

Analysis of the Interaction of Authorized Bodies in the Collection of Tax Debts

**Ostonaqulov Alisher Abdurashidovich, Safaraliev Basir Norboevich,
Shukurov Zafar Nazarovich**

*Denov Institute of Entrepreneurship and Pedagogy, Faculty of Entrepreneurship and
Management, Department of "Finance and Banking"*

Abstract: This article analyzes the interaction of authorized bodies involved in the tax debt collection system in the Republic of Uzbekistan. The process of effective tax debt collection directly depends on the continuous exchange of information, a clear division of responsibilities and a coordinated mechanism between the State Tax Committee, the Bureau of Compulsory Enforcement, banks, judicial bodies and local government agencies. The article highlights the systemic problems existing in practice, the factors that cause them and the proposed measures to eliminate these shortcomings. The proposals developed by the author are aimed at reducing tax debts, strengthening interagency cooperation between authorized bodies and stabilizing state budget revenues.

Key words: tax debt, authorized bodies, Bureau of Compulsory Enforcement, State Tax Committee, information exchange, cooperation, executive documents, budget revenues, monitoring, efficiency.



This is an open-access article under the [CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/) license

Introduction

Tax policy is one of the important tools for ensuring the economic independence and budget stability of any state. In the Republic of Uzbekistan, the tax system is also the basis of economic reforms and determines the financial basis of state socio-economic programs. Therefore, the timely and full collection of taxes, ensuring taxpayer discipline, and reducing tax arrears are among the priority areas of state fiscal policy.

In practice, there are cases of delayed or non-payment of taxes by certain categories of taxpayers. As a result, there are delays in the planned receipts to the state budget, and factors that threaten economic stability are emerging. To eliminate this situation, authorized structures such as tax authorities, bailiffs, banks, and internal affairs bodies must work together.

Although the legislation on tax debt collection currently provides for specific mechanisms, their incomplete functioning in practice, failures in interdepartmental information exchange, confusion

of powers, and concealment of debtors' assets negatively affect the effectiveness of this system. In particular, temporary delays in debt collection, untimely execution of executive documents, and insufficient organization of monitoring and control indicate the need to improve the system in this regard.

This article analyzes the mutual cooperation of authorized bodies involved in the process of tax debt collection. It also identifies existing problems in this area, the factors that cause them, and develops scientifically based proposals and recommendations for improving the cooperation system. The purpose of the article is to promote effective mechanisms based on an integrated interdepartmental approach to tax debt collection.

Literature review

The issues of tax debt collection, coordination of the activities of authorized bodies, and strengthening of state fiscal policy have been studied by a number of scholars in Uzbekistan and internationally. Literature analysis plays an important role in identifying areas of research, existing approaches, and practical problems on this topic.

R. Abdullayev's work "Tax System and Financial Stability" puts forward analytical ideas on the role of tax policy in economic stability, important factors in increasing tax revenues, as well as mechanisms for reducing debt. Although the author does not directly address the issue of mutual cooperation between authorized bodies, he justifies the need for a systematic approach to ensuring tax discipline.

S. Safarov in his article "Issues of digitalization of fiscal policy in Uzbekistan" comprehensively covered the introduction of electronic information systems in the state tax system, the effectiveness of digital management, and its impact on budget revenues. The author notes that rapid exchange of information between authorized bodies through electronic systems serves to reduce tax debts.

Main part.

International experience, in particular in countries such as the Russian Federation, Kazakhstan and Poland, has shown that the use of unified electronic platforms in the collection of tax debts has yielded significant results. In this regard, reports published by the World Bank and the IMF also indicate the advantages of interdepartmental integration, open databases and real-time control.

The Tax Code of the Republic of Uzbekistan (2022 edition) and the Law "On the State Tax Service" (2020) establish the legal basis for the collection of tax debts, the rights and obligations of authorized bodies. Also, Presidential decrees (for example, No. PQ-4986, 2021) provide for measures to strengthen tax discipline and improve cooperation between the MIB and tax authorities.

