



Stages of the introduction of taxes on individuals in the taxation system of Uzbekistan

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ABSTRACT

The article highlights the formation of the income base of local budgets, the importance and scientific and practical basis of land tax and property tax. Local budgets are based on opportunities to ensure income stability. Procedures and practical recommendations were proposed to increase the importance of land and property taxes in the formation of income of local budgets. In addition, a study was carried out on ways to increase the income of the local budget, within the framework of which the research of economic scientists was studied, conclusions and proposals were formed.

Keywords:

Land tax, real estate, local budget, local budget income, local authorities, local taxes, resource taxes, tax, budget, tax rate, tax report, tax revenues, tax benefits.

Introduction: The development of economic potential in the conditions of the transition of the Republic of Uzbekistan to a market economy is possible only in the presence of a stable tax system, as an integral element of which taxes on individuals require the implementation of a budget-tax policy that takes into account the need for state intervention in the development stages of the economy and the real In particular, by prioritizing economic mechanisms in the use of resources, a mechanism for regulating their use has been created, and this process is improving in accordance with the period. The most important of the elements of the economic mechanism aimed at the effective use of resources is, of course, taxation. This in turn is necessary for the formation of budgets of various levels and extra-budgetary funds.

Thematic literature analysis

In the current period, as priority areas of tax policy, it is considered to increase budget revenues, expand the base of local budget revenues through the improvement of tax administration, and unify taxes.

From an economic point of view, finding and

attracting additional reserves for the growth of tax and non-tax revenues is not only a matter of replenishing local budgets, but also the formation of a modern legal space, conditions for the development of entrepreneurship, various socially oriented urban programs and their implementation. In countries where the right to property is privately owned, the combination of the right to private property and the value of land generates two social costs: the value of land (or wealth) and the unequal distribution of that wealth, one of the means to levy the value of unused land is tax (Wyatt, 2019).

A land tax is a periodic tax levied on landowners based on the value of unimproved land. Land tax is a cost-effective means of taxing wealth and encouraging the efficient use of land. Most literature focuses on theoretical aspects, but most of them lack detailed information on how such a tax can be perfectly introduced (Hughes et al. 2020).

According to Toshkulov (2021), an economist scientist from our country, the taxation of Agriculture is constantly being reformed, but

this does not guarantee its perfection. The instability, complexity and uncertainty of tax legislation, the low use of tax mechanisms to stimulate investment, innovation and entrepreneurial activity, and the expansion of production do not allow the tax system to fully fulfill its functions in agriculture.

According to Vlasova (2015), "the profitable potential of local budgets requires a more active implementation of Public-Private Partnership, the introduction of tax incentives and, by accelerating and simplifying bureaucratic processes, making it as easy as possible to do business, reducing the share of non-production costs and increasing production costs. As a result, the budget policy in the region leads to an increase in efficiency. The comprehensive decision to increase the income potential of local budgets will have a strong positive effect on the economy of the entire region in the long term."

Seleznev believes that in the opinion of Dotsenko (2016) "the system of formation of income of local budgets - an important macroeconomic task, in connection with the problem of the real financing deficit of local budgets." As Serebryakova (2017) notes, "the financial provision of territories is one of the most difficult and pressing issues of reforming the local self-government system."

Sukharev (2020) promotes a system of implementation of cost-effective activities results aimed at radically changing the sources of budget income at all levels, stimulating the budget mechanism.

Khudoykulov (2019) identified forecast indicators of state budget total revenues for 2018-2023 through econometric methods in his research, Agzamov (2019) determined the income tax from individuals forecast indicators for 2019-2023, Pardaev (2018) studied state budget revenue forecasting issues, Urmonov (2019) determined the tax revenue projections of the single tax payment for 2018-20.

Khaydarov (2020) believes that it is necessary to stimulate the involvement of foreign

investors in order to increase the sources of income of local budgets and create new jobs in the regions. To do this, it is necessary to develop a list of industries and industries in which foreign investors by country cannot engage in any type of entrepreneurial and commercial activity, and show that there is a green path to all other industries and industries.

