

## The role and analysis of customs payments in the formation of state budget revenues.

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**Annotation:** This article describes the essence of collecting customs payments from goods transported across the customs border of the Republic of Uzbekistan and its role in the formation of the state budget. Also, the current state of customs fee collection was analyzed. The best practices of foreign countries in the application of customs payments were studied, scientifically based suggestions and recommendations were given for improving the collection of customs payments in the Republic of Uzbekistan.

**Key words:** Customs duties, foreign trade, value-added tax and excise tax, customs duties rate, exemptions from customs duties, state budget, goods, customs border, foreign economic activity.

Each country constantly strives to increase its production potential to a higher level in order to gain its place in the world market. The main goal of foreign trade liberalization is to constantly study and optimize the composition of imports and to increase the export potential while increasing the production capacity and entering the world market.

By regulating foreign economic activity with customs payments, tasks such as ensuring the effective structure of foreign trade, protecting domestic goods producers from unhealthy foreign competition, and forming the revenue part of the state budget are performed. Collection of customs payments from goods transported across the border of the Republic of Uzbekistan is one of the main conditions in the customs clearance process. By correctly applying customs payments, the country's budget will have a direct impact on the development of the economy, leading to a full flow of funds into the income section.

On January 28, 2022, based on the principle of "From the strategy of actions to the strategy of development", in order to further increase the effectiveness of the reforms carried out in the Republic of Uzbekistan, to raise the development of the state and society to a new level, to modernize the economy, to reduce the share of the state in the economy and to accelerate structural changes, on January 28, 2022 The Decree of the President of the Republic of Uzbekistan "On the Development Strategy of New Uzbekistan for 2022-2026" was adopted. According to the 21st goal of the State program "Rapid development of the national economy and ensuring high growth rates" defined in this Decree:

- A number of tasks have been set to reduce the state budget deficiency and ensure that it does not exceed 3 percent of the GDP from 2023 [1].

Based on the tasks set in the above action strategy, researching the mechanisms of collecting customs payments and developing conclusions and proposals for its improvement is one of the urgent issues of today.

Customs payments - a fee charged to the state budget for goods transported across the customs border. The types and rates of customs duties differ in each country according to their level of development. Customs payments in the Republic of Uzbekistan include customs duty, excise tax, value added tax and customs payments.

According to the content of customs payments and the theoretical basis of their application, world scientists have defined them in different ways. Including:

D.A. Slepov and E.V. Chuikov customs payments are calculated by customs officials and are a source of federal budget revenue [3].

V. Yu. Zhukovets - customs payments mean the sum of all fees that must be paid by a person to the customs authorities when transporting goods across the customs border of the customs union [4].

O.Yu. Bakaev defines customs payments as mandatory payments that are collected by customs authorities and are paid when goods are transported across the customs border of the customs union, and which serve as taxes and non-tax revenues that go to the budget [5].

V.G.Svinukhov, in his two scientific works, gives two completely different tariffs to the term customs payments. For example, in one of the scientific research works, customs payments are charged by the customs authorities during the import or export of goods and are a mandatory payment that is a necessary condition for the import or export of goods. In another work, while defining the concept of customs payments, he points out that "customs payments are taxes and fees charged by customs authorities and directly related to the transportation of goods through customs borders. At the same time, their payment is an important condition for the application of customs procedures" [6].

According to J.M. Keynes, in addition to the fiscal function, taxes have the functions of regulating the economy, stimulating and managing income, and these functions of the tax arise from the need to use it as a means of regulating the economy and ensuring sustainable economic growth [7].

According to Professor A.Vahobov, "the process of direct and indirect intervention in economic activity aims to ensure internal employment, achieve economic growth, ensure macroeconomic stability, improve the balance of payments and regulate the exchange rate by influencing the volume and composition of exports and imports" [8] .

