

## Latest tax changes

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**Abstract.** Economic prosperity and financial independence are one of the priority strategies that ensure a stable future of every country. Especially the tax, monetary and credit system in the country. This article describes in detail the latest reforms and changes in the tax system in Uzbekistan.

**Keywords:** tax system, monetary and credit sector, economy, Tax Code, tax theory, economic development and stability, etc.

Taxes, levies, duties and other mandatory payments collected from individuals and legal entities and the principles of their structure, methods, tax control form the basis of the tax system. This definition is a broad understanding of the tax system. In the tax legislation, the tax system is interpreted in a narrow sense, and the sum of taxes, levies, duties and other mandatory payments, which have the same essence and are organized by a centralized monetary fund, is called a tax system. It should be noted that such a definition of the tax system is also given in some literature. The above-mentioned definition shows that taxes and fees have a single essence, i.e. "relationship with a mandatory character" and that they are related to each other. This corresponds to the content of the Tax Code of the Republic of Uzbekistan. Tax reforms are state measures implemented with the aim of reducing the tax burden, simplifying taxation, and ensuring economic development with the help of taxes, based on the coordination of tax theory and practice. It is the main, integral part of economic reform. The strategy of reforms in the tax system implemented in the Republic of Uzbekistan is being formed based on the concept of establishing a legal and democratic state.

For information, during the conversation with entrepreneurs, the president proposed to categorize enterprises with an annual turnover of up to 1 billion soums as micro, up to 10 billion soums as small and up to 100 billion soums as medium businesses. advanced. Based on this, a number of benefits are offered to businessmen. In this case, depending on the region and type of activity, reduced rates of 1% to 3% will be maintained. Entrepreneurs with a turnover of up to 500 million soums are entitled to pay a fixed tax of 20 million soums per year, and those with a turnover of more than 500 million soums - 30 million soums in equal monthly installments. These taxpayers are exempted from accounting and dividend tax. In addition, in order to encourage the development of small and medium-sized businesses, it is planned to reduce the profit tax rate by 2 times for 1 year for entrepreneurs belonging to the category of small businesses whose turnover exceeds 1 billion soums. Secondly, in order to ensure the stability of local budget revenues, fixed tax rates and bases will be indexed within the framework of inflation or by 10%. It is planned to implement the indexation of excise tax rates from February 1, 2023. Thirdly, the gradual abolition of tax benefits is also ongoing. In particular, from April 1, 2023, exemptions from value added tax for a number of services provided at the expense of budget funds are being canceled. At the same time, the expiration of the tax and customs privileges granted by other regulatory legal documents was also taken into account in the budget revenues. Fourthly, due to the improvement of tax and customs

administration, approximately 1 percent of the gross domestic product or 9.2 trillion soums is provided in the additional planned budget revenues.

In 2017-2021, in the "Strategy of Actions" on the five priority areas of development of the Republic of Uzbekistan, the issues of simplifying the tax administration and reducing the tax burden by expanding the tax base have a special place. Over the past years, the necessary measures have been taken in accordance with the established procedure to reduce inspections of business entities and stop unjustified interference in their business activities. Procedures for unscheduled and alternative audits of business entities have been canceled, the form and terms of submission of tax reports submitted by entrepreneurs have been simplified. In addition, in order to ensure "healthy competition" between business entities and to end "secret business": control-cash machines that provide online information on calculations to tax authorities an automated control system over cash receipts is being introduced through the application. In addition, in order to legalize real jobs, the state tax service authorities are tasked with systematic monitoring of the compliance of the reported and actual number of employees of economic entities. As a result of the implementation of the concept of improving the tax policy of the Republic of Uzbekistan, the tax burden on the labor compensation fund was reduced, taxes on working capital were optimized, mandatory allocations to state special funds were canceled and the profit tax rate on legal entities was reduced. the tax system was revised by reducing it. Further improvement of the tax administration and liberalization of liability for violations of the law played an important role in improving the business environment. Therefore, reforms are being implemented in our country aimed at creating a fair, transparent and long-term system in this regard. As a result, a completely new tax administration is emerging. Entrepreneurs feel the practical effect and result of this not in beautiful words as before, but in their daily activities. Tax reforms are carried out continuously and periodically in the developed countries of the world. It is implemented in the form of introducing or canceling one type of tax, increasing or decreasing the share of certain types of taxes, redistributing tax revenues, and so on. Raising the development of our country to a new, high level, for this, implementing new reforms is a vital necessity at the present time. In this process, the tax system, which is one of the important links of the economic chain, should be ready to create conditions for equal and free competition. The adoption of the new tax concept in 2018 at the initiative of the President determined the strategy for achieving these goals. If we look at the situation before this concept, which started new reforms in the system, 97 percent of taxpayers operate in a simplified regime, and their share in the gross domestic product of our country has reached almost 60 percent, and their share in budget revenues is only 9.2 percent. is a clear manifestation. The main tax burden on general tax payers was only 3 percent. Until recently, paying taxes on allowances, school education and road funds, insurance premiums, property, VAT (value added tax) rates was a big burden on entrepreneurs who are the creators of the country's development. Digitization of the industry in a short time, including the gradual improvement of the data processing center, more precisely, the modernization, in turn, allows taxpayers to register, choose a tax system, remotely monitor their relationship with the budget, form and submit reports which are made it possible for a person to fulfill his tax obligations electronically from any part of the world through his personal office. In general, about 50 such remote services have been launched on the portal of electronic state services of tax authorities - my.soliq.uz. Today's tax administration and the functioning of the system in general cannot be imagined without them. Times are changing rapidly. Despite the large-scale work carried out above, serious measures are being taken to deepen economic reforms, simplify tax administration, and improve control functions of tax authorities. In short, a new system was created in the tax administration. The next task is to fully implement it in practice. It should be noted that the main

way to increase tax revenues on the basis of current tax reforms is to strengthen the tax base based on economic growth.

Today, according to the reduction of the types of taxes and their rates, first of all, the types of taxes will be reduced from 16 to 9, the forms of control will be reduced from 13 to 2. 3.2 percent fees were abolished. About 7,000 enterprises have been exempted from paying an average of 6 trillion in taxes annually due to the cancellation of these fees for extra-budgetary funds. So they will keep that much money. Also, property, income and social tax rates were reduced by 2 times. If we express this through specific examples, the tax burden in the transport sector has decreased by 3 times, in the food industry by 2 times, and in the textile and electrical engineering industry by 20 percent. At this point, it is necessary to clarify one more issue. Last year, after the implementation of the new tax code, the participants of 23 special economic zones addressed the President with the question whether our previous privileges will be preserved or not. According to these questions, guarantees were given that businessmen registered in economic zones from February 2020 until the adoption of the law on special economic zones will maintain their privileges. According to the current law, these entrepreneurs are exempted from property, land and water taxes for up to 10 years based on the amount of investment. Now, profit tax will be added to these benefits, and companies will have about 300 billion soums per year at their disposal. In conclusion, since the first days of our country's independence, effective reforms have been carried out to improve tax administration, create favorable conditions for the formation and development of entrepreneurship on a large scale in our society. It is noteworthy that a number of regulatory documents, laws, by-laws related to business activities have been adopted, and their legal guarantees are being strengthened more and more.

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