

Development of The Tax System of The Republic of Uzbekistan and The Beginning of The New Period in Its Perfection

Tashmuhamedova Yayra Atkhamovna

PhD Student, Tashkent State University of Economics, Uzbekistan

Abstract

This article describes the development stages of the tax system of the Republic of Uzbekistan from the first years of independence to the present days, the performed reforms on taxation, their legal basis and indication in legislative enactments. The article is enriched with practical suggestions on further improving tax policy and tax administration, and organization of broad utilization of informative and communicative technologies.

Keywords

Tax system of the Republic of Uzbekistan, stages of tax reform, tax service, Strategy of action, Tax Code, tax administration.

Introduction

Since the moment of gaining intractability, the Republic of Uzbekistan has been carrying out its independent tax policy, the formation of the tax system and has been working on its more advanced organization. Due to the fact that taxes are the main source of income for the state budget, they are a significant factor in the development of the country's economy.

Speaking in a speech by the President of the Republic of Uzbekistan Shavkat Mirziyoyev at a solemn event dedicated to the 24th anniversary of the adoption of the Constitution of the Republic of Uzbekistan, the following phrase signaled the start of reforms in the country: "...the system of state administration, based on the requirements of today and tomorrow, requires further improvement." [3].

Today, many reforms are also being carried out in the field of taxes. In particular, it is impossible not to mention the ongoing reforms in tax legislation, in the system of management of tax authorities.

Literature review

Theoretical and practical aspects of taxation and taxation have been studied by a number of foreign economists. Among foreign economists, scientists A.Smit, D.Rikardo and other modern scientists, such as I.M.Mayburov [10], N.V.Milakov [11], D.Melnik, Knyazev V.G., Chernik D.G. [12], I.M.Aleksandrov [13], M.D.Abramov [14], The scientific works of M.Alysheva, V.Semin, T.V.Akinina, V.L.Korotina, N.Dorofeeva, A.M.Shaibi, T.F.Yutkina [15] were studied.

Numerous economist scientists have been conducting research in Uzbekistan on improving the tax system. Among them, Sh. Gataulin [16], L.V.Xvan [17], Q.A.Yakhyoiev [18], M.I.Almardanov, A.Jurayev, Rajabov U., B.Isroilov, D.Mutalova, M.Kamilov, B.Sanakulova and others.

However, the fact that the economist of Uzbekistan does not study the issue of improving the system of evaluating the taxation of the taxpayers as an independent research object once again determines the relevance of the selected research subject and requires independent research.

Analysis and results

It will not be erroneous to say that many reforms in the field of taxation started from the first years of independence of the Republic of Uzbekistan. To date, the tax system has its stages of development. The results of the development of the tax system of the Republic of Uzbekistan are reflected in these stages. These include the following:

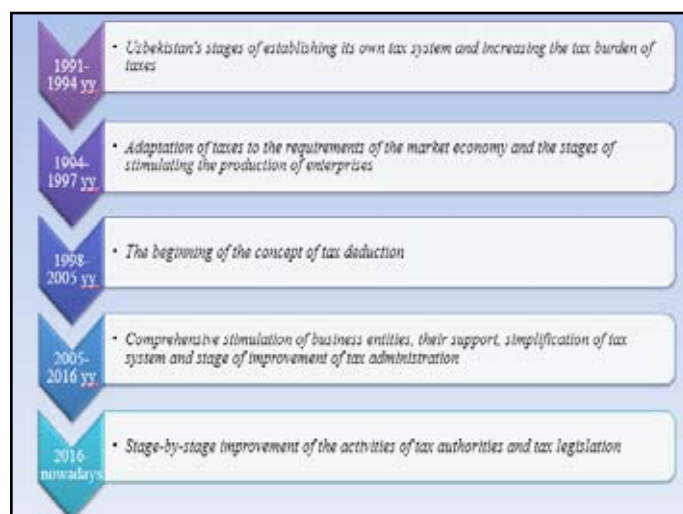


Fig.1 : Stages of development of the tax system of the Republic of Uzbekistan. [6]

The first stage. 1991-1994 - The stage of formation of the tax system of the Republic of Uzbekistan and the increase in the treasury role of taxes. [7] The first legislative document in the tax sphere in the republic is considered the law "On taxes from enterprises, associations and organizations" of February 15, 1991. This law determined the general principles of the structure of the tax system and its functioning, established the procedure for calculating and withholding taxes.

As a result of the adoption on June 14, 1991 by the Supreme Council of the Republic of Uzbekistan of the Regulation "On State Tax Authorities of the Republic of Uzbekistan" and on August 12, 1991, the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 217 "On State Tax Authorities of the Republic of Uzbekistan" began its independent activities as structures for state control and tax management. This republican structure of state administration carried out its activities until 1994, that is, until the transformation of the Main State Tax Administration under the Cabinet of Ministers into the State Tax Committee of the Republic of Uzbekistan on the basis of the Decree of the President of the Republic of Uzbekistan.