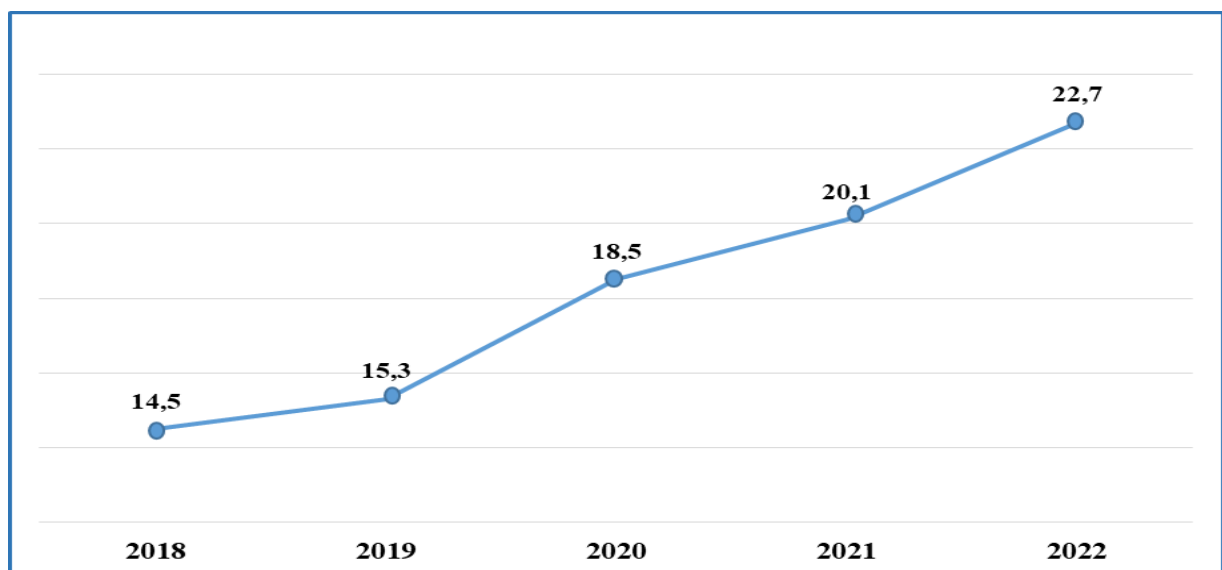
Customs payments are an important condition for customs clearance when transporting goods across the customs border, and by applying them, tasks such as ensuring the effective composition of foreign trade, protecting domestic goods producers from unhealthy foreign competition, encouraging direct investment and forming the revenue part of the state budget are performed.

Customs duties on imported goods make up 98 percent of the total customs duties collected in the Republic of Uzbekistan, and taxes make up 83-85 percent. Based on the current regulatory documents, in order to promote the export of goods in the Republic of Uzbekistan, customs duties are not collected during customs clearance of goods for export (except for customs payments).

Customs payments are considered the main source of the state budget revenue, and its share is increasing year by year. This indicator was 14.5% in the Republic of Uzbekistan in 2018 and 22.7% by 2022. During this period, this indicator increased by 8.2%. (Diagram 1)

### Diagram 1.

The share of customs payments in the state budget revenue in the Republic of Uzbekistan in 2018-2022 (in percentages)

