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## Issues of assessing the development analysis in the field of taxation in Uzbekistan

**Mirpulatov Jakhongir  
Muzapparovich**

**Economy of the Republic of Uzbekistan and  
Tax Committee under the Ministry of Finance  
Graduate student of the Fiscal Institute**

### ABSTRACT

This article aims to ensure the effectiveness of the tax-budget system in the new development strategy of our republic. Tax policy plays a very important role in the economic policy of any country. The tax policy is closely related to other economic policies of the state and influences them. Correct development of tax policy and determination of its strategic and tactical directions is a very urgent and complex process.

### Keywords:

local tax, market value of the property, cadastral value, personal card, tax elements, budget potential, local budget, local budget expenses, local taxes, tax debt, maintenance, tax collection, tax benefits.

**Introduction:** In the early years of independence, the complex economic situation with high rates of inflation occurred in order to balance the budget deficit, to finance the costs of social protection of the population, and to solve the priority tasks related to the modernization of the economy and the renewal of the production base of the national economy. determined the tasks of the tax policy on the search for resources.

Before the collapse of the USSR, the state budget of our republic was formed from 20% to 50% of loans and union allocations, and the sudden cessation of foreign transfers could not but cause a financial shock of its own. At the same time, in the nineties, the share of the state budget revenues of the Uzbek SSR in the generated national income was about 49 percent. The overnight loss of funds from the union certainly affected the state of public finances and the overall macroeconomic situation.

In this regard, in 1992, in the conditions of the formation of market relations in the republic, the formation of a tax system designed to ensure revenues to the sovereign state budget began.

The strategic directions of tax reforms were initiated by the decrees of the first President of the Republic of Uzbekistan - the head of state and executive power. The purpose of the adopted decisions and the methods of their implementation are specified in the decrees. In this regard, after gaining independence (1991-2001), the first stage of the formation and development of the national tax system was carried out taking into account the existing socio-economic situation in the country, that is, the large number of fiscally oriented taxes. was distinguished by

The need to solve these problems determined the main features of the tax policy at the initial stage, the main tasks of which were the fiscal and redistributive functions of taxes aimed at solving narrower short-term problems in the context of high inflation and budget deficit.

The General State Administration under the Cabinet of Ministers, which was established on August 12, 1991 on the basis of the General State Finance and Tax Administration under the Ministry of Finance, played an important role in the formation of the tax system. In 1992, in order to strengthen the organization and personnel of the tax authorities, an important role was played by the establishment of the main state department under the Cabinet of Ministers, the special control department and special control departments under the state tax departments of the regions and Tashkent city within the Central apparatus. In 1993, a special department for the control of foreign exchange receipts was established within the DSBB, DSB of the Republic of Karakalpakstan, regions and the city of Tashkent. In the same year, the foundations were created for the automation of document circulation and the introduction of a single computer system in tax authorities. In 1994, the State Tax Committee of the Republic of Uzbekistan was established on the basis of the General State Administration under the Cabinet of Ministers in order to implement the unified state tax policy. In the same year, the State Customs Committee was transformed into the main customs department within the DSQ. The main tasks of the tax policy at the initial stage were:

- creation of a fundamentally new system of taxes and payments corresponding to the transition period and their introduction into economic practice;
- quick response to the emerging economic situation, quick changes to the tax legislation;
- ensuring the income part of the budget in the conditions of its large deficit, progressive inflationary processes, decrease in production volume and increase in the number of unprofitable enterprises;
- formation of the state tax service as an independent system designed to ensure compliance with the requirements of current legislation in the field of calculation and payment of taxes and other mandatory payments.

The specific features of the economic situation are also reflected in the composition of taxes. It included non-traditional taxes, such as taxes on

the export of raw materials, depreciation deductions, and a tax on corporate income.

