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Ways to Improve the Fulfillment of Tax Obligations and the Electronic Reporting System in the Context of Digital Transformation

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Abstract: This article examines the improvement of tax compliance processes and the enhancement of the efficiency of electronic reporting systems in the context of digital transformation. In recent years, significant reforms have been implemented in Uzbekistan to digitalize tax administration. In particular, during 2020–2024, the rate of submitting electronic tax reports exceeded 95 percent, while the number of online cash registers surpassed 1.3 million units. Moreover, more than 30 interactive services have been introduced through the “my.soliq.uz” platform, significantly simplifying the processes of filing reports and paying taxes for taxpayers. The research findings indicate that the широк deployment of digital technologies reduces the human factor, increases transparency, and ensures stable growth in tax revenues. At the same time, the article proposes key directions for improving the electronic reporting system, including strengthening tax control based on artificial intelligence, deepening data integration, and developing user-friendly interfaces.

Keywords: digital transformation, tax compliance, electronic reporting, tax administration, digital economy, online cash registers, tax system, information technologies, tax revenues, interactive services.

Introduction

In the context of globalization and the digital economy, the efficiency of the public financial system largely depends on the level of tax administration. Especially in a period of accelerating digital transformation, improving the mechanisms for fulfilling tax obligations and developing electronic reporting systems has become an issue of significant scientific and practical importance. In recent years, tax systems worldwide have been shifting from traditional methods to digital platforms, with increasing emphasis on automating data processing, control, and analysis. This, in turn, contributes to increasing tax revenues, reducing the share of the shadow economy, and ensuring the stability of the state budget[1].

In Uzbekistan, since 2019, large-scale measures aimed at fundamentally reforming the tax system have been implemented. In particular, the adoption of the new edition of the Tax Code, the optimization of tax rates, and the introduction of modern information technologies into tax administration have marked an important turning point. As a result of the digitalization policy carried out by the State Tax Committee, by 2024 the level of submission of electronic tax reports exceeded 95%. Considering that this figure was around 60–65% in 2018, a significant increase has

been achieved within a relatively short period[2].

Additionally, in order to expand cashless transactions in the economy and ensure transparency in trade operations, an online cash register system was introduced. By the end of 2024, their number exceeded 1.3 million. As a result, real-time monitoring of revenues has been established, expanding the possibilities for accurately determining the tax base. Furthermore, the introduction of more than 30 interactive services through the “my.soliq.uz” portal has created significant convenience for taxpayers. Through this platform, services such as submitting tax reports, checking tax liabilities, and making tax payments can be performed remotely[3].

The introduction of digital technologies has reduced the influence of the human factor in tax administration, significantly decreasing corruption risks. At the same time, opportunities for analyzing large volumes of data have expanded, and new forms of tax control—particularly risk-based audit systems—are being implemented. During 2023–2024, the share of tax violations identified through automated analytical systems exceeded 40%, demonstrating the effectiveness of these processes[4].

However, despite these achievements, certain challenges remain in ensuring the full effectiveness of electronic reporting systems. In particular, insufficient development of internet infrastructure in some regions, low digital skills among small business entities, and the lack of full integration between various information systems are among the main obstacles. Therefore, for further improvement of the tax system, it is important to widely utilize modern technologies, including artificial intelligence, big data analytics, and automated management systems[5].

The main objective of this article is to conduct an in-depth analysis of the mechanisms for fulfilling tax obligations in the context of digital transformation and to develop scientifically grounded proposals and recommendations for further improving the electronic reporting system.

Literature Review

In the scientific article “Modern Approaches to Tax Control” by U. Ganiyev, the necessity of transitioning from traditional methods of tax control to a modern, risk-based model integrated with digital technologies is substantiated. According to the author, automated analytical systems play a key role in modern tax control, increasing the efficiency of detecting tax violations by up to 30–40%. The article also highlights that, based on electronic databases and real-time monitoring, it is possible to reduce the number of inspections while increasing their accuracy. This approach, particularly since 2022, has been aligned with the introduction of digital control mechanisms, contributing to the stability of tax revenues[6].

