



## Priorities of Improving Tax Policy for an Effective Implementation of Development Strategy in Uzbekistan

**Maksudov Sherzod Ravshanbayevich**

Independent scientist

**Abstract:** The article examines the views of representatives of various scientific schools on the problems of taxation. The evolution of scientific views determining the role of the state in taxation issues is shown. The tendency of convergence of scientific theories, scientific and methodological approaches to the implementation of tax policy is noted.

**Keywords:** scientific schools, taxation theory, tax burden, tax policy, tax reform, tax policy concept

Priority directions of the Strategy of Actions for the further development of the Republic Uzbekistan in 2017-2021, approved by the Decree of the President of the Republic of Uzbekistan dated February 7, 2017, are the continuation of institutional and structural reforms to reduce the presence of the state in the economy, further strengthening the protection of rights and the priority role of private property, improving tax administration, continuing the course of reducing the tax burden and simplifying the taxation system, expanding measures to stimulate entrepreneurial activity. Data The directions were adopted on the basis of an analysis of the trends in the development of the national economy over the past two decades.

During the period of functioning of the economy in 2000-2018, some problems of a systemic nature arose in the field of taxation, among which: a high level of tax burden for payers of generally established taxes, as well as a significant difference in the level of tax burden between economic entities paying taxes under simplified and generally established taxation systems; insufficient degree of fiscal support for domestic producers carrying out their activities in the field of production of products with a high degree of processing; a high rate of taxes on the payroll, which leads to concealment by taxpayers of the real number of employees and the payroll.



In the process of implementing the Concept of Improving Tax Policy adopted in June 2018, significant changes have taken place in the field of taxation. From January 1 In 2019, the following main measures were taken in the republic: a single income tax rate has been introduced individuals in the amount of 12% for all employed workers and citizens' insurance contributions to the off-budget Pension Fund (8% of the wage fund) have been canceled; mandatory contributions to state trust funds levied from the turnover of legal entities have been canceled for all enterprises; enterprises that have an annual turnover of more than 1 billion soums at the end of the previous year or have reached the established threshold during the year have been transferred to the payment of generally established taxes; for all business entities with a turnover of up to 1 billion soums, a tax on the property of legal entities, a land tax and a tax for the use of water resources has been introduced, and the unified social payment (ESP) remains in effect; many tax benefits for legal entities and individuals have been optimized, as well as measures to improve tax administration have been introduced. The adoption of the Concept of Improving Tax Policy made it possible to rid the economy of major shortcomings of the tax system.

Since January 1, 2020, Uzbekistan has introduced The new version of the Tax Code of the Republic of Uzbekistan, which optimizes the number of taxes and tax rates. It provides for cardinal improvement of the procedure for the application of international treaties on taxation based on the state and requirements of active economic development. The main goal of modern tax reform is to ensure the economic stability of the national economy. New tax mechanisms, as well as other measures being implemented, are being used to support entrepreneurship and increase state budget revenues. The methodological basis of taxation is the choice of tax forms and filling them with specific content (adoption of the organizational and legal procedure for calculating and paying taxes), the establishment of the rights and obligations of the parties to tax relations.

The process of improving tax relations is continuous. The success of tax reforms is determined by the scientific validity of systemic transformations. The historical interval between the stages of tax transformations depends on the degree of compliance with the economic basis of the taxation system used at the time of the tax reform. In our opinion, the methodological and practical provisions of any tax system should proceed from the established scientific and methodological foundations and principles of taxation, as well as the goals of the country's economic policy at the appropriate stage of its development. The effectiveness of the implementation of the established functions of tax payments largely depends on the choice of sound methodological foundations of taxation, the formation of a



convenient classification of taxes, the choice of optimal methods of their calculation. It should be noted that until 2020, the Tax Code in force in Uzbekistan insufficient attention was paid to improving the classification of tax payments and their accounting in pricing, which distorted the calculations of the level of tax burden on enterprises and sectors of the economy.

In order to improve the quality of calculations of the tax burden on the activities of economic entities, it is important to group taxes and mandatory deductions for gratuitous payments (taxes) and reimbursable payments, as well as mandatory payments for the use of "divisible" by taxpayers and "indivisible" property (services). There is still no consensus among economists about which taxes and payments can be attributed to the above groups. It should be noted that the norm fixed in the Tax Code in force until 2020, according to which taxes are gratuitous and irrevocable payments to the state (Article 12 of the Tax Code of the Republic of Uzbekistan), did not correspond to the views of a number of scientific schools and established domestic practice. So, in Uzbekistan, part of the funds from personal income tax is returned to taxpayers in the form of reimbursement of part of the expenses for their children's studies, mortgage payments to young families, as well as in the form of sending resources to the Pension Fund. In addition, taxpayers receive a number of services from the state for on a preferential or gratuitous basis.

However, it can be said that the measure to cancel the social insurance contribution of individuals (8%) from 2019, which was received by the Pension Fund, contradicts the main directions of the development of the theory of taxation in a socially oriented economy. It is necessary to reintroduce this mechanism in the near future. Part of the funds from this payment should be sent to insurance companies to reimburse the taxpayer for the period of temporary disability and unemployment (for 6 months). The other part of the funds should go to the Pension Fund as a solidary contribution of an individual to the support of the elderly. This mechanism will be an important element of the social package of support for employed persons, which will contribute to national harmony in society, increase the level of protection. Within the framework of the Law "On the State Budget of the Republic of Uzbekistan for 2020", the country's parliament has set a limit on the total amount of agreements signed to attract external borrowing on behalf of the Republic of Uzbekistan or under the guarantee of the Republic of Uzbekistan in the amount of \$4 billion, which will be taken into account when conducting fiscal policy. Analysis of the views of representatives of various scientific schools and the study of domestic The experience of taxation shows that the methodological approaches used in Uzbekistan are gradually leaning towards the liberal direction (reducing the tax



burden on the economy, introducing a flat scale of personal income tax, reducing the VAT rate from 20 to 15%, simplifying the administration of tax mechanisms, leveling the tax burden for small and large.

### References

1. Взаимосвязь государственной политики устойчивого развития и налогообложения / под ред. Т. В. Игнатовой. Ростов н/Д., 2003.
2. Gordon M. S. Social Security Policies in industrial Countries. Cambridge : Cambridge University Press.
3. Джумагалдиев М. В налоговый кодекс внесены изменения и дополнения. URL: <http://senat.uz/ru/lists/view/892>