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ISSUES OF IMPROVING THE PRACTICE OF RESOURCE TAXATION IN THE TAX SYSTEM OF UZBEKISTAN

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Abstract:
In recent years, countries around the world, when developing short- and long-term budget and tax policy strategies, have been paying special attention to the introduction of various mechanisms to prevent and reduce tax evasion by taxpayers. At the same time, areas have been studied, foreign experience has been studied, and scientific and practical conclusions and proposals have been formulated on its application in our country.

Keywords: Tax revenues, risk analysis, risks, efficiency, digital platform, methods and tools, advanced information and communication technologies, analysis, optimization, tax incentives, tax rate.

Introduction

In world practice, in the process of taxing resources, depending on the purpose for which they are taxed, the priority directions of the country's economy are determined, or the tactical directions of tax policy are determined based on the economic directions of the state. For example, in the USA, as a priority direction of economic policy, the issues of taxing resource taxes, like other taxes, are resolved based on the principle of "preserving the share of future generations" from the natural resources available within the country. In Russia, the main part of the country's state budget is allocated to natural resources, mainly oil and gas products, while the priority policy is considered an important factor in determining the directions of economic policy in other directions.

Analysis of literature on the topic

In his candidate dissertation on the topic “Promoting the effective use of natural resources by economic entities through taxes”, Uzbek scientist G.A. Safarov scientifically substantiated the use of incentive benefits for low-cost investments involved in the production process related to natural resources by enterprises and organizations, the use of natural resource taxes in a compacted taxation system, proposed the introduction of a mechanism for calculating and collecting land taxes from non-agricultural enterprises based on the cadastral value of the land they use, proposed a method for calculating taxes on subsoil resources, and developed scientific proposals for further improving the mechanisms for collecting this tax[1].

D. Kurbanov, in the course of his dissertation and monographic research, developed a proposal in Uzbekistan to "introduce a tax on the use of water resources in order to ensure the economical and efficient use of water resources in enterprises producing soft drinks, as well as to justify the establishment of a tax on the use of water resources for enterprises specializing in washing vehicles, and to ensure the rational and efficient use of water resources, to include business entities in the list of taxpayers for the use of water resources if their annual gross revenue exceeds 1 billion soums"[2].

A. Toshkulov developed methodological directions for determining the status of agricultural producers as taxpayers, taxation in accordance with the generally established procedure, the application of reduced tax rates for the use of water resources in order to stimulate the economic activity of agricultural enterprises, and the stimulation of newly established gardens, vineyards, and mulberry plantations through taxes[3].

Economist S. Kuznesov theoretically systematized the issues of financial support for business entities and highlighted a number of its important scientific economic research provisions as a process paradigm. In particular, he recognizes that the concept of "Financial support" is presented as a combination of monetary funds or material assets[4].

American economists Zvi Bodi and Robert Merton, having clarified the financial support system, argued that the financial support system is a set of actions and a sequence of actions taken in relation to certain objects. They recognize that the support system related to financial provision should be based on the economic essence and functions of finance as a financial category[5].

Economist S. V. Barulin considers the financial support system as a two-way process. In his opinion, the financial support system is the coordination of the optimal provision of the financial support system of individual economic agents under certain uncertainties[6].

Economist I.V. Ziyatkovsky believes that financial support as a holistic system is a system of sources and forms of financing that create a favorable environment for the financial provision of sustainable development of economic and social sectors of society[7].

T.V. Sokolskaya clarifies the system of financial support for agriculture, emphasizing that it is a system of providing agricultural business entities with fixed and circulating, private and borrowed funds, and creating favorable financial conditions to ensure sufficient production volumes [8].

Research Methodology

In the study of the foundations for improving the theoretical foundations of resource taxation, theoretical methods such as scientific abstraction, induction-deduction, as well as observation, statistical analysis, vertical and horizontal analysis and methods were widely used.

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Analysis and Results

It was found that there are certain problems in the tax system of Uzbekistan in determining the base of resource taxes, calculating them, determining resources as tax objects in the legislation and collecting them correctly from the budget. In this section of our research work, we will present our scientific observations on the problems identified by us regarding resource taxes and further improving the current taxation system, and we will try to provide their scientific basis.

