

WAYS TO IMPROVE TAXATION OF PROPERTY INCOME OF NATURAL PERSONS

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Abstract

In the thesis, the reforms implemented in the development of business activity, natural persons engaged in business activity and the mechanisms of their taxation were studied, suggestions were made regarding the further improvement of the current procedure of property income taxation and the introduction of new mechanisms for increasing the property income of individuals.

Keywords: property, property income, natural person, property income, dividend, object, base, tax rates, tax amount.

Introduction

the republic , attention was paid to the formation of the national economy based on market principles. One of the main principles of the market economy is private ownership. Based on this, every citizen has the right to be an owner. As a result, the population began to own property and began to earn using it. In turn, on the one hand, this increased the income of the population, and on the other hand, it expanded the tax base, creating tax relations.

of the President of the Republic of Uzbekistan dated June 29, 2018 " On the concept of improving the tax policy of the Republic of Uzbekistan" No. PF-5468, the concept of improving the tax policy of the Republic of Uzbekistan was adopted and 2019 It has been in effect since January 1 ¹.

As a result of the implementation of this concept, a number of problems that hindered the increase in the level of tax collection have been solved.

For example, within the framework of the concept, the single social payment rate is 12 percent, the 8% insurance contribution to the Pension Fund of citizens was canceled and a single rate of 12% income tax from individuals was introduced. As a result, the tax burden on the wage fund was reduced (from 39.5% to 24%) .

¹Decree of the President of the Republic of Uzbekistan dated June 29, 2018 No. PF-5468 "On the concept of improving the tax policy of the Republic of Uzbekistan ".



