

PRIORITIES OF TAX POLICY WITHIN THE FRAMEWORK OF THE “UZBEKISTAN-2030” STRATEGY: MACROECONOMIC STABILITY AND PROSPECTS OF DIGITAL TRANSFORMATION

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Abstract: The article is devoted to the study of the theoretical and practical aspects of the reforms being implemented in the country's tax policy within the framework of the priority goals of the "Uzbekistan - 2030" strategy. The relevance of the research is determined by the need to stimulate economic growth, reduce the share of the shadow economy, and radically digitize tax administration in the conditions of New Uzbekistan. The article provides a detailed analysis of fiscal indicators, structural dynamics of tax revenues, and measures to optimize the tax burden for 2023-2025. In particular, the impact of digitization processes on state revenues is highlighted through modern economic concepts such as the "inflection point" and the "efficiency paradox". The results of the research include scientific and practical recommendations on expanding the tax base, optimizing ineffective benefits, and introducing "green" tax principles. This article is intended for specialists in the field of tax and budget policy, economists, and students of higher educational institutions.

Keywords: Uzbekistan - 2030 strategy, tax policy, fiscal stability, digitalization, value added tax, hidden economy, ARDL model, macroeconomic analysis, state budget, investment climate, tax administration, tax incentives.

Introduction

Uzbekistan PF-158 dated September 11, 2023 "On the Strategy of Uzbekistan - 2030", launched a new stage in the country's development. Within the framework of this strategy, ambitious goals have been set, such as bringing the gross domestic product to \$ 160 billion and increasing per capita income to more than \$ 4 thousand, and a stable and effective tax policy is an important foundation in achieving these goals.¹ Today, in the conditions of uncertainties in the global economy, the

¹Government of the Republic of Uzbekistan. (2026). Uzbekistan - 2030 strategy.

complication of the geopolitical situation and the risks associated with climate change, the economy of Uzbekistan maintains stable growth rates. In particular, in 2024, GDP growth was 6.5 percent, while in 2025 this indicator is expected to be around 6.6-6.7 percent. The role of the tax system in ensuring such growth rates is not limited only to budget formation, but also to investment aimed at stimulating activity, technological innovation and ensuring social justice.² The "Uzbekistan - 2030" strategy identifies as priority areas of tax policy the further reduction of the tax burden, the elimination of the "human factor" through the full digitalization of tax administration, and a sharp reduction in the share of the shadow economy. The changes made to tax legislation over the past three years (2023–2025), including the reduction of the VAT rate to 12 percent and the inventory of tax benefits, have been an important step in improving the business environment. The purpose of this article is to analyze the current state of tax policy within the framework of the "Uzbekistan - 2030" strategy, identify existing problems and develop scientifically based proposals for improving the system. In the research process, the main attention is paid to changes in the structure of tax revenues and their impact on macroeconomic stability.

Analysis of literature on the topic

Policy of the tax on economic growth has been widely studied by representatives of classical and modern economic schools. In the context of the "Uzbekistan - 2030" strategy, research in this area has reached a new level. According to the conclusions of experts from the International Monetary Fund (IMF), the fiscal consolidation measures and the liberalization of energy tariffs being implemented in Uzbekistan will allow keeping the budget deficit at around 3-4 percent of GDP.³ Among domestic researchers, Kasimov at all, having empirically analyzed the impact of digital tax reforms on state revenues, proved the existence of a nonlinear relationship between digitalization and revenues. In their opinion, the digitalization process serves to ensure stable growth in revenues after a certain "inflection point" (4.33 units). This theory is being proven in the current tax and budget practice of Uzbekistan. The issues of improving tax administration and reducing the shadow economy are discussed in detail in the works of Dehkanov (2025) and Nasrulloev (2025). Dehkanov, drawing on international experience, substantiates the economic efficiency of implementing blockchain and artificial intelligence technologies in tax control in Uzbekistan, while Nasrulloev

²Asian Development Bank. (2025). ADB highlights Uzbekistan's economic growth in 2025. <https://www.adb.org/news/adb-highlights-uzbekistans-economic-growth-2025>

³International Monetary Fund. (2025, April 23). Uzbekistan: Staff concluding statement of the 2025 Article IV mission. <https://www.imf.org/en/news/articles/2025/04/23/mcs-042325-uzbekistan-staff-concluding-statement-of-the-2025-article-iv-mission>

proposes a methodology for reducing the human factor and managing corruption risks in this process.

