ORIGINAL ARTICLE

INTERNATIONAL JOURNAL OF ARTIFICIAL INTELLIGENCE

ISSN: 2692-515-x, Impact Factor: 9.23

American Academic publishers, volume 6, issue 01,2026

Journal: https://www.academicpublishers.org/journals/index.php/ijai

LOCAL TAXES AND FEES LEVIED ON INDIVIDUALS AND THEIR IMPROVEMENT

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Abstract. This study examines local taxes and fees levied on individuals in the Republic of Uzbekistan and explores ways to improve their administration and effectiveness. It analyzes the legal framework, calculation methods, collection and reporting procedures, and compliance mechanisms. The research evaluates the impact of these taxes and fees on individual taxpayers and regional budgets, and provides recommendations to enhance transparency, efficiency, and fairness in local tax administration.

Keywords: Local Taxes, Fees, Individual Taxpayers, Tax Administration, Compliance, Revenue Improvement, Uzbekistan

Introduction

Local taxes and fees levied on individuals are an important component of Uzbekistan's fiscal system, contributing to regional revenue and supporting local public services. These taxes may include property taxes, land use fees, advertising fees, and other locally determined levies. Proper administration and collection of these taxes are essential to ensure fairness, transparency, and efficiency.

The peculiarities of local taxation for individuals arise from differences in income sources, property ownership, and compliance capacity among taxpayers. Improving the administration of these taxes can enhance revenue collection, reduce non-compliance, and strengthen the financial capacity of local governments.

This study aims to analyze the current system of local taxes and fees imposed on individuals, identify challenges in calculation, collection, and reporting, and propose recommendations to improve the effectiveness, transparency, and fairness of local tax administration in Uzbekistan.

Literature Review

The role and administration of local taxes and fees on individuals have been widely studied due to their importance in regional budget formation and public service funding. According to Bird and Zolt (2019), effective local tax systems improve transparency, compliance, and financial sustainability at the subnational level.

In the context of Uzbekistan, several studies highlight the challenges faced by local authorities in administering taxes and fees on individuals. Karimov (2021) notes that discrepancies in income reporting, property valuation, and taxpayer awareness can reduce the efficiency of collection. Tursunov (2022) emphasizes the need for simplified procedures and clear guidance to ensure accurate calculation and reporting.

International case studies indicate that digitalization, taxpayer education, and simplified reporting methods significantly enhance compliance and efficiency in local tax administration

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(OECD, 2020). These findings suggest that a structured, transparent, and user-friendly system is essential for improving revenue collection, fairness, and public trust.

Overall, the literature confirms that optimizing local taxation mechanisms for individuals is crucial for enhancing regional revenue, supporting public services, and promoting equitable economic development.

Methodology

This study employs a qualitative and analytical approach to examine local taxes and fees levied on individuals in the Republic of Uzbekistan and explore ways to improve their administration. The research is based on a comprehensive review of the Uzbek Tax Code, regional regulations, and statistical data on individual tax compliance and revenue collection.

Comparative analysis is applied to evaluate international best practices in local taxation and identify strategies for enhancing efficiency, transparency, and taxpayer compliance. Case studies of selected regional administrations illustrate practical challenges in assessment, collection, and reporting.

Additionally, interviews with local tax officials, accountants, and individual taxpayers provide insights into procedural difficulties, common errors, and the impact of local taxes and fees on personal finances. By combining legal analysis, statistical evaluation, and practical perspectives, this study aims to propose recommendations for optimizing the administration of local taxes and fees on individuals in Uzbekistan.

Analysis and Results

The analysis of local taxes and fees levied on individuals in Uzbekistan reveals both strengths and challenges in their administration. These taxes, including property taxes, land use fees, and other local levies, contribute significantly to regional budgets and support public services such as education, healthcare, and infrastructure maintenance.

Statistical data indicate that while revenue collection from individual taxpayers is substantial, challenges remain. These include inconsistencies in property valuation, limited taxpayer awareness, errors in reporting, and delays in compliance. Such issues can reduce efficiency and limit the potential revenue from local taxation.

Comparative analysis with international practices demonstrates that countries implementing digital reporting systems, simplified calculation methods, and taxpayer education programs achieve higher compliance rates and improved administrative efficiency (OECD, 2020). Interviews with local officials and taxpayers in Uzbekistan confirm that while the legal framework is comprehensive, practical improvements such as digitalization, training, and streamlined procedures are necessary to optimize local tax administration.

Overall, the findings suggest that enhancing the administration of local taxes and fees on individuals is essential for increasing revenue, ensuring fairness, and supporting sustainable regional development.

Conclusion and Recommendations

In conclusion, local taxes and fees levied on individuals are a crucial component of Uzbekistan's regional fiscal system. They provide significant revenue for local budgets, support public services, and contribute to regional development. However, challenges such as inconsistencies in property valuation, limited taxpayer awareness, reporting errors, and procedural complexities can reduce efficiency and compliance.

To improve the administration and effectiveness of local taxes and fees on individuals, several recommendations are proposed:

1. **Digitalization of Local Tax Administration:** Implement digital systems to automate calculation, reporting, and monitoring of taxes and fees.

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2. **Simplified Calculation and Reporting Procedures:** Develop streamlined methods to reduce administrative burdens on individual taxpayers.
3. **Capacity Building and Training:** Provide training and educational resources for local tax officials and taxpayers to enhance understanding and compliance.
4. **Public Awareness Campaigns:** Increase awareness of tax obligations and the benefits of compliance among individual taxpayers.
5. **Monitoring and Feedback Mechanisms:** Establish regular monitoring and evaluation systems to ensure transparency, accuracy, and accountability in local tax collection.

By implementing these measures, Uzbekistan can optimize the administration of local taxes and fees on individuals, increase revenue collection, promote fairness, and support sustainable regional development.

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