One of the problems in this regard is the process associated with property resources that remain untaxed. As is known, in some cases, when tax arrears related to property tax and forecast indicators for tax revenues fail to be met, and as one of the problems that impede tax collection within the framework of tax objects that should be taxed in accordance with the legislation, there are processes associated with the non-taxation of property objects and the occurrence of tax evasion by taxpayers in this regard. In this regard, we present the essence of our scientific and practical recommendations as a solution to this problem.

As is known, in accordance with the Decree of the President of the Republic of Uzbekistan No. PF-6061 dated September 7, 2020, the State Committee of the Republic of Uzbekistan for Land Resources, Geodesy, Cartography and State Cadastre was liquidated and the Cadastral Agency under the State Tax Committee of the Republic of Uzbekistan was established. According to it, it was determined that the land balance and its reporting, the district (city) land cadastre book should be maintained only in the National Geoinformation System, a unified system of State cadastres should be formed in the National Geoinformation System, as well as the creation of a single electronic database of real estate objects and land plots. As a result, from September 2020 to the beginning of 2023, 623.5 thousand new taxpayers or 944.5 thousand real estate and land plots were taken into account, and an additional 613.3 billion soums (property and land taxes) were accrued to the budget. Based on the amendments made to Article 412 of the Tax Code by the Law of the Republic of Uzbekistan No. 741 of the Republic of Uzbekistan dated December 29, 2021, from January 1, 2022, the tax base for real estate owned by legal entities was set at the absolute minimum value per 1 sq.m (in Tashkent - 2.5 million soums, in Nukus and regional centers - 1.5 million soums, and in other cities and rural areas - 1.0 million soums).

Today, in our republic, as a result of the creation of additional conditions in the field of rational and effective use of idle production areas, measures are being taken by business entities to successfully implement many investment projects and create new jobs. However, today there are cases of irrational use of production areas, as well as evasion of the effective tax mechanism by registering unused facilities in the names of other owners.

When forming a list of unused facilities to study them, a list of existing land plots and real estate in the territory is formed based on reports submitted by taxpayers on land and property taxes, information from external sources, and information from self-

government bodies. In particular, we believe that it is necessary to pay attention to the fact that legal entities that own land have carried out turnover, enterprises with turnover less than the initial cost of the property, enterprises with turnover less than the calculated land tax, have not reduced tax arrears in the last year, have calculated salaries for 1-3 employees, have not been accepted for use for more than two years since the land was allocated for entrepreneurial activity, enterprises with land that is not operating in the taxpayer database, have paid for utilities in the area where the facility is located (electricity, gas, water), have registered as individual entrepreneurs for non-residential property owned by individuals, and have leased it through the registration program, and to form a list of enterprises based on the location and characteristics of the property and other criteria.

In the process of returning tax amounts calculated at increased rates on objects where the effective tax mechanism is applied, upon receipt of a written application from the owners of the object regarding the termination of the effective tax mechanism due to its involvement in economic activities, it is advisable to conduct a site visit, and if it is determined that the unused object has actually been put into operation and involved in economic activities, submit a conclusion to the owner of the object and the state tax service body regarding the termination of the effective tax mechanism, based on the conclusion that the unused object has been involved in economic activities, terminate the applied effective tax mechanism and make appropriate entries in the taxpayer's personal card, terminate compulsory collection measures, and return the land and property tax amounts collected for the last 12 months as a result of the application of increased rates to the owner of the object whose effective tax mechanism has been canceled based on the conclusion. If these mechanisms proposed by us are implemented, firstly, it will be possible to effectively use resources in the form of property, secondly, they will be fairly and correctly taxed, thirdly, it will serve to prevent tax evasion from property tax, and fourthly, it will have a positive impact on property tax revenues.

According to scientific conclusions based on the analysis of the practice of collecting resource taxes, today the tax system in Uzbekistan, especially the mechanisms for collecting resources, does not allow us to conclude that the goals set for taxes have been fully achieved. This is about the insufficient implementation of the tax for the use of water resources, the correct determination of the tax base for this, and the function of the tax to encourage the effective use of water resources. The biggest issue and problem here is that there are problems with ensuring the economical use of water resources and increasing the role of the tax system in this regard. According to official data, “today, as a result of systematic measures to ensure the efficient use of water resources in our country, the widespread introduction of water-saving technologies in the cultivation of agricultural crops and their support by the state, as well as improving the reclamation of irrigated lands, the area covered by water-saving technologies today is about 25 percent of the irrigated area, which will result in 3 billion soms in 2022.” cubic meters

of water were saved and 830 thousand hectares of re-cultivated areas were directed to irrigation. According to forecast data, the volume of water resources during the 2023 vegetation period is expected to be 10-15% less in the Syrdarya basin and 15-20% less in the Amu Darya basin compared to the multi-year norm".