The Asian Development Bank (ADB) reports that structural reforms in the service and industrial sectors in Uzbekistan are leading to an expansion of the tax base, but climate change and energy shortages may create fiscal risks. The Organization for Economic Cooperation and Development (OECD) recommends that the Uzbek government optimize tax incentives and encourage "green" investments through tax mechanisms. Boboyorov analyzed the benefits of transferring small businesses to cashless payment systems and showed the role of digital payments in increasing tax transparency. Also, scientific sources on tax policy for 2024-2025 indicate that the elasticity of state budget revenues to GDP growth is 1.345, which indicates a high level of sensitivity of the tax system to the economic situation.⁴

Research methodology

This study used methods of economic and statistical analysis, logical generalization, comparative analysis and econometric modeling. The empirical basis of the study is official data from the Ministry of Economy and Finance of the Republic of Uzbekistan, the State Tax Committee and the Statistics Agency for 2022–2025, as well as reports from international organizations such as the IMF, ADB and OECD.

The following methodological approaches were used in the analysis process:

- **Trend analysis: The dynamics** of changes in state budget revenues and tax revenues over the last three years were studied.
- **Tax elasticity assessment:** The correlation coefficients between GDP growth and tax revenues were analyzed.
- **Comparative institutional analysis:** The target indicators of the "Uzbekistan - 2030" strategy were compared with the actual implementation results.
- **Econometric methods:** The results of the ARDL (Autoregressive Distributed Lag) model were used to study the impact of the Digital Governance Index on tax revenues.

The study examined changes in the tax system not only from a fiscal perspective, but also from the perspective of their impact on the behavior of business entities and the investment climate.

Main part: problem analysis and results

Dynamics of state budget revenues and tax receipts (2023–2025)

The successful implementation of the "Uzbekistan - 2030" strategy directly depends on the stability of state budget revenues. According to the results of 2024, state budget

⁴Boboyorov M. (2025). Advantages of transitioning small businesses to cashless payments. ResearchGate.

revenues are expected to be reevaluated and amount to 274.7 trillion soums. This growth rate is explained by increased economic activity and the efficiency of tax administration.⁵In the first half of 2024, state budget revenues increased by 18.3% compared to the same period in 2023, reaching 121.0 trillion soums. The share of taxes in the revenue structure was 80.6% , while non-tax revenues and other income accounted for 19.4%.

Shows the changes in tax revenues by type between 2024 and 2025 :

Tax type	2024 Q1 (billion soums)	2025 Q1 (billion soums)	Growth rate (%)
Total income	50,537.7	63,936.8	126.5%
Direct taxes	18,036.1	21,821.2	121.0%
- Profit tax	9,696.9	11,808.7	121.8%
- JShODS	7,744.9	9 309.0	120.2%
Indirect taxes	18 192.7	23,659.3	130.0%
- VAT	12,266.7	16,413.1	133.8%
- Excise tax	3,729.8	4,807.1	128.9%
Resource taxes	8,072.4	8,729.5	108.1%

Source: Compiled based on data from the Ministry of Economy and Finance.⁶

Analysis shows that value added tax (VAT) revenues increased significantly (33.8%) despite a rate reduction (12%). This phenomenon is associated with "tax elasticity", where the rate reduction stimulated an increase in consumption and the legalization of hidden turnover.⁷

Digital transformation and efficiency in tax administration

"Digital Uzbekistan - 2030" strategy, electronic invoices (EHF), online cash registers, and an automated taxpayer analysis system (Tax Gap) have been introduced into the activities of tax authorities.

