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TASKS IN IMPROVING THE TAX POLICY IN UZBEKISTAN

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Abstract:

This article covers large-scale reforms aimed at creating favorable conditions for conducting business activities in the country's tax spheres, and further strengthening the confidence of business circles. Reforms in the tax system play a decisive role in shaping the country's economic landscape. In addition, Uzbekistan recognized the importance of reforming the tax system as a country with a growing economy and a desire to attract domestic and foreign investments. At the same time, some important reforms implemented in the tax system of Uzbekistan were studied, foreign experience, scientific-practical conclusions and suggestions on its application in our country were developed.

Keywords: tax policy, tax administration, tax revenue, analysis, risks, efficiency, digital platform, methods and tools, advanced information and communication technologies, analysis, optimization, tax benefits, tax rate.

Enter

Currently, a number of scientific studies aimed at improving the mechanisms of tax policy strategy development and implementation are being carried out in the world. Achieving inclusive growth rates through a tax policy strategy, increasing the ability to increase revenues in the tax system and ensuring the stability of public expenditures, strengthening the fiscal policy of developing countries, introducing a fair and inclusive tax system, developing and implementing tax policy strategy mechanisms such as the effective use of digital platforms for improvement are among the priorities of scientific research in this regard. These reforms are aimed not only at increasing revenue collection, but also at creating a favorable environment for business growth, innovation and sustainable development.

According to value added tax:

1) Realization of goods and their import within the framework of projects of budgetary organizations implemented at the expense of the state external debt attracted from international financial institutions, as well as state enterprises and



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legal entities with a state share of more than 50 percent, and their import from January 1, 2024 to January 1, 2028 from VAT is being released (November 16, 2023, No. PF-195). This privilege serves to accelerate the absorption of loan funds for projects implemented at the expense of funds of international financial institutions attracted by budgetary organizations and state enterprises.

Today, 58 are worth 6 billion dollars. amount of social projects are being implemented.

In this case, this privilege is not applied to funds of international financial institutions that are refinanced (recredited) through commercial banks.

2) From April 1, 2024, the following privileges will be canceled:

- on medicines, as well as veterinary medicines, medical and veterinary services;

In this case, a mechanism will be created to return the amount of VAT (12 percent) as a "cashback" to citizens included in the "Social Register".

For example, "YUMAXFARM-SERVIS" LLC, located in Samarkand region, had a total turnover of 114.4 billion soums in the 9th month of 2023, of which 13.1 billion soums were exempted from VAT. Starting from April 1, 2024, as a result of the sale of medicines with VAT by this enterprise, it will be possible to "credit" the amount of VAT of 12.0 billion soums, and the cost of the product will be reduced by this amount.

- zero-level rate for services provided for drinking water, sewage, sanitary cleaning, heat supply for the population.

Regarding excise tax:

1) In order to adapt to the requirements of the World Trade Organization, in particular, to gradually equalize the local and import excise tax rates, the rate for the import of alcohol and tobacco products will be reduced to 5% from January 1, 2024.

In this case, the price of alcohol products is reduced from 106.8 thousand soums to 101.5 thousand soums per liter, and from 342 thousand soums to 325 thousand soums per 1000 cigarettes. As a result, importers have 6.8 billion soums at their disposal. ' remains.

2) From January 1, 2024, excise tax rates on tobacco products will be increased by 12%.

Funds from the excise tax on tobacco products will be directed to improving the healthy lifestyle of the population, restoring the health of the population, and financing the health care system. For example, currently the retail price of 1 pack of



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"Kent 6" cigarettes is 16,000 soums, of which the excise tax is 5,400 soums, and after the indexation of the excise tax, the price of cigarettes is 16,500 soums. mni, the excise tax is 5.9 thousand soums, and the share of the tax in the price of cigarettes reaches 36%.

For information: this indicator is 35% in Russia, 24% in Kazakhstan.

In accordance with the requirements of the World Trade Organization, excise tax rates should be the same for domestically produced and imported products. For information: 5% of excise tax revenue is transferred to the Social Protection Agency. → the rate of excise tax on locally produced ethyl alcohol is being increased by 2 times (from 7,450 soums to 14,900 soums per liter). According to the recommendations of the World Health Organization, the share of excise tax in the price of alcoholic products should not be less than 60%.

Currently, the price of 1 liter of ethyl alcohol is 28,000 soums, and the share of excise duty is 27 percent. If the excise tax rate is doubled, the share of excise tax on 1 liter of alcohol will be around 40-43 percent. For information: in Russia, this indicator is 76 percent, in Kazakhstan it is 51 percent. For example: in 2023, as a result of a 5-fold increase in the alcohol excise tax rate, revenues are expected to reach 349.4 billion soums or increase by 5.8 times (90.9 billion soums in 2022).

From April 1, 2024, the fixed rates of excise tax for oil products are being indexed to 12 percent. In order to reduce negative effects on public health and reduce damage to nature, the excise tax rate on gasoline products with a high percentage of harmful gas substances is being indexed, and the current rate is maintained for gasoline products that meet Eurostandard requirements. For information: AI-80 gasoline has a high negative impact on the environment and human health. Gasoline of this brand is not produced in many countries or is used for agricultural purposes.

