

## ANALYSIS OF THE CURRENT STATE OF TAXATION OF INDIVIDUAL ENTREPRENEURS AND SELF-EMPLOYED PERSONS

Davletov Po‘lat Torabayevich

Tashkent State University of Economics  
independent researcher

### Annotation:

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. In recent years, large-scale work has been carried out in our country in the field of creating a favorable environment for the development of entrepreneurship and conducting business, as well as strengthening legal guarantees for the protection of the legal interests of entrepreneurs.

In this regard, the President of our country, Sh. Mirziyoyev, in his address to the Oliy Majlis on the development of our country in 2020 and the next 5 years, said: "We



will mobilize all our capabilities for the wide development of entrepreneurship and the creation of new conditions in this field."<sup>1</sup> - is a clear proof of this.

With the initiative of the President of our country Sh. Mirziyoyev, in order to ensure the employment of the population, to widely involve them in the entrepreneurial activity, the self-employment of the citizens and the activities of the participants were determined in the legislation. In accordance with the Tax legislation of the Republic of Uzbekistan, the income received as a result of the labor activity of self-employed persons is not included in the total income of individuals, that is, they have a privilege. Based on the amount of social tax paid by self-employed persons, their length of service is taken into account. In this case, self-employed persons use payment terminals to make payments through check-cashing equipment and bank plastic cards in accordance with the procedure established by law, and their accounts in commercial banks can increase<sup>2</sup>.

It is known from the world experience that for the development of business entities in the country, it is important to use the lever of taxes wisely. Effective use of one or another tax in the tax system, therefore, it is appropriate to study their current importance, classification of taxes more widely. At this point, it is important to research the issues of taxing the income of individual entrepreneurs who do not have a legal status and to develop the activities of these entities under the influence of taxes.

Based on the changes and additions established in the tax legislation, individual entrepreneurs pay taxes according to the following procedures.

I. Individual entrepreneurs whose income from the sale of goods (services) does not exceed one hundred million soums in a calendar year are subject to income tax in a fixed amount or income tax collected from individuals by submitting a declaration to the tax authority.

(at a rate of 12%) can choose to pay. That is, now an individual entrepreneur can pay income tax by submitting a declaration to the tax authority, based on the amount of actual income, regardless of whether or not he receives income from business activities.

Individual entrepreneurs whose income from the sale of goods (services) during the tax period exceeds 100 million soums, but does not exceed one billion soums, shall pay the turnover tax. A sole trader has the right to voluntarily switch to paying profit tax and value added tax (VAT). 1 bln. if it does not exceed soums, he has the right to

<sup>1</sup> O'zbekiston Respublikasi Prezidenti Sh.Mirziyoyevning Oliy Majlisga yo'llagan Murojaatnomasi (29.12.2020-yil)

<sup>2</sup> O'zbekiston Respublikasi Vazirlar Mahkamasining 2020-yil 23-dekabrda 806-son qarori.



return to paying the tax after at least 12 months. The total income from the sale of goods (services) during the tax period is 1 billion. VAT and profit tax will be paid from the 1st day of the month following the month in which such an increase occurred.

According to the current legislation, namely Article 383 of the Tax Code of the Republic of Uzbekistan, when an individual entrepreneur is engaged in activities in two or more population groups, these population groups are taxed at the higher rate set by this. For example, if an individual entrepreneur is registered in Surkhandarya region and operates in Tashkent city, the tax rate applied in Tashkent city will be applied, on the contrary, even if an individual entrepreneur registered in Tashkent city carries out business activities in Surkhandarya region, the tax rate applied in Tashkent city will be applied. In our opinion, in this case, it is fair to apply the tax rate of Tashkent city to an individual entrepreneur who comes from the regions to Tashkent, but in the opposite case, it is not in accordance with the principle of fairness to apply the tax rate applied in Tashkent to an individual entrepreneur who goes to the regions to carry out business activities.

In this case, in order to create favorable conditions for the further development of individual entrepreneurship, it is appropriate to make appropriate changes to the tax legislation aimed at applying the procedure for paying the tax strictly determined by the individual entrepreneur according to the established rates of the place where the activity is carried out.

One of the most important and modern directions of business activity in our country is the self-employment of citizens after passing state registration. Self-employment of citizens ensures their employment, improves their financial independence, and in the future they have full rights in labor relations, and this period of activity is taken into account in the appointment of a pension. Legislation on self-employment in order to attract the population to entrepreneurship activities and create additional opportunities for legal labor activities<sup>3</sup> mainly the types of activities are defined. Self-employment activities can be researched in the following directions.

Activities of social orientation can include tutoring at home, babysitting and taking care of children, housekeeping, cleaning rooms, folk medicine, and nursing.

The industrial direction can include such activities as wood architecture, plumbing services, electrical installation works, waste paper, plastic containers, iron and steel netting and additional raw material netting.

<sup>3</sup> O'zbekiston Respublikasi Prezidentining 2020-yil 8-iyundagi "Tadbirkorlik faoliyati va o'zini o'zi band qilishni davlat tomonidan tartibga solishni soddalashtirish chora-tadbirlari to'g'risida"gi PQ-4742-son qarori.



The agricultural direction can include activities such as feeding livestock, tending them, helping landowners in planting and cultivating agricultural plants.

The information communication field can include such activities as social media activity, freelancing, software development, mobile application and web site development, text creation and processing.

Household services include hairdressing, manicure, beautician, redicure, home laundry and ironing, key making, tailoring, repair and painting services.

The production of consumer goods and the provision of services can include activities such as bread, home-made popcorn, ice cream, salads, cold drinks, buttermilk, yogurt, and the sale of agricultural products at farmers' markets.

### **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.

### **References**

1. O'zbekiston Respublikasi Soliq kodeksi- Toshkent: G'afur G'ulom nashriyot uyi 2020.- 640 b.
2. A.A.Bozorov Deklaratsiya asosida soliq solinadigan daromadlar va ularni soliqqa tortishni takomillashtirish. i.f.f.d (PhD) darajasini olish uchun yozilgan dissertatsiya ishi. 2019 y.
3. Агзамов А.Т. (2019) Жисмоний шахсларни солиққа тортиш амалиётини такомиллаштириш. Иқтисодиёт фанлари бўйича фалсафа доктори (PhD) илмий даражасини олиш учун ёзилган диссертация автореферати. Б.17-22.
4. Худойкулов С.К. (2019) Солиқ тушумларини прогноз қилиш методологиясини такомиллаштириш. Иқтисодиёт фанлари доктори (DcS) илмий даражасини олиш учун ёзилган диссертацияси автореферати. Б. 14-16; 20-21; 28-29.