Based on the statistical and analytical information posted on the official website of the Bureau of Compulsory Enforcement, it is possible to assess the practical activities of this organization in the collection of tax debts. This includes information on the execution of executive documents, seizures and the results of measures taken against property.

Analysis of the above literature and legal sources shows that in order to increase the efficiency of tax debt collection, a deep study of interdepartmental cooperation, the widespread use of information technologies and the improvement of regulatory frameworks remain an urgent task. At the same time, the existing literature does not sufficiently cover the systematic analysis of cooperation activities between authorized bodies, which determines the novelty of this article.

Tax arrears and their economic consequences

Tax arrears are a taxpayer's financial obligation to the state for taxes and other mandatory payments that must be paid within the deadlines established by law. This situation leads to late payments to the state budget and negatively affects economic stability.

The amount of tax arrears in the Republic of Uzbekistan has been changing from year to year during 2020–2024. According to the State Tax Committee, at the end of 2023, a total of 1.95 trillion soums of tax arrears were recorded in the republic. The main part of this arrears is small businesses (43%) and individuals (26%).

The main causes of tax arrears are:

Weak financial discipline on the part of taxpayers – Many businesses and individuals view taxes as a secondary issue.

Poor management and accounting – Incorrect financial reporting by enterprises leads to incorrect tax calculations.

Deliberate tax evasion – There are attempts to avoid paying taxes through hidden income, informal labor, double accounting, etc.

Interagency coordination failures – In some cases, due to delays in the exchange of information between tax authorities, banks, and the executive bureau, debts are not collected on time.

Negative consequences of tax arrears:

Reduction in state budget revenues – Planned investment and social programs may not be financed;

Macroeconomic instability – The budget deficit increases, inflationary pressure increases;

Violation of the principle of social justice – Taxpayers benefit from illegal activities;

Decrease in financial confidence – Citizens' trust in the tax system weakens.

The “Concept for Improving Tax Policy” adopted in 2024 also provides for measures to reduce tax arrears, identify debtors early and involve them in social responsibility. At the same time, it is emphasized that it is necessary to improve incentive and punishment mechanisms to strengthen tax discipline.

These statistical data and normative analyses show that the emergence of tax arrears disrupts the balance in the public sector of the economy. Therefore, close cooperation between not only tax authorities, but also all authorized agencies plays an important role in controlling arrears.

The mutual roles and responsibilities of the authorized bodies in the collection of tax debts

Effective collection of tax debts requires coordinated cooperation between many authorized bodies. The Tax Committee, the Compulsory Enforcement Bureau (MIB), commercial banks, local enforcement bodies, and sometimes the judiciary are directly involved in this process. Each structure has its own specific powers, which must complement each other.

State Tax Committee (STC)

The STC keeps records of taxpayers, calculates taxes, and determines tax debts. When a taxpayer incurs a debt:

- ✓ The amount of the debt is determined and the payer is warned;
- ✓ If the debt is not eliminated in a timely manner, an official appeal is made to the MIB to initiate enforcement actions;

- ✓ Information about the debt is sent to banks and other relevant agencies through the electronic information system.

The DSQ also maintains a “Black List” of debtors and, in some cases, may propose to temporarily suspend their licenses.

Compulsory Enforcement Bureau (MIB)

The main task of the MIB is to forcibly collect debts on the basis of enforcement documents submitted by tax authorities. The following measures are used in this regard:

- ✓ Issuing collection orders to the debtor’s bank accounts;
- ✓ Seizing the debtor’s property and putting it up for electronic auction;
- ✓ Applying prohibitions, restrictions and fines;
- ✓ Temporarily restricting the right to travel abroad.

The MIB uses important enforcement mechanisms, especially when working with large debtors. However, this process is sometimes slow due to the large number of enforcement documents, staff shortages and technical failures.

Commercial banks

Banks withdraw funds from the accounts of tax debtors based on agreements concluded with authorized bodies. Based on official instructions from the DSQ and MIB:

- Freezes the funds in the debtor's account;
- Transfers the specified amount to the budget through collection;
- Applies measures to restrict financial activity.