Research methodology. In the analysis process, methods of statistical grouping of data, comparative and trending analysis were used. The article is a comparative analysis of the scientific and theoretical views of economists aimed at ensuring the stability of local budgets as one of the pressing issues of the state financial system.

Analysis and results discussion.

Taxes are directly related to the emergence of the state, that is, the state uses taxes as a financial resource for the performance of its functions. Within the taxes paid by individuals, the tax that occupies a significant place from budget revenues is the income tax levied on individuals. Income tax from individuals is one of the sources of income of the state budget, which is part of state taxes. Its peculiarity is that the tax is obtained from the direct income of individuals. Today, the taxes and fees paid by individuals account for 15 percent of budget revenues.

According to the tax code, individuals with taxable income in the financial year are the taxpayers who pay the tax on their income. For tax purposes, individuals are divided into residents and non-residents. Taxpayers are individuals who are required to pay taxes and fees.

The history of the appearance of the first tax collection of the population on tax payments dates back to the era of Ancient Egypt in the third millennium BC. According to ancient Egyptologists, the Pharaohs of Egypt forced the population to pay a fifth of the crop grown as taxes¹. In history, Tax Practice also developed in Greek civilization. In this, the "Rosetta monument", found in the eastern area of the

¹Мунавваров З., Ўзбекистон и арабский мир: перспективы сотрудничества, Т., 1997; Махмудбеков Ш., Борба Египта за независимость, Т., 1992; Гиясов Б. Т., Мохаммад Хосни Муборак — политик и дипломат, Т.,

1999; Гиясов Б., Хаса-нов Э., Дипломатия Египта, Т., 2001; Салохудинов Х. А., Фиръавнлар мамлакати, Т., 1992; Борисов Б. Т., Роль ислама во внутренней и внешней политике Египта, М., 1991..

historic city of Alexandria in 1799, is evidence of this². There are also described cases in 196 BC when tax relations were in effect in the Ptolemaic dynasty. Taxes on individuals are one of the few with a rich history. In many European countries, this type of tax appeared at the end of the 18th and 19th centuries. It was first in England – in 1842, in Prussia-in 1891, and in France – in 1914, the first periods of formation began³. This is considered the most important early history of the stages of development of the tax system, the first manifestations of the principles of taxation of individuals were formed.

European countries also have a unique history of tax collection, and the wool export tax was introduced by King John of England in 1203. At these times, in 1275, King Yedvard introduced a tax on wine. In fact, a tax on the poor was introduced in England in 1572 to support the poor. After the establishment of Great Britain on 1 May 1707, new taxes were considered in England and Wales to overcome the problem of the 1696 monetary deficit, and the idea of an income tax soon began to emerge. People initially refuse to pay income taxes, and they believed that transferring a certain part of their income to the state was a threat to individual freedom. For this reason, only in 1842 was Income Tax introduced permanently in the United Kingdom. The current maturity of income tax in the United States is related to the history of the Civil War (1861). Abraham Lincoln was the first in the history of the United States to sign a law on August 5, 1861 that forced individuals to pay income taxes to the state. It was assumed that the proceeds from these taxes would be spent on military needs. China is also one of the countries where the first tax procedures were introduced. During the Tang Dynasty (618-907) and Song Dynasty (1127-1279), the population was registered and taxed based on this. The funds raised went to

the army in addition to the construction of canals necessary for irrigation and transport or similar social projects⁴.

In the nomadic conditions of Central Asia in the early 1st millennium BC, many seeds and tribes fought for land, water, grasslands in search of a suitable place. In some cases, they impose a land tax, viz. tribute, to tribes stronger than them. But under the Persian ruler Darius, permanent taxes were introduced for the first time. Darius introduced a tax system not only in his own country, but also in the countries he conquered. Images of our distant ancestors - Bactrians, khwarazmians, Sogdians and Saxons, found in the ancient city of Persapoli in Iran, included the clothes of the Saxons, camels and dishes of the Bactrians, khwarazmians with daggers, combat axes, bracelets and a horse leading to the King. This is assessed as the type of tax they pay⁵.

