

On The Description Of Elements Of Land Tax From Individuals

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Abstract – In the article, at the current stage of economic liberalization and modernization in the Republic of Uzbekistan, the description of the elements of the land tax collected from individuals based on the current tax legislation, the necessity and importance of their improvement, the characteristics and problems of the present time from the point of view of the rapid measures for the effective use of land resources of the state are considered.

Keywords – *Land Resources, Agricultural Land, Non-Agricultural Land, Tax, Land Tax, Land Tax From Individuals.*

I. INTRODUCTION

In the world, land tax is applied in more than 130 countries of the world and is considered an important factor in the formation of local budget revenues. A number of effective measures are being implemented to achieve effective use of land resources by land owners and their users, and to increase the share of land tax revenue in local budgets. Property taxes make up 40 percent of local budget revenues in Canada, 30 percent in Great Britain, and 20 percent in France[1]. "Property taxes as the main source of income for local budgets, in countries such as France, Sweden, the USA, high priority is given to issues of taxation of real estate objects, and in countries such as Germany, Canada, the Netherlands, Denmark, to issues of effective taxation of land areas" [2].

In many scientific studies aimed at improving land tax calculation and collection mechanisms in world practice, simplification of tax calculation and collection mechanisms was achieved with the introduction of real estate tax through the unification of property and land taxes. However, in these studies, the characteristics of land tax calculation, the ways of rational use of real estate tax in increasing local budget revenues, and the impact of taxes on the financial activities of taxpayers are not analyzed in depth, which makes it necessary to conduct research in this regard.

The essence of the tax reforms implemented in Uzbekistan is to stimulate the effective and rational use of natural resources through taxes, to distribute the tax burden fairly among taxpayers, to transfer all categories of taxpayers to pay resource taxes, and in this regard, "in every district and city, practical measures to expand the taxation base development of measures" [3], focused on the issues of taxing land areas on a scientific basis. Currently, the issue of tax factors of effective use of land resources is defined as an important direction in the Roadmap[4] for the implementation of the Development Strategy of New Uzbekistan for 2022-2026 in 2022.

In general, increasing interest in the effective management of land resources in the taxation of natural resources on a scientific basis, increasing the weight of this tax in stabilizing the income of local budgets are problematic issues among our economists-scientists and experts in the field, and the research of these problems determines the relevance of the topic of this article.

II. LITERATURE REVIEW

In the Tax Code and other legal documents, the elements of "land tax levied on natural persons" are given in general, but the problems of these elements and the procedure for their improvement are not defined based on the new requirements of the modernization of the tax system. At the same time, we can see that there is no single approach in the economic literature in expressing the content of the land tax levied on individuals.

In general, in the economic literature on the practice of taxation and in the scientific reports of the authors, different concepts are interpreted as the content of the land tax levied on individuals (Table 1).

Table 1. Concepts interpreted in the economic literature as the content of the land tax levied on individuals¹

#	Concepts interpreted as the necessity and content of the land tax levied on individuals	Authors	Source of literature
1.	This tax is a component of the property tax as a source of income for local budgets, and their important advantage for the state is that the amount of this tax applies regardless of the influence of business operations, the state of the economy and other financial and economic factors.	Sedaev P.V.	Роль земельного налога в доходной части бюджетов муниципалитетов и пути повышения его эффективности// Современные тенденции в экономике и управлении: новый взгляд. 2014. № 24. С. 202-207
2.	Proposed the criteria for determining the optimal land tax rate and systematized its criteria	Lukyanova M.	Лукьянова М.Н. Перспективы использования земельных ресурсов в развитии муниципального образования / М.Н. Лукьянова // Современные проблемы науки и образования. 2014. № 2. С. 396-403.
3	Analyzing the trends of the fiscal tasks of the land tax, they substantiated the fact that its importance in the implementation of local budgets is increasing.	Litvinova S. Limanskaya D.	Значение земельного налога в части доходов бюджета муниципалитетов: проблемы и пути повышения его эффективности / С.А. Литвинова, Д.В. Лиманская // Актуальные проблемы современности: наука и общество. 2015. № 1 (6). С. 27-30.
4	As a type of local taxes aimed at effective use of land resources, it is a tool that serves to improve the social status of individuals.	Shlyankevich S.V.	Усиление социальной функции налогов в механизме налогообложения физических лиц. Авт-т дисс. на соиск.уч.степ.к.э.н.,М.:2012.-29с.
5	An important source of revenue for local budgets and a type of resource tax.	Zhuravleva T.A.	Значение и роль налогов с физических лиц в доходах региональных и местных бюджетов субъектов РФ // NOTA BENE (ООО "НБ-Медиа") www.nbpublish.com DOI: 10.7256/1812-8688.2016.9.19670
6	It is proposed to expand the powers of local representative bodies by	Boymurodov S.R.	Маҳаллий бюджетлар даромадларини барқарорлаштиришда ер ва мол-мулк