However, in some cases, the execution of these instructions by banks is delayed or may be rejected for technical reasons.

Local authorities and internal affairs bodies

Local authorities assist in taking strict measures against large debtors, especially business entities. In some cases, mandatory arrests, visits, and finding the debtor are carried out with the help of internal affairs bodies.

Inter-agency information exchange and cooperation problems

In practice, inter-agency information exchange is not always consistent. This is due to the following reasons:

- ✓ Lack of unified electronic platforms;
- ✓ Extended document turnover time;
- ✓ Temporary technical failures or incorrectly entered data;
- ✓ Fragmentation of management systems.

Late submission of enforcement documents submitted by tax authorities to the MIB or their incorrect registration reduces the efficiency of enforcement. In some cases, due to incomplete registration of property, it is impossible to recover.

The coordinated system of cooperation in the recovery of tax debts achieves efficiency through the operation of all bodies on the basis of a single electronic exchange of information. In this regard, it is important to jointly improve technical and regulatory aspects, strengthen internal control, and clearly define accountability mechanisms.

Conclusions and suggestions

Although the tax debt collection system in the Republic of Uzbekistan has been improving in recent years, in practice there are still problems that reduce efficiency. The analysis shows that the issue of tax debt is one of the urgent problems not only in financial terms, but also in economic, social and managerial terms.

The scientific and practical analysis conducted in the article leads to the following main conclusions:

The increase in tax debts has a negative impact on the stability of the state budget, macroeconomic balance and social trust;

In the collection of tax debts, it is necessary for the Tax Committee, the Bureau of Compulsory Enforcement, banks, local authorities and other agencies to work in close cooperation;

Currently, the existing problems include the incomplete integration of the interdepartmental information exchange system, delays in the circulation of enforcement documents, insufficient staff qualifications and the weakness of the coordinated control mechanism.

Based on these conclusions, the following practical proposals are put forward:

Creating a single electronic platform for tax debt control - It is necessary to establish data exchange between the State Tax Service, the Ministry of Internal Affairs, banks and other relevant agencies through a single system operating in real time.

Electronicization of executive documents and strengthening responsibility - The responsible agency and employee should be clearly identified at each stage, and a procedure for legal liability should be developed.

Assessing the financial situation of tax debtors and applying a differentiated approach - Not all debtors should be considered in the same way, an individual plan should be developed based on their solvency and the reasons for their debt.

Developing a regulation to strengthen coordination between authorized bodies - It is important to introduce a single procedure and information exchange protocols for all entities participating in interdepartmental cooperation.

Staff training and workload optimization — Regular training courses should be organized for employees of tax and enforcement agencies, and the workload should be distributed fairly.

The above conclusions and proposals will serve to strengthen tax discipline in our country, stabilize state budget revenues, and develop systematic cooperation between authorized bodies. This will create the basis for the successful implementation of economic reforms.

REFERENCES

1. O‘zbekiston Respublikasi Soliq kodeksi, 2020-yilgi tahriri.
2. O‘zbekiston Respublikasi Prezidentining 2017-yil 29-maydagi PQ–3031-son qarori “Davlat soliq xizmati organlari faoliyatini tubdan takomillashtirish chora-tadbirlari to‘g‘risida”.
3. O‘zbekiston Respublikasi Bosh prokuraturasi huzuridagi Majburiy ijro byurosi to‘g‘risidagi nizom.
4. O‘zbekiston Respublikasi DSQ va MIB o‘rtasidagi axborot almashinuvi bo‘yicha me‘yoriy hujjatlar.
5. Xudoyberganov A.X. “Soliq nazorati tizimi va uni takomillashtirish yo‘llari”, Toshkent, 2021.

6. Abduraxmonov Q.X. “O‘zbekiston soliq siyosati asoslari”, Toshkent, 2020.
7. “Iqtisodiy tahlil va moliyaviy monitoring” jurnali, 2023-yil, 4-son.