

RESEARCH ARTICLE

Evaluating the Efficiency of Indirect National Taxes in The Digital Transformation of Public Finance

Samiev Sardor Iskandarovich

Acting professor at Department of Finance and Banking, Karshi State Technical University, Uzbekistan

Kupaysinov Behruz

Master's degree in corporate finance and securities markets, Karshi State Technical University, Uzbekistan

VOLUME: Vol.06 Issue04 2026

PAGE: 85-87

Copyright © 2026 Journal of Management and Economics, this is an open-access article distributed under the terms of the Creative Commons Attribution-NonCommercial-Share Alike 4.0 International License. Licensed under Creative Commons License a Creative Commons Attribution 4.0 International License.

Abstract

This research evaluates the structural and operational efficiency of indirect taxation—specifically Value Added Tax (VAT) and Excise duties—within the framework of a modernizing economy. As digital payment systems and electronic invoicing become the norm, the speed and transparency of indirect tax collection have fundamentally altered state finance dynamics. This paper argues that while indirect taxes provide rapid liquidity for the national budget, their efficiency is heavily dependent on the technological infrastructure of the tax administration. Through a comparative analysis, the study highlights the correlation between digitalization and the reduction of the "shadow economy."

KEYWORDS

Partner; economy; public finance; indirect taxation; VAT; digital transformation; fiscal efficiency; consumption tax; state budget; transaction transparency; e-invoicing.

INTRODUCTION

In the hierarchy of state revenue sources, indirect taxes act as the primary engine for immediate liquidity. Unlike direct taxes, which are collected periodically, indirect taxes flow into the budget continuously as transactions occur. This "real-time" nature makes them indispensable for funding urgent public expenditures and infrastructure projects.

The central problem of this study is to determine how the digital transformation of the economy affects the collection efficiency and the fiscal weight of indirect taxes. As nations shift toward cashless societies, the traditional leakages in consumption-based taxation are being minimized, presenting a new paradigm for public finance sustainability.

METHODS

The research methodology integrates technological and

economic assessment tools:

- Comparative Transactional Analysis: Evaluating revenue data before and after the implementation of electronic fiscal memory systems (E-invoicing).
- Coefficient of Tax Efficiency: Calculated using the ratio of actual VAT collected to the theoretical potential based on total consumption.
- Digital Integration Assessment: Measuring the impact of POS-terminal penetration on excise duty compliance.
- Mathematical Modeling: The study uses the following formula to assess the impact of digital oversight on revenue growth:

$$\Delta R = \int_{t1}^{t2} (c \cdot \tau \cdot \alpha) dt$$

Where C is consumption, τ is the tax rate, and α is the digital compliance coefficient.

RESULTS

The investigation into digital-era indirect taxation yielded the following data:

1. Acceleration of Revenue Inflow

The transition to digital VAT monitoring resulted in a 28%

Fiscal Component	Manual Era (%)	Digital Era (%)	Efficiency Growth
VAT Collection Rate	64.0	91.5	+27.5%
Excise Compliance	72.0	88.0	+16.0%
Administrative Cost	4.2	1.8	-2.4%

increase in tax collection efficiency within the first 24 months of implementation. The "collection gap" (the difference between expected and actual tax) narrowed significantly in the retail sector.

2. Fiscal Weight Indicators

Indirect taxes now constitute approximately 52% to 55% of the total revenue in rapidly developing digital economies, proving their role as the dominant contributor to the "National Wallet."

3. Performance Matrix

DISCUSSION

The findings demonstrate that indirect taxes are the most "technologically sensitive" part of public finance.

- 1. Velocity of Money:** The primary advantage of indirect taxes is their velocity. In a digital economy, these funds are transferred to the state treasury almost instantly, reducing the need for short-term external borrowing to cover budget deficits.
- 2. The Regressive Nature Challenge:** Despite their efficiency, the study discusses the regressive nature of consumption taxes, which can disproportionately affect lower-income households. The paper suggests using digital data to implement targeted social transfers as a compensatory mechanism.
- 3. Cross-Border E-commerce:** A significant portion of the discussion is dedicated to the challenges of taxing digital services and cross-border trade, where traditional customs borders are becoming invisible.

