



## TAX CONTROL AS AN EFFECTIVE FINANCIAL CONTROL

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Article history:		Abstract:
<b>Received:</b> 20 <sup>th</sup> February 2026		Tax control is an important component of financial control. It is implemented in the process of collecting mandatory payments from the production sector of the economy during the formation of centralized state funds. Therefore, tax control is essential for ensuring that taxpayers fulfill their obligations in accordance with legal requirements. Tax control has its own specific features in terms of its nature and implementation, and it involves complex legal relationships. Consequently, the scientific study of this process is a pressing issue. This article analyzes the role and significance of tax control as a form of financial control.
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### INTRODUCTION

Tax control, as a component of state financial control, plays a significant economic role in regulating and developing the economy by the state. The main economic objective of tax control is to ensure the timely and full receipt of tax revenues into budgets of different levels in accordance with established amounts and deadlines. At the same time, its social objective and function are to improve taxpayers' tax compliance culture, protect them from various financial and other liabilities, and contribute to maintaining the overall reputation of taxpayers under market conditions.

As an element of tax management, tax control, on the one hand, reflects the controlling nature of taxation, and on the other hand, encompasses the legal relations related to the activities of tax authorities and other relevant bodies in ensuring compliance with tax legislation. Tax control is not limited only to the supervisory activities of tax authorities over compliance with tax laws; it also includes public and private forms of tax control carried out in cooperation with authorized bodies that have the right to monitor compliance with tax legislation. This includes, for example, oversight by founders and shareholders regarding how taxes are paid by enterprises in which they have invested financial resources.

### LITERATURE REVIEW

If we briefly analyze the scientific research devoted to the methodological aspects of the role and significance of tax control as a component of state financial control, it is necessary to highlight the studies conducted by foreign scholars such as M. Arsenie-Samoil, A.D. Barreix, R. Zambrano, A.S. Advokatova, R.V. Batashev, A.E. Voronov, E.N. Golik, A.G. Asatryan, E.A. Kirova,

A.V. Kozhebatkina, I.A. Mayburov, N.I. Malis, K.V. Novoselov, A.Yu. Sekushin, D.I. Yakovlev, and E.S. Osipova.

These studies extensively examine the essence of tax control, the principles of its forms and types, as well as the methodological features of their implementation. Considering the scientific works of local scholars in this field, it is possible to mention the contributions of M.Q. Pardaev, O.O. Olimjonov, B.I. Isroilov, E.F. Gadoev, Sh.A. Toshmatov, T.S. Malikov, N.H. Haydarov, B.I. Isroilov, Z.N. Kurbonov, K.R. Hotamov, N.B. Ashurova, J.J. Urmonov, I.M. Niyazmetov, S.K. Khudoykulov, F.I. Isaev, Z.A. Abdullaev, U.H. Normurzaev, S.S. Azimov, and other scholars.

### RESEARCH METHODOLOGY

Studying scientific research devoted to the methodological aspects of the role and significance of tax control as a component of state financial control requires extensive use of research methods commonly applied within the framework of scientific methodology. Investigations in this area demand the application of deductive and inductive approaches, synthesis and analysis, grouping and processing, dialectical reasoning, abstract and logical thinking, comparative methods, abstract-logical reasoning, as well as statistical techniques. In fact, the studies conducted in this field have employed these methods as the primary approaches to the research process.

### ANALYSIS AND RESULTS

Tax control is carried out by the state tax authorities and other authorized bodies in accordance with the current legislation. It encompasses registration of taxpayers, accounting of taxable objects and objects



related to taxation, recording of revenues to the budget and state-targeted funds, desk (document-based) control, monitoring the timing of cash receipts, tax audits, application of fiscal memory-based cash registers, labeling of certain excisable goods, as well as the introduction of financial inspector positions in certain enterprises. Additionally, tax control ensures timely and complete transfer of funds from the sale of state property to state revenue, collection of other mandatory payments, and oversight of relevant state bodies and organizations performing these functions. As an administrative mechanism to determine the fulfillment of "agreements" regarding financial obligations between the state and society, including legal entities and individuals, tax control also possesses

certain social characteristics. The existence of tax control and the legal forms established by law create in taxpayers a sense of readiness for such oversight, prompting them to consider the consequences of violating tax legislation. Deficiencies identified through tax control increase taxpayers' awareness of their social obligations, while also promoting caution to avoid negative impacts on the enterprise's reputation. According to the results of tax control, criminal liability may be imposed on taxpayers for non-payment of significant amounts of taxes, which negatively affects their reputation and economic activity. Therefore, the outcomes of tax control influence not only taxpayers' image and economic activity but also generate broader social relations.

Table 1.

**Analysis of taxpayers' financial and economic activities based on tax audit results for 2020–2024 (billion soums)<sup>1</sup>**

Nº	Indicators	2020 year	2021 year	2022 year	2023 year	2024 year
1.	Number of tax audits conducted	7568	8891	14 423	43 337	48 066
	Including:					
	On the initiative of tax authorities	0	0	0	139	233
	In connection with initiated criminal cases	1 845	1 567	1 842	3 419	16 833
	Due to voluntary termination by taxpayers	3 939	3 487	10 581	29 729	36 275
2.	Additional assessed tax amount	809,4	906,4	1 385,2	2 893,8	63,05
3.	Applied financial penalty amount	487,2	402,0	1 620,5	2 535,3	442,18
4.	Tax amount collected from audits	236,6	178,6	137,5	687,0	331,59

To analyze the practical state of the process noted above, if we focus on the data presented in Table 1, it can be observed that during 2020–2024, tax audits of taxpayers' financial and economic activities were also conducted within the framework of criminal cases initiated by the prosecutor's office and investigative authorities. Specifically, regarding tax audits conducted in connection with initiated criminal cases, the dynamics show an increase over the years under review.