As we have noted, the most important function of the tax on the use of water resources is to encourage consumers to use water resources efficiently and economically and to act as an effective tool. However, according to analyses, today, "due to global climate change, population growth and economic sectors, and their increasing demand for water, the shortage of water resources is increasing year by year. The average annual amount of water used is 51-53 billion cubic meters. cubic meters, including 97.2 percent from rivers and streams, 1.9 percent from collector networks, and 0.9 percent from underground, which is 20 percent less than the allocated water withdrawal limit, which is a result of the implementation of market economy principles in water management, including the gradual introduction of a system of reimbursement of part of the costs of water supply by water consumers, the allocation of funds for timely and high-quality repair and restoration of water management facilities, the introduction of digital technologies, and effective management" is demanding.

In order to address these problems and ensure the practical implementation of the tasks set by the government above, in our opinion, we consider it appropriate to implement the following, based on the analysis:

first, in one of the regions of our Republic (Kashkadarya region), implement a pilot project to digitize the management of all water access points and supply water to users, and based on its results, fundamentally revise the current mechanism for taxing water resources, while gradually introducing an approach to assessing water resources and collecting taxes based on market values;

secondly, to develop a "Concept for Keeping Accurate Accounts of Used Water Resources by Consumers", which includes mechanisms such as forming a system for keeping accurate records of used water resources by consumers, optimizing payments for water supply by agricultural producers and revising tax rates for the use of water resources, improving the financing system for special water management services, digitizing all water points within the district and city, integrating them into the "Water Accounting" automated information system, forming a balance of the volume of water delivered to the regions and distributing it among consumers, introducing a system for gradually distributing and collecting the costs of supplying water resources among consumers, introducing a mechanism for calculating taxes on the volume of water used based on water consumption standards, and introducing increasing tax rates based on the volume, periodicity, and types of crops grown by classifying consumers;

thirdly, to ensure that the "Smartwater.uz" information system, which allows online monitoring of water resources, reflects all irrigation networks and structures in electronic territories, as well as water intake points in them, to objectively collect taxes on consumed water resources, to integrate data generated as a result of digitization of

all processes on consumed water resources into the “Water Accounting” automated information system for the purpose of fairly determining the tax base;

fourthly, to improve the financing system for special services in water management, to optimize payments for water supply by agricultural producers, to revise the tax rate for the use of water resources in agriculture;

fifthly, to introduce the practice of automatically generating tax reports by tax authorities based on data provided through the “Water Accounting” IT when calculating taxes for the use of water resources used for irrigation of agricultural land, etc.

It is known that in the taxation of water resources, taxpayers who use water-saving technologies for the purpose of efficient use of water are given tax benefits. According to the forecast of some experts, by 2030 Uzbekistan may lack 7 billion cubic meters of water, and all water saving initiatives in Uzbekistan will require an investment of $ 19 billion. These figures require further expansion of incentives in the tax system of our republic for activities aimed at water-saving use through tax benefits. Based on this, in our opinion, land plots where water-saving irrigation technologies are introduced, such as sprinkler, discrete and other (including drip) irrigation, should also be exempted from tax for up to five years. At the same time, if this system (the system for introducing water-saving irrigation technologies) becomes unusable (or dismantled) within five years from the beginning of the month of its introduction, it is necessary to determine the procedure for its cancellation with the restoration of tax obligations for the entire period of application of tax incentives. It should be noted that it is of scientific and practical importance to consider the issues of taxation of water resources together with the tax administration for land tax. Based on this principle, our scientific and practical proposals below are presented in this regard. The analysis shows that, according to the current regulations, the collection of land tax by business entities from legal entities on hotels and shopping complexes with an area of over 5 thousand square meters leads to a decrease in their participation in the development of domestic and foreign tourism in our country. Based on this, we believe that it is appropriate to reduce the tax rates on the property of legal entities engaged in such activities by 90 percent, while applying this exemption to newly constructed facilities for a period of 5 years from the month of their commissioning, and to set the tax on the property of legal entities and the land tax collected from legal entities on facilities in these areas and the land plots they occupy at 1 percent of the amount calculated on these taxes. In addition, it is necessary to exempt antenna-mast metal structures in rural areas, structures installed on them and forming an integral part of them, and land plots occupied by them from property tax and land tax levied on legal entities, since the current procedure contradicts the principles of fairness of taxation. Speaking about the principle of fairness of taxation, today, in our country, in order to develop tourism in our country, in addition to applying an incentive mechanism for their taxation based on our above proposals, we consider it appropriate to cancel tax incentives for legal entities within the limits of the land occupied by resort facilities, maternity and health resorts, and rest homes located in tourist zones in order

