THE IMPACT OF TAX REFORMS IN UZBEKISTAN ON THE BUKHARA REGION

Sayfiddinov Doston Rustam o'g'li
PhD Researcher at Asia International University.

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Abstract. *The article examines the establishment of tax authorities in Uzbekistan following independence, the development of the legal framework governing their activities, and the gradual improvement of tax legislation. It also provides information on measures taken to generate state budget revenues, increase tax revenues of local budgets, and implement tax policy. From a historical perspective, the article explores the implementation of nationwide tax reforms in the Bukhara region, the impact of changes in tax legislation on the functioning of the regional tax system, and processes related to ensuring local budget revenues.*

Keywords: *Tax Code, local budget, tax authorities, tax administration, microfirm, small enterprises, incentive, payment rate.*

Annotatsiya. *Maqolada O'zbekiston mustaqillikka erishganidan keyingi davrda soliq organlarining tashkil etilishi, ularning faoliyatini tartibga soluvchi huquqiy asoslarning yaratilishi hamda soliq qonunchiligining bosqichma-bosqich takomillashtirilishi yoritilgan.*

Shuningdek, davlat budjeti daromadlarini shakllantirish, mahalliy budjetga soliq tushumlarini ko'paytirish va soliq siyosatini amalga oshirish borasida ko'rilgan chora-tadbirlar haqida ma'lumotlar keltirilgan. Mamlakat miqyosida olib borilgan soliq islohotlarining Buxoro viloyatida amalga oshirilishi, soliq qonunchiligidagi o'zgarishlarning hududdagi soliq tizimi faoliyatiga ta'siri hamda mahalliy budjet daromadlarini ta'minlash bilan bog'liq jarayonlar tarixiy jihatdan yoritilgan.

Kalit so'zlar: *Soliq kodeksi, mahalliy budjet, soliq organlari, soliq boshqarmasi, mikrofirma, kichik korxonalar, imtiyoz, to'lov stavkasi.*

Аннотация. *В статье рассматриваются создание налоговых органов в Узбекистане после обретения независимости, формирование правовых основ, регулирующих их деятельность, а также поэтапное совершенствование налогового законодательства. Кроме того, приводятся сведения о мерах, принятых для формирования доходов государственного бюджета, увеличения налоговых поступлений в местные бюджеты и реализации налоговой политики. С исторической точки зрения освещаются реализация общегосударственных налоговых реформ в Бухарской области, влияние изменений налогового законодательства на функционирование налоговой системы региона, а также процессы, связанные с обеспечением доходов местных бюджетов.*

Ключевые слова: *Налоговый кодекс, местный бюджет, налоговые органы, налоговое управление, микрофирма, малые предприятия, льгота, ставка платежа.*

Introduction

Following the independence of the Republic of Uzbekistan, reforms were implemented to reorganize the system of public administration and finance and to establish market economic relations in the country. During this process, ensuring state budget revenues, establishing procedures for tax collection, and organizing the activities of tax authorities became important

priorities. To this end, particular attention was paid to establishing the organizational and legal foundations of the tax system and improving tax legislation from the early years of independence.

Between 1991 and 2007, the tax system in Uzbekistan gradually developed, and the legislative framework regulating its activities was improved. In particular, the establishment of tax authorities, the adoption of the Tax Code, and the simplification of taxation procedures for small business entities were among the significant changes during this period. These reforms were aimed not only at generating state budget revenues but also at promoting entrepreneurial activity and increasing tax revenues in the regions.

These nationwide reforms were also reflected in the functioning of the tax system in the Bukhara region. Certain measures were undertaken in the region to organize the activities of tax authorities, increase local budget revenues, and expand the tax base. In this regard, a historical examination of the tax reforms implemented between 1991 and 2007 and their outcomes in the Bukhara region is of considerable importance.

Discussion and Results

Following Uzbekistan's independence, particular attention was paid not only to reorganizing the system of public administration and finance but also to establishing a new organizational structure for the tax authorities. The period from 1991 to 1997 marked the organizational formation of tax authorities in Uzbekistan and the establishment of the foundations of tax legislation in the independent state. During these years, the tax system was not yet regulated by a unified code, and tax relations were primarily governed by separate laws and resolutions.

In particular, on August 12, 1991, the Main State Tax Directorate was established under the Cabinet of Ministers of the Republic of Uzbekistan. The establishment of this directorate was one of the initial steps toward developing an independent tax system in the country. Subsequently, in accordance with the Presidential Decree of January 18, 1994, the directorate was transformed into the State Tax Committee [1].