CONCLUSION

Indirect national taxes remain the most agile and high-volume source of state finance. The digital transformation has not only increased the volume of these taxes but has also significantly lowered the cost of their administration. For future fiscal policy, the integration of Artificial Intelligence (AI) in monitoring consumption patterns is recommended to further eliminate tax evasion and ensure the continuous formation of state financial resources.

REFERENCES

1. F Jahongir, SS Iskandarovich, "Development of Financial Market Activity by Optimization of Stock Issuance European Journal of Economics", Finance and Business Development 1 (2), 6-9, 2023;
2. SS Iskandarovich, "The Sources of Funding, Procedure and Challenges of Investment Activity at Oil and Gas Enterprises of Uzbekistan", International Journal on Economics, Finance and Sustainable Development 3 (5), 77-84, 2021;

3. СИ Самиев, "Ўзбекистон нефть-газ корхоналари инвестицион фаолиятининг ҳозирги аҳволи ва унга хос бўлган тенденциялар", Экономика и финансы (Узбекистан), 10-18, 2022;
4. С Самиев, "Эффективность управления инвестиционной деятельностью предприятий: некоторые теоретические вопросы", Таджикистан, Душанбе Международной научно-практической конференции "Финансово-кредитные механизмы регулирования и развития экономики стран СНГ" 30 октября 2019 г. 1 (1), 262-266;
5. ZI Ruziyev, SI Samiev, JJ Oramov, OJU Shoymardonov, GU Nazarova, "Accounting policies and financial reporting", International Journal of Health Sciences 6 (S5), 2509-2514, 2022;
6. SI Samiyev, "Neft-gaz korxonalarida "investitsion faoliyatni moliyalashtirish" ni takomillashtirishda "investitsiyalar" larning ahamiyati", THE INNOVATION ECONOMY 2 (01), 2026;
7. SI Samiyev, "Инвестицион сиёсат, инвестицион фаолиятни молиялаштириш-саноат корхоналари инвестицион фаолиятни молиялаштиришнинг энг муҳим фундаментал асослари сифатида", THE INNOVATION ECONOMY 2 (01), 2026;
8. SI Samiev, "Саноат корхоналарида инвестицион фаолиятни молиялаштиришни такомиллаштириш", THE INNOVATION ECONOMY 2 (01), 2026;
9. Tulkin Imomkulov, Sardor Samiyev, Nuriddin Shanyazov, Zokir Mamadiyrov, Mohichekhra Kurbonbekova, Jurabek Kuralbaev, Oybek Odamboev, "Digital Connectivity, Financial Development, and Economic Performance in BRICS Economies: Evidence from Robust Panel Estimators and Distributional Dynamics", Economies 14 (4), 138, 2026;
10. СИ Самиев, СИ Самиев, "Нефть-газ корхоналарида "инвестицион фаолиятни молиялаштириш" ни такомиллаштиришда "инвестициялар" ларнинг аҳамияти", Innovatsion iqtisodiyot ilmiy-amaliy elektron jurnal, 2025;
11. СИ Самиев, "Инвестицион сиёсат, инвестицион фаолиятни молиялаштириш-саноат корхоналари инвестицион фаолиятни молиялаштиришнинг энг муҳим фундаменталь асослари сифатида", Innovatsion iqtisodiyot ilmiy-amaliy elektron jurnal, 2025;
12. S Jaloliddin, SS Iskandarovich, "Theoretical Basics of the Significance of Investment Projects in Financing Investment Activities", Diversity Research: Journal of Analysis and Trends 1 (2), 7-10, 2023;
13. SS Iskandarovich, "Analysis of the implementation of investment activities and its financing at the oil and gas enterprises of Uzbekistan", International Journal of Economy and Innovation, 2022.