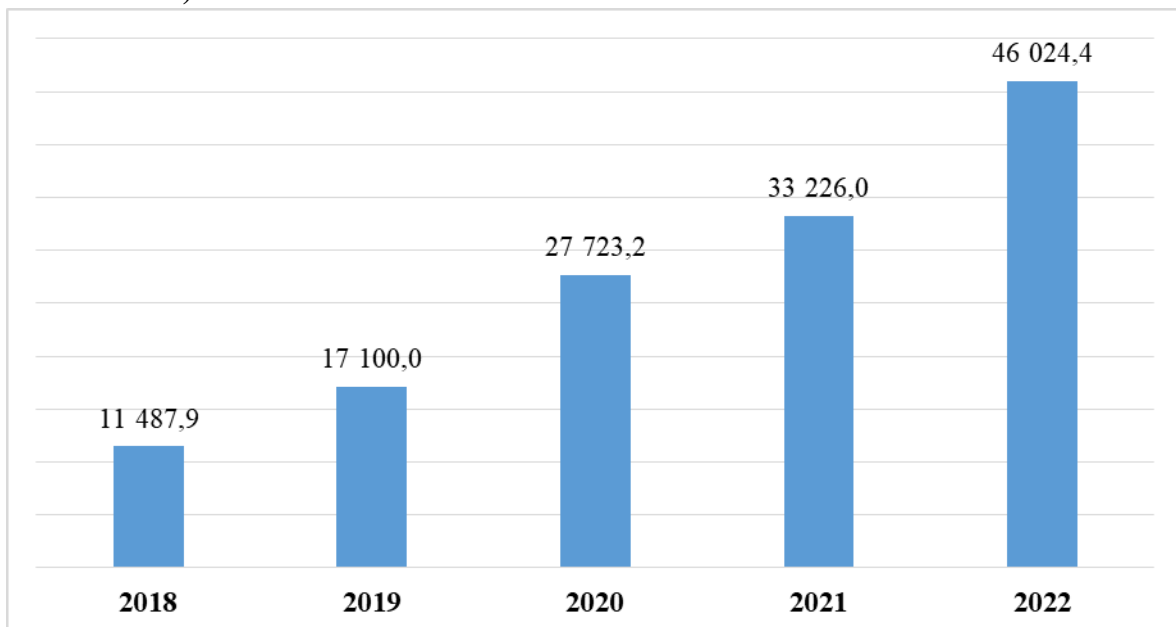


**Source: Developed by the author based on Customs Committee data.**

The amount of customs payments collected in the Republic of Uzbekistan is also increasing year by year. The analysis shows that this indicator increased by 2.2 times in 2018-2022. (Diagram 2).

The increase in customs payments was influenced by the following factors: the increase in the volume of imported goods, the improvement of the determination of the customs value of goods, the change in the rates of customs payments, the change in the freely exchangeable currency rate, the effective use of the automated information system in the customs sector, and the improvement of the regulatory and legal framework in the customs sector.

**The amount of customs payments transferred to the State budget in 2018-2022 (in billion soums)**



Source: Prepared by the author based on data from CC.

In the Republic of Uzbekistan in 2022, the total customs payments included: value added tax 83.9%, import customs duty 12.6%, excise tax 0.7%, other payments 2.8%. In 2018, these indicators were 74.5, 16.1, 4.6 and 4.5 percent, respectively. In these years, the share of import duty decreased by 3.5%, excise tax by 3.9%, customs duties, etc. by 1.7%, and on the contrary, value added tax increased by 9.4%.

(Table 1).

**Table 1.**

**Composition of customs payments transferred to the State budget by customs authorities in 2018-2022 (percentage)**

№	Types of customs payments	2018	2019	2020	2021	2022
1.	Import customs duty	16,1	13,5	14,3	16,1	12,6
2.	Value added tax	74,5	78,5	79,8	83,6	83,9
3.	Excise tax	4,6	4,6	3,7	0,1	0,7
4.	Customs duties and other payments	4,5	3,4	2,2	0,2	2,8
Total		100,0	100,0	100,0	100,0	100,0