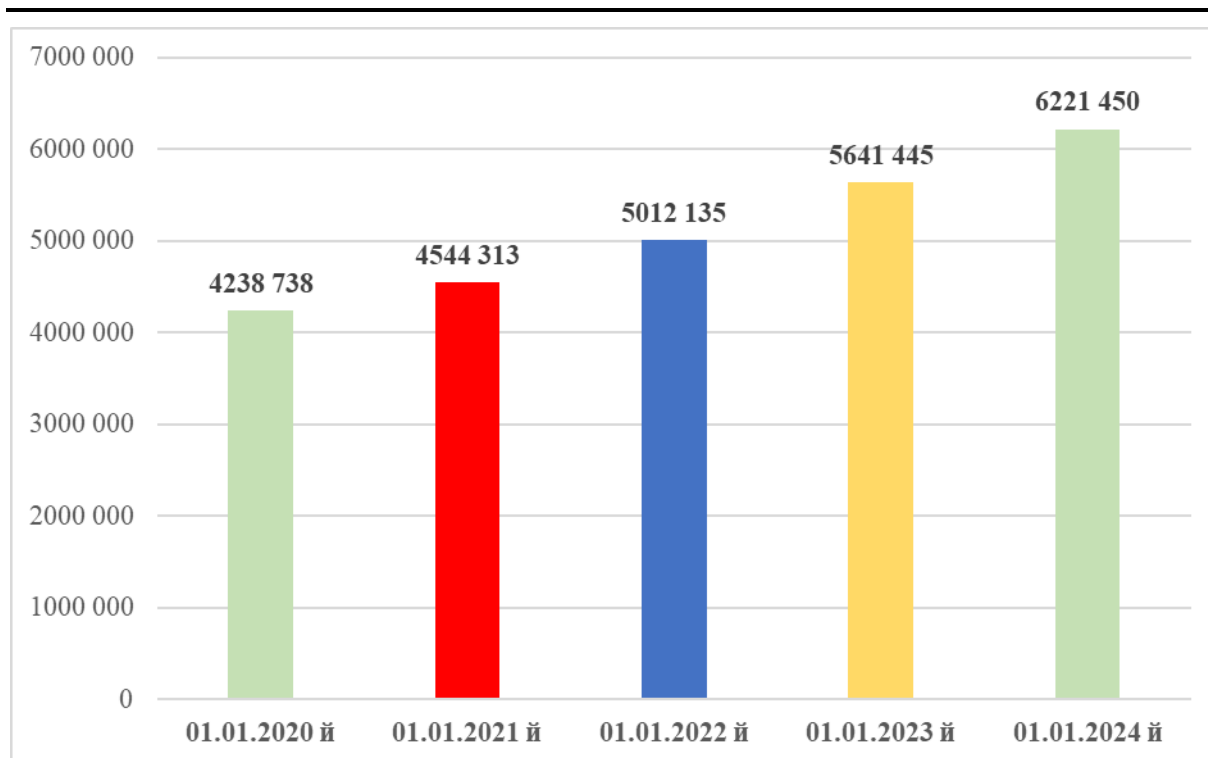


Figure 1. Number of individual income tax payers²

Income tax from private individuals who give property 20 20 year 1 a sharp increase from January shows how effective the practical result of this concept is until January 1, 2024 (Figure 1).

as of January 1, 2020, the number of payers of income tax from private individuals is 4,238,738. formed, we can observe that this indicator increased to 5641440 people or 1402702 people (133%) as of January 1, 2024.

Also, if we look at the results of the statistics conducted by the Tax Committee in recent years, the following were the most " popular " ³offenses :

1. rent or free use of buildings, structures, residences without a notarized contract;
2. failure to formalize property rights to housing in time;
3. failure to submit income declaration to tax authorities on time;
4. illegal implementation of business activity;
5. carrying out illegal activities of transporting passengers by road transport ;

This, in turn, indicates that taxes do not go to the state budget on time. Today, as a result of the benefits and facilities created for entrepreneurs in our country, the share of representatives of this sector in the economy of our country is increasing. However, instead of effectively using these opportunities and developing their activities based on the requirements of the existing law , there are also people who aim to increase their income by various illegal ways .

In short, the activity of the tax service in the Republic of Uzbekistan in the protection of the rights of the population is comprehensive and includes the economic rights of the population,

²was created by the author based on the information from the official website of the tax committee .

³ <https://www.norma.uz/bizning comments/top-9 violations of tax legislation in Uzbekistan #>.

including the payment of taxes to state bodies, the priority of the principle that the interests of the population are in the leading place - on the one hand, it ensures the priority of human interests, and on the other hand, it ensures the priority of the legal-democratic state. guarantees the stability of inherent aspects.

Adopted regulatory legal documents related to the tax system should serve to regulate tax relations. But normal excessive adoption of legal documents, frequent changes in practice lead to an increase in crimes related to tax, currency and money laundering.

In particular, during the years 2000-2023 , 47 laws of the Republic of Uzbekistan on the tax sector, 40 decrees of the President of the country , 11 decrees of the President of the Republic of Uzbekistan, as well as 133 decrees of the Cabinet of Ministers , 12 decrees of the Supreme Council 9 decisions of the Oliy Majlis, 274 decisions of the Ministry of Finance, the State Tax Committee and the Customs Committee were adopted.

In addition, 15 orders of the Ministry of Finance, 37 joint directives of the Ministry of Finance and the State Tax Committee, 20 3 explanations, 1 instruction, 2 rules, 12 procedures were approved.

Based on the above, regarding taxation of income from activities other than real estate leasing and taking appropriate measures, the following are :

1. Revision of the minimum amount of the rental fee set by the law for renting property, including: revision of the minimum rates of rent for individuals renting out non-residential objects in Tashkent city ;
2. When taxing the income from the rental of residential facilities , it is proposed to make appropriate amendments to the legislation regarding the deduction of part of the payments for communal services paid by the lessor for this facility .

This, in turn, serves to prevent tax evasion and conclusion of the lease agreement by the lessor.

References

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4. 109. <http://www.stat.uz>.
5. <https://www.norma.uz/bizning comments/top-9 violations of tax legislation in Uzbekistan#>.

