

## SYSTEM OF TAXES AND LEVIES IN THE REPUBLIC OF UZBEKISTAN

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**Abstract.** *There are many Uzbek and foreign authors on the impact of taxes on the economy publications, most of which are theoretical. In this regard, to the macroeconomic indicators of a certain tax system and its own analysis of the results of the impact of a certain tax group on the conditions of taxation and comprehensive research of the tax mechanism is of urgent importance. This article delves into the facts and analysis about System of taxes and levies in the Republic of Uzbekistan.*

**Keywords:** *taxes, fee, constitution, democratic society, tax mechanism, analysis, monetary policy, etc.*

## СИСТЕМА НАЛОГОВ И СБОРОВ В РЕСПУБЛИКЕ УЗБЕКИСТАН

**Аннотация.** *О влиянии налогов на экономику опубликовано множество узбекских и зарубежных авторов, большинство из которых носит теоретический характер. В связи с этим макроэкономические показатели той или иной налоговой системы и собственный анализ результатов влияния той или иной налоговой группы на условия налогообложения и всестороннее исследование налогового механизма приобретает актуальное значение. В этой статье рассматриваются факты и анализ системы налогов и сборов в Республике Узбекистан.*

**Ключевые слова:** *налоги, пошлина, конституция, демократическое общество, налоговый механизм, анализ, денежно-кредитная политика и др.*

Local taxes and fees are taxes and fees transferred to the income of local bodies and offices of state power. Local taxes and fees and annual property tax in the Republic of Uzbekistan; land tax; advertising tax; tax for the sale of motor vehicles; social infrastructure development tax; fees for the right to trade, including license fees for the right to sell certain types of goods; fee for registration of legal entities, as well as natural persons engaged in business activities, fee for use of motor vehicle parking lot; includes the levy for landscaping and others. Local taxes and fees, etc. transferred to the local budget, their amount, rates, order of collection, granting of tax exemptions are determined by the Dzhokorgi Council of the Republic of Karakalpakstan and the councils of people's deputies of the regions and the city of Tashkent, in accordance with the current laws. Property and land tax is introduced by the legislation of the Republic of Uzbekistan and is collected throughout the territory of the republic. The rates of these taxes are determined by the Cabinet of Ministers of the Republic of Uzbekistan. Local taxes and fees and annual legal relations are regulated by the Tax Code of the Republic of Uzbekistan (April 24, 1997). According to the Decree of the President of the Republic of Uzbekistan "On measures to further develop domestic and pilgrimage tourism in the Republic of Uzbekistan", from March 1, 2021, citizens of the Republic of Uzbekistan and permanent residents of the Republic of Uzbekistan It was decided to collect a tourist (hotel) fee for each day of their stay in the amount determined by the Cabinet of Ministers. Some mass media and bloggers associate the concept of this fee with the concept of tax. In this regard, the State Tax Committee informs the following. The concepts of levy and tax are clearly defined in the Tax Code. In particular, according to Article 16 of the Tax Code A fee is a mandatory payment to the

budget system specified in the Tax Code or other legal documents, the payment of this fee is the implementation of legally significant actions by the authorized body or its official against the person who pays it, including certain shall be one of the conditions for granting rights or authorizing documents. A tax is a mandatory non-refundable payment to the State budget of the Republic of Uzbekistan or to the state special fund specified in this Code. That is, the difference between the concepts of levy and tax according to the Tax Code is that a levy implies giving the payer certain rights, actions or authorizing documents in exchange for a certain mandatory payment, while a tax, on the contrary, is a mandatory non-payment. considered a payment, which does not provide the taxpayer with certain rights, such as a fee, and taxes are determined only by the Tax Code.

In addition, the procedure for introduction, calculation and payment of fees based on the Tax Code is determined in the Tax Code and other legal documents. The current Tax Code specifies only the procedure for calculating and paying the motor vehicle tax. The introduction of fees is regulated by Government decisions. Control over the collection and spending of fees is carried out by organizations authorized to do so by law (for example, notaries, internal affairs bodies, civil status documents, license and permit granting organizations, etc.). For information. "Tourist (hotel) levy" has been implemented in our republic, and this levy was collected from foreign citizens and stateless persons who did not have a permanent place of residence in the territory of the Republic of Uzbekistan before the adoption of the Decree. These funds were directed to the non-budget Tourism Support Fund under the State Committee for Tourism Development of the Republic of Uzbekistan, which was established in order to ensure their concentration for later use in the development of the tourism sector. Control over these fees was carried out by the State Committee for Tourism Development. Before presenting the problems of the tax system and possible prospects for their solution, we will consider the current conditions of its development. By the end of 2021, the revenues of the Consolidated Budget (State Budget and State Target Funds) amounted to 196.4 trillion soums (26.7% of GDP). It can be seen from Table 1 that the share of the Consolidated budget revenues in relation to the GDP has not changed in dynamics and, on the contrary, has an increasing trend. This is especially confirmed by the revenue forecast for 2022 - the ratio of revenue to GDP is forecast at 30.3%. The increase/decrease in revenue to the budget is generally influenced by the following factors:

- growth of the republic's economy;
- introducing a free exchange rate of the soum;
- relatively high world prices for precious and non-ferrous metals;
- introduction and relaxation of quarantine measures during the pandemic;
- tax reform;
- introduction of new instruments of tax administration.

