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## ANALYSIS OF INCOME TAX FROM INDIVIDUALS IN UZBEKISTAN

**Abstract:** *this article analyzes the essence of income tax for individuals, changes made to the Concept of improving the tax and budget policy of the Republic of Uzbekistan, from January 1, 2019, a single rate of income tax for individuals is established, as a result of which wages are increased.*

**Key words:** *individuals, taxes, personal income taxes, personal income tax base, personal income tax rates, salary, family budget.*

**Language:** English

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### Introduction

The main and main goal of the radical state, economic and social reforms carried out in our country is to improve the standard of living of our people and improve its well-being. In particular, the purpose of increasing their income by reducing the tax burden on the population is actively implemented.

It is known that the income tax from individuals was introduced from April 1, 1991 in accordance with the law "on income tax from citizens of the Republic of Uzbekistan, foreign citizens and stateless persons" dated February 15, 1991.

According to the current legislation, individuals are citizens of the Republic of Uzbekistan, foreign citizens and stateless persons who have not received the status of a legal entity.

Income tax from individuals is one of the most basic sources of income of the state budget, it is part of the general category of income tax. Its peculiarity is that the tax is levied on the direct income of individuals.

President of our country Shavkat Mirziyoyev - "in order to raise the standard of living of our people, we need to form a system of payment worthy of Labor and increase the Real incomes of the population. It is necessary to revise the procedure for determining the minimum monthly wage, to eliminate the fact that taxes and other fees are associated with the minimum wage."- they argue. [1].

The following income of individuals is an object of taxation and is the income of residents of the Republic of Uzbekistan from sources in the Republic of Uzbekistan and beyond, and income of non-residents of the Republic of Uzbekistan from sources in the Republic of Uzbekistan.

It should be noted that the taxable income received from individual entrepreneurial activities, strictly defined in accordance with Chapter 58 of the tax code, is not considered an object of taxation of income tax from individuals, it is a strictly defined tax object.

The tax base of the income tax from individuals is the residual amount after deducting the deductions established by the tax legislation from the total income of individuals.

*The total annual income of individuals includes money or other funds that a taxpayer must receive (receive) or receive for free. Including:*

- income received in the form of payment for Labor;
- property income of individuals;
- income of individuals in the style of material naf;
- other income.

All payments that are accrued and paid to individuals who are in a labor relationship with the employer and perform work in accordance with the established employment contract (contract) are

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recognized as income in the manner of payment for Labor:

According to the "concept of improving the tax policy of the Republic of Uzbekistan", a number of important changes have been made to the tax system of our country from 1 January 2019, and they are being improved. In particular, the tax burden and types of taxes were reduced, some were abolished, the tax system was simplified. Also on the income tax from individuals, changes were introduced to the tax legislation for 2019 year.

In particular, the following incomes of individuals are not subject to taxation:[2]

- sums of material assistance (if given in case of emergency – by scan, in other cases-in the amount up to 12 times of the minimum wage during the year);
- athletes receive a cash prize for their participation in international sports competitions;
- cash prizes for donation;
- income from the sale of livestock, bee-keeping and agricultural products grown in the home and farm;
- gifts of employees received from a legal entity in the form of a natura with a value of up to 6 times the minimum wage during the year;
- income from individuals in the form of inheritance or gift order, as well as freely received money and nature;
- achievements on bonds of state bonds, interest on state securities, achievements on lottery;
- certificates of savings, income on state securities, as well as interest and achievements on deposits in banks;
- dismissal allowance paid within the amount of twelve times the minimum wage when the employment contract is terminated;
- received alimony;
- the sums that citizens receive as a ceiling of insurance;
- scholarships paid by educational and research institutions;
- state pensions;
- accumulative mandatory pension contributions, interest income on them, as well as accumulative pension payments;
- revenues directed to cover mortgage loans received for the purchase of individual housing under standard projects in rural areas, as well as accrued interest on them;

-The amounts to be directed for the education of children under the age of twenty-six or for the education of their own children in the higher educational institutions of the Republic of Uzbekistan, etc.

The tax code of the Republic of Uzbekistan, with amendments to 2019, is exempt from the following taxes on physical income directly from 1 January 2019 in its article 180: [3]

- heads and employees of diplomatic missions

of foreign countries, officials of consular institutions, family members living with them;

- administrative and technical staff of diplomatic missions and consular institutions of foreign countries, as well as family members living with them;

- persons who are part of personnel serving diplomatic missions, consular institutions of foreign countries;

- employees of diplomatic missions of foreign countries in the Houses of the employees of the consular institutions;

- officials of international non-governmental organizations;

- persons who are in labor relations with an individual entrepreneur – on income received for their work performed under an employment contract concluded with an individual entrepreneur.

- Again, it should be noted that the list of individuals who were completely exempt from taxation was reduced and the following was removed from the list:

- on the money supply paid in connection with the transfer of service (performance of service obligations) to the servicemen of the Ministry of Defense, the MIA, the FVV, the NSS, the composition of ordinary soldiers, sergeants and officers of the internal affairs bodies, as well as employees of the NSC;

- On income received in connection with the performance of service duties by employees of constitutional and higher courts, civil and criminal courts, judges of economic, administrative and military courts, as well as employees of the prosecutor's bodies having career levels (military ranks).

