

# THE ROLE OF PROPERTY AND LAND TAXES IN EXPANDING LOCAL BUDGET REVENUES AND WAYS TO IMPROVE THEM

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## Abstract

In the thesis, there are a number of problems in taxing real estate in the process of ensuring transparency in the formation of local budget revenues and improving the local tax calculation mechanism in our country. Failure to fully fulfill tax obligations by taxpayers, failure to pay local taxes on time and increase in tax arrears have a negative impact on the formation of local budget revenues, unification of property and land tax and gradual introduction of real estate tax instead, mechanism of local tax calculation in the tax administration system. There are situations such as the use of modern information technologies, and it is important to develop ways to solve them and find practical solutions.

**Keywords:** property tax, land tax, price, cadastral value, market value of property, real estate, local budget, local government, tax object, tax base, tax rate and tax amount.

## Introduction

United States scientist Bort Richard studied in his scientific research the need to implement the budget within the structure of medium-term expenditures in order to reduce the possibilities of short-term political manipulation of budgets in the ongoing processes of power management reforms in a market economy, and he emphasized the work of including those in the q house. Advancing planning and prioritizing costs, realistic income forecasting, selecting an appropriate time horizon for financial planning, <sup>1</sup>and maintaining control.

In addition, according to Bonfatti, Andrea and Fornidelar, centralization has a direct effect on the well-being of the population <sup>2</sup>. The results of the analysis of the budgets of the Italian population from 1999 to 2012 in the conducted studies show that the reduction of the local budget deficit was mainly achieved by reducing capital expenditures. The result of the research mentioned above shows that the reduction of capital expenditures can affect the quality of life of the population, because the capital expenditures are primarily focused on the investment activities of the population. Thus, economists say that the main advantages of the decentralization of the budget system at the level of local government authorities are manifested in the increase of the population's influence on the budget process, the strengthening

<sup>1</sup>Bird Rishard M. 2000. "Setting the Stage: Municipal and Intergovernmental Finance" in Mila Freire and Rishard Stren, eds., *The Challenge of Urban Government: Roles and Responsibilities* (Washington, DC: World Bank, 2000), 113-28, at 122.

<sup>2</sup>Bonfatti, Andrea, and Lorenzo Forni. 2019. Fiscal Rules to Tame the Political Budget Cycle: Evidence from Italian Municipalities. *European Journal of Political Economy* 60: 1-22.



of the principles of self-management, and clearly defined powers and services in the budget-tax field <sup>3</sup>.

According to the decision of the Cabinet of Ministers of the Republic of Uzbekistan dated June 29, 2017 No. 445 "On measures for the organization of work on the determination of reserves for the expansion of the revenue base of local budgets", the Ministry of Finance of the Republic of Uzbekistan and the State Tax Committee take into account the daily monitoring of the mobilization of available resources. In this case, the implementation of the parameters of the State budget revenues of the Republic of Uzbekistan, as well as ensuring the implementation of measures aimed at expanding the revenue base of local budgets as an important factor of stable financing of state-targeted programs is entrusted <sup>4</sup>.

In addition, the first deputies of the Chairman of the Council of Ministers of the Republic of Karakalpakstan, governors of regions, districts, cities, together with the state tax service, financial authorities and other relevant local bodies, as well as commercial banks, based on the specific characteristics and potential of each district (city), will provide additional resources. search and, on this basis, by expanding the base of local budget revenues, it is determined to ensure the implementation of activities on the unconditional fulfillment of the parameters of the State budget revenues of the Republic of Uzbekistan.

It should be noted that the organization of local budget revenues in developed countries largely depends on local government authorities, that is, they determine their budgets independently, based on the location and development of their regions, and local authorities are empowered to independently determine local taxes.

If this authority is introduced into the operation of our competence, in order for the decision-making authorities to independently solve social and economic issues in their territory, if each local region can fully form its local budget instead of existing local taxes and fees, this region will be better than other regions from a socio-economic point of view. it develops very fast.

The current tax legislation establishes relevant standards for the timely calculation of local tax and collection objects by the state tax service offices, the calculation of taxes within the specified time limits, the delivery of payment notices to taxpayers, and the control and improvement of the collection of taxes on time.

We believe that it is appropriate to calculate and collect property and land taxes on real estate objects and land plots owned by individuals in cooperation between the state tax service and self-government bodies, and to leave the collected funds at the disposal of the communities:

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<sup>3</sup>Dosmagambetova, Gulmira. 2014. Decentralization in Kazakhstan as the Factor of Regional Growth Effectiveness. In SGEM 2014 Scientific Sub-Conference on Political Sciences, Law, Finance, Economics and Tourism. Bulgaria. Bulgarian Academy of Sciences, pp. 89-96. ISBN 9786197105254.

<sup>4</sup>Resolution No. 445 of the Cabinet of Ministers of the Republic of Uzbekistan dated June 29, 2017 "On measures to organize work on determining resources for expanding the revenue base of local budgets".



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