The third direction of the tax reform is to ensure the stability of the macroeconomic situation, the stability of the formation of the State budget of the Republic of Uzbekistan and its revenues. Any civilized country can exist and develop if it has a stable financial situation. The basis of the state's financial situation is its state budget. It is known that it consists of income and expenditure parts. The development of the state depends on their comparison. Until 2018, state policy was focused on the State budget with a surplus (increased revenues and covered expenses). Since 2018, attention has been paid to rapid economic development in state policy. In

this case, with the adoption of the tax reform, the income part of the budget began to decrease. At the same time, his expenses began to rise sharply. In this, they increased during the year in the approved budget. For example, the expenses of state bodies for 2021 were approved in the amount of 135.6 trillion soums, and during the year they doubled to 160.6 trillion soums. This situation naturally led to the creation and increase of the State budget deficit. In this case, it will be maintained for 2022 and projected for the following years.

Taxes are compulsory payments levied by the state on the income or property of legal entities and individuals (individual citizens and enterprises) and transferred to the budget based on current laws. Taxes are the main source of state budget revenues and one of the tools of state economic policy. The origin of taxes is closely related to the emergence of the state and is very old. has a history. In historical sources, there is information about the introduction of taxes by the laws of Hammurabi in the Babylonian state 3760 years ago. Now. the problem of providing funds for the tasks performed by the state during Taxes occupy an important place in the sources of state revenues. For example, 70-90% of state budget revenues are provided at the expense of S. The main elements of any Taxes are: tax subject (or tax payer) - citizens, enterprises, organizations that are obliged to pay this tax by law; tax object - income or property that is the basis for calculating the amount of tax to be collected (salary, volume of sales, value of enterprise property, land, volume of mined mineral resources, etc.); tax source - income (type of income) that is the source of payment of a specific tax (salary, profit, royalty - creative fee) or property that can bring income (land, building, inheritance, gift property, etc.); tax rate. According to the collection method, it is divided into direct and indirect taxes. Proper Taxes are imposed directly on property and income and are paid by the taxpayer without intermediaries. Common types: value added tax, income tax, inheritance and gift tax, turnover tax, sales tax, export import tax, etc. Curve S (excise duty) is intended to be included in the prices or tariffs of goods (services) and is then imposed on consumers of goods S. According to the characteristics of the state system, the tax system consists of national (central) and local (administrative-territorial units) taxes and fees.

The legal basis of the tax system in the Republic of Uzbekistan, the rights and obligations of its payers, the procedure for conducting tax affairs, 1997. April 24 was adopted in 1998. Jan 1 It is determined by the Tax Code of the Republic of Uzbekistan. State taxes introduced in the Republic of Uzbekistan i: income (profit) tax from legal entities; personal income tax; value added tax; excise tax; tax for the use of underground resources; ecological tax; tax for using water resources. General State Taxes are distributed annually between the respective budgets according to the regulations established by law. Local taxes and fees - property tax; land tax; advertising tax, vehicle sales tax, social infrastructure development tax, trade fee; levy for improvement works, etc. Local taxes and fees are transferred to the local budget. Taxes collected by the state are redistributed through the budget and returned to taxpayers indirectly through the provision of socially necessary public services such as health care, education, science development, defense, and law enforcement. Materials related to the theory and practice of taxation in Uzbekistan, as well as other issues related to this field, are covered in the "Taxpayer's Journal" (published in Uzbek and Russian since 1995). According to the Presidential Decree "On measures to further develop domestic and pilgrimage tourism in the Republic of Uzbekistan", from March 1, 2021, citizens of our country and stateless persons permanently residing in the Republic of Uzbekistan will be accommodated in each place where they lived. a tourist (hotel)

fee was determined for the day in the amount determined by the Cabinet of Ministers. Some mass media and bloggers associate the concept of this levy with the concept of tax. In this regard, the information service of the State Tax Committee clarified the situation. The concepts of levy and tax are clearly defined in the Tax Code. In particular, according to Article 16 of the Tax Code: A fee is a mandatory payment to the budget system specified in the Tax Code or other legal documents, the payment of this fee is the implementation of legally significant actions by the authorized body or its official against the person who pays it, including certain shall be one of the conditions for granting rights or authorizing documents. A tax is a compulsory non-refundable payment to the State budget of the Republic of Uzbekistan or to the state special purpose fund specified in this Code. That is, the difference between the concepts of levy and tax according to the Tax Code is that a levy implies the granting of certain rights, actions or authorizing documents to the payer in exchange for a certain mandatory payment, while a tax is the opposite, it is considered a compulsory non-discriminatory payment, which does not provide certain rights to the person who pays the tax, such as a fee, and taxes are determined only by the Tax Code.