During this period, it was not possible to implement certain traditional requirements for the tax system: gradual change, stability, simplicity and comprehensibility for taxpayers. Objective conditions demanded to change the tax system as soon as possible without proper practical study of all issues and preparation of the legal framework, training of tax inspectors and taxpayers.

The basis of the tax policy was to reduce the tax burden on enterprises. The high rates of taxes established in the first stage of economic reforms did not allow funds to be directed to the development of production and its technical re-equipment, replenishment of working capital and stimulation of the growth of the number of economic entities. Thus, in 1996, the VAT rates were reduced from 18% to 17%, and the income tax, whose rates differ depending on the volume of exported products and the share of foreign investments in the authorized fund of joint ventures, was reduced from 38% to 37%.

In April 1997, for the first time, the Tax Code of the Republic of Uzbekistan was developed and adopted, which made it possible to regulate relations between taxpayers and tax authorities. The Tax College of the State Tax Committee was established in 1998 by the decision of the Cabinet of Ministers in the field of training of qualified personnel.

In 2000, the new structure of the Central Office of the State Security Service was approved, new departments were established, the model structure of the State Security Service was adopted, and bases were established.

From January 1, 2001, the Pension Fund under the Ministry of Finance was transformed into an extra-budgetary Pension Fund, these payments were equated with taxes and fees, and the function of revenue control was transferred to the State Tax Committee.

At the same time, in order to stimulate the expansion of domestic demand, increase real incomes and further increase the standard of living of the population, the taxation system was simplified and the income tax rates paid by individuals were significantly reduced.

Thus, if in the first years of independence the income tax from individuals was calculated and collected according to the maximum rate of 60% of the received income, according to the results of the first decade of independence, the maximum tax rate is 1.7 times decreased to 36% calculated on 3 scales.

In 2000, with the help of foreign experts, all stages of the budget process were regulated by the Law "On the Budget System", the roles and responsibilities of various ministries and agencies, republican and local authorities were clearly defined.

Since 2004, in order to strengthen the independence and responsibility of local authorities, the local budget includes:

- tax for using water resources;
- ecological tax (cancelled since 2016);
- a fixed tax on the income of individuals engaged in business activities without establishing a legal entity;
- a fixed tax on the income of legal entities and individuals from the implementation of certain types of business activity;
- excise tax on alcoholic products (except ethyl alcohol), beer, vegetable oil, household and perfume soaps produced in the republic.

The second stage of reforms (2002-2015) was based on the tasks of the first President and the government to liberalize all aspects of public life and move forward on the path of economic reforms.

In this regard, the measures of the tax policy of the period were directed to:

- further reduction of the tax burden,
- simplification of the taxation system for small and medium-sized business entities,
- to protect conscientious taxpayers from unreasonable interference in economic activity,
- liberalization of criminal and administrative penalties, as well as more complete implementation of the principles of an effective tax system.

Thus, as part of the implementation of tax policy measures, the maximum rate of personal income tax was reduced by 1.4 times from 32% to 23%.

The implementation of the tax policy measures of this stage contributed to a 2.3-fold increase in GDP per capita in terms of GDP, that is, from

\$2,947 to \$6,740, which had a positive effect on the growth of the population's well-being.

Large tax incentives were provided for enterprises participating in localization programs. The import of technological equipment and the most important raw material resources was exempted from customs duties.

A number of important changes have been made in the field of tax administration.

Establishment of the Republican Road Fund under the Ministry of Finance (2003) and extra-budgetary school education fund (2004), as well as introduction of state registration of persons importing commercial goods (2004) with the State Tax Committee was entrusted with the provision of appropriate fees as additional functions. Thus, from 1991 to 2010, the number of functions of tax authorities increased from 10 to 63.

During the years 2006-2010, the implementation of the program of providing information services to taxpayers and improving the information system of tax authorities began, which included the wide introduction of electronic reporting, information exchange, and receiving interactive services.