Table 2.

**Analysis of Tax Audits Conducted in the Tax System of the Republic of Uzbekistan (Summary Indicators)<sup>2</sup>**

Nº	Indicators	2022 year	2023 year	2024 year
1	Number of tax audits conducted	29 541	32 709	41 165
	Including:			
2	Tax audits conducted through the risk analysis system	965	1 066	2837

<sup>1</sup> Author's calculations based on the data of the State Tax Committee.

<sup>2</sup> Calculated and compiled by the author based on the data of the Tax Committee.



3	Tax audits conducted in connection with criminal cases initiated by law enforcement agencies	2921	3 664	4215
	Including:			
	In connection with criminal cases initiated by the State Security Service	62	87	126
	In connection with criminal cases initiated by the Prosecutor's Office	2712	3 405	3852
	In connection with criminal cases initiated by the Internal Affairs (Police)	129	135	225
	Assigned by court decisions	18	37	12
4	Other audits and inspections conducted in cooperation with other supervisory authorities	41	37	46
5	Tax audits conducted due to taxpayer liquidation	25 614	27 942	34 067
6	Total amount identified as a result of tax audits (billion UZS)	7 251,4	8 272,0	11 632,1
	Additional assessed tax amount (billion UZS)	5 419,6	4 930,2	6 783,6
	Financial penalties (billion UZS)	1831,8	3 341,7	4848,5

As is known, tax audits are conducted for various purposes. Based on the results, the tax authorities initially take financial measures within their powers. At subsequent stages, if criminal elements are detected in the tax results or if the amount identified during the audit is significant, the materials are submitted to law enforcement agencies.

These situations can also be observed from the data presented in Table 2. Looking at the table, the number of tax audits conducted in 2022–2024, including those conducted through the risk analysis system and those related to criminal cases initiated by law enforcement agencies, increased year by year.

Analyzing the results of the audits, the total amount identified as a result of tax audits was 7,251.4 billion UZS in 2022, 8,272.0 billion UZS in 2023, and 11,632.1 billion UZS in 2024. This indicates that compared to 2022, over 4.4 trillion UZS were hidden in taxes, averaging approximately 1.4 trillion UZS per year. Additionally, the amounts of additionally assessed taxes and financial penalties also increased over the analyzed period. This underscores the need to strengthen taxpayer financial and legal literacy, promote tax culture, and prevent errors in tax calculations.

Tax audits are an important component of the financial control system. They ensure the effective implementation of state tax policy, strengthen legality and transparency in the economy, improve taxpayer tax culture, and ensure that taxes due to the state budget are collected properly and consistently.

The importance of tax audits in organizing and conducting financial control lies in the fact that they provide revenue bases for various budgets, prevent and help proactively address violations, ensure financial

transparency, allow for the assessment of tax risks within the tax system, guide corrective actions, and positively influence taxpayers' financial discipline. In short, tax audits are one of the most effective tools of state financial control, supporting state budget revenues, enhancing transparency and legality in the economy, and improving the effectiveness of tax policy by consolidating tax-financial relations.

### CONCLUSION AND SUGGESTIONS

Based on the above, it can be concluded that, first, in scientific research related to tax control, tax control is evaluated as an integral part of the state's financial control and as an important tool for regulating the economy. Second, tax audits are interpreted as the most effective methods for implementing tax control, and the effectiveness of tax audits is considered to depend on the mechanisms established for organizing tax control. Third, the efficiency of tax audits depends on the stages of their implementation and the organizational processes involved. Fourth, placing emphasis on desk (cameral) audits is highly important for supporting the activities of taxpayers. Fifth, special attention should be given to organizing field (on-site) tax audits and implementing them based on digital mechanisms.

From this, to ensure the effectiveness of state tax control, the following points require particular attention: First, when conducting tax audits, it is necessary to take into account the characteristics and specific features of each sector, as well as the diversity of organizational and legal forms of taxpayers. In particular, large sectors have their own distinct characteristics, such as mining and metallurgy, energy, cotton processing, banks and



insurance companies, representative offices, permanent establishments, and similar entities.

Second, large companies usually prepare consolidated balance sheets, reflecting the distribution of tax obligations among the enterprises within the company. The parent organization allocates tax obligations to its subsidiaries, which in turn form the primary financial and economic indicators—revenues from the sale of goods, works, and services, as well as current and financial expenses. The parent organization consolidates all financial and economic indicators and reflects them in the consolidated report. When auditing large companies, it is possible to conduct audits of one or several members on a selection basis.

Third, banks and insurance companies also have a number of specific features. In banks, the balance sheet reflects all income and expense groups. A bank tax audit should begin with studying the balance sheet, commercial bank accounting plans, and conducting a deep analysis of indicators with potential risk. This must be taken into account when auditing banking institutions. Similarly, insurance companies use special accounting plans that need to be examined during tax audits.

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