The concept of tax as an economic category is directly related to the emergence of the state as a class ruling power and the duration of its activity. At this point, it should be noted that the tax category emerges as an economic reality through the economic policy of the state. The concept of tax, in its narrow sense, represents money collected from others in a compulsory manner at the discretion of the state. It is known that taxes are directly related to the emergence of the state, that is, the state uses taxes as a financial source to fulfill its tasks. The application of taxes is objectivity, because not all individuals who make up the society operate in the real sector (in the field of production). There are also areas in society that are rejected by others or where it is economically unproductive to engage in them, which require an objective application of taxes. More precisely, the division of society into non-profitable (defense, medicine, science, education, culture, etc.) and profitable sectors, as well as the natural need to finance the non-profitable sector, make it necessary to apply taxes objectively, although the social services of the non-profitable sector, mainly the state are carried out by, and the taxes that arise as a way of financing them will also directly belong to the state. The objective necessity of taxes in the conditions of the global financial and economic crisis can be expressed in two cases: firstly, the need to provide funds for a number of tasks of the state, and secondly, the laws and regulations of the market economy. Taxes are one of the main regulators of the economy. Manifestation of the regulatory function of taxes is different from the state capable of influencing processes and parameters are:

- development of production and investment-certain sectors (or restriction) by encouraging;
- dynamics of consumption and savings-different rates of direct taxes by marking;
- personal income level - determination of differentiated tax rates,
- by providing benefits to certain categories of taxpayers;
- international integration processes - customs duties and their payment by setting different rates on benefits.

The functions and tasks performed by the state are many, and with the development of the market economy, new tasks begin to appear when some tasks incompatible with socially

protected market relations disappear. In the conditions of the global financial and economic crisis, new tasks of the state appear. These include providing social assistance to the poor in our republic, organizing the infrastructure of the market economy (in industry, agriculture, and the financial system). Here, the state realizes the need to provide pensioners, retirees, students, mothers with many children with more funds for the implementation of strong social policy measures, and compensates the difference in the price of limited goods from the budget and makes other expenses for them at the state's expense. increases, organizes financial assistance to the poor in the neighborhoods. At the same time, the state of Uzbekistan spends money on maintaining and strengthening its defense capabilities, on equipment and ammunition, in order to maintain the peace of the members of the society. It is necessary to allocate a lot of funds for its installation and management functions. Obligation to carry out such expenses makes the taxes that are a source for them objectively necessary. It should be noted that until now, no other method of forming the financial resources necessary for the performance of the functions of the state, other than taxes, has been used in world practice. So, as long as there is a state as a dominant power, taxes are also valid as a method of financing. It is known that the economic life of society consists of very complex economic events. This complexity also applies to direct taxes, which requires a deep understanding of the economic nature of taxes. Taxes are monetary relations that represent compulsory payments. This relationship is between taxpayers (legal entities and individuals) and the state that makes them its property. Enterprises and organizations create monetary relations when they provide services to the population, perform work or trade in markets. But they cannot be taxes, in order for the state to have a tax relationship, they must be paid or collected to the state budget in a mandatory manner by distributing the value of the products created in the country. Taxes, which are the main source of the budget for the state, are of great importance.

In the history of the development of society, no country has existed without taxes. Even in the market economy, the state collects the main part of the funds necessary for the implementation of its internal and external tasks, various social, economic and political measures through taxes. In particular, taxes form the revenues of the republican and local budgets, create a financial basis for state social programs, manage the business activities of taxpayers, stimulate their desire to use natural resources effectively, influence pricing, regulates the standard of living. With the help of privileges, it helps to organize social protection of the poor segments of the population, etc. Therefore, the minimum amount of funds formed through taxes is related to the minimum amount of expenditure related to the performance of the state duty and is limited to this amount. Taxes are an important category of the production of advanced goods, and are of course closely connected with a wider category - the state budget. Because taxes participate in the formation of the budget. Taxes ensure the accumulation of financial resources at the disposal of the state, these resources are used to solve the national and regional tasks of economic development, to stimulate the efficiency and quality of work, and to regulate income based on the principles of social justice. The state implements taxes for the formation of the state budget, taxes do not have the purpose of covering any specific expenses, it is based on the need to prevent the expenses from certain types of income from becoming dependent on them. However, in some cases, together with general taxes, targeted taxes are also established, the implementation of which can play a positive role in economic activity. The economic nature of taxes is characterized by financial relations based on objective mandatory payments that arise



between the state and legal entities and individuals. These financial relations have a special social character and serve to mobilize funds that are part of the national income at the disposal of the state.

The essence of taxes comes from the functions they perform. Each economic category has its own function. Tax as an independent category has its own functions, and these functions represent the actual activity of the tax category. By function, it is usually necessary to understand the constant movements of a category that are repeated many times in life. There are different views on the functions of taxes. Among the economists of the former socialist countries, it was widely believed that taxes perform two functions. Fiscal and control functions were recognized as these two functions. According to them, the most important function is the fiscal function of taxes, because without it the control function cannot exist.

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