¹Compiled by the author based on the study of literature.

	establishing the determining tax rates based on the introduction of the fixed sum of the basic rates of land tax for land not used in agriculture, and it is proposed to calculate the tax from the normative value of land for land used in agriculture.		солиқларидан фойдаланиш самарадорлигини ошириш масалалари. Иқтисодиёт фанлари бўйича фалсафа доктори (Doctor of Philosophy) диссертацияси автореферати.Т:ТМИ,2021.-58б.
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III. ANALYSIS AND RESULTS

The legal basis of the land tax collected from individuals is reflected in the current Tax Code, Chapter 62, Articles 433-440.

A systematic representation of the elements of the land tax levied on individuals is shown in Figure 1.

Based on the research tasks set in this scientific article, we will consider the description of the elements of land tax collected from individuals based on the current tax legislation.

Taxpayers of land tax collected from natural persons are natural persons who have land plots on the basis of ownership, ownership, use or lease rights, as well as agricultural holdings, whether or not they are legal entities.

The rent paid for the land plots given on the basis of the land plot lease agreement concluded with the district (city) mayor is equal to the land tax. Tax rates, tax benefits, tax calculation and payment procedure are applied to individuals who rent land plots.

Housing, non-residential buildings and structures are transferred by inheritance together with the land tax for the land plots of which the right of ownership, ownership and use is transferred, taking into account the tax obligations of the bequeather.