Research has shown the positive impact of digitalization in the following areas :

1. **Tax transparency:** The mandatory introduction of the EHF system (from 2021) has increased the ability to identify breaks in the VAT chain.

⁵Ministry of Economy and Finance of the Republic of Uzbekistan. (2024). Fiscal strategy of the Republic of Uzbekistan for 2025-2027.

⁶Ministry of Economy and Finance of the Republic of Uzbekistan. (2025). State budget revenues. <https://www.imv.uz/static/davlat-budjeti-daromadlari-2>

⁷Ministry of Economy and Finance of the Republic of Uzbekistan. (2025). State budget revenues. <https://www.imv.uz/static/davlat-budjeti-daromadlari-2>

2. **Cashback system:** The formation of a culture of demanding checks among the population has made it possible to reduce hidden turnover in the trade sector by 20-25 percent.
3. **Automated analysis : Identifying entities** with high tax risks (risk analysis) using artificial intelligence systems has reduced the human factor.

Problems in tax policy and the "hidden economy"

One of the biggest challenges within the framework of Strategy 2030 is reducing the share of the shadow economy. According to estimates , the share of the shadow economy in Uzbekistan still remains between 25-40 percent of GDP.

Main problem areas:

- **Service sector :** The share of cashless payments remains low in the catering, retail, and housing sectors.
- **Tax incentives :** Some ineffective incentives are distorting the market environment. While the abolition of VAT incentives for medicines and utilities from 2024 will serve to broaden the tax base, it may affect the purchasing power of the population.
- **Self-employed :** Difficulties in transitioning to the status of self-employed individuals with income exceeding 100 million soums are causing them to operate underground.

"Green" tax policy and sustainable development

" Uzbekistan -2030" strategy prioritizes decarbonizing the economy and promoting "green" growth. Tax policy plays a stimulating role in this process.

Changes in 2024-2025:

- **Tax on the use of water resources:** In view of the water shortage, rates have been increased by 12 percent for industrial enterprises and 30 percent for car washes and other services.
- **Disposal Fee: New fees have been introduced for tires and other types of products** to protect the environment.
- **Renewable Energy: Long-term benefits** on profit and property taxes for "green" energy projects have been maintained.

According to the OECD recommendation , Uzbekistan should transition its tax system to expenditure-based mechanisms that directly incentivize "green" investments.

Conclusion and suggestions

Tax reforms implemented within the framework of the " Uzbekistan - 2030" strategy are of great importance in ensuring the stability of the country's economy. Analyses

show that reducing the tax burden and digitizing the system are leading to a qualitative increase in state revenues. However, further improvement of the system is necessary to achieve macroeconomic goals.

Based on the research results, the following suggestions and recommendations are put forward:

1. **Optimize tax incentives:** All inefficient incentives should be phased out and replaced with a system of investment tax credits, which would allow investments to be directed exclusively to high-tech and export-oriented sectors.
2. **Strengthening digital control: Expanding the scope of use of artificial intelligence and Big Data technologies in tax administration. It is necessary to automatically categorize** taxpayers through "Tax Gap" analysis and introduce a "tax holiday" or simplified inspection system for honest entrepreneurs.
3. **Combating the shadow economy :** Increase the amount of cashback for purchases made through digital payments and fully cover online payment gateways at points of sale to increase the share of cashless payments .
4. **Introducing "green" taxes :** Starting to introduce differentiated environmental taxes (carbon taxes) based on the amount of harmful substances emitted into the environment. This will force enterprises to switch to energy-saving technologies.
5. **Regional fiscal independence :** To expand the revenue base of local budgets, fully transition to a market-based system of calculating property and land taxes and direct a significant portion of the collected funds to district infrastructure.

In conclusion, tax policy should serve not only as a means of raising funds for the state treasury, but also as a key driver of the socio-economic transformation outlined in the "Uzbekistan - 2030" strategy.

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