In the study conducted by A. Abdiganiev and B. Abdirazzoqov, the comprehensive directions for developing the tax system in the context of digital transformation are extensively examined. The authors emphasize that during 2020–2024, the share of electronic tax reporting in Uzbekistan exceeded 95%, while the number of online cash registers reached 1.3 million units. In their view, digitalization processes have significantly reduced the human factor in tax administration, leading to an additional 15–20% increase in tax revenues. The study also notes that the introduction of more than 30 interactive services through the “my.soliq.uz” platform has created substantial convenience for taxpayers[7].

The analysis of these two sources shows that they are closely interrelated: while the first outlines the methodological foundations of tax control, the second reveals the practical outcomes of these mechanisms. In particular, the risk-based control model proposed by Ganiyev is supported by the empirical data presented in the research of Abdiganiev and Abdirazzoqov. As a result, the integration of digital technologies into the tax system not only enhances the effectiveness of control but also strengthens tax discipline and ensures economic transparency[8].

Overall, these sources demonstrate that the integration of theoretical and practical approaches is essential in the process of digitalizing the tax system. In particular, the development of tax control based on artificial intelligence, Big Data, and automated monitoring systems will enable the achievement of even higher results in the future[9].

Research Methodology

In this study, the processes of fulfilling tax obligations and improving the electronic reporting system in the context of digital transformation were examined using a comprehensive approach. Systematic analysis, comparative analysis, and statistical methods were applied as the main research methodology.

During the analysis, the growth dynamics of the share of electronic tax reporting (from 85% to 96%) and the number of online cash registers (from 350 thousand to 1.3 million units) over the period 2020–2024 were statistically evaluated. In addition, through comparative analysis, the effectiveness of traditional and digital tax control mechanisms was compared, revealing that digitalization has led to a 15–20% increase in tax revenues and a significant improvement in the detection of violations.

Furthermore, based on a systematic approach, the interrelationships between the key actors of the tax system and information technologies were analyzed. As a result, the applied methodology made it possible to accurately assess the impact of digital transformation on the tax system and to develop scientifically grounded conclusions for its further improvement.

Results and Discussion

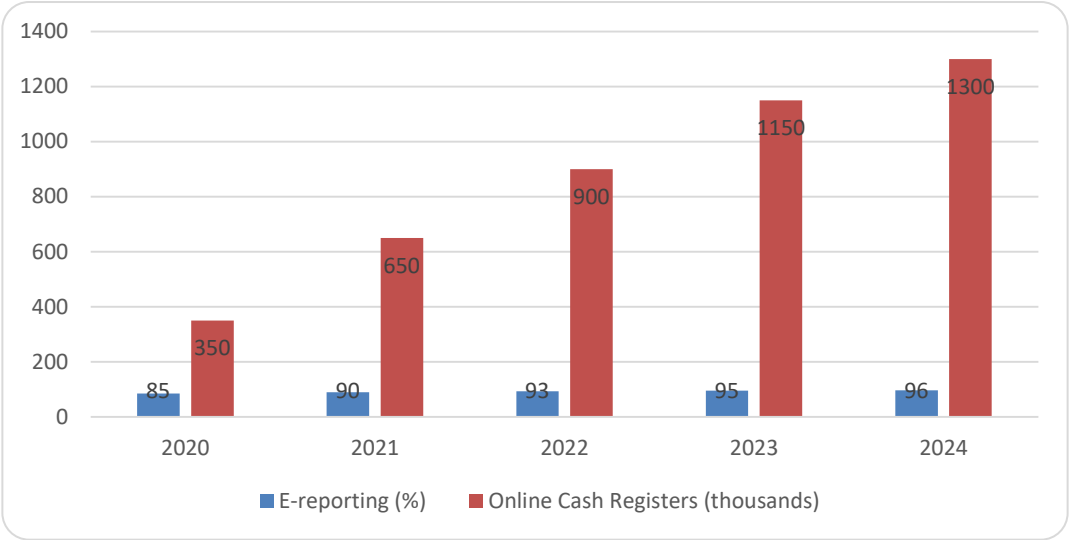
As a result of the reforms carried out to modernize the tax system in the context of digital transformation, significant positive changes have been observed. Within the framework of the study, the growth dynamics of the level of electronic reporting submission and the number of online cash registers for the period 2020–2024 were analyzed[10].