In accordance with the Decree of the President of the Republic of Uzbekistan dated January 18, 1994 "On the transformation of the Main State Tax Administration of the Republic of Uzbekistan into the State Tax Committee of the Republic of Uzbekistan" and the decisions of the Cabinet of Ministers of the Republic of Uzbekistan dated March 18, 1994 "On the organization and implementation of the State Tax Committee of the Republic Uzbekistan" was

approved the status of the State Tax Committee of the Republic of Uzbekistan and in accordance with the Regulation “On State Tax govom Committee Respubliki Uzbekistan «were appointed his main tasks, functions, powers and organizational basis.

The second stage. It includes the years 1995-1997, is the period of reducing taxes to meet the requirements of a market economy and stimulating the production of enterprises. [7] At this stage, attention was paid to improving production efficiency through taxes, various benefits were provided.

To enhance the participation of taxes in market relations, on April 24, 1997, the Tax Code of the Republic of Uzbekistan was adopted as a unified legal framework. (consisted of 11 parts, 41 paragraphs, 135 articles [4])

The adoption of the Tax Code made it possible to consolidate all the fundamental regulatory acts on taxation into a single document, systematize tax incentives, implement the international system for calculating and taxing taxes on income, property and value added.

Also, the adoption on August 29, 1997 of the Law of the Republic of Uzbekistan “On State Tax Service” shows us the duration and development of reforms in the tax sphere. The adoption of this law, together with the definition of the legal basis for the activities of state tax authorities, reflected in itself the goals of ensuring timely and complete receipt of taxes and other obligatory payments.

The third stage. It is considered to have been completed in 1998–2005, and can be called the stage of the beginning of the concept of simplifying the tax system in the tax system. [8] The reason for this is that a simplified taxation method for legal entities was introduced during this period, their calculations and tax reporting were reduced, and the tax deadlines were revised.

Together with this, the main functions and tasks of the tax authorities were determined in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated January 12, 1998 “On the organization of activities of the State Tax Committee of the Republic of Uzbekistan”. The proof of this duration is the adoption on March 13, 2000 of the Cabinet of Ministers of the Republic of Uzbekistan of Resolution No. 87 “On the Improvement of the Organization of Activities of the State Tax Service” and on May 05, 2000 of Resolution No. 180 “On the Improvement of Legal Regulation of the State Tax Service”. These legislative acts include issues of strengthening tax discipline, strict compliance with tax laws, ensuring timely and full receipt of tax payments to the budget, identifying, preventing and preventing tax violations, as well as improving the activities of tax authorities.

Since 2002, the state has begun to introduce the state tax policy to further reduce the tax burden on production enterprises and to apply the regressive tax scale. At the same time, work was carried out to change the tax legislation, revise the regulations and instructions.

The fourth stage. The period from 2005 to 2016. This stage can be called a stage for the comprehensive promotion of the activities of business entities, support of their activities, simplification of the tax system and improvement of tax administration. [8] A vivid reflection of this is the adoption of the Decree of the President of the Republic of Uzbekistan dated June 20, 2005 UP-3620 “On additional measures to stimulate the development of micro-firms and small enterprises”.

In 2006, the adoption of the law «On tax advice» also was a continuation of the previously implemented reforms in the tax system.

The changes in the tax system, the adoption of a number of legislative acts and amendments to them led to the need to streamline the legal framework and the adoption of the new version of the Tax Code. As a result, a presidential decree dated January 7, 2005 was given the task of developing a new Tax Code. The new Code was adopted by the law of the Republic of Uzbekistan of December 25, 2007 “On approval of the Tax Code of the Republic of Uzbekistan” and entered into force on January 1, 2008.

According to the new version of the Tax Code, many instructions and provisions for collecting various taxes were canceled, and instead of them, a single legislative document was introduced establishing the procedure for calculating, paying and reporting taxes, applying benefits for them, as well as applying tax penalties for tax violations. The Tax Code of the Republic of Uzbekistan consists of 2 parts (general and special), 21 sections, 64 chapters and 392 articles. [5]

Consistently, the adoption of the Tax Code in the new edition prompted the adaptation of the tax service authorities to the new legislation. And in support of this, the Decree of the President of the Republic of Uzbekistan PP-1257 “On measures to further modernize the system of tax authorities of the Republic of Uzbekistan” and the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated May 21, 2010 PP-1342 “On the further improvement of the legal regulation of the state tax service.

To date, we have come to the fifth stage of reforms in the field of taxation. The implementation of these reforms is carried out in accordance with the Action Strategy for the five priority areas of development of the Republic of Uzbekistan.

The first step in the new stage of improvement is the adoption by the President of the Republic of Uzbekistan Sh.M. Mirziyoyev October 5, 2016 Decree UP-4848, which aims to improve the legal framework for the activities of audit organizations and tax consultants to strengthen responsibility for the quality of services and accuracy of their submissions as one of the main mechanisms for preventing offenses and guarantees the stable operation of law-abiding businesses. [1].

