

Role of Income Tax From Individuals in the Tax System of Uzbekistan

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Annatation: This article describes the ongoing reforms in the tax system of the country to reduce the tax burden and major changes in tax legislation. In particular, the income tax from individuals and its role in the state budget, as well as the specifics of this type of tax are indicated.

Keywords: Tax burden, physical, income, tax, rate, tax base, tax object, budget, tax policy.

Republic of Uzbekistan to a higher level, the Program of Action Strategies on five priority areas for further development of the Republic of Uzbekistan for 2017-2021 has been developed. Decree No. PF- 5468 of June 29, 2018 of the President of the Republic of Uzbekistan Sh. Mirziyoyev "On the Concept of Improving the Tax Policy of the Republic of Uzbekistan" was adopted.²The most important aspect of this concept is that in accordance with it, it is necessary to develop and adopt a concept of tax reform in order to fully implement the Strategy of Action and its tasks to reduce the tax burden in the country, improve tax administration.

The most important aspect of this concept is that the main goal of the concept is to reduce the tax burden in the country, the full implementation of the tasks of improving tax administration, simplification of the tax system and transparency in the payment of taxes to legal entities and individuals. In particular, in 2020 we witnessed a number of changes and additions to the budget and tax legislation. In particular, from April 1, 2020, the new edition of the Tax Code, consisting of XXI section, chapter 71, 480 articles, came into force. Also for the first time in the Republic of Uzbekistan for 2020 The Law of the Republic of Uzbekistan No. ZRU-589 of December 9, 2019 on the state budget was adopted. In accordance with this Law, the forecast of key macroeconomic indicators for the formation and implementation of the State Budget of the Republic of Uzbekistan for 2020 and the development of the Republic of Uzbekistan for 2020 has been determined. Under this law, from January 1, 2020, personal income tax will be 12 percent, corporate income tax will be 15 percent, turnover tax will be 4 percent, The social tax is set at 12 percent and the property tax on legal entities at 2 percent. In order to reduce the tax burden, it is planned to return the excess amount of VAT, including VAT on fixed assets and real estate.

In addition, the amount of tax paid by individual entrepreneurs will be reduced to 30% and the taxable base for individual entrepreneurs with working capital in excess of 1 billion soums will be set at 25% of gross income. In addition, the name "single tax payment" was changed to "turnover tax", the name "single social payment" was changed to "Social- tax". The 13 types of taxes existing in the old code have been reduced to 9 in the new one. The single land- tax, state duty, customs duties and certain types of taxes on certain types of business activities have been abolished. The Code provides for in-house tax audits, mobile tax audits and tax audits of tax authorities. Individual entrepreneurs are given the right to choose to pay taxes. In particular, they will be able to pay taxes in fixed amounts or on the basis of a declaration of total annual income of an individual.

In order to inform the public, including small businesses and private entrepreneurs, about such changes and innovations in the tax legislation, the state tax authorities should organize direct seminars, meetings and roundtables to further improve their tax legal knowledge and culture. Legal advocacy is carried out on a monthly basis through

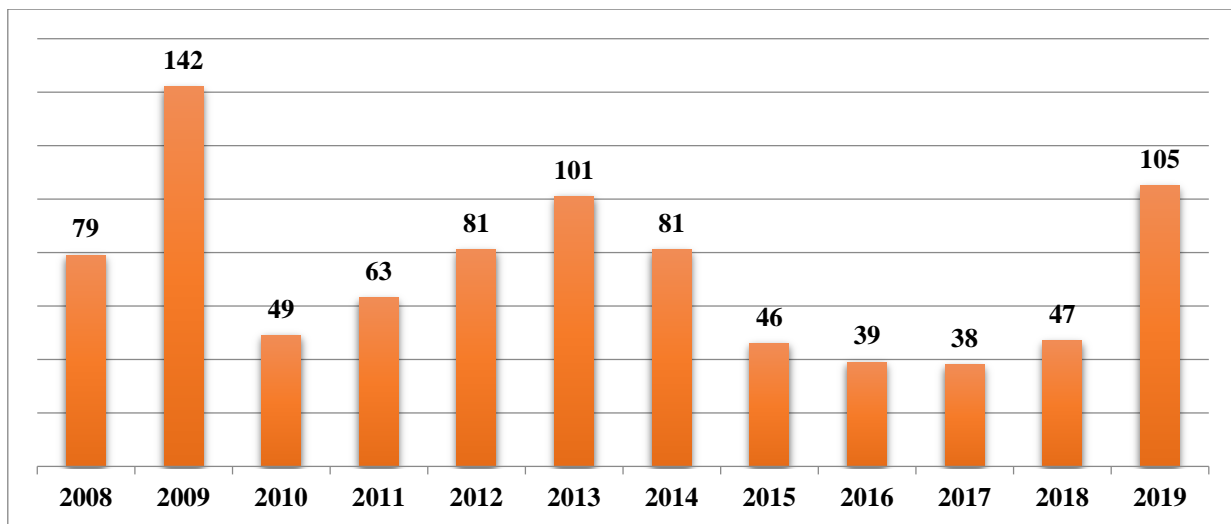
So far, many changes have been made to the tax system to ensure the stability of the country's tax system, with the recent adoption of the Tax Code and other tax-related legislation.

If we closely look at the amendments to the Tax Code alone (Figure 1), we can see that their number is changing from year to year.