From December 25, 2007, the new version of the Tax Code, developed as a directly applicable document by the President, was approved. made it possible to create a unified legal base in the system of tax relations. This measure significantly reduced the number of regulatory legal documents in the field of tax legislation.

During the development of the new version of the Tax Code, taxes and taxation regimes were further unified and simplified, and special tax regimes were introduced for certain categories of taxpayers who pay taxes under the simplified system.

In order to further improve the institutional structure of tax authorities and increase its effectiveness, in 2010, the system of tax authorities was modernized on the basis of local and foreign experience.

Most of the barriers that hinder entrepreneurs at various stages of their activity have been removed. With the introduction of registration of business entities under the "one-stop shop"

principle, it became possible to quickly issue all permits for business activities. Regardless of the form of ownership and organizational-legal form, all business structures had the opportunity to openly use financial, currency and material and technical resources, including highly liquid resources such as gasoline, metal, fertilizers, etc.

The rules for conducting audits of the financial and economic activities of business entities have been strengthened, they are carried out only by the state tax service authorities in the prescribed manner, and when signs of tax and currency crimes are detected during the inspections, by the Department of Combating Tax and Currency Crimes under the Prosecutor General's Office. can be transferred. Heads and officials of supervisory bodies are charged with personal, even criminal responsibility for issues beyond their authority and control.

Damage caused to a business entity as a result of illegal decisions of state bodies or illegal actions (inaction) of officials, on the basis of a court decision, primarily from the funds of their extra-budgetary funds or compensation in full by the officials of these state bodies that caused the damage must

With the decision of the President No. PQ-630 of April 27, 2007, the procedures for closing and liquidating the business have been significantly simplified and shortened, previously business entities spent several months and spent large transaction costs.

In addition, in order to reduce the influence of subjective factors in the interaction of taxpayers with tax authorities, and to prevent the creation of unreasonable obstacles to the business activities of law-abiding taxpayers, the Code stipulates that taxpayers provides for the use of contactless forms of submitting financial and tax reports electronically via the Internet.

From the second half of the second stage (2010-2016), the tax policy is focused on the following directions:

- to further reduce the tax burden by unifying rates, revising the taxable base,
- tax incentives for production modernization and localization processes;
- simplification of tax administration.

For example, since 2011, the personal income tax rate for micro-enterprises and small enterprises has been reduced. A reduction in the taxable base for the purchase of new technological equipment was introduced.

New benefits and reliefs for business entities adopted in 2012-2014 were another confirmation of the stimulating role of taxation. In 2014, the actual indicator of the total tax burden was 20% of GDP, which helped to further develop business activities.

In 2015, changes were also made to the current taxation mechanisms, which further reduce the tax burden on business activities, ensure macroeconomic stability and high rates of economic growth, create a diversified and competitive economy, increase social justice, and simplify tax administration.

Also, innovations were introduced on the calculation of the single tax payment for some sectors of the economy. Starting from 2015, construction organizations began to pay VAT at the rate of 5% instead of 6% used in 2014. This measure contributed to the growth of foreign and domestic investments in the construction industry. The rates of the single tax payment for enterprises engaged in wholesale and retail trade (except for pharmaceutical organizations) have been combined and a single rate of 5 percent has been set. In 2014, the rate of single tax payment for trade enterprises engaged in wholesale trade remained at 5 percent.

The decrease in the tax burden directly affected small and private business entities. The single social payment rate for micro-enterprises and small enterprises (hereinafter referred to as GNI) was reduced from 25% to 15%, i.e. more than 1.67 times. The implementation of this measure made it possible to reduce the burden on the wage fund of economic entities and leave large funds at the disposal of small enterprises. It also strengthened market incentives to expand production and helped expand payments to factory workers.

Starting from January 1, 2016, the VAT rate for micro-enterprises and small enterprises in the service sector was reduced from 6% to 5%, which makes their tax burden equal to that of industrial and construction business entities. The implementation of these measures allows

to increase the share of services in GDP from 54.5% to 55.5% due to the activation of investment activities, as well as to leave about 60 billion soums at the disposal of enterprises in this field. At the same time, most tax rates did not change in 2016.