Later, when Alexander The Great invaded Central Asia, the land population began to pay taxes on the Greek principle, with taxes consisting of income taxes and donations. The income tax was levied at the rate of one-tenth or twenty of the income, and the purpose of protecting the public interest was indicated as a reason. From 651, Arab rule was established in Central Asia. During this period, the taxation system was complicated and taxes of various kinds appeared. For example, Zakat was a 2.5 percent tax on property levied for the purpose of donating to the poor, orphans, and passengers, with a hiroj tax on land. The juzya was paid by non-Muslim citizens (free men). Women, the elderly, the poor, and slaves were exempted from paying this tax. When calculating the juzya, the level of self-sufficiency was taken into account, and the tax was levied in the form of money or in kind. In addition, taxes were levied on ranchers, artisans and merchants⁶.

The main directions of the Emir Temür tax policy are expressed in the "Temür traps": "I am

²Мунавваров З., Ўзбекистон и арабский мир:

перспективы сотрудничества, Т., 1997; Махмудбеков Ш.

³ Налоговые системы зарубежных стран: учебник для студентов вузов, обучающихся по направлению «Экономика»: Учебник / Под ред. Алиев Б.Х., Мусаева Х.М. М.: Юнити-Дана, 2013.С.47.

⁴ Налоговые системы зарубежных стран: учебник для

студентов вузов, обучающихся по направлению «Экономика»: Учебник / Под ред. Алиев Б.Х., Мусаева Х.М. М.: Юнити-Дана, 2013.С.32.

⁵ Гиясов Б., Хаса-нов Э., Дипломатия Египта, Т., 2001

⁶ Шахермайр Ф. Александр Македонский. — Ростов-на-Дону: Феникс, 1997. - 576 с. - ISBN 5-85880-313-X.

commanded that when collecting goods from raiyat, one should avoid putting them in dire straits or putting the country into poverty. Because of this, honouring the raiyat leads to the impoverishment of the (state) treasury. And the fact that the treasure is reduced causes the sipoh to disperse”⁷. In this, too, decided not to exceed the rates of taxes levied on individuals.

In the pre-Amir Temur period, the wages of tax collectors were at the expense of taxpayers. Therefore, they were also trying to levy taxes that were not provided for by law. Amir Temur appointed a salary to the tax collectors so that they would not be burdened by the people. Under Amir Temur, the taxes of hiroj and ushr, which were mainly related to agriculture, were in effect. Merchants and artisans paid stamps or zakat, duty was levied at the expense of goods that crossed the border. These taxes were considered the main source of the state treasury⁸. The Uzbek khanates cannot be said to have fully complied with Sharia requirements in tax policy. Payments such as zakat, ushr, fitr alms, as some experts point out, are counted not as taxes, but as the moly prayers of the Banda. From the mines, Treasury, military booty, the Treasury was given Khums (one-fifth).

Hiroj, on the other hand, had been brought in as a land tax since the Middle Ages. This was not the only strict procedure for levying the tax. The amount of the hiroj tax was determined by the head of state. It is charged in the form of a finished product or money equal to its value. The jizya tax was levied on non-Muslim citizens, the zimmi. The Jizya tax was paid by adult male zimmi. Even under the ashtarkhanis, who came to the top of the state after the shaybanids in the Bukhara Khanate, the type and amount of taxes for the enrichment of the country, the state treasury was increased. In particular, there were also various small and large taxes in the line of taxes, such as hirages, exports, duties. The type of taxes increased, especially when Subhoniqlikhan came to the throne. During his

term, a special decree was published to collect seven-year taxes in advance, in a year. Such a decision of the Khan put the population in a difficult position, causing further impoverishment. Because the main taxpayers in the country were farmers, artisans, merchants and ranchers. In addition to paying taxes, residents were involved in various activities organized in the country, forced work, additional fines were also imposed. In the Bukhara Khanate, as elsewhere, Khan's benefactors and leading clerics and persons to whom Khan granted privilege were exempt from all taxes⁹. In this case, the norms for regulating the correct application of tax benefits are mentioned.