to fairly collect land tax from certain tourist enterprises that have the opportunity to earn high profits due to favorable conditions.

One of the processes that needs to be improved in the process of collecting land tax and property tax is the tax administration process. As we know, since 2017, mechanisms have been in place to strengthen the revenue base of local budgets and their consistent financing, as well as to increase the responsibility of local khokimiyats and representative bodies in this regard, although the taxes collected from land, property and water resources that we are studying go to local budgets. However, the republican solution to the distribution of these taxes and the establishment of certain norms related to them has limited the activities of local khokimiyats in this regard, and has had a somewhat negative impact on their activities in collecting taxes to local budgets. Therefore, based on our analysis, we propose the following. That is, it is appropriate to grant local representative bodies the right to establish tax rates in districts and cities based on the established base tax rates, using reducing and increasing coefficients from 0.5 to 2.0, and to introduce reducing and increasing coefficients from 0.7 to 3.0 to the tax rates established by the Councils of People's Deputies of districts and cities, and for the city of Tashkent, to introduce reducing and increasing coefficients from 0.7 to 3.0 to the base tax rates established by the Councils of People's Deputies of districts and cities in the area of dachas, estates, neighborhoods, streets located in their territories, at the same time, to grant the Councils of districts and cities the right to establish land tax rates increased by up to 3 times for individual land plots, as well as land plots in tourist zones with an area of more than 1 hectare for use by individuals, and to establish a reduced tax rate or exemption from land tax for land plots occupied by separate sanatorium-resort facilities located in tourist zones.

Another aspect that needs to be improved in relation to resource taxes is the issue of transferring some ineffective functions of tax authorities to the private sector. The current state of the tax system and the economic content of the implementation of administrative reforms being carried out in our republic today bring these issues to the agenda.

Currently, 8.0 million tax amounts due for real estate objects and land plots owned by individuals are being issued. 1,328 employees are assigned to the organization of the distribution of payment notices and the collection of tax payments. 1 inspector is responsible for 6,038 taxpayers (up to 7 neighborhoods are assigned). If payment notices are ready by February 1, each employee will have to enter and leave 216 apartments per day by March 1 (28 days, excluding weekends), in turn, if it takes 20 minutes to enter and leave one apartment, then 72 apartments can be entered and left in 24 hours, which is physically impossible when viewed from a substantive and logical point of view.

Therefore, we consider it appropriate to introduce a procedure for involving the public in the neighborhoods in collecting property and land taxes from individuals and leaving part of the proceeds at the disposal of the neighborhoods. As a result, firstly, the

efficiency of using human resources in tax authorities and the level of service to taxpayers will increase (territorial inspectors engaged in local tax collection will be directed to provide services). Secondly, the practice of collecting local taxes directly from the interested party, spending them based on the collected funds, and reporting to taxpayers by the body that collected and used taxes will be introduced (this practice is widespread in foreign experience, and mutual trust between local authorities and citizens has been established). Today, 3.7 million individuals will have the opportunity to collect the 1,470.1 billion soums of debt from property and land taxes.

In land resource taxation, it is important to collect taxes based on the economic activities of land plots or the performance of social functions by their users. If we pay attention to this process in the tax system of Uzbekistan, it cannot be assumed that when collecting land tax, taxes are collected based on the purpose for which land plots are taxed. In particular, the determination of the tax rate and the corresponding land plot as a tax object for enterprises that serve to stabilize the ecological situation at enterprises, but also serve entrepreneurial activities, in our opinion, contradicts the fair taxation system. Based on this, we consider it necessary to exclude and not consider land plots intended for the storage and disposal of waste at enterprises and allocated for this purpose as objects of land tax. In addition, according to the above principle, it is appropriate to calculate land tax from the normative value of agricultural land for the lands of enterprises specializing in fruit and vegetable growing, occupied by such activities, as well as irrigated and non-irrigated agricultural lands of peasant farms.