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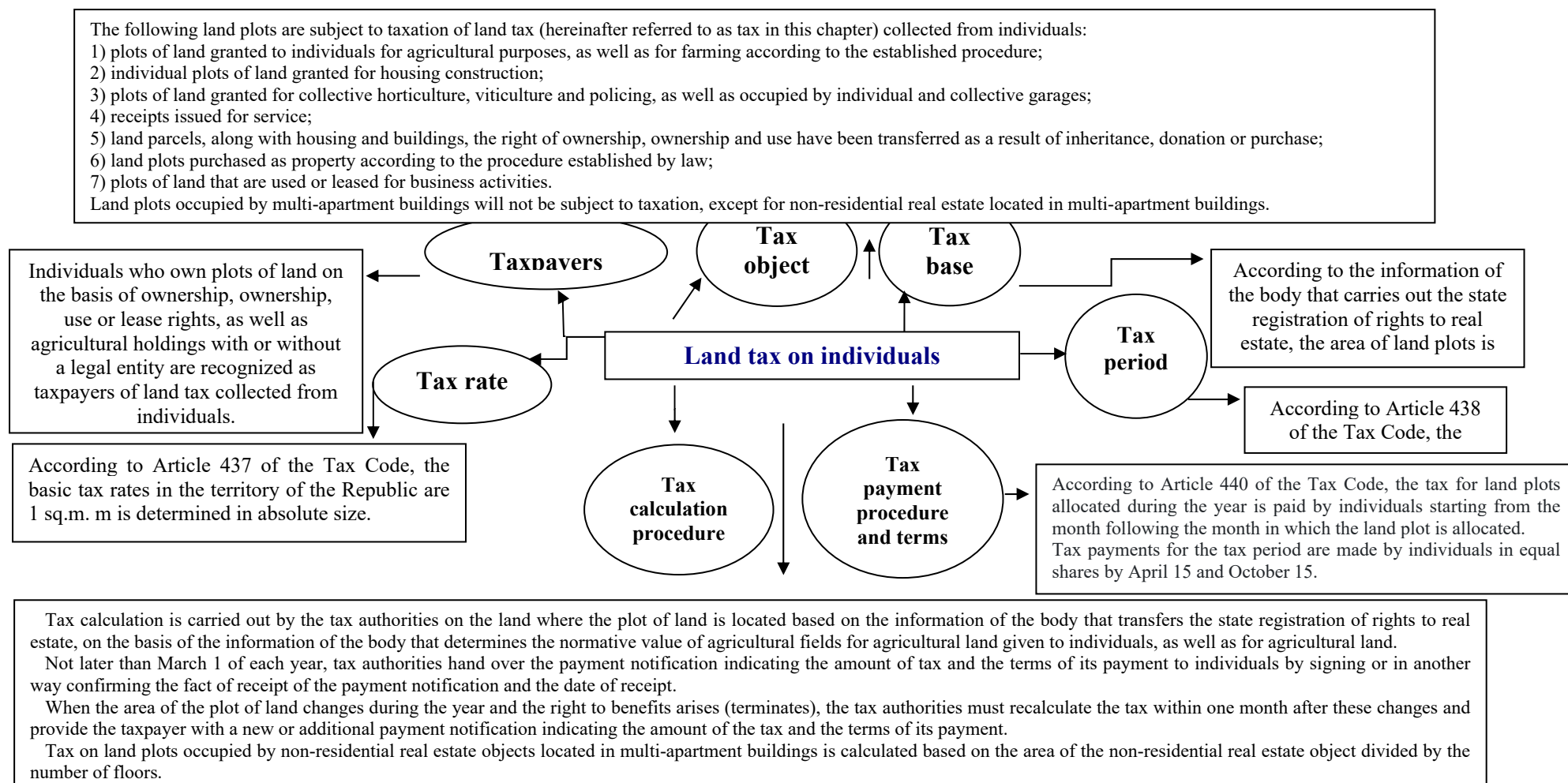


Figure 1. A systematic representation of the elements of land tax levied on individuals²

² Author's development based on the study of current tax legislation.

The following land plots are subject to taxation of land tax levied on individuals:

- 1) plots of land granted to individuals for agricultural purposes, as well as for farming according to the established procedure;
- 2) individual plots of land granted for housing construction;
- 3) plots of land granted for collective horticulture, viticulture and policing, as well as occupied by individual and collective garages;
- 4) receipts issued for service;
- 5) land parcels, along with housing and buildings, the right of ownership, ownership and use have been transferred as a result of inheritance, donation or purchase;
- 6) land plots purchased as property according to the procedure established by law;
- 7) plots of land that are used or leased for business activities.

Land plots occupied by multi-apartment houses will not be subject to taxation.

According to the information of the body that carries out the state registration of rights to real estate, the area of land plots is the tax base.

The tax base for agricultural land granted to individuals, as well as for farming, is the normative value of land plots, determined in accordance with legislation, with the deduction of non-taxable agricultural land plots. In this case, the normative value of land plots is determined on average for irrigated or non-irrigated lands of the respective district (city).

The tax base for land plots given to citizens for community horticulture, viticulture and policing, as well as individual and collective garages, is determined based on the information of the management bodies of the organizations that gave these land plots.

The tax base for the land area of the check issued for the service is determined based on the information of the enterprises, institutions and organizations that have given land plots to their employees.