And in the Khiva Khanate, more than twenty taxes and fees were also paid, such as salgut, Agut, rifle money, Libra money, goalkeeper money, mushrifona, among other taxes such as boj, jizya. In addition, the population must fulfill various obligations. These include, for example, the maintenance of the owners' administration, the levies collected for their food and other expenses during the temporary cessation of the military, the obligations associated with the water supply. Uzbekistan adopted a new tax system form from 1998, in which a single tax type is introduced, which is paid in simplified order instead of various taxes and fees in order to support small business entities. This is such a system of taxation, in which the purpose of stimulating small business entities is set.

The decision of the Cabinet of Ministers of the Republic of Uzbekistan to apply the transition to a compactified taxation system for small enterprises was adopted¹⁰. Basically, the decree of the president of the Republic of Uzbekistan dated October 10, 1998 on the introduction of a single land tax for agricultural commodity producers, PF 2086, was adopted, and from 1998 to July 1, 2005, small enterprises and microfirms paid allocations to single tax and extra-budgetary funds. Since July 1, 2005, a

⁷ Алихонтўра Соғуний Ҳабибулло Караматов. Нашр йили: 2020. Тили: Ўзбек (қир). Бетлар: 144. Нашриёт: Илм-зиё-заковат. ISBN рақами: 978-9943-6324-9-3.

⁸ <http://temurtuzuklari.uz/uz>

⁹ Холиқулов А. “Чирокчи беклигининг Бухоро амирилиги сиёсий-иқтисодий ҳаётида тугган ўрни” (XIII-XX аср

бошлари). Тарих, мустақиллик, миллий ғоя. (Республика илмий-назарий анжумани материаллари), Т., 2001, 198-бет.

¹⁰ 1998 йил 15 апрелдаги “Кичик корхоналар учун ихчамлаштирилган солиққа тортиш тизимида ўтишни қўллаш тўғрисида”ги 159- сонли қарори

single tax payment has been introduced in place of mandatory deductions to the current unified tax and extra-budgetary pension fund, Republican Road Fund and School Education Development Fund.

The legal basis for the application of a simplified tax system for small business entities is the decree of the Cabinet of Ministers of the Republic of Uzbekistan No. 159 of April 15, 1998 "on the application of the transition to a compactified taxation system for small enterprises" and the decree of the president of the Republic of Uzbekistan No. 2086 "on the introduction PF-3620" on additional measures to promote development. Taxes have already become the main regulatory tool of the entire reproductive process, from a simple means of attracting state budget revenues, affecting the ratio, pace and conditions for its functioning.

The effective tax system and well-coordinated activities of the state tax service are of particular importance for the long-term development of the country's economy in terms of large-scale reforms. Established by the program of large-scale political and economic reforms of the Republic of Uzbekistan-the strategy of action on the five priorities of the development of the Republic of Uzbekistan in 2017-2021, here are the priorities for reducing the tax burden and simplifying the tax system, improving tax administration and expanding the appropriate incentive measures¹¹. This is also one of the legal grounds for improving taxes levied on individuals.

An important program in the implementation of these priorities is the adoption of the concept of improving the tax policy of the Republic of Uzbekistan, which provides for a radical reform of the tax system, including the reduction of taxes and fees, the abolition of ineffective tax benefits. As the main directions of the concept, we can take measures aimed at reducing the tax burden on the wage fund, improving the taxation of universal and simplified taxpayers, reducing the negative impact of the improvement of tax policies on the payers of the

simplified tax system, and improving the procedure for calculating and paying taxes.

In 2019, the tax burden reduction policy had its effect at Fast Times. In particular, the tax burden on the wage fund was reduced by introducing a single tax rate of 12% on personal income for all citizens and eliminating insurance contributions to the citizens' extra-budgetary pension fund. Turnover taxes are optimized due to the cancellation of mandatory deductions to state target funds. The criteria for determining the taxation regime were changed, and it was established that enterprises whose gross turnover (income) in the previous year exceeded 1 billion rubles or reached the established limit during the year should switch from a simplified regime to the payment of universal taxes. The procedure for the payment of property taxes, land taxes and tax for the use of water resources of legal entities and individuals was introduced. In this case, the property tax rate of legal entities was reduced from 5% to 2%.