As part of the liberalization of the responsibility of business entities for certain tax offenses, the application of measures for the compulsory recovery of the amount of additional taxes calculated according to the results of the investigation within the framework of the criminal case has been canceled. Adoption of this measure allowed entrepreneurs to avoid double fines (by law enforcement and tax authorities).

In 2016, the main direction for Uzbekistan was the continuous technological renewal of production and the implementation of structural changes in the economy, the search for internal reserves for the modernization and diversification of the industry. The most important direction of the implementation of domestic reserves is to gradually increase the depth of processing of local raw materials of mineral and plant origin, to expand the production volume and nomenclature of high-value-added products.

In general, the most important result of the tax reform in 2010-2017 is the reduction of the tax burden on the economy and the development of non-contact forms of interaction with taxpayers, which is the main reason for maintaining high rates of economic growth and rapid development of entrepreneurship. was one of the factors.

The third stage of reforms (2016-2022) is based on large-scale reforms aimed at activating new factors of economic growth starting from 2016 under the leadership of President Shavkat Mirziyoyev.

In 2017-2021, within the framework of the action strategy for the five priority areas of development of the Republic of Uzbekistan, the course of reducing the tax burden and simplifying the taxation system, improving tax administration and expanding the relevant incentive measures is envisaged.

At the initial stage of reforms in the tax sector, there are a number of systemic problems that

prevent uniform economic growth, increasing business and investment activity, creating a healthy competitive environment, as well as ensuring the necessary level of collection of taxes and other mandatory payments. identified, in particular:

firstly, the high level of tax burden for those who pay general taxes, as well as the significant difference in the level of tax burden between economic entities that pay taxes in the simplified and general system of taxation;

secondly, the inefficient system of value added tax collection, which attracts working capital of taxpayers, as well as leads to an increase in the intermediate and final cost of consumer goods, and hinders the development of cooperation between large and small businesses existence of mandatory payments;

thirdly, the high tax rates of the labor compensation fund, which leads to the concealment of the real number of employees and the labor compensation fund by taxpayers;

fourthly, due to the lack of an effective system for monitoring and controlling the effectiveness of incentives, which has a negative impact on ensuring healthy competition, tax and customs, including individual characteristics, of business entities the widespread practice of favoritism;

fifth, lack of improvement of information exchange mechanisms between state bodies and organizations, forms and methods of electronic tax administration and implementation of tax control;

sixth, the lack of a clear system of risk analysis and management in the implementation of control activities, which has a negative impact on the quality of control activities and prevents the reduction of interference in the activities of honest business entities;

sevently, due to the inefficiency of local tax and levy administration mechanisms, their level of collection is insufficient, as well as the absence of complete accounting and objective determination of the value of real estate and land plots.

The new version of the Tax Code is intended to ensure the stability of the macroeconomic situation, the stability of the state budget and the formation of its revenues, to simplify tax legislation, to eliminate contradictions and

conflicts in regulatory legal documents in the field of tax relations, to protect the rights and legitimate interests of conscientious taxpayers. aimed at strengthening doing. In the process of developing a new version of the Tax Code, the number of taxes was further optimized by combining them, as well as combining taxes with a similar tax base, shortening and simplifying tax reports, and minimizing operational costs.

### Conclusions and suggestions.

It is clear that Uzbekistan needs to focus on improving the tax system, especially for small and medium-sized business entities. This can be achieved by introducing modern fiscal control tools, such as electronic tax control systems, and further supporting and encouraging small and medium-sized businesses. It is also important to ensure transparency and fairness in the tax system, encourage compliance with laws and reduce tax evasion. In general, the government should take an active approach to improve the tax system and stimulate economic growth in Uzbekistan.

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