Tax credits for land tax collected from individuals are described in Article 436 of the current Tax Code. The following are exempt from tax:

- 1) Citizens who have been awarded the titles of "Hero of Uzbekistan", Hero of the Soviet Union, Hero of Labor, awarded with the Order of Fame of all three levels. This privilege is granted on the basis of a certificate of awarding the title "Hero of Uzbekistan", Hero of the Soviet Union and Hero of Labor notebooks, order notebook or a reference of the Department of Defense Affairs;
- 2) disabled persons and war participants, as well as persons equal to them, the scope of which is determined by legislation. This privilege is granted to other persons (participants) with disabilities on the basis of the relevant certificate of the disabled person (participant) or the certificate of the department for defense affairs or other authorized body, on the basis of the certificate of the right of the disabled person (participant) to benefits;
- 3) Persons with group I and II disabilities. This benefit is given on the basis of a pension certificate or a reference from the medical and social expert commission;
- 4) single pensioners. Pensioners who live alone or with their minor children or a disabled child in a separate house are understood as single pensioners. This privilege is given on the basis of a pension certificate or a reference book of the district (city) department of the off-budget Pension Fund under the Ministry of Finance of the Republic of Uzbekistan, as well as a reference book of citizens' self-government bodies;
- 5) families with many children who have lost their breadwinner. Families with many children in which one of the parents or one parent has died are families with many children who have lost a breadwinner for tax purposes. This privilege is given on the basis of the certificate of the district (city) department of the off-budget Pension Fund under the Ministry of Finance of the Republic of Uzbekistan;

6) Citizens receiving benefits (including temporarily sent or sent on a business trip) for participating in the elimination of the consequences of the Chernobyl NPP accident. This privilege is granted on the basis of the certificate of the medical and labor expert commission, the special certificate of a person with a disability, the certificate of the participant in the liquidation of the consequences of the accident at the Chernobyl NPP, as well as other documents issued by the competent authorities and which are the basis for granting privileges;

7) persons using renewable energy sources in residences that are completely disconnected from existing networks of energy resources - for a period of three years from the month of installation of renewable energy sources. This privilege is given on the basis of a certificate issued by energy supply organizations on the use of renewable energy sources, completely disconnected from the current networks of energy resources.

Basic tax rates in the territory of the republic are 1 square meter. per m is determined in the following amounts in absolute size (except for agricultural land plots given to individuals, as well as for farming) (see Table 2).

Table 2. Basic tax rates of land tax collected from natural persons in the territory of the republic, 1 sq. in absolute size for m [5]

Republic territories	1 sq. basic tax rate per m (in soums)
Tashkent city:	
1 zone	1408
2 zones	1194
3 zones	979
4 zones	770
5 zones	550
Republic of Karakalpakstan	286
Andijan region	352
Bukhara region	286
Jizzakh region	286
Kashkadarya region	286
Navoi region	286
Namangan region	352
Samarkand region	352
Surkhandarya region	268
Syrdarya region	226
Tashkent region	297
Fergana region	297
Khorezm region	286

he exact amount of tax rates is determined as follows:

- The Dzhokorgi Council of the Republic of Karakalpakstan and the Councils of People's Deputies of the regions determine the tax rates for non-agricultural land based on the basic tax rates, depending on their economic development in the regions and cities, using reducing and increasing coefficients from 0.5 to 2.0;

- Councils of People's Deputies of districts and cities shall introduce the reducing and increasing coefficients from 0.7 to 3.0 to the tax rates specified in the second paragraph of the second part of this article, and for the city of Tashkent - to the basic tax rates in the district, massif, neighborhood, street section located in their territories.

Councils of People's Deputies of districts and cities submit tax rates for the next tax period annually to the tax authorities in the location of non-agricultural land plots by December 31 of the current tax period.

The tax rate for agricultural land given to individuals, as well as for farming, is set at 0.95 percent of the normative value of agricultural arable land.