Table 1. Digital Indicators of the Tax System in Uzbekistan

Year	Electronic Reporting (%)	Online Cash Registers (thousand units)
2020	85%	350
2021	90%	650
2022	93%	900
2023	95%	1150
2024	96%	1300

According to the table data, over the past five years, the level of submission of electronic tax reports has increased from 85% to 96%. This indicates that digitalization processes in the tax system are being consistently implemented. At the same time, the number of online cash registers has increased nearly fourfold, ensuring greater transparency of economic operations[11].

Diagram 1. Dynamics of Digital Development of the Tax System in Uzbekistan (2020–2024



During the period of 2020–2024, a steady growth trend in both indicators is clearly observed. In particular, the acceleration of growth rates starting from 2021 indicates the expansion of digital infrastructure and the effective direction of state policy[12].

The process of digitalizing the tax system in Uzbekistan has achieved high efficiency within a short period. The fact that the level of electronic reporting submission has reached 96% indicates that interactions between taxpayers and government authorities are increasingly transitioning to fully digital platforms. This, in turn, reduces excessive bureaucratic procedures and enables savings in time and resources[13].

The increase in the number of online cash registers to 1.3 million has made it possible to monitor economic transactions in real time. As a result, the share of the shadow economy has decreased, and the tax base has expanded. According to some analyses, digitalization has led to an additional increase in tax revenues by 15–20%[14].

At the same time, several systemic challenges were identified during the discussion process. In particular:

- insufficient digital literacy among small business entities;
- low internet speed and quality in certain regions;
- lack of full integration between different information systems;
- occasional complexity of user interfaces.

These issues hinder the full effectiveness of the electronic reporting system.

To further develop this system, it is advisable to focus on the following areas:

- introducing tax risk identification systems based on artificial intelligence;
- conducting in-depth analysis of taxpayer activities using Big Data technologies;
- integrating all state information systems into a unified platform;
- creating user interfaces that are as simple and intuitive as possible for taxpayers;
- organizing practical training programs to improve digital literacy.

Overall, digital transformation is emerging as a key driver in enhancing the efficiency of the tax system. If the existing challenges are gradually addressed, tax administration is expected to become more transparent, faster, and more efficient in the future[15].

Conclusion

The results of the study indicate that, in the context of digital transformation, the system for fulfilling tax obligations in Uzbekistan has significantly improved and achieved high efficiency within a relatively short period. In particular, the increase in the level of electronic tax reporting from 85% to 96% and the growth in the number of online cash registers from 350 thousand to 1.3 million units during 2020–2024 clearly demonstrate the transition of the tax system toward a fully digital model. These indicators confirm not only technological progress but also improvements in tax discipline and the quality of administrative management.

As a result of the implementation of digital solutions, interactions between taxpayers and government authorities have been simplified, reducing unnecessary time and costs. At the same time, the establishment of real-time data exchange has strengthened control over economic operations and contributed to reducing the share of the shadow economy. Practical observations show that, precisely due to digitalization processes, tax revenues have increased additionally by 15–20%.

However, alongside these achievements, certain systemic challenges remain. In particular, the uneven development of digital infrastructure across regions, insufficient digital skills among small business entities, and the lack of full integration between information systems hinder the maximum effectiveness of the electronic reporting system. Therefore, further development of the tax system requires deeper implementation of modern technologies.

Digital transformation is emerging as a key factor in the modernization of the tax system. If artificial intelligence, Big Data, and integrated information systems are widely implemented, tax administration can become more transparent, efficient, and responsive. This, in turn, will contribute to ensuring the stability of the state budget and accelerating economic development.

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