Following the establishment of the State Tax Committee, it became necessary to regulate its activities, clearly define its responsibilities, and establish the organizational structure of its territorial divisions. Accordingly, on March 4, 1994, the Cabinet of Ministers adopted Resolution No. 114, which defined the committee's activities, main responsibilities, and organizational structure [2]. The resolution also provided for standard organizational structures for regional tax directorates, as well as district and city tax inspectorates. During this period, particular attention was paid to organizing tax authorities within a unified system not only at the national level but also at the regional, district, and city levels.

These organizational changes also directly affected the activities of tax authorities in the Bukhara region. In particular, the organizational and legal foundations were established to ensure that regional, district, and city tax authorities operated within a unified system.

During this period, tax authorities were assigned several important responsibilities. In particular, their main duties included registering business entities, monitoring the timely and full payment of taxes to the budget, and ensuring compliance with tax legislation.

As discussed above, tax relations were initially regulated by separate laws and resolutions, which were subsequently consolidated into a single legal document in the form of a code.

The first Tax Code of the Republic of Uzbekistan was adopted on April 24, 1997, and entered into force on January 1, 1998. This code consolidated the rights and obligations of taxpayers, the main types of taxes, and the rules governing tax relations.

The implementation of the Tax Code in 1998 marked the beginning of a new stage in the regulation of tax relations. During this period, alongside ensuring state budget revenues, attention was also paid to encouraging entrepreneurial activity and simplifying tax payment procedures.

In particular, on April 15, 1998, the Cabinet of Ministers adopted Resolution No. 159, which approved the procedure for applying a simplified taxation system for small enterprises.

Under this resolution, small enterprises were given the opportunity to use the simplified taxation system subject to certain conditions. This procedure provided for the payment of a unified tax instead of certain taxes and fees and was aimed at simplifying tax accounting and calculation procedures for small enterprises [3].

In subsequent years, efforts to improve taxation procedures for business entities continued.

In particular, in accordance with Presidential Decree No. PF-3620 of June 20, 2005, a unified tax payment was introduced for microfirms and small enterprises starting from July 1 of the same year. Initially, the tax rate was set at 13 percent for small enterprises operating in most sectors of the economy and 6 percent for agricultural enterprises that were not subject to the unified land tax. Tax benefits were also provided, including the right for newly established small enterprises to defer the payment of the unified tax for one year. These changes were aimed at simplifying the procedures for small business entities to fulfill their tax obligations [4].

During this period, small businesses also became one of the important sectors of the economy in the Bukhara region. According to statistical data, in 2005, approximately 20,200 small business entities operated in the region, employing 440,000 people. These figures indicate that small businesses played a significant role not only in providing employment but also in the overall economic activity of the region [5].

In subsequent years, increasing the number of small business entities and ensuring the effective utilization of existing sources of tax revenue remained pressing issues. In particular, archival records from the Bukhara region for 2007 indicate that 2,203 new microfirms and small business entities were established during the year. At the same time, out of 54.2 billion Uzbek soums in assessed taxes and fees across the region, 45.3 billion soums, or 83.6 percent, were collected by the budget. These figures demonstrate that, alongside increasing the number of business entities, ensuring the timely collection of assessed taxes remained an important priority [6].

The adoption of the new Tax Code on December 25, 2007, and its entry into force on January 1, 2008, marked an important stage in the further development of Uzbekistan's tax system [7]. The Code provided more detailed regulations concerning the fundamental principles of tax relations, the fulfillment of tax obligations, the submission of tax returns, and the implementation of tax control procedures.

During this period, the responsibilities of tax authorities extended beyond ensuring tax revenues to include taxpayer registration, maintaining records of taxable objects, and carrying out legal and administrative procedures.

A comparison of documents from 2007 and 2008 indicates that increasing local budget revenues, expanding the tax base, and utilizing existing sources of revenue remained pressing issues in the activities of regional administrative authorities.

Conclusion

In conclusion, it can be stated that the formation and improvement of Uzbekistan's tax system between 1991 and 2007 took place through several historical stages. During the early years of independence, tax authorities were established, and the legal and organizational foundations for their activities were developed. The adoption of the first Tax Code in 1997 made it possible to regulate tax relations in the country within a unified legislative framework. In subsequent years, reforms aimed at improving the tax system, simplifying tax payment procedures for business entities, and ensuring state budget revenues continued.

In the Bukhara region, changes in the tax system were also closely linked to reforms implemented at the national level. During this process, measures were undertaken to organize the activities of tax authorities, ensure budget revenues, and increase local budget revenues.

During this period, efforts to increase budget revenues were not limited to tax collection alone. Reforms were also implemented to establish new enterprises, utilize existing production capacities, and promote entrepreneurial activity. This demonstrates that changes in the tax system were closely connected with the economic development of the regions.

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