Also with this, the Strategy of Action adopted on February 7, 2017 in the five priority areas of development of the Republic of Uzbekistan for 2017–2021 envisages a further reduction of the tax burden, simplification of the tax system and improvement of tax administration with the activities of the state tax service. [2]

During 2017, in order to improve the tax system, the following legislation was passed:

- July 18, 2017, Presidential Decree No. 5116 “On measures for the fundamental improvement of tax administration, increasing the collection of taxes and other obligatory payments”;

- August 1, 2017. Presidential Decree No. 3168 “On measures to further improve the activities of state tax authorities.”

- On August 10, 2017, Presidential Decree No. 5147 approved the Regulation “On the Procedure for Evaluating Activities for Material Incentives and Strengthening the Responsibility of Managers of Tax and Financial Authorities. In the framework of the implementation of this provision by the State Tax Committee launched an interactive service “Assessment of the activities of tax authorities” on my.soliq.uz.

Also, the emerging reforms and accumulated regulations over the past decade made the adoption of the new Tax Code inevitable. In this connection, June 30, 2018 was to adopt the Decree of the President of the Republic of Uzbekistan No. 5468 «On the concept of improving the tax policy of the Republic of Uzbekistan». In

accordance with this decree, it is provided for:

- reducing the tax burden on the economy, eliminating imbalances in VAT between enterprises with different tax regimes;
- optimization of the amount of taxes through their unification, as well as combining taxes that have a similar taxable base, reducing and simplifying tax reporting, minimizing operating expenses;
- ensuring the stability of the macroeconomic situation, the sustainability of the formation of the State Budget of the Republic of Uzbekistan and its revenues;
- simplification of tax legislation, elimination of contradictions and conflicts in regulatory legal acts in the field of tax relations;
- ensuring the stability of tax legislation and the direct effect of the norms of the Tax Code of the Republic of Uzbekistan with the maximum restriction of reference rules and regulations governing tax issues, including the establishment of tax rates and other mandatory payments in the code;

As a result, we can say that over the past period, the tax system of the Republic of Uzbekistan has been constantly improved and modified, with a lot of privileges and additional instructions added to it. In this regard, and in accordance with the concept of improving the policy of tax reform, the adoption of the Tax Code is a very important step towards improving the tax system of our country.

Therefore, taking into account the above-mentioned reforms and priorities in the implementation of the Strategy for Action, it is necessary to bring the taxation system into a system that meets the requirements of a free market economy. To do this, we consider it necessary to further improve ICT in order to reduce the tax burden, reduce the number of taxes, provide benefits for small and large businesses, improve tax administration and at the same time increase the level and completeness of taxes.

References

- [1]. *The Decree of the President of the Republic of Uzbekistan dated October 5, 2016 NUP-4848 "On additional measures to ensure accelerated development of entrepreneurship, comprehensive protection of private property and qualitative improvement of the business environment". // Halqsuzimagazine, October 6, 2016, page 2.*
- [2]. *Shavkat Mirziyoev. The Decree of the President of the Republic of Uzbekistan "On the Strategy for the Further Development of the Republic of Uzbekistan". "Justice" - 2017, page 112*
- [3]. *Statement of the President of the Republic of Uzbekistan Shavkat Mirziyoyev at the solemn ceremony dedicated to the 24th anniversary of the adoption of the Constitution of the country. // <https://www.gazeta.uz/oz/2016/12/07/speech/>*
- [4]. *Tax Code of the Republic of Uzbekistan. Tashkent-1997*
- [5]. *Tax Code of the Republic of Uzbekistan. - T.: Adolat, 2008*
- [6]. *U.Tolakov, O. Maxmudov. Basis of taxation. Educational manual. Termez-2013, page 19, is independently compiled by the author*
- [7]. *U.Tolakov, O.Makhmudov. Basis of taxation. Educational manual. Termiz-2013, p. 19*
- [8]. *Jo'raev A. Mirzaev F. Tax system and its improvement. Lecture texts. SQS Tax Academy T.-2014*
- [9]. *<http://uza.uz/ru/documents/o-kontseptsii-sovershenstvovaniya-nalogovoy-politiki-respubl-30-06-2018>*
- [10]. *I.A.Mayburov. Taxes and taxation. Textbook. M., "UNITY-*

- DANA", 2008*
- [11]. *Milakov N.V. Taxes and taxation. M.: INFRA-M, 2000*
- [12]. *Knyazev V.G., Chernik D.G. Tax systems of foreign countries. M.: "UNITY", 2003*
- [13]. *Alexandrov I.M. Taxes and taxation: Textbook. - M.: INFRA-M, 2009. - 637 p.*
- [14]. *Abramov M.D. Issues of improving the tax system of Russia // Tax disputes: Theory and practice. - 2010. - № 9. - P.51*
- [15]. *Yutkina T.F. Taxes and taxation. M.: INFRA-M, 2002, 576 p.*
- [16]. *Sh.K. Gataulin. Taxes and taxation. Educational manual. T., State Tax Committee - 1996. - 303 p.*
- [17]. *L.V. Xvan. Solihuquqi. T.: Consolidated form. 2001.- 656-b.*
- [18]. *Yakhoev Q. Taxation System in Uzbekistan. Educational manual. T.: Employment, 1998.*