- The following individuals will be exempted from tax on income in the amount of 4 times of the minimum wage for each month from 1 January 2019:

- Persons awarded the titles of "hero of Uzbekistan", hero of the Soviet Union, hero of Labor, persons awarded the Order of glory of three levels;

- disabled from childhood, as well as disabled people of I and II groups. The privilege is issued on the basis of a pension certificate or information from the medical and labor expert commission;

- parents and widowed wives of servicemen and employees of internal affairs bodies who were injured during the defense of the former USSR, the constitutional system of the Republic of Uzbekistan, or other obligations of the military service or the service in the internal affairs bodies, as a result of contusion or injury, or as a result of illness caused by being on the

- single mothers who have children under the age of two or more sixteen;

- widowed women and widowed men who do not receive a pension for the loss of their widows v who have children under the age of two or more

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sixteen;

- one of the parents who has been disabled since childhood, living together with a child who requires constant care, becoming a unitary infantile.

Privileges apply when the relevant documents are submitted.

In the event that the rights to benefits arise during the calendar year, the rights to benefits are applied from the moment of their occurrence.

If an individual has the right to benefits on more than one basis, he is given only one privilege at his discretion.

The income tax from individuals was considered a progressive tax, at the present time passed into a strictly defined system.

According to the tax legislation, in 1998-2018 we want to consider the progressive form of introduction of tax scales in the collection of taxes from the salaries, reward money and other income of individuals in the Republic.

**Table 1**

Years	Bounce	Rates on interest accounts	Annotation
1 1998-1999	5	15, 25, 35, 40, 45	
2 2000	4	15, 25, 36, 40	
3 2001-2014	3	12, 25, 36	2014 year 1 yilgacha 3 cover wing carpets, solid putting kameib borgan (3-chart)
4 2015-2018	4	0, 8.5, 17, 23	2018 yilgacha 4 cover wing carpets, solid putting kameib borgan (3-chart)

While analyzing the data of Table 1, the tax rate from the labor rights, prize money and other income of individuals in the republic from 1998 year is defined as 15, 25, 35, 40, 45 percent, that is, 5 digits, according to the tax legislation. Starting from 2000 year, the rate was maintained at 4-point, that is, 15, 25, 36, 40 percent, and from 2001 to 3-point, while its rate

was 12, 25, 36-point, up to 2014 year at 3-point rate. In 2015-2018, taxes were levied at a 4-point rate.

And in 2019, income tax is levied on a single 12-digit rate of interest. This creates a relief to the work of accountants in carrying out tax calculations, increases job productivity[4]. ( See Table 2)

**Table 2**

From 01.01.2019 year	rate
Income tax rate (Single)	12%

**Dynamics of change in income tax rates from individuals[5]**

**Table 3**

Minimum monthly salary level	Tax rates (in percentage)																	
	2000	2001	2002	2003	2004-2005	2006	2007-2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 bare	00	112	113	13	13	13	13	12	11	10	9	8	7,5	00	00	00	00	
2 bare	115													8,5	7,5			



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According to the new regulation introduced from 2019 year, the teacher pays a single 12 percent of the income received – 360 thousand soums (3000 000 \*12%=360000 soums) income tax. And the insurance fee ( 8 percent), which is charged to the extra-budgetary pension fund, as we mentioned, was canceled. 1 percent to the trade union is 30000 rubles. Hence, the total amount that touches the hands of the teacher is 2 610 000 rubles (3 000 000 - 360 000-30000).

Now we can calculate the difference in the middle– 2 610 000 – 2 248 770 = 331 230 sum. That is, on account of the introduction of a single rate of income tax and the cancellation of the insurance fee, the teacher evasion of paying less than the tax in the amount of 331 230 rubles, his income is increasing to 331230 soums. If we multiply the savings by twelve months of a year 331230\*12 =3 974 760 Sou the amount of income for a year will increase. If we say that 3 people work in a family, then 11 924 280 r

In 2019, changes were also made to the tariff set from 1 January. On the account of the increase in the coefficients on razryads, the minimum monthly salary is 577172 sum. We will consider the calculation of income tax from individuals on the old and new system, even on the minimum monthly salary.

At the tax rates of 2018, a minimum wage set at the beginning of the year from 577172 sum is deducted (577172-172240)\*7,5%=30370 sum is deducted from the income tax from individuals on the second scale. The extra-budgetary pension fund is 577172 \* 8%= 46174 sum. To the trade union in both cases is the same amount (1%) 5771 sum. The salary that the employee will receive is 577172-30370-46174-5771 = 494857 sum.

We will consider the calculation of the tax rate introduced in 2019 Year 1 janvar. 577172\*12% =69260 sum. The mandatory allocation of 8% to the extra-budgetary pension fund is 5771 sum to the trade union (1%), which was canceled. The salary that the

employee will receive is 577172-69260-5771 = 502141 sum. The difference in the middle is 502141-494857=7284so. If we multiply the savings by twelve months of a year 7284\*12 =87408 somga the amount of income for a year will increase.

In both cases, the increase in family income in itself leads to a greater satisfaction of family needs, the provision of family well-being.It is expected that the decrease in the income tax on tax reforms in Uzbekistan will lead to an increase in the income of individuals by 6.5 percent in 2019.

In the Russian Federation, the basic rate of income tax on individuals is set at 13 percent, in Kazakhstan and Kyrgyzstan 10 percent, and it has been effective for several years. [6]

### Conclusions.

Taking into account the tax reforms carried out in our republic, we consider it desirable to carry out the following:

to implement measures of influence on legal entities that promote the economy without concluding labor contracts, paying employees the salary in cash, Kai, khufyona;

to increase the rights of inflation in an amount not less than the level of inflation to introduce interest rate;

introduction of the family declaration system in the taxation of income through taxation reduction of interest and tax rates from 12 percent to 10 percent;

it is also necessary to keep in mind the tax code, which is expected to introduce new social benefits that are of great importance.

The most basic idea of the new tax concept, which began to be implemented, is to reduce the tax burden, to ensure the welfare of our people through the use of a simple and stable tax system, which serves to implement the strong social policy implemented in our country.

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