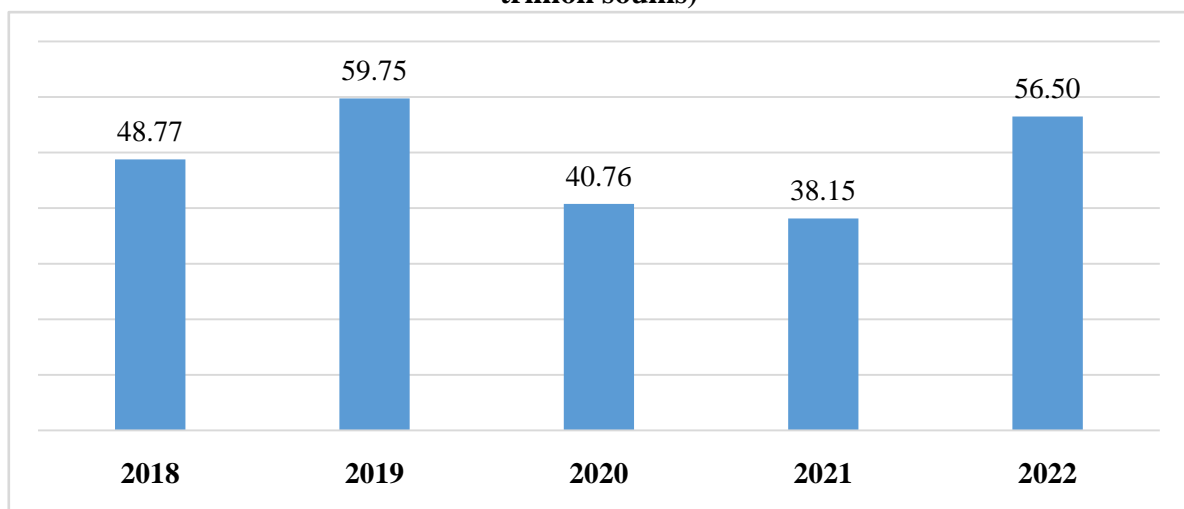
Source: Prepared by authors based on data from CC.

It should be noted that over the past five years, the amount of concessions given to the state budget in relation to customs payments has been increasing year by year. If we compare the amount of benefits granted in 2018 with that of 2022, this indicator has increased by 1.5 times during this period (Chart 3).

The reason for the increase in benefits from customs payments was the modernization of production, localization programs and the increase in preferences for goods produced in countries that have established a free trade zone with the Republic of Uzbekistan.

### Diagram 3.

#### Exemptions from customs payments given by customs authorities in 2018-2022. (in trillion soums)



Source: Prepared by the author based on data from CC.

In recent years, the procedures for calculating, collecting and transferring customs payments to the state budget have been improved, and the use of information technologies has developed in these processes. Currently, digital technologies are widely used in the collection and control of customs payments. -reduces costs, and also simplifies procedures for collection of customs payments.

In order to bring the customs administration to a new level, to drastically reduce the human factor through the digital transformation of customs and cargo operations, to transform the customs sector into a corruption-free system based on the principles of openness, transparency and reliability, the President of the Republic of Uzbekistan of April 27, 2022 "On additional measures to further improve the customs administration" Decree No. 122 was adopted. In 2022-2023, programs on digitization of customs clearance processes, including collection of customs payments, were adopted. [2]. This increases the efficiency of collecting customs payments.

The countries of the world, based on their level of development, use different customs payments in the regulation of foreign economic activity, and their share in the revenue part of the state budget is different.

In conclusion, the optimization of the system of regulation of foreign trade through customs payments, taking into account advanced foreign experiences, international principles and norms, and the improvement of the mechanisms of its collection, lays the groundwork for bringing the national economy closer to the processes of international economic integration.

Based on the above conclusions and best practices of foreign countries, the following is proposed regarding the calculation, collection and benefits of customs payments.

-Reviewing and making changes to regulatory documents, which provide for exemptions from customs payments, taking into account the changes in development and productions taking place in our country, as well as the level of effectiveness of these exemptions.

- Development of a regulation on the procedure for calculating and collecting customs payments, providing insights on the procedures for calculating various fees based on specific examples;

- Creation of an information system that monitors the purposeful use of benefits from customs payments. Integration of "E-invoice" and tax reporting information systems of the Tax Committee into the information system of customs authorities.

- Unification of rates of goods whose code numbers are close to each other in the Foreign Economic Activity Nomenclature of Goods, i.e. approximation;

- It is proposed to introduce an export duty on some highly liquid goods.

Taking into account the above, amendments and additions to the regulatory documents on the calculation, collection and benefits of customs payments will further increase the collection of customs payments and increase the revenue share of the state budget.

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