As a result of the indexation of the excise tax rate for 1 cubic meter of compressed gas, the price will increase by only 2.9 percent or 95 soums. From July 1, 2024, the excise tax rate for alcoholic products produced in the republic will be increased by 5% (from 38,000 soums to 40,000 soums per 1 liter). For example: the retail price of domestically produced "Juravli" 40% (0.5 l) vodka costs 22.2 thousand soums. Today, the share of excise tax on the price of vodka is 34 percent. Due to the change in the tax rates of alcohol and alcoholic products, the share of excise tax on the price of vodka is 36 percent. For example: in Russia, this figure is 49 percent, in Kazakhstan it is 41 percent.



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Regarding profit tax:

1) The threshold amount of income of entrepreneurs who have to pay profit tax monthly is increased from 5 billion soums to 10 billion soums. As a result, the number of entrepreneurs who have to pay a monthly fee will decrease from 22,300 to 12,800, and 9,500 business entities will temporarily have funds in the amount of 162 billion soums.

For example, "Avto ZAZ" LLC, registered in the city of Samarkand, Samarkand region, in 2022, its income exceeded 5 billion soums, and in 2023, 503.6 million soums of profit tax was paid. has been paid and 4 times a lump sum payment certificate has been provided. With the implementation of this norm, this enterprise will have the opportunity to use 503.6 million soums for the development of its business without paying a lump sum payment (for 1 quarter). Also, it is exempted from providing information on the payment of the fee and saves time.

2) From January 1, 2024 to January 1, 2026, interest income of commercial banks participating in the "Comprehensive Program of Continuous Support for Small Businesses" from bank loans allocated for projects is included in the category of deductible expenses in the calculation of profit tax .

This norm was established by the decision of the President of the Republic of Uzbekistan dated 04.09.2023 No. PQ-292.

Property and land taxes:

1) While maintaining the main rate of property tax (1.5 percent), the minimum value set for 1 sq.m. for the city of Tashkent in determining the tax base is 3 million soums (actually 2.5 million soums m), for the city of Nukus and regional centers - 2 million soums (actually 1.5 million soums), for other cities and rural areas - 1.2 million soums (actually 1 million soums) .

2) From January 1, 2024 to January 1, 2027, it is determined that 1 percent of the calculated amount of property and land taxes will be charged to "Research and Development" (R&D) centers.

Regarding the tax for the use of water resources:

Tax rates: - 12% for industrial enterprises, power stations and car wash stations, 30% for enterprises in other sectors of the economy.

That is, the tax rates set for surface and underground water sources (per 1 cubic meter) in practice are from 570 soums/680 soums for industrial enterprises to 638/760 soums for power stations, and 90 soums for power stations. from 110 soums



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to 101/123 soums, from 2410 soums/2410 soums to 2700/2700 soums for car wash stations, 265 soums/320 soums for enterprises in other sectors of the economy from md - is changing to 345/415 soums.

According to the tax for the use of the subsoil:

1) The tax rate for the use of subsoil has been reduced by 4 times to 6,000 soums (actually 22,500 soums) for 1 ton of limestone intended for cement production. This measure is intended to prevent a sharp increase in the price of cement products for business entities as a result of price increases. Reducing the tax rate on limestone for cement production by 4 times will increase the competitiveness of these products among local producers. In connection with the 4-fold reduction of the tax rate on limestone for cement production, it is envisaged to cancel the procedure for reducing the tax rate by 50% for this type of mineral for factories that use only coal in cement production. For information: as a result of the reduction of the tax rate, it is expected that 500 billion soums will remain at the disposal of cement plants.

2) Fixed tax rates for subsoil use are being indexed to 12%. In this case, in practice, the rate of mineral salts, carbonate raw materials, mineral fertilizers and other mining and chemical raw materials is 3.5 percent, but not less than 5,000 soums/cubic m. 3.5 percent, but 5 At a rate of not less than 600 soums/cubic meter, blocks of natural decorative stone, sawn stone, stone, gypsum, gypsum and anhydride, marble, limestone-shell, limestone, etc. 5 percent, but 5,000 at a rate of not less than 5 percent, but not less than 5,600 soums/cubic meter, brick and tile raw materials, loess and loess-like rocks, construction sand, sandstone , sand-gravel mixture is being changed to tax rates of 5 percent, but not less than 3,750 soums/cubic meter 5 percent, but not less than 4,200 soums/cubic meter .

On social tax: Until January 1, 2027, research and development (R&D) centers will have to pay social tax at the rate of 1 percent. As a result, the centers will be freed from the taxes that they have to pay even if they do not receive income, and the period of the concession will serve to create jobs and ensure the financial stability of the centers.

On turnover tax: 1) From January 1, 2024, the fixed amount of turnover tax in the amount of 25 and 34 million soums (actually 20 and 30 million soums) is indexed to the inflation rate. Fixed rates are set at an interest rate close to the payment terms (tax burden level). When tax rates are indexed, the tax burden remains unchanged.



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Keeping rates unchanged in the face of rising prices leads to an imbalance in the tax burden. Based on this, it is being indexed.

Conclusions and suggestions

Based on the above, we can make the following suggestions for taking measures to organize work in cooperation with relevant ministries and agencies to reduce the hidden economy. Implementation of the "Tax Risk Management" (CRM) system in cooperation with international financial institutions. At first, construction and then covering trade, agriculture, service and production sectors. It is necessary to continue measures to create a level playing field and prevent tax evasion, including the introduction of additional restrictions for taxpayers at high risk of tax evasion.

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