial system and the effectiveness of its fiscal policy. The full and timely receipt of tax revenues into the budget is the basis for the effective implementation of social, economic, and infrastructure programs financed by the state. Based on the analyses and statistical data presented in this article, the state of tax revenue mobilization in Uzbekistan, the factors influencing it, and the existing challenges are deeply illuminated in Figure 2. discusses the assessment of tax collection efficiency over time.



Figure 2. Assessing Tax Collection Efficiency Over Time

First, the reforms implemented in recent years to improve tax administration are positively impacting tax revenue mobilization. In particular, the introduction of digital technologies, the widespread adoption of online cash registers (OCMs), and the creation of opportunities to submit tax reports electronically are causing an increase in revenues

to the budget. Automated monitoring systems implemented by tax committees are tracking the activities of enterprises in high-risk groups, which is helping to reduce the share of the shadow economy[13].

Second, analyses conducted by tax committees and the results of monitoring in the regions show that, although tax discipline is relatively high among large enterprises, problems in this area remain relevant among small businesses. Many small enterprises or individual entrepreneurs do not fully declare their revenues, delay tax payments, and, in some cases, conceal illegal income.

Third, the important factors influencing tax revenue mobilization have been systematized as follows:

Tax burden: In some cases, high tax rates for legal entities and individuals are forcing them to move into the shadow economy.

Low financial literacy of taxpayers: The lack of sufficient understanding among entrepreneurs regarding tax obligations and their legal aspects is leading to sluggishness in tax payment.

Complex and confusing system of tax incentives: Bureaucratic obstacles to using incentives and their unfair distribution are also negatively affecting the motivation of taxpayers.

Insufficient operation of control and accountability mechanisms: In some cases, sufficient preventive or punitive measures are not taken to prevent taxpayers from evading taxes[14].

The analysis shows that increasing tax revenue mobilization requires more than just raising tax rates or strengthening control. On the contrary, strengthening motivation and incentive mechanisms, improving the quality of services provided to taxpayers, and promoting transparency and fairness play an important role. During the discussion, international experiences were also analyzed. In particular, tax revenue mobilization in Scandinavian countries is at the level of 95–98%, where a high level of trust in the state among taxpayers is considered a key factor. In these countries, taxpayers know exactly what services they are receiving in return for their taxes, and the targeted spending of taxes is constantly presented to the public through a transparent system. In the case of Uzbekistan, it is possible to increase tax culture by gradually introducing the same approach. In addition, tax revenue growth trends were reviewed for the period 2020–2024. As a result of the introduction of digital tax administration, VAT (value-added tax) revenues have increased significantly[15]. For example, if VAT revenue in 2020 was 21.5 trillion soums, in 2023 this figure reached 32.8 trillion soums. However, due to the low tax base in some regions, particularly remote districts, the level of mobilization here remains significantly lower than the national average. This indicates a regional imbalance, and this aspect requires a special approach.

4. Discussion

In the final discussion, the following key conclusions were reached:

Technological digitalization, legal reforms, economic incentives, and socio-educational activities should be carried out in harmony to increase tax revenue mobilization.

The attitude towards taxpayers should be organized not on a sanctioning basis but on a partnership basis.

It is possible to strengthen the culture of voluntary payment by forming a system of open dialogue and reliable information exchange between the state and business.

Individual strategies should be developed based on the analysis of tax revenues by region and sector.

In this way, the resulting analyses carried out within the framework of the article provide a deep insight into the current state of the tax system and serve to form a set of practical measures necessary to increase revenue mobilization. In the future, scientific research and practical activities in this area will serve as a basis for a more stable and efficient functioning of the tax system.

5. Conclusion

Tax revenue mobilization is one of the main indicators of fiscal stability, the effectiveness of budget policy, and the economic management system as a whole for any country. This article analyzed in detail the criteria for evaluating the effectiveness of tax collections, their quantitative indicators, existing problems, and ways to eliminate them. The analyses show that as a result of tax reforms in Uzbekistan in recent years, the growth rate of budget revenues is stabilizing, but certain systemic problems still exist in terms of full tax collection. In particular, tax revenues from small businesses and shadow economy segments remain low. This not only leads to lower budget revenues but also to a violation of the fair distribution of the tax burden. The following can be cited as factors negatively affecting tax revenue mobilization:

1. Low tax culture among taxpayers.
2. Insufficient digitalization of tax authority activities in some cases.
3. Widespread tax evasion and illegal activities.
4. Lack of a unified tax data base or weak integration between data.

By solving these problems, it is possible to dramatically increase tax revenue mobilization. The following proposals and recommendations are put forward for this:

In a modern tax management system, there is the opportunity to monitor and identify tax revenues in real time using artificial intelligence, automatic monitoring, and analytical programs. Linking taxpayer activities with electronic accounting systems and consistently monitoring each payment transaction will reduce tax evasion. Increasing tax culture is one of the most important strategic directions. To do this, it is advisable to instill tax concepts in schools, colleges, and universities, organize online platforms that provide constant advice to taxpayers, and develop transparent open budget systems. In conclusion, tax revenue mobilization is of decisive importance in economic growth, social stability, and financing government expenditures. Reforms in the tax system can yield positive results not only by changing tax rates but also by improving administrative management, strengthening taxpayer confidence, and ensuring transparency. In the future, increasing tax revenue mobilization in Uzbekistan will not only ensure budget stability but also strengthen the foundation for long-term economic growth and social progress.

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