Tax from individuals and legal entities for land plots used in business activities or when houses, country yard buildings, individual garages and other buildings and structures are leased to a legal entity or an individual entrepreneur, as well as for land plots owned by individuals and occupied by real estate objects not intended for living, individuals are charged according to the tax rates set for the payment of land tax and benefits are not applied to them.

If an individual or a family enterprise uses the plot of land for the production of goods (rendering of services) while living in the house located on it, the tax is paid according to the tax rate established for individuals.

In the event that agricultural crops are not planted or beautified in the homestead part of the land plots given for individual housing construction and improvement of the residence, the tax shall be paid in triple amount.

When land plots are used without documents or in a larger volume than indicated in the documents confirming the right to the land plot, the tax rate is set at three times the established tax rates.

The fixed rate for the plots of land granted for the construction of individual housing is applied to the plots of land granted to individuals for the construction and improvement of private dwellings.

The calendar year is the tax period.

Tax calculation is carried out by the tax authorities on the land where the plot of land is located based on the information of the body that transfers the state registration of rights to real estate, on the basis of the information of the body that determines the normative value of agricultural fields for agricultural land given to individuals, as well as for agricultural land.

Not later than March 1 of each year, tax authorities hand over the payment notification indicating the amount of tax and the terms of its payment to individuals by signing or in another way confirming the fact of receipt of the payment notification and the date of receipt.

When the area of the plot of land changes during the year and the right to benefits arises (terminates), the tax authorities must recalculate the tax within one month after these changes and provide the taxpayer with a new or additional payment notification indicating the amount of the tax and the terms of its payment.

Tax on land plots occupied by non-residential real estate objects located in multi-apartment buildings is calculated based on the area of the non-residential real estate object divided by the number of floors.

The tax payment procedure for land tax collected from individuals is described in Article 440 of the current Tax Code. Tax for plots of land allocated during the year shall be paid by individuals starting from the month following the month in which the plot of land was allocated.

In case of reduction of the area of the land plot, payment of the tax shall be terminated (reduced) from the month of reduction of the land plot.

In case of tax benefits, this tax is not paid from the month in which the right to benefit arises. In case of termination of the right to tax benefits, this tax shall be paid from the month following the termination of this right.

Tax payments for the tax period are made by individuals in equal shares by April 15 and October 15.

IV. CONCLUSION

1. In the calculation of land tax based on the normative value of the land for agricultural purposes, the system of determining the basic normative value of agricultural land according to the contours was switched to the system of determining

the basic normative value of agricultural land, and with this, the system was simplified, and the fair calculation of the land tax was ensured for all taxpayers.

2. Determining a fixed amount per 1 square meter for individuals for non-agricultural land has simplified the tax calculation process for all taxpayers. On the other hand, in order to prevent a sharp increase in the tax burden, local representative bodies, that is, the Dzhekorgi Council of the Republic of Karakalpakstan and the Councils of People's Deputies of the regions, in the district and city sections, to the Councils of People's Deputies of the districts and cities, in the district, massif, neighborhood, street section located in their territories, Based on the economic potential and status of the regions, the right to independently determine the exact amount of the basic rates of land tax was given, and this, on the one hand, increases their interest in ensuring the stability of local budgets, and on the other hand, gives the opportunity to set favorable tax rates based on the social and economic situation of local taxpayers.

3. Based on the international tax practice, taxation by assessing real estate objects in amounts not less than the market value regulates the effective use of assets while increasing tax revenues to the budget. At the same time, tax administration will be simplified with the gradual introduction of real estate tax through the unification of property and land taxes.

4. The process of forming a complete cartography of all land areas on the territory of our republic has begun. Also, a unified state register of land users' taxation objects was created by carrying out a comprehensive inventory. On the other hand, in order to ensure the transparency and openness of the calculation of the available land areas in our republic, the registration of the account of land users and the land owned by them in the online system by the Cadastre Agency and the integration of this online geoportal into the National Geoinformation System ensured transparency and openness in the calculation of the available land areas in our republic.

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