Another problem in the collection of resource taxes is the impact of progressive taxation on the financial stability of individuals in the process of their effective use of property tax and land tax. Based on the analysis we have carried out in previous chapters, we consider it appropriate to suspend the procedure for calculating penalties for overdue debts on property tax and land tax from individuals, business entities with a land area of more than 25 hectares specialized for greenhouses, and individuals using land plots without documents at a threefold increased rate of land tax, and to allow farms to pay their water tax debt in equal installments over twelve months without interest, by accepting applications electronically and considering them within five days without any specified conditions. As a result, on the one hand, it will allow reducing tax debts from individuals on land and property taxes, on the other hand, it will simplify the process of collecting water tax debts from farms and increase the efficiency of tax administration.

It should be noted that the tax on the use of subsoil is relatively complex from the point of view of calculating and collecting the tax within resource taxes. Among the complexities in the mechanism of collecting this tax is that, first of all, the structural and non-profit assessment of the subsoil, which is the object of the tax, requires specific research, on the other hand, it is quite difficult to determine the tax base for this type of tax, and in order to do this correctly, it is necessary to simultaneously apply technical and geological concepts along with economic categories.

Professor G. Safarov and economist Kh. Bozorov, who conducted scientific research before us (mentioned in the first chapter), have developed a number of scientific and practical recommendations related to the calculation and collection of taxes for the use of subsoil. However, based on the analysis of the practice of collecting this tax, we can say that there are also problems in this regard that are waiting for their solution, and this is an objective natural situation. Below we will try to present the content of some of them and our scientific approach to them.

Today, when determining the tax base for the use of subsoil, different tax rates are used to collect taxes on carbonate rocks, sand-gravel mixtures, construction sands, sandstones, granites, porphyrites, shale rocks, etc. However, our analysis shows that such a system creates difficulties and confusion for both taxpayers and tax collectors, as well as for the tax administration process, despite the fact that the content and level of profitability of these natural minerals are close to each other. Based on this, in order to simplify the process of collecting this tax and increase the efficiency of tax administration, it is advisable to establish a single tax rate for carbonate rocks, sand-gravel mixtures, construction sands, sandstones, granites, porphyrites, shale rocks.

In addition, as a solution to the above problems, we consider it appropriate to determine the tax object for rare elements and rare earth elements, non-ferrous and radioactive metals and ferrous metals, for example, the volume of actual sales of extracted (extracted) metals, the volume of actual sales of metals as the tax base, and the tax base for gas condensate in a manner similar to the procedure provided for natural gas and oil.

Today, one of the most important problems or issues that need to be improved in the tax system is the process of determining the tax base based on market values. Many international financial institutions of the world (for example, the International Monetary Fund, etc.) have expressed their views on this matter. Based on this, in our opinion, it is necessary to gradually introduce a system for calculating property and land taxes based on the cadastral value of real estate objects (buildings, structures and land plots) close to the market value, and we consider it appropriate to implement it in two stages: in relation to real estate objects of the housing stock (apartments, individual houses, dachas), as well as land plots occupied by these objects, and in relation to land plots occupied by these objects, and we will try to describe this proposal on the example of a specific enterprise (see Appendix 2-3).

Most of our scientific and practical recommendations on the calculation of resource taxes, their collection to the budget and the organization of tax administration related to them, their solutions or further improvement of the current situation, which were cited above, are today reflected to a certain extent in further improving the tax system reforms in our republic or in relevant government resolutions and decrees related to the effective use of land, water and subsoil resources, and we believe that these proposals will have a positive impact on further improving the resource tax system.

Conclusions and suggestions.

In addition to the fact that the tax on the use of subsoil serves as an important factor in the organization of the economy as an economic lever for the effective use of natural resources, this tax provides an average of 9-10 percent of tax revenues in the formation of state budget revenues. However, it should also be noted that enterprises specializing in the use and consumption of subsoil, as large taxpayers, occupy high shares in the national economy of our country in terms of their share in gross domestic product and state budget revenues. From this it can be concluded that the taxation of the effective use of resources is connected with complex economic processes, and in turn, it is natural that there are certain scientific and practical problems awaiting their solution in this regard.

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