In the collection of taxes, there are also duties and obligations of mainly employees of the tax authorities. The bodies of the state tax service are obliged to comply with the legislation on taxes, correctly calculate taxes, control Full and timely payment, provide the necessary conditions for compliance with the legislation on taxes, provide assistance in the implementation of tax obligations, directly participate in the implementation of tax policies, ensure full and timely accounting of tax objects and entities, and prevent, their identification and elimination are imposed on obligations¹². In this case, the main tasks and obligations of the tax service bodies are separately outlined.

As can be seen from the above, the role of tax authorities and tax policy in the implementation of tax collection is very important. In practice, the tax authorities act as the main body in the implementation of the tax policy of the state. First of all, a complete, extensive and continuous explanatory work should be carried out on the social significance and essence of taxes on

¹¹ <https://lex.uz/acts/3107036>

¹² Ўзбекистон Республикаси Давлат солиқ хизмати

туғрисидаги Қонун./Қонунчилик маълумотлари миллий базаси, 21.04.2021 й., 03/21/683/0375-сон; 12.03.2022 й., 03/22/758/0207-сон

taxpayers. At the same time, it is necessary to explain the mechanism for calculating and paying taxes. Taxes, while it should be understood to payers, the calculation of taxes should be simple, and the payment period should be favorable to the taxpayer. It is then that tax debts on taxes and fees are taken into account. Declining solvency can lead the enterprise to an economically dire situation, where the debtor debt of the enterprise is less than the creditor's debt and ultimately lead the enterprise to bankruptcy. In the case of taxes and levies, we can divide the reasons that depend on the emergence of tax arrears into two, that is, the reasons that depend on the taxpayer and the reasons that do not depend on the taxpayer. In this, the reasons that depend on the taxpayer are errors and shortcomings in the management of enterprises, failure to work according to the business plan, a decrease in the profitability of production, a decrease in demand for the goods produced by the enterprise in the market, an increase in the receivables of enterprises, a decrease in solvency.

And the reasons that do not depend on the taxpayer, we can cite an unhealthy economy, an increase in the tax burden, an uneven distribution of the tax burden, a decrease in the level of income of the population, an increase in resources affecting production. Let's take a closer look at the reasons that depend on the emergence of debt in taxes and fees. The reasons that depend on the taxpayer are errors and shortcomings in the management of taxpayers. No matter how many facilities are provided to taxpayers in this case, errors in management lead taxpayers to failure to pay taxes. The taxpayer is obliged, first of all, to know the full information about the enterprise he is managing, that is, what kind of product the enterprise produces, how much time and quantity it produces, the quality of the product and the competitiveness of this product with other products, the demand on the market for the goods produced, production costs and, of course, how much. Taking into account these and similar emergency situations, it is necessary that the manager prevents the enterprise from colliding with an economically unstable state,

that is, with a state of bankruptcy, which cannot cover the costs of its income.

As you know by nature, all resources have a limit. The fact that the increase in the cost of resources directly affects the cost of masulot creates difficulties for entrepreneurs to operate. Declining solvency ultimately leads the entrepreneur to insolvency. First of all, we must remember that in order to reduce tax debt, it is important to find the reasons that lead to these situations and prevent it and avoid the disadvantage in this area. Khufiyona is engaged in the economy, entrepreneurs who earn illegal income, citizens who are engaged in illegal entrepreneurship without registration in the prescribed manner, are showing their negative impact on the economy.

In conclusion, the stages of the introduction of taxes on individuals mainly consist in protecting taxpayers from a social and political point of view, creating favorable conditions for them, the implementation of regulatory legal acts through an orderly system in conducting tax-budgetary policies based on the intervention of the state in the economy and its care for taxpayers, as well as the The constant continuation of these activities contributes to the scientific research work of scientists in this area and the creation of scientific innovations in the field of taxation.

Based on the above, we propose the following:

As a result of increasing the importance of taxes in the process of stabilizing the income of local budgets, as well as analyzing the composition of local budget revenues, we believe that it is advisable to carry out the following. Currently, the types of income attached to the local budget are also aimed at expanding the list of local taxes on the basis of legislation; We believe that in order to ensure the stability of local budget revenues, it is advisable to make changes to the amounts of deductions from national taxes at least once every 3 years, without making changes in the annual review. This in turn serves to ensure the stability of local budget revenues.

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