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² Mirziyoev . Sh.M. No. PF -5468 of June 29, 2018 " On the Concept of Improving ²the Tax Policy of the Republic of Uzbekistan " decree // People's speech June 30, 2018

Figure 1



2008-2019 during Tax codex included changes soni³

The diagram shows that since the adoption of the Tax Code, which came into force on January 1, 2008, by the end of 2019, a total of 871 amendments have been made to it. In view of these circumstances, on December 30, 2019, the 3rd revised tax code was adopted.

In particular, if we talk about the economic significance of the personal income tax, personal income tax - as a subsystem of financial relations, reflects the economic relations between the population and the state, in particular, the formation of a centralized state fund.

Personal income tax was introduced in March 1991 on the basis of the Law of the Republic of Uzbekistan "On income tax on citizens of the Republic of Uzbekistan, foreign citizens and stateless persons" dated February 15, 1991. The system is valid until December 31, 2018. This calculation procedure requires that blind people have economic knowledge in calculating income tax among ordinary citizens, which would cause a number of problems. In order to eliminate these problems, according to the Decree No. PF-5468 "On the Concept of Improving the Tax Policy of the Republic of Uzbekistan", the scale form of income tax from individuals and the 8% social insurance fee should be waived.

In particular, based on the Resolution No. PP-4086 "On the forecast of key macroeconomic indicators and parameters of the State Budget of the Republic of Uzbekistan for 2019 and the budget targets for 2020-2021" from January 1, 2019, the single rate of personal income tax will be set at 12%. This is a practical confirmation. In addition, starting from January 1, 2019, the 2% payment to the personal savings accounts of citizens, which are part of personal income tax, will be set at 0.1%.⁴ This has been shown as a simple method of calculating personal income tax even for our citizens who do not have economic knowledge.

Table 1. Income tax from individuals

The level of the minimum wage	2018	2019	2020	2021	2022
1 bar	0%				
1 bar	7.5%				
2 times					
3 times					
4 times					
5 times	12%	12%	12%	12%	
5 times					16.5%
6 times					
7 times					
8 times					
9 times					
10 times	22.5%				
More than 10 times					

³Data of the State Tax Committee of the Republic of Uzbekistan for 2008-2020

⁴ Mirziyoev . Sh.M. Resolution No. PP-4086 "On the forecast of key macroeconomic indicators of the Republic of Uzbekistan for 2019 and the parameters of the State Budget and budget targets for 2020-2021."

In this table, the personal income tax is calculated on a scale of 22.5% in 2018, and 12% in 2019-2022.

According to the current tax system i Article 378 of the Tax Code also provides for exemptions from personal income tax , ie the structure of non-taxable income, as well as tax exemptions in the amount of 1.41 times the minimum monthly wage, which are completely exempt from taxation ⁵. we can see the rest.

Based on the topic , it is no exaggeration to say what facilities have been created during 2019-202 2 years.

First. An employee who changes jobs during the year would have to provide information on wages and deductions from the previous job to the new job. Because this reference was needed for the income tax to be calculated with a growing ending. If the certificate was not provided, the income tax rate was set at the maximum rate of 22.5%, which would have been quite inconvenient . Now such a certificate is not required , because the income tax is at a fixed rate, and there is no need to know other income when calculating it .

Secondly. Part-time workers are required to file an annual return . This is because an employee who earns less than two or more places may be taxed at the minimum rate at each job. When all revenues are combined, the scale can change and additional taxes can also arise . Now, it is stipulated that an employee who receives a monthly salary from several places does not have to fill out a declaration, as he has to pay the same 12 percent.

Third. In the previous system, the calculation of income taxes was a bit more complicated, and in addition to mastering arithmetic, we also had to have additional information. It would be possible to calculate the income tax for a given month by collecting all the information , including the minimum wage amount, the established scales, the calculated monthly and deducted income tax and premiums for the previous months . All of this has led to the question of “ why this month’s income tax was withheld too much or too little ” or “ why the arrest of this employee less and less, and sometimes overpayments or underpayments due to errors made by the accountant . Now, with the help of a single calculator, it is easier for us to easily calculate the amount we will receive based on our calculated salary .

For what reason The reason why we emphasize the income tax of individuals is that income taxes paid by individuals operating in our country are one of the leading components of the state budget revenues . the country has a special place in our economic policy . It is true to say that the main pillars of this type of tax are the general uniformity of the tax rate , the interdependence of the object of taxation and the tax base , which contributes to the growth of government revenues .

As a proof of this, we can see that according to the results of tax reforms in 2018 and the 1st quarter of 2019, the income of individuals in 2018 amounted to 1.3 trillion soums, and in 2019 amounted to 2.5 trillion soums, an increase of 1.9 times compared to 2018.⁶

However, as can be seen from the above information, we can see the changes and additions made to the Tax Code every year. Our sole purpose in making these changes and additions is to create a system in which the tax system of the Republic of Uzbekistan is stable.

The basis of all decisions, orders and decrees adopted in our country is to further improve fiscal policy, increase tax literacy and understanding among the population through the introduction of modern methods of tax administration and taxation, effective control mechanisms over the full collection and timely receipt of taxes in the budget. The establishment of the tax system clearly defines the goals of further increasing the level of transparency of the budget process.

The most important conditions for the gradual reduction of the tax burden for entrepreneurs in the tax system of the country , simplification of the tax system and improvement of tax administration, rapid development of the economy and improving the country's investment attractiveness are reflected in all our laws and regulations . We all know that economic growth in our country is largely due to the consistent fiscal policy aimed at reducing the tax burden on the economy.

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